

TCM Group Management's review

Interim report Q4 2024 (October 1 – December 31)

(All figures in brackets refer to the corresponding period in 2023. AUBO Production A/S is included in the figures as from 3 July 2023.)

B2C sales recovery amid challenging B2B market conditions.

CEO Torben Paulin:

“Sales in the fourth quarter developed as expected, with declining B2B project sales and a solid uplift in B2C sales. Organically, sales in the quarter declined by 2% year on year to DKK 301 million, as the decline in B2B project sales was only partially recouped through B2C sales growth of more than 5% year on year. Full-year revenue was DKK 1,204 million and therefore at the top end of our financial guidance.

Order intake in B2C developed positively in the fourth quarter with double-digit growth y-o-y, while B2B orders declined slightly due to the continued downturn in the project sales market. Overall order intake in the quarter was positive, with high-single-digit growth y-o-y.

The gross margin increased to 22.5% in Q4, compared to 22.3% in Q4 2023. The positive effects of the improved sales mix were partially offset by increased production costs related to short-term bottlenecks in parts of the supply chain.

Adjusted EBIT in Q4 was DKK 29.8 million, compared to DKK 17.8 million in Q4 2023, and the adjusted EBIT margin was 12.9%, compared to 9.5% in Q4 2023. As previously communicated, adjusted EBIT was positively impacted by an adjustment to the contingent payment obligation related to AUBO Production A/S of DKK 9.5 million, compared to a similar adjustment of DKK 1.0 million in Q4 2023. Adjusted EBIT for the full year ended at DKK 90 million, compared to DKK 56 million in 2023, and was also at the top end of our financial guidance.

Free cash flow in Q4 was DKK 15 million, compared to DKK 60 million in Q4 2023, when Q4 2023 benefited from net working capital improvements following the acquisition of AUBO Production A/S. Leverage decreased further to 2.50 (down from 2.78 in the previous quarter), well within the agreed covenants.

Considering TCM's strengthened financial position, the Board of Directors will propose to the Annual General Meeting the distribution of an ordinary dividend of DKK 3 per share for 2024. This corresponds to a total distribution of DKK 31 million, representing 54% of the net profit for 2024 and within the company's dividend policy.

As we enter 2025, we remain cautiously optimistic about the market outlook in general. While some inflationary pressures are easing and the central banks have begun to lower short-term interest rates, the full impact of interest rate adjustments on consumer confidence and the level of activity in the housing market remains uncertain. Our financial outlook for 2025 reflects this cautious optimism, with anticipated revenue growth across our core markets in Denmark and Norway driven by continued B2C recovery combined with a potential recovery in the B2B project market in the second half of the year. We expect to be able to convert the growth in sales into increased profitability

through ongoing efficiency improvements and further integration synergies in AUBO. On the other hand, we expect continued input cost inflation and increases in wages and logistics costs, which will put pressure on margins to the extent that we cannot pass on these increases through our sales prices.

We expect to take full control of Celebert ApS by acquiring the remaining 55% stake in the company during the second half of 2025. Celebert ApS has delivered impressive revenue and earnings growth on the online market in recent years. By acquiring the remaining stake, we will gain full control of this important sales channel, enabling further sales and cost synergies.

For 2025 TCM Group expects full-year revenue in the range of DKK 1,250-1,400 million and adjusted EBIT of DKK 90-120 million. This assumes full ownership of Celebert in the latter months of the year.”

Financial highlights Q4 2024

- Revenue DKK 301.4 million (DKK 306.2 million), corresponding to a decrease of 1.6%
- Adjusted EBITDA DKK 38.8 million (DKK 29.0 million). The adjusted EBITDA margin was 12.9% (9.5%)
- Adjusted EBIT DKK 29.8 million (DKK 17.8 million). The adjusted EBIT margin was 9.9% (5.8%)
- Non-recurring items had a total impact of DKK 0.0 million (DKK 4.7 million)
- EBIT DKK 29.8 million (DKK 13.1 million), corresponding to an EBIT margin of 9.9% (4.3%)
- Net profit DKK 23.0 million (DKK 5.6 million)
- Free cash flow DKK 14.5 million (DKK 60.3 million)
- Cash conversion ratio 84.3% (34.2%)

Financial highlights full-year 2024

- Revenue DKK 1,203.8 million (DKK 1,084.1 million), corresponding to an increase of 11.0%, with an organic decline of 0.5%
- Adjusted EBITDA DKK 125.9 million (DKK 85.3 million). The adjusted EBITDA margin was 10.5% (7.9%)
- Adjusted EBIT DKK 90.3 million (DKK 55.6 million). The adjusted EBIT margin was 7.5% (5.1%)
- Non-recurring items had a total impact of DKK 0.0 million (DKK 9.8 million)
- EBIT DKK 90.3 million (DKK 45.8 million), corresponding to an EBIT margin of 7.5% (4.2%)
- Net profit DKK 57.7 million (DKK 21.5 million)
- Free cash flow DKK 58.9 million (DKK 40.3 million)

Contact

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Key figures and ratios (incl. AUBO Production A/S from 3 July 2023)

DKK million	Q4 2024	Q4 2023	FY 2024	FY 2023
Income statement				
Revenue	301.4	306.2	1,203.8	1,084.1
Gross profit	67.8	68.3	255.4	215.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	38.8	26.3	125.9	77.4
Adjusted EBITDA	38.8	29.0	125.9	85.3
Earnings before interest, tax and amortisation (EBITA)	32.2	18.3	98.8	53.2
Adjusted EBIT	29.8	17.8	90.3	55.6
Operating profit (EBIT)	29.8	13.1	90.3	45.8
Financial items	(5.0)	(8.6)	(26.6)	(20.9)
Profit before tax	26.2	6.3	69.4	27.1
Net profit for the period	23.0	5.6	57.7	21.5
Balance sheet				
Total assets	1,206.5	1,200.9	1,206.5	1,200.9
Net working capital (NWC)	(14.3)	(13.2)	(14.3)	(13.2)
Net interest-bearing debt (NIBD)	316.2	349.3	316.2	349.3
Equity	589.5	529.7	589.5	529.7
Cash flow				
Free cash flow excl. acquisition of entities	14.5	60.3	58.9	40.3
Cash conversion, % (LTM)	84.3%	34.2%	84.3%	34.2%
Growth ratios				
Revenue growth, %	(1.6%)	11.4%	11.0%	(5.4%)
Gross profit growth, %	(0.7%)	25.1%	18.4%	(6.4%)
Adjusted EBIT growth, %	67.7%	0.1%	62.4%	(46.2%)
EBIT growth, %	127.5%	(26.2%)	97.2%	(52.7%)
Margins				
Gross margin, %	22.5%	22.3%	21.2%	19.9%
Adjusted EBITDA margin, %	12.9%	9.5%	10.5%	7.9%
Adjusted EBIT margin, %	9.9%	5.8%	7.5%	5.1%
EBIT margin, %	9.9%	4.3%	7.5%	4.2%
Other ratios				
Solvency ratio, %	48.9%	44.1%	48.9%	44.1%
Leverage ratio	2.50	4.08	2.50	4.08
NWC ratio, %	(1.2%)	(1.2%)	(1.2%)	(1.2%)
CapEx ratio excl. acquisitions, %	4.0%	2.8%	1.7%	2.0%
Share information				
Number of outstanding shares	10,440,587	10,438,638	10,440,587	10,438,638
Weighted average number of outstanding shares	10,440,587	10,438,638	10,440,012	9,767,408
Number of treasury shares	73,051	75,000	73,051	75,000
Earnings per share before dilution, DKK	2.20	0.53	5.52	2.20
Earnings per share after dilution, DKK	2.19	0.53	5.51	2.20

Reference is made to the consolidated financial statements for 2024 prepared in accordance with IFRS for definitions of key figures and ratios.

Business review

(All figures in brackets refer to the corresponding period in 2023. AUBO Production A/S is included in the figures as from 3 July 2023.)

Revenue in Q4 was DKK 301.4 million, compared to DKK 306.2 million in Q4 2023, representing an organic decline of 1.6%.

TCM Group's primary market is Denmark, which contributed 80.9% of Group revenue in Q4 2024. Revenue in Denmark was up 1.1% on Q4 2023 to DKK 243.8 million. As expected, B2B sales, especially within project sales, continued to decline in the quarter, while B2C sales were significantly up on Q4 2023. Order intake in B2C developed positively in the fourth quarter with double-digit growth y-o-y, while B2B orders declined slightly due to the continued downturn in the project sales market. Overall order intake in the quarter was positive, with high-single-digit growth y-o-y.

Revenue in Norway decreased by 10.7% compared to Q4 2023 to DKK 54.9 million due to very difficult trading conditions, especially in the B2B market. Revenue in other countries decreased by 22.9% in the quarter to DKK 2.7 million.

The gross margin increased from 22.3% in Q4 2023 to 22.5% in Q4 2024. The slight improvement was due to the changed sales mix, with an increased share of generally higher-margin B2C sales. The positive effects of the improved sales mix were somewhat offset by increased production costs related to short-term supply chain bottlenecks, as high demand for products such as lacquered items led to increased costs for overtime in production and external sourcing.

In Q4, TCM Group launched ARC1 in the Svane Køkkenet brand. ARC1 redefines the application of ceramic materials in kitchen design and confirms Svane Køkkenet's ability to challenge the ordinary.

At the end of Q4 2024, the total number of branded stores was 112 (110).

The total number of employees at the end of the quarter was 481 (486).

Events after the reporting period

No events of importance to the consolidated interim financial statements have occurred after the reporting period.

Financial outlook

As we enter 2025, we remain cautiously optimistic about the market outlook in general. While some inflationary pressures are easing and the central banks have begun to lower short-term interest rates, the full impact of interest rate adjustments on consumer confidence and the level of activity in the housing market remains uncertain. Our financial outlook for 2025 reflects this cautious optimism, with anticipated revenue growth across our core markets in Denmark and Norway driven by continued B2C recovery combined with a potential recovery in the B2B project market in the second half of the year. We expect to be able to convert the growth in sales into increased profitability through ongoing efficiency improvements and further integration synergies in AUBO. On the other hand, we expect continued input cost inflation on raw materials, wages and logistics cost, which will put pressure on margins to the extent that we cannot pass on these increases through our sales prices.

We expect to take full control of Celebert ApS by acquiring the remaining 55% stake in the company during the second half of 2025. Celebert ApS has delivered impressive revenue and earnings growth on the online market in recent years. By acquiring the remaining stake, we will gain full control of this important sales channel, enabling further sales and cost synergies. Celebert ApS generated revenue of approximately DKK 150 million in 2024, with an EBIT margin of around 11%.

For 2025 TCM Group expects full-year revenue in the range of DKK 1,250-1,400 million and adjusted EBIT of DKK 90-120 million. This assumes full ownership of Celebert in the latter months of the year.

Forward-looking statements

This interim report contains statements relating to the future, including statements regarding TCM Group's future operating results, financial position, cash flows, business strategy and plans for the future. The statements are based on Management's reasonable expectations and forecasts at the time of the disclosure of the report. Any such statements are subject to risks and uncertainties, and a number of different factors, many of which are beyond TCM Group's control, could mean that actual performance and actual results will differ significantly from the expectations expressed in this interim report. Without being exhaustive, such factors comprise general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.

Significant risks in the Group

TCM Group is exposed to strategic, operating and financial risks, which are described in Management's review and note 3 of the 2024 Annual Report prepared in accordance with IFRS. The macroeconomic turbulence following the Russian invasion of Ukraine combined with rising inflation and higher interest rates have had and may continue to have a negative short-term impact on demand for kitchens, thereby impacting TCM Group's financial results negatively.

Financial review

(All figures in brackets refer to the corresponding period in 2023. AUBO Production A/S is included in the figures as from 3 July 2023.)

Revenue

In Q4 2024, revenue decreased by 1.6% to DKK 301.4 million (DKK 306.2 million).

Revenue in Denmark in Q4 2024 was DKK 243.8 million (DKK 241.2 million), corresponding to an increase of 1.1%. Revenue in Norway was down 10.7% to DKK 54.9 million (DKK 61.5 million) and revenue in other countries was DKK 2.7 million (DKK 3.5 million).

Total revenue for the full year 2024 was up 11.0% to DKK 1,203.8 million (DKK 1,084.1 million). Full-year revenue in Denmark was up 5.9% to DKK 969.1 million (DKK 915.5 million), while revenue in Norway was up 43.1% to DKK 222.9 million (DKK 155.8 million). Revenue in other countries was down 7.8% to DKK 11.8 million (DKK 12.8 million).

Gross profit

Gross profit in Q4 2024 was DKK 67.8 million (DKK 68.3 million), corresponding to a gross margin of 22.5% (22.3%).

Gross profit for the full year 2024 was DKK 255.4 million (DKK 215.8 million), corresponding to a gross margin of 21.2% (19.9%).

Operating expenses

Operating expenses in Q4 2024 were down 7% at DKK 50.2 million (DKK 53.8 million) and represented 16.6% of revenue (17.6%). The decrease in operating expenses is explained by lower provisions for impairment of trade receivables.

Operating expenses for the full year 2024 were DKK 184.5 million (DKK 166.6 million) and represented 15.3% of revenue (15.4%).

Adjustment of contingent payment obligation

The contingent payment obligation related to the acquisition of AUBO Production A/S was adjusted in Q4 2024, resulting in an income of DKK 9.5 million (DKK 1.0 million). The remaining contingent payment obligation is based on certain sales performance targets for the years 2025 to 2027.

Other income

Other income in Q4 2024 amounted to DKK 2.7 million (DKK 2.3 million), and included income from salary subsidies and reimbursements, as well as certain types of marketing subsidy.

Other income for the full year 2024 was DKK 9.9 million (DKK 5.4 million).

Adjusted EBITDA

Adjusted EBITDA in Q4 2024 was DKK 38.8 million (DKK 26.3 million), corresponding to an adjusted EBITDA margin of 12.9% (9.5%). Adjusted EBITDA was positively impacted by an adjustment of DKK 9.5 million to the contingent payment obligation related to AUBO Production A/S, compared to DKK 1.0 million in 2023.

Adjusted EBITDA for the full year 2024 was DKK 125.9 million (DKK 85.3 million), corresponding to an adjusted EBITDA margin of 10.5% (7.9%).

Adjusted EBIT

Adjusted EBIT in Q4 2024 was DKK 29.8 million (DKK 17.8 million), corresponding to an adjusted EBIT margin of 9.9% (5.8%).

Adjusted EBIT for the full year 2024 was DKK 90.3 million (DKK 55.6 million), corresponding to an adjusted EBIT margin of 7.5% (5.1%).

Non-recurring items

TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. There were no non-recurring items in Q4 2024. Non-recurring items in Q4 2023 comprised restructuring costs and a write-off of capitalised development costs related to a cancelled ERP project in AUBO Production A/S.

Non-recurring items, DKKm	Q4		12 months	
	2024	2023	2024	2023
Transaction costs related to business combinations	0.0	0.0	0.0	2.8
Write-off of ERP project, AUBO Production A/S	0.0	1.9	0.0	1.9
Restructuring costs	0.0	2.8	0.0	5.1
Total	0.0	4.7	0.0	9.8

EBIT

EBIT in Q4 2024 was DKK 29.8 million (DKK 13.1 million). The increase was due to the higher EBITDA. Depreciation and amortisation in Q4 2024 amounted to DKK 9.0 million (DKK 11.2 million), including amortisation of intangible assets recognised as part of the purchase price allocation related to the acquisition of AUBO Production A/S.

Full-year EBIT increased to DKK 90.3 million (DKK 45.8 million). The increase was primarily due to the increase in EBITDA and lower non-recurring items. Depreciation, amortisation and impairment charges totalled DKK 35.6 million (DKK 31.5 million).

Net profit

Net profit in Q4 2024 increased to DKK 23.0 million (DKK 5.6 million). Net financial expenses in Q4 2024 were DKK 5.0 million compared to DKK 8.6 million in Q4 2023, with the improvement due to lower foreign exchange rate losses and lower interest charges because of lower interest rates and lower net interest-bearing debt.

Net profit for the full year 2024 increased to DKK 57.7 million (DKK 21.5 million). Net financial expenses were DKK 5.7 million higher than in 2023, primarily due to the higher level of interest-bearing debt during the year and higher foreign exchange rate losses.

Free cash flow

Free cash flow in Q4 2024 was DKK 14.5 million (DKK 60.3 million). Compared to Q3 2023, free cash flow in Q4 2024 was positively impacted by higher operating profit, which was partly off-set by higher CapEx. In addition, the improvement in net working capital in the quarter was lower than in Q3 2024 at DKK 14.6 million (DKK 53.5 million). Investments were DKK 22.4 million in Q4 2024, compared to DKK 14.5 million in Q4 2023. The investments related primarily to digitalisation and the investment in a new lacquering facility.

Full-year free cash flow was DKK 58.9 million (DKK 40.3 million).

Net working capital

Net working capital at the end of 2024 was DKK -14.3 million (DKK -13.2 million) and the NWC ratio was -1.2% (-1.2%).

DKKm	End of Q4	
	2024	2023
Inventories	89.1	92.5
Trade and other receivables	93.6	116.5
Operating liabilities	(197.1)	(222.2)
Net working capital	(14.3)	(13.2)
NWC ratio	(1.2%)	(1.2%)

The decrease in inventories of DKK 3.4 million was due to the decision to decrease the stock of parts and raw materials following the normalisation of the supply situation.

Trade and other receivables decreased by DKK 22.9 million compared to Q4 2023, primarily due to timing of customer payments at the end of the year. Other receivables are measured excluding the value of short-term lease receivables of DKK 7.6 million, as these are not considered part of net working capital.

Operating liabilities decreased by DKK 25.1 million compared to Q4 2023, primarily due to lower trade payables.

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 316.2 million at the end of Q4 2024 (DKK 349.3 million).

The leverage ratio, measured as net interest-bearing debt excluding tax liabilities divided by adjusted EBITDA LTM, was 2.50 at the end of 2024 (4.08).

Equity

Equity at the end of 2024 amounted to DKK 589.5 million (DKK 529.7 million) and the solvency ratio was 48.9% (44.1%).

Additional information

Financial calendar

The financial year covers the period 1 January – 31 December, and the following dates have been fixed for releases etc. related to the financial year 2025:

9 April 2025	Annual General Meeting
21 May 2025	Interim report Q1 2025
20 August 2025	Interim report Q2 2025
25 November 2025	Interim report Q3 2025
26 February 2026	Interim report Q4 2025 and Annual Report 2025
9 April 2026	Annual General Meeting

Presentation

The interim report will be presented on Wednesday 26 February 2025 at 9:30 CET in a teleconference that can be followed on TCM Group's website or at: <https://edge.media-server.com/mmc/p/w8yy8krf>

To participate in the teleconference, and thus have the possibility to ask questions, participants are required to register in advance using the link below. Upon registering, each participant will be provided with dial-in numbers and a unique PIN.

Online registration for the call: <https://register.vevent.com/register/B1ea1630cd0a9d4772b273de2bcbe50e85>

About TCM Group A/S

TCM Group is Scandinavia's third-largest kitchen manufacturer, with a major part of its business concentrated in Denmark. The product offering includes cabinets, table tops and storage.

Manufacturing is generally carried out in-house, and more than 90% is manufactured to a specific customer order. Production sites are located in Denmark, with four factories in Tvis and Aulum (in the western part of Denmark).

The Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the secondary brands are Tvis Køkken, Nettoline, AUBO and private label. Combined, the brands cater for the entire price range. Products are mainly marketed through a network of franchise stores and independent kitchen retailers. Furthermore, TCM Group is a supplier to the 45% owned e-commerce kitchen business Celebert, which operates under the brands kitchn.dk, billigskabe.dk, Celebert and Just Wood.

Company information

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Consolidated interim financial statements

Consolidated income statement

DKKm	Note	Q4		12 months	
		2024	2023	2024	2023
Revenue	2	301.4	306.2	1,203.8	1,084.1
Cost of goods sold		(233.7)	(238.0)	(948.4)	(868.3)
Gross profit		67.8	68.3	255.4	215.8
Selling expenses		(25.4)	(35.2)	(101.4)	(104.7)
Administrative expenses		(24.8)	(18.6)	(83.1)	(61.9)
Adjustment of contingent payment obligation		9.5	1.0	9.5	1.0
Other operating income		2.7	2.3	9.9	5.4
Operating profit before non-recurring items		29.8	17.8	90.3	55.6
Non-recurring items	3	(0.0)	(4.7)	0.0	(9.8)
Operating profit		29.8	13.1	90.3	45.8
Share of profit in associates		1.4	1.8	5.7	2.2
Financial income and expenses		(5.0)	(8.6)	(26.6)	(20.9)
Profit before tax		26.2	6.3	69.4	27.1
Tax for the period		(3.2)	(0.7)	(11.8)	(5.6)
Net profit for the period		23.0	5.6	57.7	21.5
Earnings per share before dilution, DKK		2.20	0.53	5.52	2.20
Earnings per share after dilution, DKK		2.19	0.53	5.51	2.20

Consolidated statement of comprehensive income

DKKm	Q4		12 months	
	2024	2023	2024	2023
Net profit for the period	23.0	5.6	57.7	21.5
Other comprehensive income				
Items that are or may be reclassified subsequently to the income statement				
Value adjustments of currency hedges before tax	(0.2)	(0.3)	1.3	(0.0)
Tax on value adjustments of currency hedges	0.0	0.1	(0.3)	0.0
Other comprehensive income for the period	(0.2)	(0.2)	1.1	0.0
Total comprehensive income for the period	22.8	5.4	58.7	21.5

Consolidated balance sheet

		31 Dec.	
DKKm	Note	2024	2023
ASSETS			
Intangible assets			
Goodwill		412.0	412.0
Brands		177.2	178.7
Customer contracts		40.4	45.1
Other intangible assets		7.6	2.8
Other intangible assets in progress		54.9	33.7
		692.1	672.3
Property, plant and equipment			
Land and buildings		127.4	128.9
Property, plant and equipment under construction and prepayments		10.7	6.1
Machinery and other technical equipment		53.3	54.0
Equipment, tools, fixtures and fittings		5.1	7.1
Right-of-use assets		39.5	41.5
		236.0	237.6
Financial assets			
Investments in associates		49.8	48.0
Lease receivables		7.6	10.8
Other financial assets		8.2	11.1
		65.6	69.9
Total non-current assets		993.7	979.8
Inventories		89.1	92.5
Current receivables			
Trade receivables		57.9	79.3
Lease receivables		6.7	8.5
Receivables from associates		1.9	3.2
Other receivables		26.4	23.1
Prepaid expenses and accrued income		1.7	1.2
		94.6	115.2
Cash and cash equivalents		29.1	13.3
Total current assets		212.8	221.1
Total assets		1,206.5	1,200.9

Consolidated balance sheet

DKKm	Note	31 Dec.	
		2024	2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		1.1	1.1
Treasury shares		(0.0)	(12.1)
Value adjustments of currency hedging		0.1	(0.9)
Retained earnings		557.0	541.6
Proposed dividend for the financial year		31.3	0.0
Total shareholders' equity		589.5	529.7
Deferred tax		66.6	68.0
Mortgage loans		35.2	22.7
Bank loans		193.6	145.3
Lease liabilities		43.7	48.1
Other liabilities		43.0	52.5
Total non-current liabilities		382.2	336.8
Mortgage loans		1.2	2.5
Bank loans		21.8	93.0
Lease liabilities		12.3	14.2
Trade payables		122.3	144.7
Current tax liabilities		1.4	1.7
Other liabilities		75.6	77.8
Deferred income		0.3	0.6
Total current liabilities		234.9	334.5
Total shareholders' equity and liabilities		1,206.5	1,200.9

Change in consolidated shareholders' equity

	Share capital DKKm	Treas- ury shares DKKm	Value adjust- ments of cash flow hedges after tax DKKm	Re- tained earnings DKKm	Pro- posed dividend DKKm	Total DKKm
Opening balance, 1 January 2023	0.9	(12.1)	(0.9)	432.7	0.0	420.6
Net profit for the period	0.0	0.0	0.0	21.5	0.0	21.5
Other comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	0.0	21.5	0.0	21.5
Share-based incentive programme	0.0	0.0	0.0	0.5	0.0	0.5
Share capital increase	0.1	0.0	0.0	88.6	0.0	88.8
Cost related to share capital increase	0.0	0.0	0.0	(1.8)	0.0	(1.8)
Closing balance, 31 December 2023	1.1	(12.1)	(0.9)	541.6	0.0	529.6
Opening balance, 1 January 2024	1.1	(12.1)	(0.9)	541.6	0.0	529.7
Net profit for the period	0.0	0.0	0.0	26.4	31.3	57.7
Other comprehensive income for the period	0.0	0.0	1.1	0.0	0.0	1.1
Total comprehensive income for the period	0.0	0.0	1.1	26.4	31.3	58.7
Adjustment, cash flow hedges	0.0	0.0	(0.1)	0.1	0.0	0.0
Transfer	0.0	12.1	0.0	(12.1)	0.0	0.0
Share-based incentive programme	0.0	0.0	0.0	1.1	0.0	1.1
Transfer, exercised share-based payment	0.0	0.0	0.0	0.0	0.0	0.0
Closing balance, 31 December 2024	1.1	(0.0)	0.1	557.0	31.3	589.5

Consolidated cash flow statement

DKKm	Note	Q4		12 months	
		2024	2023	2024	2023
Operating activities					
Operating profit		29.8	13.1	90.3	45.8
Depreciation and amortisation		9.0	13.2	35.6	31.5
Other non-cash operating items		(8.9)	0.1	(8.2)	0.1
Income tax paid		(7.7)	(7.5)	(13.7)	(18.3)
Change in net working capital		14.6	53.5	(0.5)	22.2
Cash flow from operating activities		36.8	72.4	103.5	81.3
Investing activities					
Investments in fixed assets		(22.4)	(14.5)	(49.3)	(43.4)
Sale of fixed assets		0.1	0.2	0.2	0.2
Acquisition of entities, net		0.0	(0.2)	0.0	(100.9)
Dividends from associates		0.0	2.2	4.5	2.2
Cash flow from investing activities		(22.3)	(12.3)	(44.6)	(141.9)
Financing activities					
Interest paid		(5.4)	(9.8)	(23.6)	(21.4)
Proceeds from loans		23.2	0.0	36.8	149.6
Repayments of loans		(27.9)	(55.7)	(49.1)	(131.3)
Repayments of lease liabilities		(1.6)	(0.9)	(6.0)	(4.8)
Rights issue, net proceeds		0.0	0.0	0.0	77.0
Cash flow from financing activities		(11.7)	(66.4)	(42.0)	69.1
Cash flow for the period		2.8	(6.3)	16.9	8.5
Cash and cash equivalents at the beginning of the period					
		26.3	19.9	13.3	4.4
Cash flow for the period		2.8	(6.3)	16.9	8.5
Exchange rate differences in cash and cash equivalents		0.0	(0.3)	(1.1)	0.4
Cash and cash equivalents at the end of the period		29.1	13.3	29.1	13.3

Notes to the consolidated interim financial statements

1. Accounting policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish disclosure requirements for listed companies. TCM Group has applied the same accounting policies in this interim report as have been applied in the consolidated financial statements for 2024 prepared in accordance with IFRS. Reference is made to note 1 to the consolidated financial statements for accounting policies and to pages 52-56 and 75 for definitions of key figures and ratios.

From 2024 TCM Group has changed the classification of certain income types from revenue to reduction in cost of goods sold. The change in classification has reduced annual revenue by DKK 20-25 million. Comparative figures in 2024 financial reports have been restated accordingly.

Impact of new IFRS standards

TCM Group A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2024 as adopted by the European Union.

Implementation of the standards and amendments has not had any material impact on the Group’s financial statements and is likewise not expected to have any significant future impact.

2. Revenue and segment information

The Group’s business activities are managed within a single operating segment, which is producing and selling kitchens, bathrooms and storage. The Group’s Management monitors the operating segment’s results to evaluate it and to allocate resources.

	Q4		12 months	
	2024	2023	2024	2023
Revenue by region, DKKm				
Denmark	243.8	241.2	969.1	915.5
Norway	54.9	61.5	222.9	155.8
Other countries	2.7	3.5	11.8	12.8
	301.4	306.2	1,203.8	1,084.1
Revenue by category, DKKm				
Revenue, core business	215.3	231.3	895.5	827.1
Revenue, third-party	86.1	74.9	308.3	257.0
	301.4	306.2	1,203.8	1,084.1

Revenue consists of sales of goods and services.

3. Non-recurring items

Non-recurring items, DKKm	Q4		12 months	
	2024	2023	2024	2023
Transaction costs related to business combinations	0.0	0.0	0.0	2.8
Write-off of ERP project, AUBO Production A/S	0.0	1.9	0.0	1.9
Restructuring costs	0.0	2.8	0.0	5.1
Total	0.0	4.7	0.0	9.8

4. Acquisition of operations (business combinations)

2023: Acquisition of AUBO Production A/S

On 3 July 2023, TCM Group acquired 100% of the share capital of AUBO Production A/S. The acquisition supports TCM Group's strategy of strengthening its market position in the core markets and growing its presence in Norway.

Purchase consideration	DKKm
Cash paid	105.1
Ordinary shares issued	10.0
Vendor note	35.0
Contingent consideration	18.5
Purchase price	168.6

The fair value of the 149,925 shares issued as part of the consideration of DKK 10.0 million paid for AUBO Production A/S was DKK 66.7 per share, based on the share value calculated as the volume-weighted average closing price on Nasdaq Copenhagen between 19 and 23 June 2023 inclusive.

Contingent consideration of a potential amount of DKK 60 million is linked to the company's performance going forward. The fair value of the contingent consideration was estimated at DKK 18.5 million as at the acquisition date and revalued to DKK 8.0 million as at 31 December 2024.

Assets and liabilities included in the acquisition	Fair value DKKm	Acquired carrying amount DKKm
Cash and cash equivalents	4.4	4.4
Property, plant and equipment	55.4	47.0
Intangible assets	3.4	3.4
Intangible assets: customer contracts	47.5	0.0
Intangible assets: brand value	7.5	0.0
Financial assets	1.0	1.0
Inventories	34.9	34.3

Trade receivables and other receivables	65.2	65.2
Accounts payable and other operating liabilities	(42.1)	(42.1)
Tax payable	(9.1)	(9.1)
Debt to parent company	(16.8)	(16.8)
Interest-bearing liabilities	(8.4)	0.0
Deferred taxes, net	(16.4)	(4.1)
Net identifiable assets acquired	<u>126.4</u>	<u>83.1</u>
Goodwill	<u>42.2</u>	
Net assets acquired	<u>168.6</u>	

Goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

In 2023, revenue attributable to AUBO Production A/S from the date of acquisition amounted to DKK 117.0 million, and net profit amounted to DKK 1.5 million. If the acquisition had occurred on 1 January 2023, consolidated pro forma revenue and profit for the period ended 31 December 2023 would have been approximately DKK 260 million and DKK 6 million respectively.

These amounts have been calculated using the subsidiary's results adjusted for:

- differences in the accounting policies of the Group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2023, together with the consequential tax effects.

The fair value of trade receivables amounted to DKK 57.3 million. The gross contractual receivables amounted to DKK 57.3 million.

Purchase consideration – cash outflow

	<u>DKKm</u>
Purchase consideration paid in cash	105.1
Cash and cash equivalents in acquired subsidiaries	<u>(4.4)</u>
Reduction in the Group's cash and cash equivalents in conjunction with acquisition	<u>100.7</u>

Transaction costs for the acquisition amounted to DKK 2.8 million and are presented under non-recurring items. The full amount was recognised in Q2 2023.

5. Related party transactions

Except for remuneration of senior executives and the Board of Directors, there were no transactions with related parties.

6. Events after the reporting period

No events of importance to the interim report have occurred after the reporting period.

Statement by the Board of Directors and Executive Management

The Board of Directors and Executive Management have today considered and adopted the interim report of TCM Group A/S for the period 1 January 2024 – 31 December 2024.

The interim report, which has neither been audited nor reviewed by the company's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the period 1 January to 31 December 2024.

Furthermore, in our opinion, the Management's review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general, and describes the principal risks and uncertainties that it faces.

Tvis, 26 February 2025

Executive Management

Torben Paulin
CEO

Thomas Hjannung
CFO

Board of Directors

Anders Tormod Skole-Sørensen
Chair

Søren Mygind Eskildsen
Deputy Chair

Pernille Wendel Mehl

Jan Amtoft

Erika Hummel

Björn Johan Olsson Lissner

Supplementary financial disclosures

Quarterly overview

DKK million	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Income statement					
Revenue	306.2	292.5	332.2	277.7	301.4
Gross profit	68.3	60.1	71.3	56.3	67.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	26.3	24.4	36.7	26.0	38.8
Adjusted EBITDA	29.0	24.4	36.7	26.0	38.8
Earnings before interest, tax and amortisation (EBITA)	18.3	17.8	30.0	18.8	32.2
Adjusted EBIT	17.8	15.8	28.0	16.7	29.8
Operating profit (EBIT)	13.1	15.8	28.0	16.7	29.8
Financial items	(8.6)	(8.9)	(5.9)	(6.9)	(5.0)
Profit before tax	6.3	8.6	23.7	11.0	26.2
Net profit for the period	5.6	7.0	18.9	8.8	23.0
Balance sheet					
Total assets	1,200.9	1,213.7	1,226.1	1,211.3	1,206.5
Net working capital	(13.2)	(8.6)	(13.3)	0.6	(14.3)
Net interest-bearing debt (NIBD)	349.3	346.6	326.0	329.4	316.2
Equity	529.7	538.1	556.9	566.2	589.5
Cash flow					
Free cash flow excl. acquisition of entities	60.3	12.6	25.8	6.0	14.5
Margins					
Gross margin, %	22.3%	20.5%	21.5%	20.3%	22.5%
Adjusted EBITDA margin, %	9.5%	8.3%	11.1%	9.4%	12.9%
Adjusted EBIT margin, %	5.8%	5.4%	8.4%	6.0%	9.9%
EBIT margin, %	4.3%	5.4%	8.4%	6.0%	9.9%
Other ratios					
Solvency ratio, %	44.1%	44.3%	45.4%	46.7%	48.9%