

**COMPANY ANNOUNCEMENT**

No. 39/2019

Tvis, 27 February 2019

**Interim report Q4 2018 (October 1 - December 31)**

(All figures in brackets refer to the corresponding period in 2017)

**Excellent ending to strong 2018 with 17% organic growth in Q4****Financial highlights Q4 2018:**

- Revenue DKK 251.8 million (DKK 215.0 million) corresponding to an organic growth of 17.1%
- Adjusted EBITA up DKK 6.9 million to DKK 46.2 million (DKK 39.3 million), corresponding to an increase of 17.4%. Adjusted EBITA margin was 18.3% (18.3%)
- EBIT up DKK 19.4 million to DKK 44.3 million (DKK 24.9 million), corresponding to an EBIT margin of 17.6% (11.6%). Non-recurring items had a negative impact of DKK 12.6 million in Q4 2017
- Net profit up 172.1% to DKK 33.5 million (DKK 12.3 million)
- Free cash flow excl. acquisitions of operations was DKK 53.6 million (DKK 31.4 million)
- Cash conversion ratio was 102.6% (110.0%)

Please see attached Q4 Interim Report for further details about Q4 2018.

**Financial highlights 2018:**

- Revenue DKK 899.9 million (DKK 817.3 million) corresponding to an organic growth of 10.1%
- Adjusted EBITA up DKK 24.9 million to DKK 147.7 million (DKK 122.8 million), corresponding to an increase of 20.3%. Adjusted EBITA margin was 16.4% (15.0%)
- Non-recurring items had a negative impact of DKK 2.0 million in 2018 due to costs related to the integration of Nettoline. This compares to non-recurring costs in 2017 of DKK 34.3 million related to the Initial Public Offering and the acquisition of Nettoline
- EBIT up DKK 57.2 million to DKK 138.1 million (DKK 80.9 million), corresponding to an increase of 70.7%. EBIT margin was 15.3% (9.9%)
- Net profit up 116.1% to DKK 103.7 million (DKK 48.0 million)
- Free cash flow excl. acquisitions of operations was DKK 141.5 million (DKK 99.8 million)
- Proposed dividend distribution of DKK 4.75 per share corresponding to 46% of net profit
- Outlook for the financial year 2019 is expected to be in the range DKK 960-1,000 million in revenue, adjusted EBITA in the range DKK 155-165 million translating into an EBIT in the range of DKK 145-155 million.

Please see attached 2018 Annual Report for further details about the full-year 2018.

**CEO Ole Lund Andersen**

“Q4 2018 was very strong with an organic revenue growth of 17% and a similar strong growth in earnings. We are proud of the strong double-digit organic growth for the full year and once again we outperformed the general market. All in all we are very satisfied with the results for 2018, where we delivered in the high end of our guidance, and look forward continuing our growth journey in 2019.”

**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](http://www.investor-en.tcmgroup.dk)

Dial-in numbers for the conference call:

Confirmation Code: 2440947

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**Contact**

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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. 125 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](http://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.