



TCM Group A/S

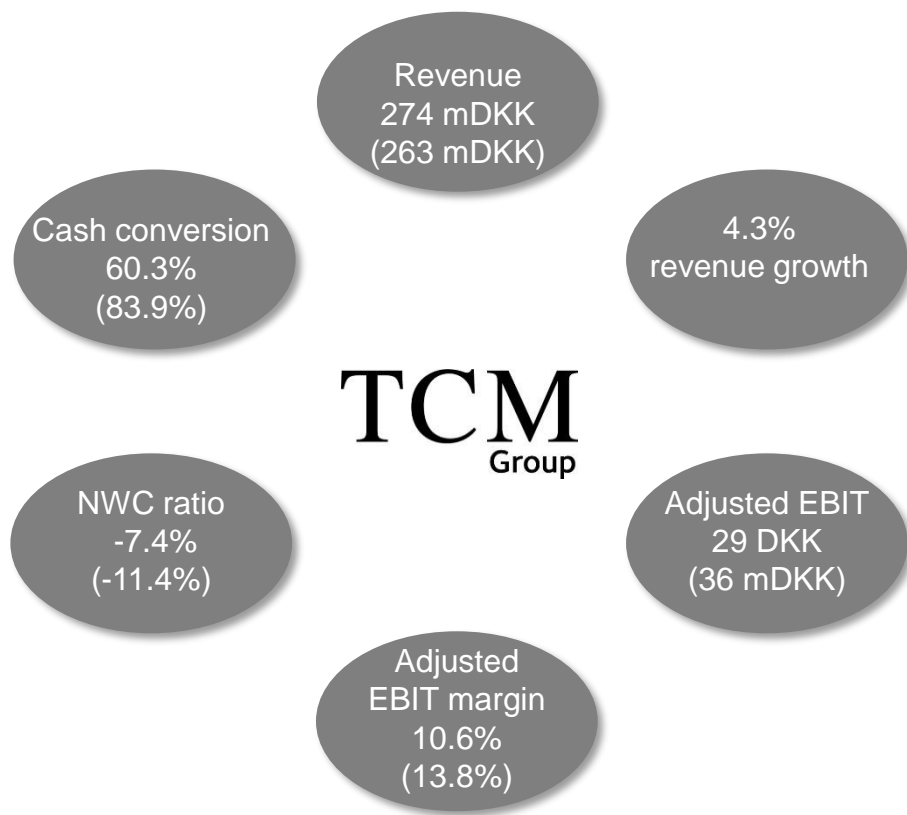
Interim Report October-December 2021

February 25, 2022

TCM
Group

- ❑ Organic like-for-like growth of 8%.
- ❑ Growth driven by all three brands with the highest growth rates within our DIY segment (Nettoline and e-commerce).
- ❑ Number of branded stores was 93 (90). New Svane store opened in Copenhagen and a Tvis Køkkener store opened in Roskilde.
- ❑ Aggravated unstable supply situation





	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net revenue (mDKK)	274	263	1,108	1,025
- Organic growth	4.3%		8.2%	

Q4 comments:

- ❑ Reported revenue growth in Denmark was +3.3% - organic like-for-like growth in Denmark was 7%.
- ❑ Growth in Denmark driven by all three brands.
- ❑ Highest growth rate was achieved within our DIY segment.
- ❑ Revenue outside Denmark increased by 16.3%, driven by growth in sales to the Norwegian market, both organic growth and growth from new stores.

3.3% growth
in DK revenue

16.3% growth
in revenue
outside DK

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net revenue (mDKK)	274	263	1,108	1,025
- <i>Gross Margin</i>	21.1%	26.8%	23.0%	26.6%
Adjusted EBIT (mDKK)	29	36	138	140
- <i>Adjusted EBIT margin</i>	10.6%	13.8%	12.4%	13.6%

Q4 comments:

- ❑ The divestment of the Svane Køkkenet store in Copenhagen to our franchisee and the merge of the e-commerce activities in kitchn.dk and Celebert had a technical negative impact on gross margin of in total 2.1%-point in the quarter.
- ❑ In addition gross margin was negatively affected by significantly increased raw material prices, the unstable supply chain situation and a change in sales of mix.
- ❑ In the fourth quarter TCM Group saw many customers postponing the delivery of high margin orders. The revenue was replaced by revenue from third party products which carried a lower margin.
- ❑ Operating expenses decreased by 5.3mDKK primarily due to the divestment of the Svane Køkkenet store in Copenhagen and the merge of the e-commerce activities in kitchn.dk and Celebert.

- ❑ Non-recurring items in the quarter:
- ❑ Covid-19 precautions and related supply chain disruptions of 6.5mDKK (3.0mDKK Q4 LY).
- ❑ Cost related to the merge of the e-commerce activities in kitchn.dk and Celebert of 2.0mDKK.



	2021 Dec	2020 Dec
Net working capital (mDKK)	-82	-117
NWC ratio	-7.4%	-11.4%
NIBD (mDKK)	200	-43
Leverage (x EBITDA)	1.33	-0.23

Q4 comments:

- ❑ Higher level of inventories was due to impact from increased raw material prices, and a management decision to establish a buffer of parts and raw materials.
- ❑ NWC impacted favourably by stimulus packages of c. 6mDKK compared to c. 15mDKK in Q4 last year.
- ❑ Change in the Danish holiday allowance obligation had a negative impact on NWC of 19mDKK compared to LY.
- ❑ NWC ratio was -7.4% compared to -11.4% in Q4 last year.
- ❑ NIBD was 200mDKK compared to -43mDKK in Q4 last year.
- ❑ Decrease in NIBD in Q4 2021 due to profit in the quarter off-set by the share buy back program.
- ❑ Leverage 1.33 (-0.23).

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit (mDKK)	21	33	138	135
Depreciation and amortization (mDKK)	4	5	17	21
Other non-cash operating items	0	0	-17	0
Change in NWC (mDKK)	33	34	-38	7
Tax a.o (mDKK)	-19	-25	-26	-31
Capex excl. acquisitions (mDKK)	-11	-17	-29	-31
Free cash flow excl. acquisitions (mDKK)	29	30	44	101
Cash conversion			58.3%	85.8%
Capex ratio			2.6%	3.0%

Q4 comments:

- Free cash flow was 29mDKK compared to 30mDKK in Q4 2020.
- Capex was lower compared with Q4 2020.
- Cash conversion in Q4 decreased compared to Q4 2020 primarily due to change in NWC.

- ❑ We will propose to the AGM an ordinary dividend distribution of DKK 6 per share.
- ❑ Excluding treasury shares this corresponds to DKK 54 million.
- ❑ Furthermore, we will propose to the AGM that a mandate is provided to the BoD with the option to distribute an extraordinary dividend during 2022 in the range DKK 25-75 million.



TCM Group

Financial outlook:

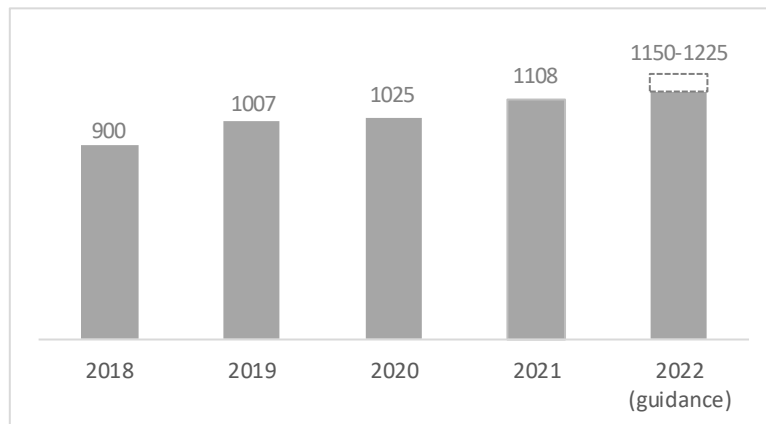
- ❑ Net revenue: 1,150-1,225mDKK, corresponding to organic growth of 4-11%.
- ❑ Adjusted EBIT: 140-170mDKK.

(EBIT excluding non-recurring items)



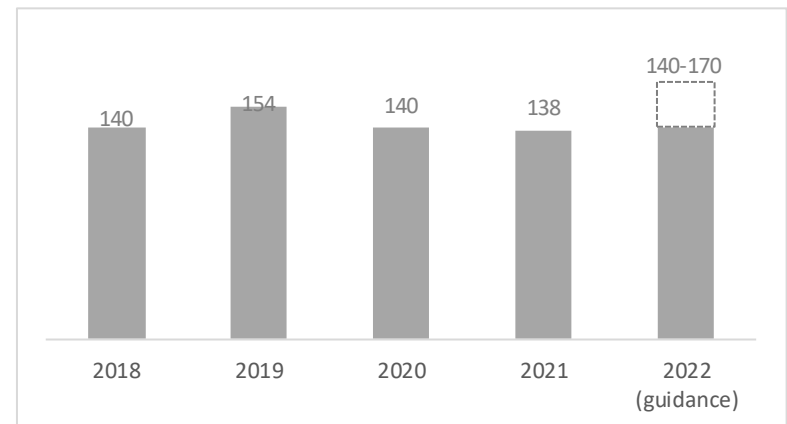
Revenue development

DKKm



Adjusted EBIT development

DKKm





Q&A

TCM
Group