COMPANY ANNOUNCEMENT

No. 74/2021

Tvis, 24 February 2021

Interim report Q4 2020 (October 1 - December 31)
(All figures in brackets refer to the corresponding period in 2019)

Continued strong financial performance. Proposal of an extraordinary dividend and a share buy back program.

CEO Torben Paulin:
"2020 was an unprecedented year for TCM Group. In a year dominated by the Covid-19 pandemic, TCM Group managed to continue to grow with turnover reaching DKK 1,025 million, up 1.8%, and with an adjusted EBIT of DKK 140 million. Overall, revenue and EBIT was in line with our expectations.

In 2020 TCM Group continued to generate a considerable positive cash flow, building on an already strong financial position from previous years. As a consequence of this and in light of the capital structure goal set out by the Board of Directors earlier, the Board of Directors will be recommending the following measures to the upcoming Annual General Meeting:

1. Ordinary dividend for 2020 of DKK 5.50 per share corresponding to 54% of net profit
2. Extraordinary dividend of DKK 7.50 per share
3. The implementation of a share buy back program of in total up to DKK 150 million

The extraordinary dividend should also be seen in light of the fact that due to the emerging Covid-19 pandemic, no dividend was distributed during 2020.

If the Annual General Meeting follows the recommendation of the Board of Directors, these measures will move TCM Group towards a capital structure in line with the long term guidelines set out by the Board of Directors.

The results that TCM Group has achieved in 2020 would not have been possible without the dedication and determination of our employees and the employees in the franchisee and dealer operated stores. We thank you for your determination, flexibility, and strong contribution to bringing TCM Group and our brands through a challenging year.

We will maintain our focus on growth a.o. through gaining a stronger foothold in Norway and expanding our online sales channel, while continuing to gain market share in mature markets and brands.

For 2021 we predict a revenue in the range of DKK 1,040-1,100 million, corresponding to an expected organic growth of 4-10% on the continuing business excluding the divestment of the Svane store in Copenhagen, and EBIT in the range of DKK 145-160 million."

Financial highlights Q4 2020:

- Revenue DKK 262.8 million (DKK 261.6 million) corresponding to a revenue growth of 0.5%.
- Adjusted EBITDA DKK 41.6 million (DKK 48.5 million). Adjusted EBITDA margin was 15.8% (18.5%). The decrease in adjusted EBITDA margin was primarily driven by a lower gross margin impacted from a change in sales mix, costs related to new product launches and additional costs related to the replacement of the main automised board cutting and stacking solution.
- Adjusted EBIT down DKK 7.0 million to DKK 36.4 million (DKK 43.4 million). Adjusted EBIT margin was 12.7% (15.0%)
- Non-recurring items had a negative impact of DKK 3.0 million due to Covid-19 precautions.
- EBIT down DKK 6.0 million to DKK 33.4 million (DKK 39.4 million), corresponding to an EBIT margin of 12.7% (15.0%).
- Net profit down DKK 4.7 million to DKK 25.1 million (DKK 29.8 million).
- Free cash flow was DKK 29.9 million (DKK 44.7 million).
- Cash conversion ratio was 85.8% (99.9%).

Financial highlights 2020:

- Revenue DKK 1,024.6 million (DKK 1,006.9 million) corresponding to an organic growth of 1.8%.
- Adjusted EBITDA DKK 161.1 million (DKK 174.4 million). EBITDA margin was 15.7% (17.3%).
- Adjusted EBIT down DKK 13.9 million to DKK 139.7 million (DKK 153.6 million). Adjusted EBIT margin was 13.6% (15.3%).
- Non-recurring items had a negative impact of DKK 5.0 million due to Covid-19 precautions.
- EBIT down DKK 11.9 to DKK 134.7 million (DKK 146,6 million), corresponding to an EBIT margin of 13.1% (14.6%).
- Net profit down DKK 9.1 million to DKK 102.2 million (DKK 111.3 million).
- Free cash flow was DKK 101.0 million (DKK 132.3 million).
- Full-year guidance for the financial year 2021 is revenue in the range DKK 1,040-1,100 million, and EBIT in the range DKK 145-160 million.

Conference call

A conference call for investors and analysts will be held today at 09:30 CET. The presentation for the conference call will be available on www.investor-en.tcmgroup.dk or on https://edge.media-server.com/mmc/p/sq94wu4q.

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. 140 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.