



TCM Group A/S

Interim Report April-June 2021

August 20, 2021

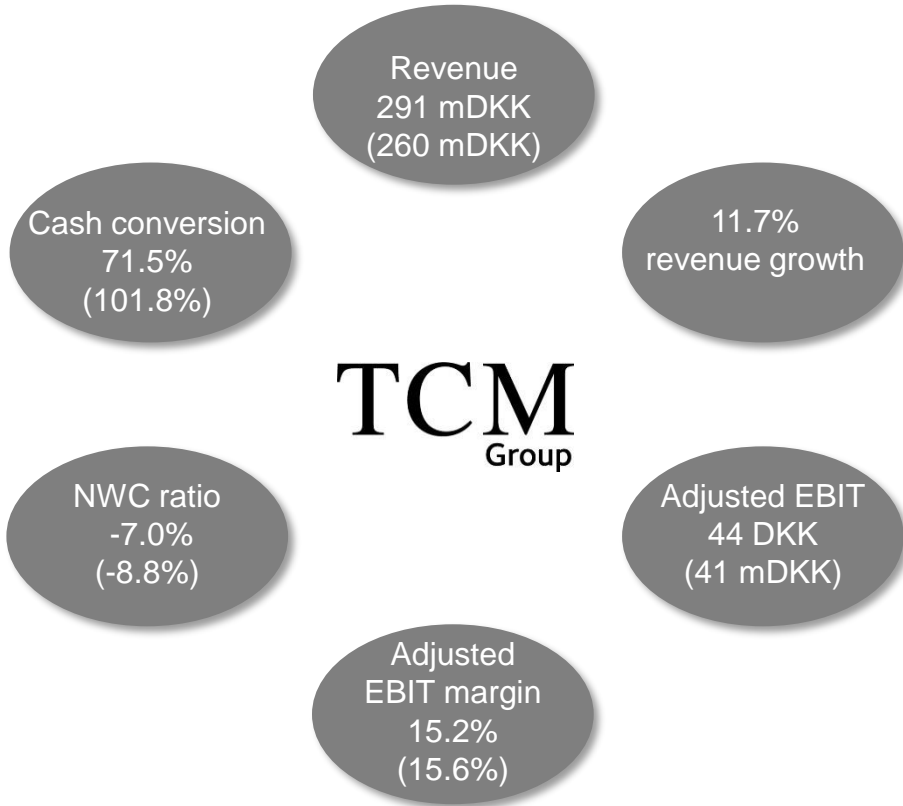
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- ❑ Organic growth of 14%.
- ❑ Growth driven by all four brands with the highest growth rates within our DIY segment (Nettoline and kitchn.dk).
- ❑ The market is characterized by continued high demand from our customers, but also with upward pressure on raw material prices, and challenges with raw material availability leading to higher costs.
- ❑ Number of branded stores was 91 (89). New Svane Køkkenet store will open in Fredrikstad, Oslo and Arendal, Norway and a Tvis Køkkener store in Roskilde.
- ❑ Continued product innovation with the launch of new colours in the Svane Køkkenet S19 range and a new design in Tvis Køkkener, combining the Momento design from 2020 and the classic M-line design.
- ❑ Intensified focus on e-commerce with the Celebert transaction.



- ❑ Following the annual general meeting on April 13, 2021, a dividend of 130mDKK was distributed
- ❑ A share buy back program of up to 150mDKK was initiated during April 2021, and will run until 11 March 2022.
- ❑ As of 30 June 2021 TCM Group has acquired shares with a total cost price of DKK 82.3 million and representing 4.9% of the original number of shares.





Q2 revenue growth driven by all brands

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun
Net revenue (mDKK)	291	260	572	514
- Organic growth	11.7%		11.2%	

Q2 comments:

- ❑ Revenue growth in Denmark was +9.7%.
- ❑ Growth in Denmark driven by all four brands.
- ❑ Highest growth rate was achieved within our DIY segment.
- ❑ Revenue outside Denmark increased by 34.6%, driven by growth in sales to the Norwegian market, both organic growth and growth from new stores, but also because Q2 2020 was a soft comparison.

9.7% growth
in DK revenue

34.6% growth
in revenue
outside DK

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun
Net revenue (mDKK)	291	260	572	514
- <i>Gross Margin</i>	25.7%	27.8%	24.6%	26.7%
Adjusted EBIT (mDKK)	44	41	77	70
- <i>Adjusted EBIT margin</i>	15.2%	15.6%	13.5%	13.7%

Q2 comments:

- ❑ The divestment of the Svane Køkkenet store in Copenhagen had a technical negative impact on gross margin of 0.6%-point in the quarter.
- ❑ In addition gross margin was negatively affected by a number of challenges faced by TCM Group due to supplier related issues with interruptions in the flow of goods (1%-point in the quarter).
- ❑ Operating expenses decreased by 1.2mDKK primarily due to the divestment of the Svane Køkkenet store in Copenhagen.
- ❑ Q2 included non-recurring items of 1.5mDKK related to Covid-19 precautions (Q2 LY 1mDKK).

	2021 Mar	2020 Mar
Net working capital (mDKK)	-76	-89
NWC ratio	-7.0%	-8.8%
NIBD (mDKK)	153	19
Leverage (x EBITDA)	0.90	0.07

Q2 comments:

- ❑ NWC impacted favourably by stimulus packages of c. 10mDKK compared to c. 25mDKK in Q2 last year.
- ❑ Higher level of inventories due to two management decisions, one, to establish a buffer of parts and raw materials, and two, to establish a finished goods inventory of standard cabinets.
- ❑ NWC ratio was -7.0% compared to -8.8% in Q2 last year.
- ❑ NIBD was 153mDKK compared to 19mDKK in Q2 last year.
- ❑ Increase in NIBD in Q2 2021 due to distribution of dividend and the implementation of a share buy back program
- ❑ Leverage 0.90 (0.07).

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun
Operating profit (mDKK)	43	40	74	69
Depreciation and amortization (mDKK)	4	5	8	11
Change in NWC (mDKK)	10	28	-38	-20
Tax a.o (mDKK)	0	0	-7	-6
Capex excl. acquisitions (mDKK)	-4	-4	-10	-8
Free cash flow excl. acquisitions (mDKK)	52	69	28	46
Cash conversion			71.5%	101.8%
Capex ratio			2.0%	1.6%

Q2 comments:

- ❑ Free cash flow was 52mDKK compared to 69mDKK in Q2 2020.
- ❑ Change in NWC in the quarter was impacted positively by the effect of the stimulus packages by c. 5mDKK compared to a positive impact in Q2 2020 of c. 25mDKK
- ❑ Capex on par with Q2 2020.
- ❑ Cash conversion in Q2 decreased compared to Q2 2020 due to reversed impact from stimulus packages.

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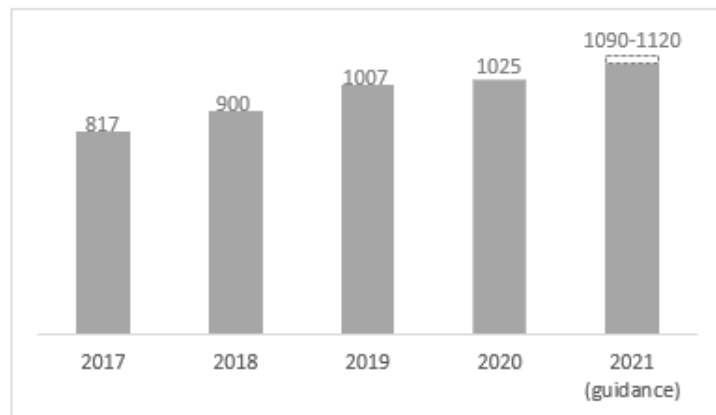
- ❑ Financial outlook revised:
- ❑ Net revenue: 1,090-1,120mDKK, corresponding to organic growth on the continuing business excluding the divestment of the Svane store in Copenhagen of 9-12%.
- ❑ Adjusted EBIT: 148-162mDKK.

(EBIT excluding non-recurring items)



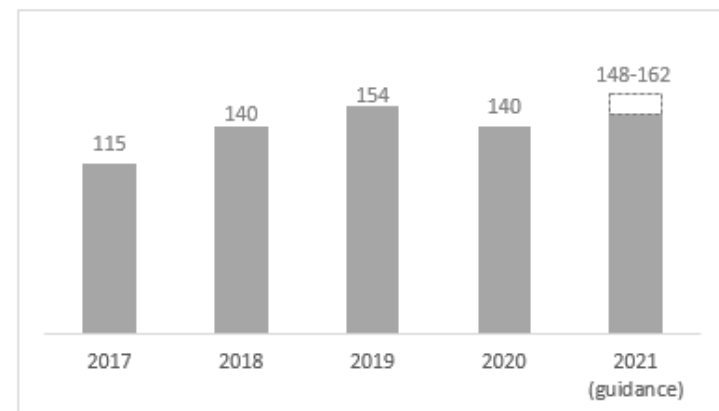
Revenue development

DKKm



Adjusted EBIT development

DKKm





Q&A

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