

## COMPANY ANNOUNCEMENT

No. 201/2025

Tvis, 26 February 2025

### Interim report Q4 2024 (October 1 - December 31)

(All figures in brackets refer to the corresponding period in 2023 – AUBO Production A/S is incl. 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)

#### **For further information please contact:**

Torben Paulin, CEO, TCM Group A/S, +45 21 21 04 64  
Thomas Hjannung, CFO, TCM Group A/S, +45 25 17 42 33  
IR Contact – [ir@tcmgroup.dk](mailto:ir@tcmgroup.dk)

## **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/Blea1630cd0a9d4772b273de2bcbe50e85>

## **About TCM Group**

TCM Group is Scandinavia's third largest manufacturer of kitchens and furniture for bathrooms and storage. The products are designed and produced in Denmark and rooted in a proud tradition of good quality and good craftsmanship. TCM Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the other brands are Tvis Køkken, Netto-line and AUBO. Combined, the brands cater for the entire price spectrum, and are sold through c. 220 dealers in Denmark and the rest of the Scandinavia. TCM Group sells private label kitchens through DIY stores in Denmark and independent kitchen stores in Norway. TCM Group is supplier to the 45% owned e-commerce kitchen business Celebert, which operates under the brands kitchn.dk, billigskabe.dk, Celebert and Just Wood. See [www.tcmgroup.dk](http://www.tcmgroup.dk) for more information.

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 include general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.