

**COMPANY ANNOUNCEMENT**

No. 44/2019

Tvis, 7 May 2019

**Interim report Q1 2019 (January 1 - March 31)**

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

**A strong start of 2019 - Q1 with organic growth of 17%****Financial highlights Q1 2019:**

- Revenue DKK 249.7 million (DKK 213.6 million) corresponding to an organic growth of 16.9%. The growth was supported by a higher number of production days in the quarter compared to last year due to the timing of Easter.
- Adjusted EBITA up DKK 4.5 million to DKK 32.9 million (DKK 28.4 million), corresponding to an increase of 15.7%. Adjusted EBITA margin was 13.2% (13.3%), 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 6.5 million to DKK 31.0 million (DKK 24.5 million), corresponding to an EBIT margin of 12.4% (11.5%). Non-recurring items had a negative impact of DKK 2.0 million in Q1 2018 due to costs related to the integration of Nettoline.
- Net profit up 29.8% to DKK 23.4 million (DKK 18.0 million).
- Free cash flow excl. acquisitions of operations was DKK 2.3 million (DKK 24.6 million). In Q1 2018 free cash flow included a positive effect from the sale of a production site of DKK 16.6 million.
- Cash conversion ratio was 94.3% (109.4%).
- We reiterate our full-year guidance for the financial year 2019 which is revenue in the range DKK 960-1,000 million, adjusted EBITA in the range DKK 155-165 million, and EBIT in the range DKK 145-155 million as announced in the 2018 annual report.

**CEO Ole Lund Andersen**

"Q1 was a very strong start of 2019 with an organic revenue growth of 17%, and similar strong growth in earnings. We are pleased It is satisfying that we continue to gain market share and at the same time are as well as opening new stores across our brands. In Q1, we delivered strong growth especially within the B2B market, and we are pleased that our strategic focus and efforts are paying off. We continue to see goodhigh activity in the Danish market, and we confirm our full-year guidance."

**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: 9356808

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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.