INTERIM REPORT FOR THE SECOND QUARTER 2026

NEW WAVE GROUP AB

PERIOD 1 APRIL – 30 JUNE 2026

- Net sales increased by 13.5% and amounted to SEK 2,611 million (2,300). In local currencies, net sales increased by 14.6%.
- Operating profit amounted to SEK 295 million (241).
- Profit for the period amounted to SEK 202 million (167).
- Earnings per share amounted to SEK 1.52 (1.26).
- Cash flow from operating activities amounted to SEK 95 million (150).

PERIOD 1 JANUARY – 30 JUNE 2026

- Net sales increased by 10.2% and amounted to SEK 4,940 million (4,484). In local currencies, net sales increased by 13.9%.
- Operating profit amounted to SEK 494 million (453).
- Profit for the period amounted to SEK 330 million (311).
- Earnings per share amounted to SEK 2.49 (2.34).
- Cash flow from operating activities amounted to SEK 305 million (368).

CEO COMMENTS

Growth in both sales and earnings

Q2 was a good quarter, with growth in both sales and earnings, and it appears many markets are slowly but surely starting to recover. I believe and hope that, after several years of cautious demand in many markets, we will now begin to see better results from all the investments we have made and continue to make.

Development in Q2

Quarterly sales increased by 13.5%, or 14.6% in local currencies where organic growth in local currencies amounted to 2.2%, while the acquisition of Cotton Classics contributed an additional 12.3%, including sales of New Wave brands added after the acquisition.

The gross profit margin was strong and amounted to 50.0%. It was positively affected by refunded customs duties in the United States and by a lower share of trading operations. At the same time, it was negatively affected by Cotton Classics' lower gross margin.

Operating profit amounted to SEK 295 million, compared with SEK 241 million in the previous year, an increase of SEK 54 million or 22%. The operating margin improved to 11.3%, compared with 10.5% in the previous year. I am very pleased with this, especially considering that we continue to take significant costs for investments in IT, warehouses and other future-oriented initiatives.

Development During the First Half of the Year

Sales increased by SEK 456 million to SEK 4,940 million, corresponding to growth of 10.2%. In local currencies, total sales increased by 13.9%, of which organic growth amounted to 2.4%, and acquisitions contributed an additional 11.5%.

Operating profit amounted to SEK 494 million, compared with SEK 453 million in the previous year, an improvement of SEK 41 million. Given our continued high investment pace, I am pleased with the result.

Cash Flow and Balance Sheet

Cash flow before investments amounted to SEK 95 million in Q2 and SEK 305 million for the first half of the year. The balance sheet remains strong, and the equity ratio amounted to 51.8% as of 30 June, which I am more than satisfied with.

Continued Investments for the Future

We continue to invest continuously, despite the negative short-term impact on earnings and operating margin. At the same time, I am fully convinced that these investments will lead to continued growth and higher margins in the longer term. Our underlying profitability is very good, and we have a strong balance sheet. I also believe and hope that we will see higher organic growth in the near future.

We are now approaching the opening of our new warehouse and logistics center in Dallas, which will begin operating in October and puts us in a strong position to further increase growth in the United States. During the autumn, we will also launch Tenson in the U.S. market. In parallel, we continuously analyze both acquisition opportunities and new organic establishments. Toward the end of 2027, the pace of investment in automation of existing warehouses will decrease and move toward a more normal level.

In summary, I have strong confidence in the future!

Many thanks to all our employees, customers, shareholders and Board of Directors for a strong and successful quarter!

Torsten Jansson, CEO

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