

## COMPANY ANNOUNCEMENT

No. 198/2024

Tvis, 21 November 2024

### Interim report Q3 2024 (July 1 - September 30)

(All figures in brackets refer to the corresponding period in 2023 – AUBO Production A/S is incl.in the figures as from 3 July 2023)

## Organic revenue growth and improved earnings, despite challenging B2B-market conditions.

### CEO Torben Paulin:

“Sales in the third quarter developed positively despite the continued weak B2B kitchen market. Organically, sales grew by 7% year-on-year, supported by B2C sales growth of around 20% y-o-y, driven by the strong order intake in Q2 2024. As expected, B2B sales declined in the quarter due to the slowdown in the project sales market.

The strong growth in B2C order intake that we experienced in the first 6 months of 2024 slowed down during the summer months, resulting in a largely flat development in B2C order intake in the quarter. This, combined with a negative B2B market, resulted in a small decrease in total order intake in the quarter compared to Q3 2023.

Overall revenue in Q3 was DKK 278 million compared to DKK 259 million in Q3 last year. Sales in Denmark, which accounts for more than 80% of the Group revenue, increased organically by 11%, supported by strong growth in sales of third-party products.

Gross margin increased to 20.3% in Q3, compared to 17.7% in the same period last year. This improvement was driven by two factors: the normalization of gross margin following last year's downward adjustment of third-party income, and the improved sales mix with higher share of B2C.

Adjusted EBIT in Q3 was DKK 17 million compared to DKK 3 million in Q3 last year, and the adjusted EBIT margin was 6.0% compared to 1.0% in Q3 last year.

Free cash-flow was DKK 6 million, compared to DKK 18 million last year, where Q3 last year benefitted from net working capital improvements following the acquisition of AUBO Production A/S. Leverage decreased further to 2.78 (down from 3.20 in the previous quarter), well within the agreed covenants.

In the third quarter, TCM Group continued to expand its Danish footprint by adding two new Nettoline-branded stores.

We narrow the financial outlook for 2024 for the TCM Group with respect to sales and earnings. Our financial outlook for full year revenue for 2024 is now in the range of DKK 1,150-1,200 million (previously DKK 1,125-1,200 million) with earnings (adjusted EBIT) in the range of DKK 75-90 million (previously DKK 70-90 million). The outlook for adjusted EBIT includes an expected positive effect from adjustment of the contingent consideration related to the acquisition of AUBO Production A/S in the range of DKK 8-10 million.”

## Financial highlights Q3 2024

- Revenue DKK 277.7 million (DKK 258.6 million) corresponding to a revenue increase of 7.4%.
- Adjusted EBITDA DKK 26.0 million (DKK 10.8 million). Adjusted EBITDA margin was 9.4% (4.2%).
- Adjusted EBIT of DKK 16.7 million (DKK 2.5 million). Adjusted EBIT margin was 6.0% (1.0%).
- Non-recurring items had a total impact of DKK 0.0 million (DKK 0.7 million).
- EBIT of DKK 16.7 million (DKK 1.8 million), corresponding to an EBIT margin of 6.0% (0.7%).
- Net profit of DKK 8.8 million (DKK -1.7 million).
- Free cash flow was DKK 6.0 million (DKK 17.5 million).
- Cash conversion ratio was 120.6% (13.2%).

## Financial highlights 9 months 2024

- Revenue DKK 902.4 million (DKK 777.9 million) corresponding to a revenue increase of 16.0%.
- Adjusted EBITDA of DKK 87.1 million (DKK 56.2 million). Adjusted EBITDA margin was 9.7% (7.2%).
- Adjusted EBIT of DKK 60.5 million (DKK 37.8 million). Adjusted EBIT margin was 6.7% (4.9%).
- Non-recurring items had a negative impact of DKK 0.0 million (DKK 5.2 million).
- EBIT of DKK 60.5 million (DKK 32.7 million), corresponding to an EBIT margin of 6.7% (4.2%).
- Net profit of DKK 34.7 million (DKK 15.9 million).
- Free cash flow was DKK 44.4 million (DKK -19.9 million).
- Full-year guidance for the financial year 2024 is revenue in the range DKK 1,150-1,200 million with earnings (adjusted EBIT) in the range of DKK 75-90 million.

## For further information please contact:

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## Presentation

The interim report will be presented on Friday 22 November 2024 at 9:30 CET in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/oypp57wh>.

To participate in the teleconference, and thus have the possibility to ask questions, participants are required to register in advance of the conference using the link provided below. Upon registering, each participant will be provided with Participant Dial In Numbers, and a unique Personal PIN.

**Online Registration to the call:** <https://register.vevent.com/register/B1a1bf608e2c0646f48c23a9ecc134eed5>

## **About TCM Group**

TCM Group is Scandinavia's third largest manufacturer of kitchens and furniture for bathrooms and storage. The products are designed and 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 Køkken, Netto-line and AUBO. Combined, the brands cater for the entire price spectrum, and are sold through c. 220 dealers in Denmark and the rest of the Scandinavia. TCM Group sells private label kitchens through DIY stores in Denmark and independent kitchen stores in Norway. TCM Group is supplier to the 45% owned e-commerce kitchen business Celebert, which operates under the brands [kitchn.dk](http://kitchn.dk), [billigskabe.dk](http://billigskabe.dk), Celebert and Just Wood. See [www.tcmgroup.dk](http://www.tcmgroup.dk) for more information.

This interim report contains statements relating to the future, including statements regarding TCM Group's future operating results, financial position, cash flows, business strategy and plans for the future. The statements are based on management's reasonable expectations and forecasts at the time of the disclosure of the report. Any such statements are subject to risks and uncertainties, and a number of different factors, many of which are beyond TCM Group's control, could mean that actual performance and actual results will differ significantly from the expectations expressed in this interim report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.