

**COMPANY ANNOUNCEMENT**

No. 48/2019

Tvis, 6 November 2019

**Interim report Q3 2019 (July 1 - September 30)**

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

**A strong Q3 for TCM Group with 17.3% organic growth**

**CEO Ole Lund Andersen:**

"TCM Group continued to perform well in Q3 with revenue showing an organic growth of 17.3%, well in excess of the Danish market which we estimate is growing at a rate of 1-2%. We are pleased to see that TCM Group continues to gain market share and that our strategy of expanding our B2B sales across all categories is successful. We are furthermore pleased that earnings also grew double-digit."

**Financial highlights Q3 2019:**

- Revenue DKK 237.5 million (DKK 202.4 million) corresponding to an organic growth of 17.3%.
- Adjusted EBITA up DKK 6.5 million to DKK 39.0 million (DKK 32.5 million), corresponding to an increase of 19.9%. Adjusted EBITA margin was 16.4% (16.1%), reflecting a sales mix with a higher growth rate within the B2B market and a higher share of revenue from 3rd party products.
- Non-recurring items had a negative impact of DKK 3.0 million due to a production setback following a lightning strike at one of our 3 factories.
- EBIT up DKK 3.5 million to DKK 34.1 million (DKK 30.6 million), corresponding to an EBIT margin of 14.4% (15.1%).
- Net profit up 12.8% to DKK 25.9 million (DKK 23.0 million).
- Free cash flow excl. acquisitions of operations was DKK 39.5 million (DKK 35.1 million).
- Cash conversion ratio was 101.7% (99.4%).

**Financial highlights 9 months 2019:**

- Revenue DKK 745.3 million (DKK 648.1 million) corresponding to an organic growth of 15.0%.
- Adjusted EBITA up DKK 14.4 million to DKK 115.9 million (DKK 101.5 million), corresponding to an increase of 14.1%. Adjusted EBITA margin was 15.5% (15.7%).
- Non-recurring items had a negative impact of DKK 3.0 million in the first 9 month of 2019 due to a production setback following a lightning strike at one of our 3 factories.
- EBIT up DKK 13.3 million to DKK 107.2 million (DKK 93.8 million), corresponding to an increase of 14.2%. EBIT margin was 14.4% (14.5%).
- Net profit up 16.0% to DKK 81.5 million (DKK 70.2 million).
- Free cash flow excl. acquisitions of operations was DKK 87.7 million (DKK 87.8 million). The underlying free cash flow is considerably stronger than in 2018, as 2018 included a positive effect from the sale of a production site of DKK 16.6 million.
- Full-year guidance for the financial year 2019 is reiterated: Revenue in the range DKK 1,000-1,030 million, adjusted EBITA in the range DKK 160-170 million, and EBIT in the range DKK 150-160 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](http://www.investor-en.tcmgroup.dk)

Dial-in numbers for the conference call:

Confirmation Code: 4151046

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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. 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](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.