

COMPANY ANNOUNCEMENT

No. 46/2019

Tvis, 14 August 2019

Interim report Q2 2019 (April 1 - June 30)

(All figures in brackets refer to the corresponding period in 2018)

TCM Group continued to gain market share with 11% organic growth – outlook raised

CEO Ole Lund Andersen

“Our strong performance continued in Q2 with an organic revenue growth of 11%, while EBIT grew 9%. We continued to gain market share in a Danish market that we estimate is growing 1-2%. We have delivered strong growth especially within B2B through the branded stores in Denmark. Based on the strong performance in Q2 and a solid order pipeline, we have raised our full-year outlook both with regards to revenue and earnings.”

Financial highlights Q2 2019:

- Revenue DKK 258.2 million (DKK 232.1 million) corresponding to an organic growth of 11.3%.
- Adjusted EBITA up DKK 3.4 million to DKK 44.0 million (DKK 40.6 million), corresponding to an increase of 8.4%. Adjusted EBITA margin was 17.1% (17.5%), negatively affected by the sales mix with a higher growth rate within the B2B market and a higher share of revenue from 3rd party products.
- EBIT up DKK 3.4 million to DKK 42.1 million (DKK 38.7 million), corresponding to an EBIT margin of 16.3% (16.7%).
- Net profit up 10.1% to DKK 32.1 million (DKK 29.2 million).
- Free cash flow excl. acquisitions of operations was DKK 45.9 million (DKK 28.2 million).
- Cash conversion ratio was 102.6% (103.6%).

Financial highlights H1 2019:

- Revenue DKK 507.8 million (DKK 445.7 million) corresponding to an organic growth of 13.9%
- Adjusted EBITA up DKK 7.9 million to DKK 76.9 million (DKK 69.0 million), corresponding to an increase of 11.4%. Adjusted EBITA margin was 15.1% (15.5%)
- EBIT up DKK 9.9 million to DKK 73.1 million (DKK 63.2 million), corresponding to an increase of 15.6%. EBIT margin was 14.4% (14.2%). In H1 2018 EBIT was affected by non-recurring costs of DKK 2 million. H1 2019 was unaffected by non-recurring costs.
- Net profit up 17.6% to DKK 55.5 million (DKK 47.2 million)
- Free cash flow excl. acquisitions of operations was DKK 48.1 million (DKK 52.9 million). In 2018 free cash flow included a positive effect from the sale of a production site of DKK 16.6 million.
- Outlook for the financial year 2019 is upgraded to revenue in the range DKK 1,000-1,030 million (previously DKK 960-1,000 million). Adjusted EBITA is expected in the range DKK 160-170 million (previously DKK 155-165 million) translating into EBIT in the range DKK 150-160 million (previously DKK 145-155 million).

Conference call

A conference call for investors and analysts will be held today at 9:30 CET. The presentation for the conference call will be available on www.investor-en.tcmgroup.dk

Dial-in numbers for the conference call:

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About TCM Group

TCM Group is Scandinavia's third largest manufacturer of kitchens and furniture for bathrooms and storage. The products are Danish design, 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 Køkkener, Nettoline and kitchn. Combined, the brands cater for the entire price spectrum, and are sold through c. 135 dealers in Denmark and the rest of the Scandinavia. In addition, TCM Group sells private label kitchens through DIY stores in Denmark and independent kitchen stores in Norway. See www.tcmgroup.dk for more information.

This interim report contains statements relating to the future, including statements regarding the TCM Group's future operating results, financial position, cash flows, business strategy and future targets. Such statements are based on management's reasonable expectations and forecasts at the time of release of the interim report. Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond the TCM Group's control. This may have the effect that actual results may differ significantly from the expectations expressed in the interim report. Without being exhaustive, such factor include general economic and commercial factors, including market and competitive conditions, supplier issues and financial and regulatory issues.