TCM Group A/S
Interim Report July - September 2024
November 22, 2024

Business update Q3 2024

TCM Group

- Organic revenue growth of 7% supported by strong growth in B2C sales.
- Revenue in Q3 of DKK 278 million vs. DKK 259 million last year.
- Total order-intake in Denmark down by 5% due to the slowdown in B2B-projects.
- Gross margin improvement on LY Q3, up from 17.7% to 20.3%.
- Two Nettoline store openings in Denmark in Q3.

The B2C market is in good shape while the B2B market is challenged

TCM Group

- Order intake from B2C slowed down during the summer months, largely flat on Q3 last year.
- B2C **revenue** up 20% y-o-y in Q3.
- B2C orders generally have a higher average sales prices and thus more profitable than B2B orders (on average).
- B2B sales under pressure primarily due to the continued weak project market.
- Project sales are expected to continue to decline in Q4 2024
- It should be noted that when the project market start to recover, we will be well into 2025 before kitchen deliveries starts to ramp up.

Q3: Organic sales growth and improved earnings

Revenue
278 mDKK
(259 mDKK)

7%
Organic growth
y-o-y

Adjusted EBIT
17 mDKK
(3 mDKK)

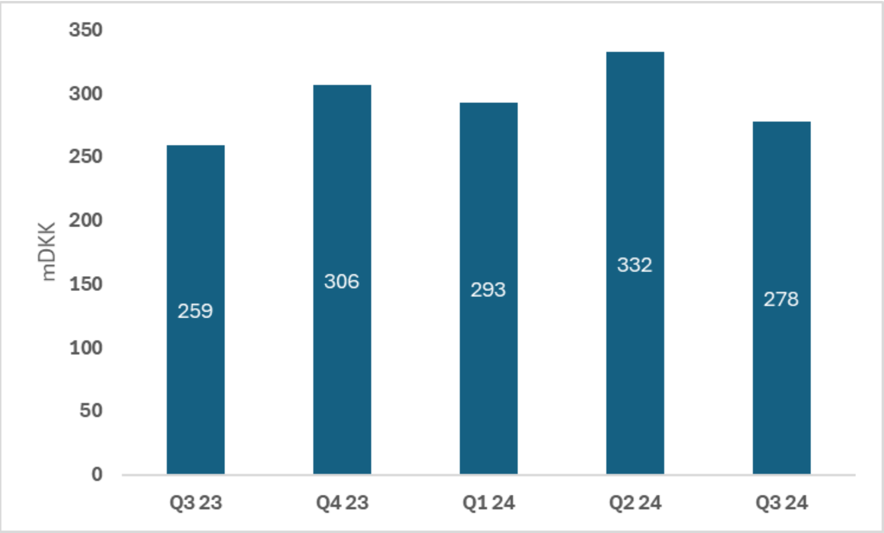
Adjusted
EBIT margin
6.0%
(1.0%)

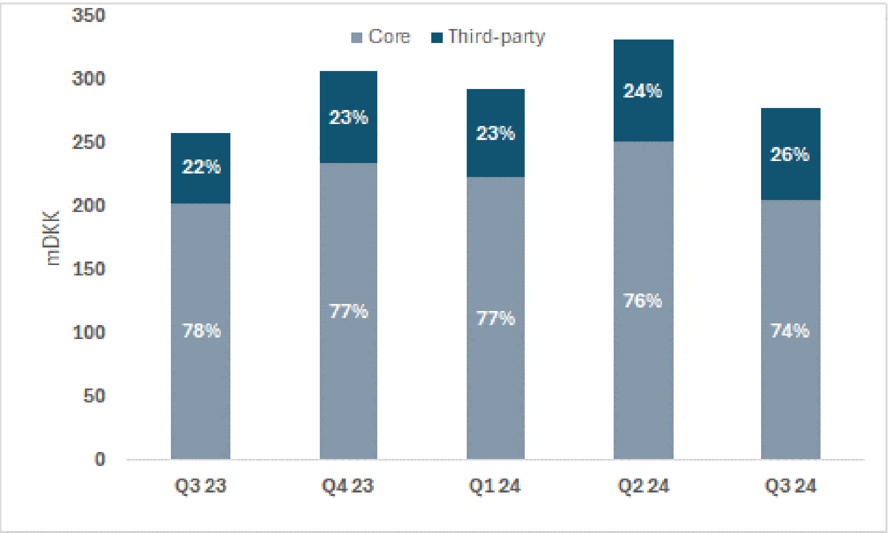
NWC ratio
-0.1%
(3.8%)

Cash conversion
120.6%
(13.2%)

Q3: Revenue development

Revenue development



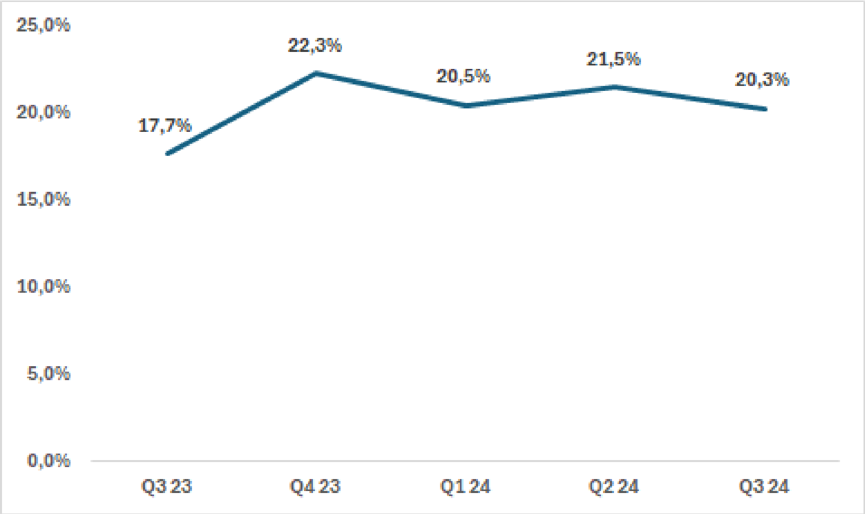


Q3 comments:

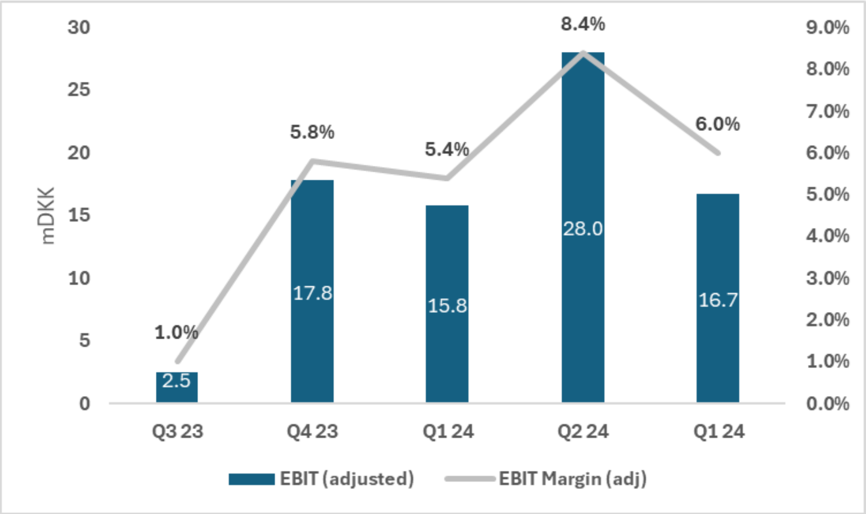
- ❑ Organic revenue increase of 7.4% despite a decline in B2B-sales.
- ❑ Organic revenue growth in Denmark of 10.5%.
- ❑ Revenue in Norway decreased by 4.4% under very difficult trading conditions.
- ❑ Increasing share of lower-margin third-party sales

Income statement highlights

Gross margin



EBIT and EBIT margin



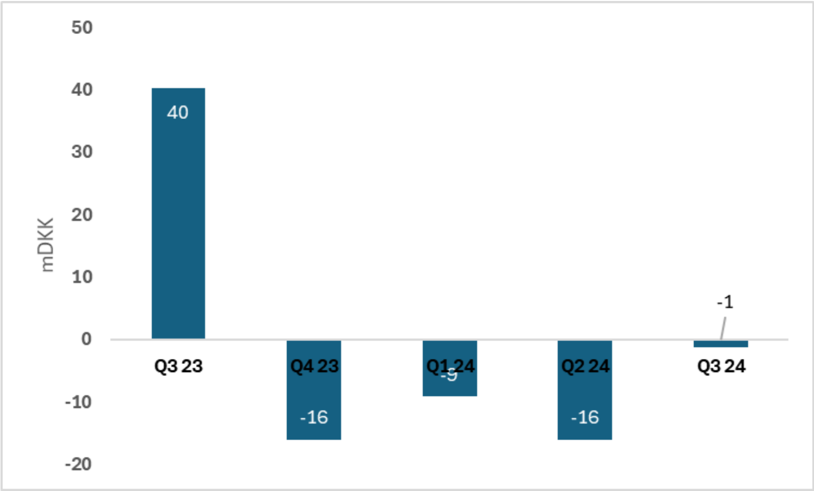
Q3 comments:

- Gross margin significantly improved: 20.3% up from 17.7% in Q3 LY
    - Gross margin normalization after last years downward correction.
    - Sales mix as more profitable B2C sales took a bigger share of sales.
    - Increasing share of third-party products dilutes margin.

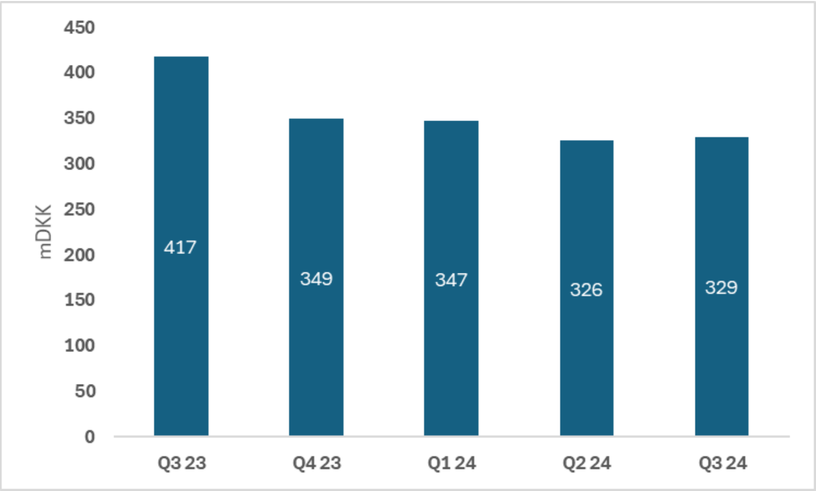
- Reported EBIT-margin increased from 1.0% in Q3 LY to 6.0%.

Net working capital and NIBD

Net working capital



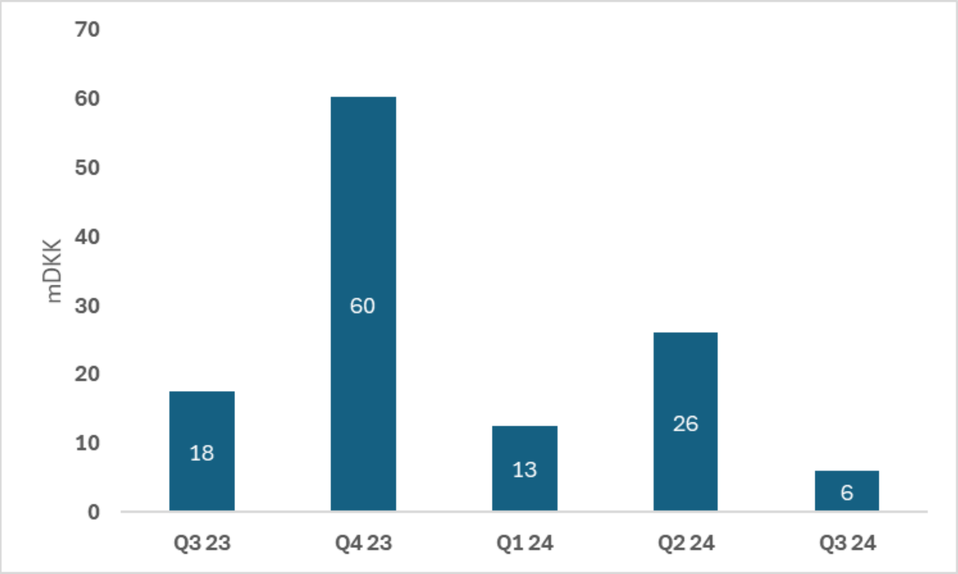
Net interest-bearing debt



Q3 comments:

- ❑ NWC ratio -0.1% compared to 3.8% LY
- ❑ Inventories as percentage of sales reduced from 36% to 32%.
- ❑ NIBD reduced from DKK 417m to DKK 329m.
- ❑ Leverage ratio of 2.78 (5.21 Q3 LY), well within covenants

Free cash-flow



Q3 comments:

- Free cash flow was DKK 6m compared to DKK 18m in Q3 LY.
- Capex ratio was 0.6% of revenue compared to 1.8% in Q3 LY.
- Cash conversion (LTM) of 121%, supported by the positive development in NWC in recent quarters.

Financial outlook 2024

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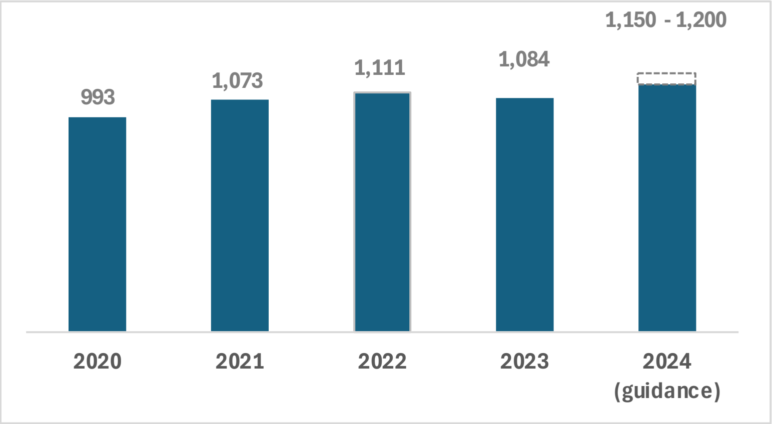
Financial outlook:

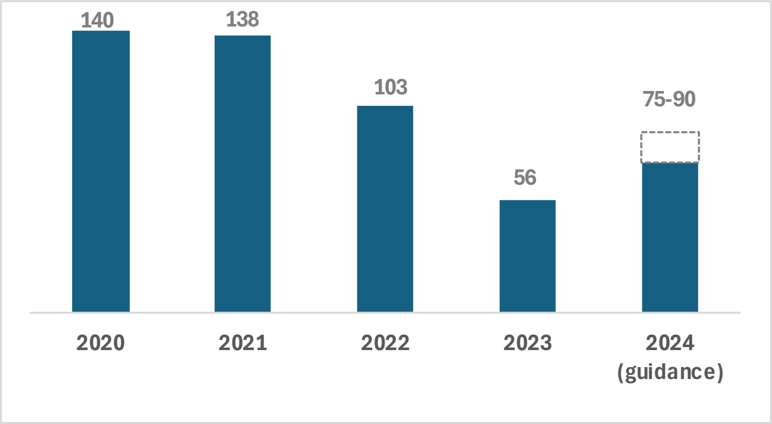
- Net revenue: DKK 1,150-1,200 million (previously DKK 1,125-1,200 million)
- Adjusted EBIT: DKK 75-90 million (previously DKK 70-90 million)
- Adjusted EBIT includes an expected positive effect from adjustment of contingent payment obligations related to the AUBO acquisition in the range of DKK 8-10 million.

(EBIT excluding non-recurring items)

Revenue development
DKKm



Adjusted EBIT development
DKKm



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Q&A