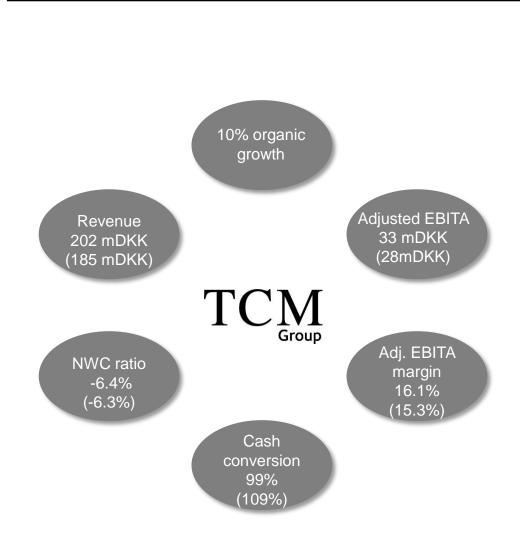


November 7, 2018

Continued strong financial performance in Q3 2018







Business review Q3 2018

- Positive Danish market development in Q3 2018, but TCM Group continued to gain market share with organic growth in Denmark of 12%
- Continued momentum regarding new branded stores in Denmark and Norway
- Strong pipeline going into Q4
- Outlook for full year 2018 unchanged
- Organisation in place



Financial highlights Q3



Q3 2018

- Net revenue 202 mDKK (185)
- □ Organic growth of 10%
- Adjusted EBITA 33 mDKK (28)
- ☐ Adjusted EBITA margin 16.1% (15.3%)

YTD Q3 2018

- ☐ Net revenue 648 mDKK (602)
- □ Organic growth of 8%
- Adjusted EBITA 102 mDKK (83)
- ☐ Adjusted EBITA margin 15.7% (13.9%)
- NWC ratio -6.4% (-6.3%)
- ☐ Cash conversion ratio 99% (109%)
- Net interest bearing debt 162 mDKK (185)





	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	
Net revenue (mDKK)	202	185	648	602	
- Organic growth	10%		8%		

Q3 comments

- Organic growth continued in Q3
- ☐ Growth in Denmark of 12% in Q3
- ☐ Growth primarily within B2B
- □ Revenue outside Denmark decreased by 12% in Q3 entirely due to lower sale of DIY kitchens

12% growth in DK in Q2

No. of branded stores to increase from 62 to 67

EBITA margin (adjusted) continued to improve



	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep
Net revenue (mDKK)	202	185	648	602
- Gross Margin	29.6%	28.5%	28.5%	27.2%
Adjusted EBITA (mDKK)	33	28	102	83
- Adj. EBITA margin	16.1%	15.3%	15.7%	13.9%
EBIT (mDKK)	31	8	94	56
- EBIT margin	15.1%	4.5%	14.5%	9.3%

Q3 comments

- Revenue growth converted to growth in EBITA
- ☐ Gross margin positively affected by a favorable sales mix compared to Q3 2017, other efficiency improvements as well as the inclusion of Svane Køkkenet Aabenraa
- ☐ Adjusted EBITA up 0.8%-point to 16.1%
- EBIT Q3 2017 affected by non-recurring costs of 18mDKK



	2018 Sep	2017 Sep
Net working capital (mDKK)	-55	-49
NWC ratio	-6.4%	-6.3%
NIBD (mDKK)	162	185
Leverage (x EBITDA)	0.96	1.36

Q3 comments

- NWC ratio on par with last year
- NIBD decreased primarily due to the positive cash flow from operating activities
- □ Solid balance sheet with a leverage at 0.96 compared to 1.36 last year

High cash conversion continued



	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep
Operating profit (mDKK)	31	8	94	56
Depreciation and amortization (mDKK)	4	11	12	20
Change in NWC (mDKK)	3	10	-26	-6
Tax a.o (mDKK)	0	1	-4	3
Capex excl. acquisitions (mDKK)	-3	-2	12	-5
Operating cash flow excl. acquisitions (mDKK)	35	28	88	69
Cash conversion			99%	109%

Q3 comments

- ☐ Profit in Q3 compared to last year impacted by revenue growth, a higher gross margin and non-recurring costs in Q3 last year
- □ Depreciations Q3 last year included a non-recurring impairment of 7mDKK.
- ☐ Though NWC continues to improve compared to last year, the change compared to last year has an adverse impact on cash flow both in Q3 and YTD
- □ Free cash flow excl. acquisitions was 35mDKK compared to 28mDKK Q3 last year
- ☐ Cash conversion continues to be high around 100%

Financial outlook 2018 is unchanged compared to increased outlook after Q2



TCM Group

- ☐ Net revenue: 890-910 mDKK (unchanged)
- ☐ Adjusted EBITA: 140-150mDKK (unchanged)
- EBIT: 130-140mDKK (unchanged)
- □ 40-60% dividend pay-out ratio from financial year 2018, depending on possible acquisitions
- Leverage ratio depending on possible acquisitions but we expect to maintain the current NWC performance and capex of 1-2% of revenue



