

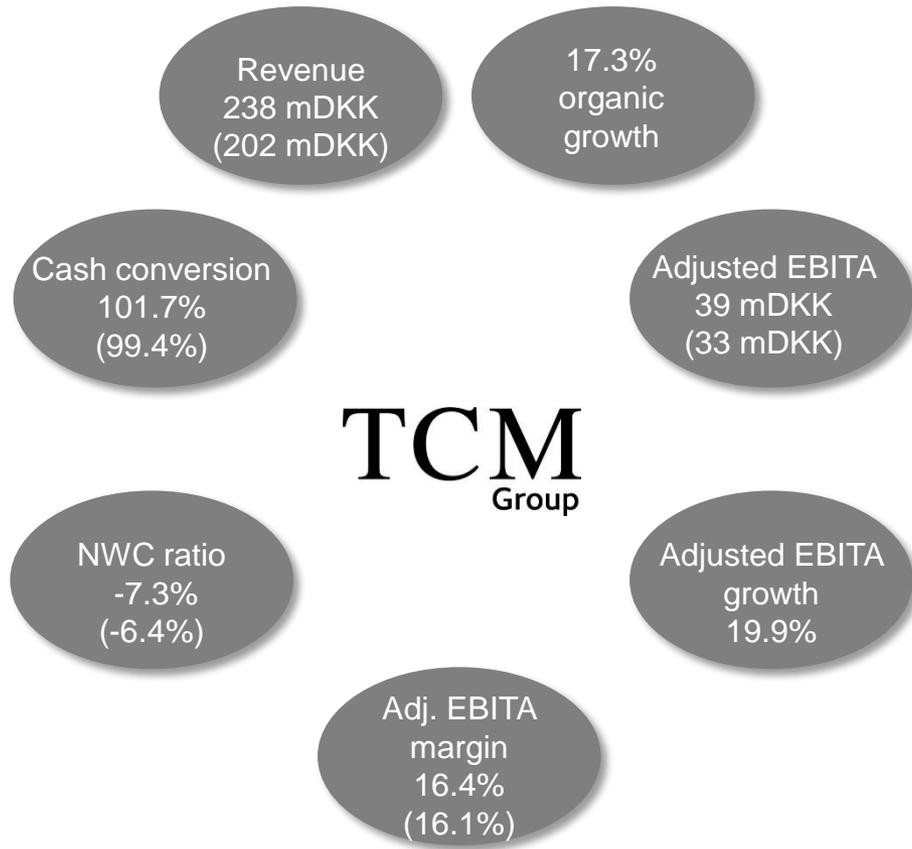


**TCM Group A/S**

**Interim Report July-September 2019**

November 6, 2019

# Continued strong revenue growth in Q3 - with 17.3% organic revenue growth



- ❑ Positive Danish market development in 2019 of 1-2% and TCM Group continued to gain market share with organic growth in Denmark of 19%
- ❑ Growth primarily driven by B2B through the branded stores in Denmark
- ❑ Production setback following a lightning strike with non-recurring impact in Q3. Production back to normal at the end of October.
- ❑ Number of branded stores increased to 67 (62)
- ❑ Full-year guidance reiterated



## Q3 2019

- ❑ Net revenue 238 mDKK (202)
- ❑ Organic growth of 17.3%
  
- ❑ Adjusted EBITA 39 mDKK (33) – up 19.9%
- ❑ Adjusted EBITA margin 16.4% (16.1%)
- ❑ EBIT 34 mDKK (31) – up 11.3%
- ❑ EBIT margin 14.4% (15.1%)



## YTD Q3 2019

- ❑ Net revenue 745 mDKK (648)
- ❑ Organic growth of 15.0%
  
- ❑ Adjusted EBITA 116 mDKK (102) – up 14.1%
- ❑ Adjusted EBITA margin 15.5% (15.7%)
- ❑ EBIT 107 mDKK (94) – up 14.2%
- ❑ EBIT margin 14.4% (14.5%)



	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep
Net revenue (mDKK)	238	202	745	648
- Organic growth	17.3%		15.0%	

## Q3 comments

- ❑ Strong organic growth in DK +18.9%
- ❑ Growth driven by B2B and a higher share of revenue from 3rd party products
- ❑ Revenue outside Denmark increased by 0.3%



18.9% growth in  
DK revenue



0.3% increase in  
revenue outside  
DK

	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep
Net revenue (mDKK)	238	202	745	648
- <i>Gross Margin</i>	28.1%	29.6%	27.4%	28.5%
Adjusted EBITA (mDKK)	39	33	116	102
- <i>Adj. EBITA margin</i>	16.4%	16.1%	15.5%	15.7%
EBIT (mDKK)	34	31	107	94
- <i>EBIT margin</i>	14.4%	15.1%	14.4%	14.5%

## Q3 comments

- Revenue growth converted to growth in EBITA
- Gross margin negatively affected by sales mix partly offset by a lower cost ratio
- Lower cost ratio due to increased leverage
- EBIT in Q3 2019 impacted by non-recurring costs of 3mDKK

	2019 Sep	2018 Sep
Net working capital (mDKK)	-73	-55
NWC ratio	-7.3%	-6.4%
NIBD (mDKK)	119	162
Leverage (x EBITDA)	0.6	1.0

### Q3 comments

- ❑ NWC ratio improved compared to last year driven by lower trade receivables
- ❑ NIBD decreased by 32mDKK during Q3.
- ❑ At the end of Q3 NIBD was impacted by 42mDKK due to implementation of IFRS 16
- ❑ Solid balance sheet with a leverage at 0.6 compared to 1.0 last year

	2019 Jul-Sep	2018 Jul-Sep	2019 Jan-Sep	2018 Jan-Sep
Operating profit (mDKK)	34	31	107	94
Depreciation and amortization (mDKK)	6	4	16	12
Change in NWC (mDKK)	4	3	-22	-26
Tax a.o (mDKK)	0	0	-5	-4
Capex excl. acquisitions (mDKK)	-4	-3	-9	12
Operating cash flow excl. acquisitions (mDKK)	40	35	88	88
Cash conversion			101.7%	99.4%

## Q3 comments

- ❑ Profit increased compared to last year primarily driven by revenue growth
- ❑ Higher depreciations primarily due to the implementation of IFRS 16
- ❑ Change in NWC in the quarter had a positive cash flow of 4mDKK
- ❑ Slightly higher capex compared to Q3 2018
- ❑ Free cash flow excl. acquisitions was 40mDKK compared to 35mDKK Q3 2018
- ❑ Cash conversion continues to be above 100%

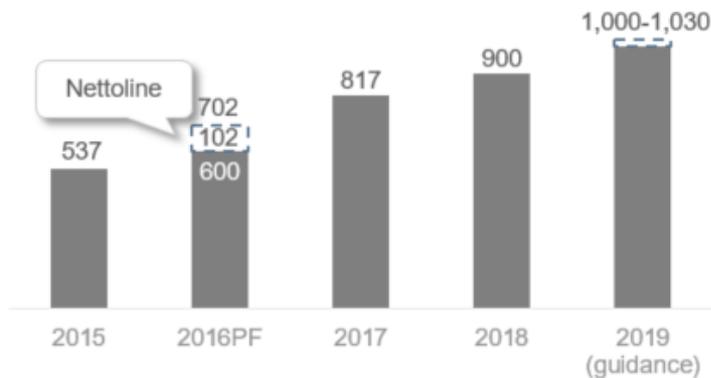
## TCM Group

- ❑ Full-year guidance for 2019 is reiterated:
- ❑ Net revenue: 1,000-1,030mDKK corresponding to growth of 11-14%
- ❑ Adjusted EBITA: 160-170mDKK (growth of 8-15%)
- ❑ EBIT: 150-160mDKK (growth of 9-16%)



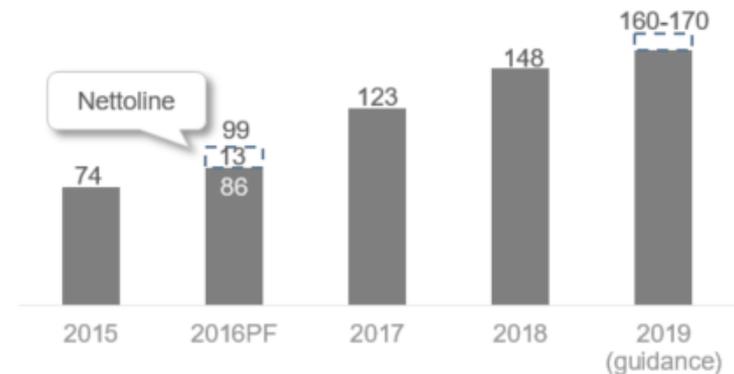
## Revenue development

DKKm



## Adjusted EBITA development

DKKm





Q&A