



TCM Group A/S

Interim Report January-March 2021

May 19, 2021

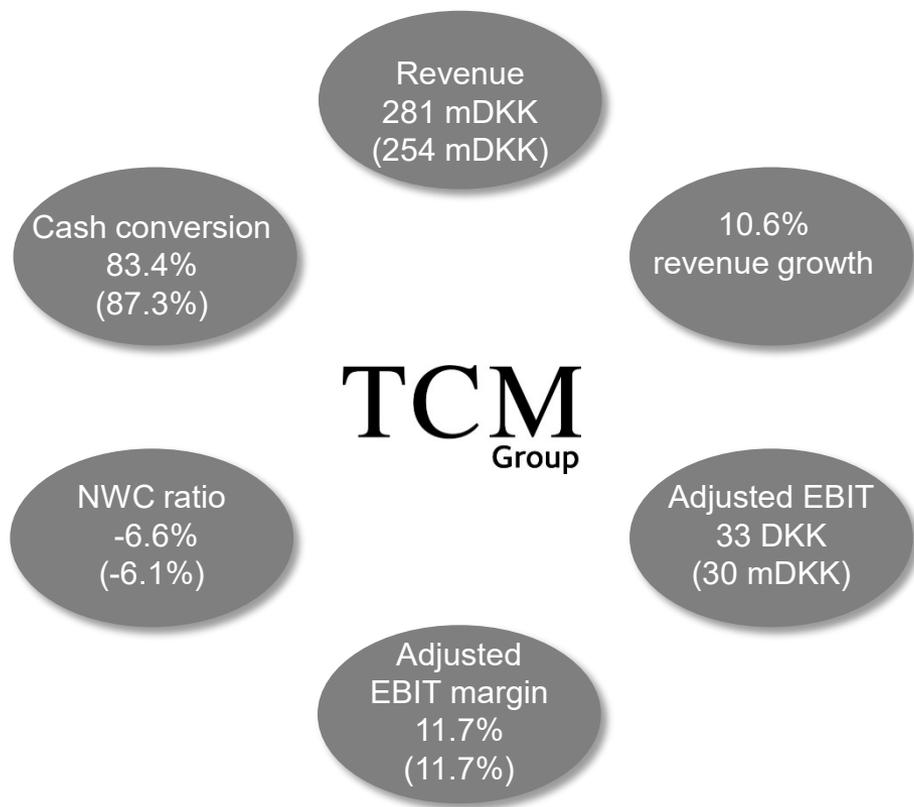
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- ❑ Organic growth of 13%.
- ❑ Growth driven by all four brands with the highest growth rates within our DIY segment (Nettoline and kitchn.dk) and a higher share of revenue from third party products.
- ❑ The market is characterized by pressure on raw material prices and availability combined with general market uncertainties.
- ❑ Number of branded stores was 91 (88). New Svane Køkkenet store will open in Q4 2021 in Arendal, Norway.
- ❑ 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.



- ❑ At the annual general meeting on April 13, 2021 the following was approved:
- ❑ Ordinary dividend of DKK 5.50 per share (totaling DKK 55m) corresponding to 54% of Net profit.
- ❑ Extraordinary dividend of DKK 7.50 per share (totaling DKK 75m).
- ❑ Initiation of a share buy back program of up to DKK 150 million.





	2021 Jan-Mar	2020 Jan-Mar
Net revenue (mDKK)	281	254
- Revenue growth	10.6%	

## Q1 comments:

- ❑ Revenue growth in Denmark was +11.5%.
- ❑ Growth in Denmark driven by all four brands.
- ❑ Highest growth rate was achieved within our DIY segment and within revenue from third party products.
- ❑ Revenue outside Denmark increased by 2.4%, driven by growth in sales to the Norwegian market.



11.5% growth  
in DK revenue



2.4% increase  
in revenue  
outside DK

	2021 Jan-Mar	2020 Jan-Mar
Net revenue (mDKK)	281	254
- <i>Gross Margin</i>	23.5%	25.7%
Adjusted EBIT (mDKK)	33	30
- <i>Adjusted EBIT margin</i>	11.7%	11.7%

## Q1 comments:

- ❑ The divestment of the Svane Køkkenet store in Copenhagen had a technical negative impact on gross margin of 0.8%-point in the quarter.
- ❑ In addition gross margin was negatively impacted by a higher share of revenue from third party products, and additional costs in our supply chain related to the replacement of our main automatised board cutting and stacking solution.
- ❑ Operating expenses decreased by 2.5mDKK primarily due to the divestment of the Svane Køkkenet store in Copenhagen partly offset by higher marketing costs.
- ❑ Q1 included non-recurring items of 1.3mDKK related to Covid-19 precautions, restructuring costs and a gain related to the divestment of the Svane Køkkenet store in Copenhagen.

	2021 Mar	2020 Mar
Net working capital (mDKK)	-69	-61
NWC ratio	-6.6%	-6.1%
NIBD (mDKK)	-14	77
Leverage (x EBITDA)	-0.09	0.44

## Q1 comments:

- ❑ NWC impacted favourably by stimulus packages of c. 5mDKK.
- ❑ Higher level of inventories due to increased buffer level to ensure high delivery assurance and finished goods inventory to increase capacity during high season.
- ❑ NWC ratio was -6.6% compared to -6.1% in Q1 last year.
- ❑ NIBD was -14mDKK compared to 77mDKK in Q1 last year.
- ❑ Leverage -0.09 (0.44).

	2021 Jan-Mar	2020 Jan-Mar
Operating profit (mDKK)	32	30
Depreciation and amortization (mDKK)	5	5
Change in NWC (mDKK)	-51	-48
Tax a.o (mDKK)	-7	-6
Capex excl. acquisitions (mDKK)	-8	-4
Free cash flow excl. acquisitions (mDKK)	-25	-22
Cash conversion ratio	83.4%	87.3%
Capex ratio	2.8%	1.6%

## Q1 comments:

- ❑ Free cash flow was -25mDKK compared to -22mDKK in Q1 2020.
- ❑ Change in NWC in the quarter was negatively impacted by the reversed effect of the stimulus packages by c. 10mDKK.
- ❑ Capex was 4mDKK higher than Q1 2020.
- ❑ Cash conversion in Q1 decreased compared to Q1 2020 due to higher capex.

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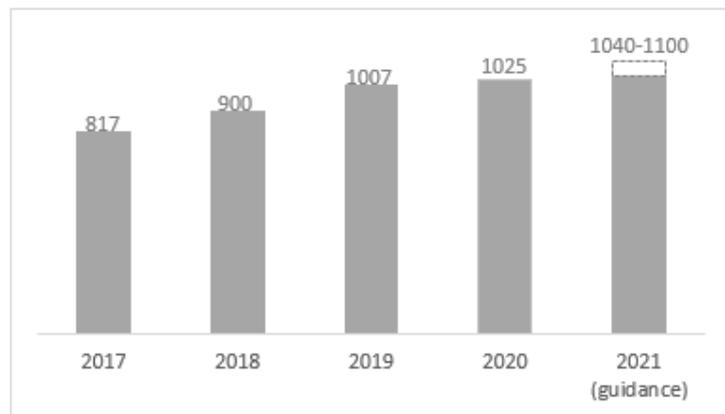
- ❑ Financial outlook reiterated:
- ❑ Net revenue: 1,040-1,100mDKK, corresponding to organic growth on the continuing business excluding the divestment of the Svane store in Copenhagen of 4-10%.
- ❑ EBIT: 145-160mDKK.

*(EBIT excluding non-recurring items)*



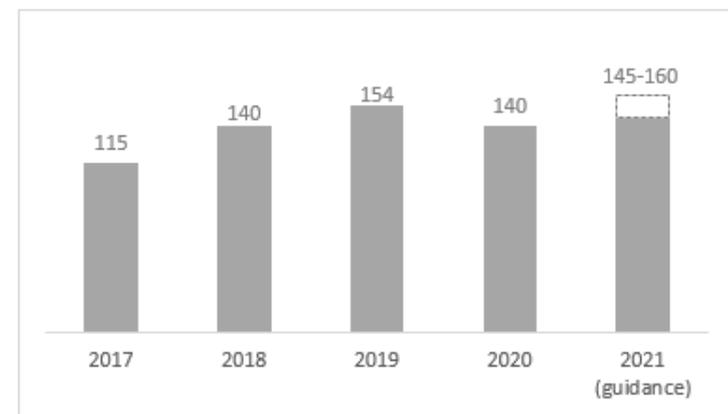
### Revenue development

DKKm



### Adjusted EBIT development

DKKm





Q&A

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