

COMPANY ANNOUNCEMENT

No. 65/2020

Tvis, 18 August 2020

Interim report Q2 2020 (April 1 - June 30)

(All figures in brackets refer to the corresponding period in 2019)

Revenue growth in Q2 2020, despite an extraordinary market situation.**CEO Torben Paulin:**

"Q2 was marked by an extraordinary market situation due to the Covid-19 virus outbreak, and we are proud that we managed to grow revenue in the quarter. Also in the light of Q2 2019 being a strong comparison up 11% on the year before.

We have continued to protect the health and safety of our employees, customers, and business partners, and have taken the necessary safety precautions. We are monitoring the situation and recommendations from the authorities carefully. I wish to thank all of our employees and our partners for the exemplary manner in which they have acted and the flexibility they have demonstrated in this extraordinary period.

In the beginning of Q2 store traffic was hit hard, but has increased during the quarter. In the early stage of the virus outbreak, we temporarily supported our store network to a greater extent than normal with sales campaigns primarily focused on the B2C market. As a result of this a.o. order intake has shown an increasing trend during the quarter.

The higher level of discounts together with a change in sales mix, and to a lesser degree costs associated with Covid-19 precautions, had a negative margin impact in the quarter, resulting in earnings below the same quarter last year.

We now have data for the first half of the year and although visibility going forward is still limited, we have decided to reinstate guidance for the 2020 financial year, while emphasising that our guidance is surrounded by more uncertainty than is usually the case at this point in the financial year. Based on an assumption of no new total or partial lockdown of Denmark in the remaining months of 2020, we estimate a full-year revenue in the range DKK 980-1,020 million, which is at a level on par with 2019. We estimate a full-year EBIT in a range of DKK 135-145 million, slightly below last year."

Financial highlights Q2 2020:

- Revenue DKK 260.2 million (DKK 258.2 million) corresponding to a revenue growth of 0.8%.
- EBITDA down DKK 2.4 million to DKK 44.9 million (DKK 47.3 million), corresponding to a decrease of 5.1%. EBITDA margin was 17.3% (18.3%).
- EBIT down DKK 2.5 million to DKK 39.6 million (DKK 42.1 million), corresponding to an EBIT margin of 15.2% (16.3%).
- Net profit down DKK 2.0 million to DKK 30.1 million (DKK 32.1 million).
- Free cash flow was DKK 68.6 million (DKK 45.9 million).
- Cash conversion ratio was 101.8% (102.6%).

Financial highlights H1 2020

- Revenue DKK 514.4 million (DKK 507.8 million) corresponding to an organic growth of 1.3%.
- EBITDA down DKK 3.4 million to DKK 79.9 million (DKK 83.3 million), corresponding to a decrease of 4.2%. EBITDA margin was 15.5% (16.4%).
- EBIT down DKK 3.8 million to DKK 69.3 million (DKK 73.1 million), corresponding to a decrease of 5.2%. EBIT margin was 13.5% (14.4%).
- Net profit down DKK 2.7 million to DKK 52.8 million (DKK 55.5 million).
- Free cash flow was DKK 46.2 million (DKK 48.2 million).
- Full-year guidance for the financial year 2020 is revenue in the range DKK 980-1,020 million, and EBIT in the range DKK 135-145 million.

Presentation

The interim report will be presented on Tuesday 18 August at 9:30 CEST in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/22depdp9>

To participate in the teleconference, and thus have the possibility to ask questions, call one of the following numbers:

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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.