



TCM Group A/S
Interim Report April-June 2023
August 18, 2023

- ❑ Sales development in line with our expectations
- ❑ Sales decreased by 19% y-o-y, and with a modest decline of 3.5% on Q1
- ❑ B2C sales remained weak in the quarter, increasing the relative share of B2B sales.
- ❑ Gross margin improvement on Q1, up from 18.5% to 20.0%
- ❑ Production capacity adjusted to reflect current market situation
- ❑ Continued demand uncertainty in the market
- ❑ Number of branded stores was 91 (94)
- ❑ Strategic acquisition of AUBO announced
- ❑ Strong shareholder support through rights issue providing DKK 77m in new equity



Revenue
264 mDKK
(325 mDKK)

Cash conversion
56.1%
(49.5%)

19%
revenue decline
y-o-y

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NWC ratio
-1.1%
(-2.6%)

Adjusted EBIT
22 mDKK
(39 mDKK)

Adjusted
EBIT margin
8.4%
(12.0%)



	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Net revenue (mDKK)	264	325	538	606
- Revenue decline	-18.7%		-11.3%	

Q2 comments:

- ❑ Reported revenue in Denmark decreased by 16.8% y-o-y
- ❑ Revenue outside Denmark decreased by 34.3%. Measured in local currency sales to Norway decreased by 28.7%.

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Net revenue (mDKK)	264	325	538	606
- <i>Gross Margin</i>	20.0%	21.3%	19.3%	21.3%
Adjusted EBIT (mDKK)	22	39	35	65
- <i>Adjusted EBIT margin</i>	8.4%	12.0%	6.6%	10.7%

Q2 comments:

- ❑ Increasing share of low margin B2B project sales dilutes the gross margin y-o-y.
- ❑ Negative impact from higher input cost, which despite being mitigated by sales price increases dilutes the margin.
- ❑ Continued negative impact from increasing energy and transportation cost.
- ❑ Margin improvement compared to Q1 as result of higher average prices and cost reduction initiatives.
- ❑ Flat operating expenses despite cost for dealership restructurings of DKK 2.4 million.

	2023 Jun	2022 Jun
Net working capital (mDKK)	-12	-29
NWC ratio	-1.1%	-2.6%
NIBD (mDKK)	259	333
Leverage (incl. IFRS 16)	2.80	2.35

Q2 comments:

- ❑ Increase in NWC compared to Q2 LY primarily due to lower trade and other payables.
- ❑ Inventories largely stable in the quarter but reduced by DKK 8m compared to LY.
- ❑ Rights issue in June reduced NIBD with DKK 77m.
- ❑ NIBD excluding liabilities related to IFRS 16 was DKK 193m compared to DKK 263m LY.
- ❑ Leverage ratio was 2.80 (2.35).

	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Operating profit (mDKK)	20	43	31	63
Depreciation and amortization (mDKK)	5	4	10	9
Other non-cash operating items	0	0	0	0
Change in NWC (mDKK)	-14	-15	-48	-58
Tax a.o (mDKK)	0	0	-11	-7
Capex excl. acquisitions, net (mDKK)	-13	-6	-19	-13
Free cash flow excl. acquisitions (mDKK)	-2	26	-37	-6
Cash conversion	56.1%	49.5%	56.1%	49.5%
Capex ratio	2.2%	1.0%	1.6%	1.4%

Q2 comments:

- ❑ Free cash flow was DKK -2m compared to DKK 26m in Q2 LY.
- ❑ Development primarily driven by the lower earnings.
- ❑ Capex ratio was 2.2% of revenue compared to 1.0% LY.
- ❑ Cash conversion LTM Q2 of 56%.

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Financial outlook on earnings adjusted:

☐ Net revenue: DKK 1,050-1,125 (previously DKK 1,050-1,175)

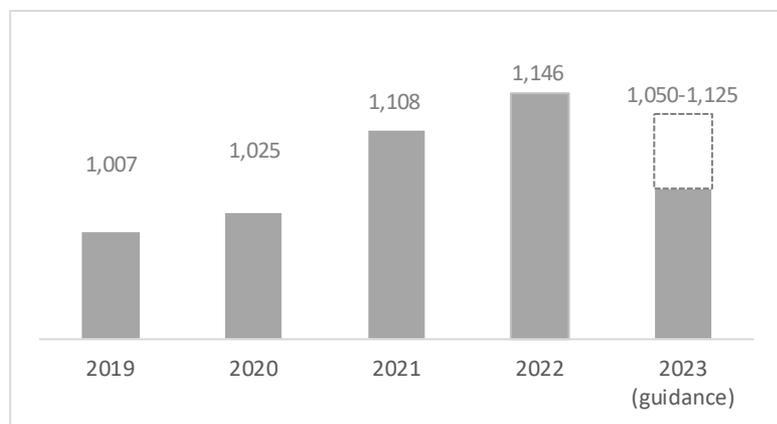
☐ EBIT: DKK 68-90m (previously DKK 68-102m)

(EBIT excluding non-recurring items)



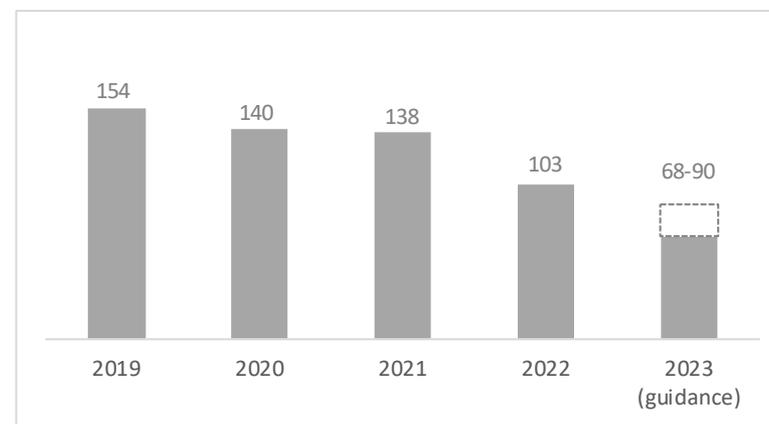
Revenue development

DKKm



Adjusted EBIT development

DKKm



Q&A

