

**COMPANY ANNOUNCEMENT**

No. 112/2021

Tvis, 12 November 2021

**Interim report Q3 2021 (July 1 - September 30)**

(All figures in brackets refer to the corresponding period in 2020)

**Continued good growth in Q3. Earnings in Q3 impacted by supply chain disruptions and timing of price increases.****CEO Torben Paulin:**

"In Q3 customer demand remained solid and supported revenue growth. Organic like-for-like growth was 10%, and reported sales grew 6.1%, which included a negative impact from the divestment of the Svane Køkkenet store in Copenhagen, and the divestment of the e-commerce activities within kitchn.dk (now part of the merged Celebert/kitchn.dk business). We continue to see solid growth rates in revenue outside Denmark, which was up 16% compared to third quarter last year.

At the same time, we are in an unprecedented situation with significant instability and challenges in the supply chain across the entire kitchen industry. This leads to on-going mitigation to ensure as high delivery assurance as possible despite the challenges in the supply chain, generating additional costs and there-by a temporary negative impact on earnings short-term. All employees in TCM Group as well as our dedicated staff in the store network are doing their utmost to handle the current situation, and I am genuinely impressed with their daily efforts to limit the impact on our end customers caused from this challenging situation.

Furthermore, earnings in Q3 were negatively impacted by significantly increased raw material prices. We have already implemented sales price increases, which will mitigate the negative impact from the raw material price increases in Q4.

As a result of the above, adjusted EBIT ended at DKK 31.7 million compared to DKK 33.1 million in Q3 last year. EBIT in the quarter was DKK 43.7 million compared to DKK 32.1 million in Q3 last year, positively impacted by a non-recurring net gain from the Celebert/kitchn.dk transaction of DKK 15.5 million. We are pleased with this transaction, which will enable us to put even more traction in growing our online business and presence.

We reiterate our full year revenue guidance in the range DKK 1,090-1,120 million, and for the adjusted EBIT we narrow our guidance to be in the range DKK 148-155 million."

**Financial highlights Q3**

- Revenue DKK 262.4 million (DKK 247.4 million) corresponding to a revenue growth of 6.1%. Organic like-for-like growth was 10%.
- Adjusted EBITDA DKK 35.8 million (DKK 38.6 million). Adjusted EBITDA margin was 13.7% (15.6%).
- Adjusted EBIT down DKK 1.4 million to DKK 31.7 million (DKK 33.1 million). Adjusted EBIT margin was 12.1% (13.4%)
- Non-recurring items had a total positive impact of DKK 12.0 million (negative impact of DKK 1.0 million). Non-recurring items included costs related to Covid-19 precautions and related supply chain disruptions, and gain from the divestment of the kitchn.dk activities, which was merged in connection with the acquisition of Celebert ApS, offset by costs related to the transaction.
- EBIT up DKK 11.6 million to DKK 43.7 million (DKK 32.1 million), corresponding to an EBIT margin of 16.6% (13.0%).
- Net profit up DKK 13.7 million to DKK 38.0 million (DKK 24.4 million).
- Free cash flow was DKK -11.7 million (DKK 25.0 million).
- Cash conversion ratio was 56.4% (94.3%).

**Financial highlights 9 months 2021**

- Revenue DKK 834.1 million (DKK 761.7 million) corresponding to a revenue growth of 9.5%. Organic like-for-like growth was 12%.
- Adjusted EBITDA DKK 121.2 million (DKK 119.4 million). Adjusted EBITDA margin was 14.5% (15.7%).
- Adjusted EBIT up DKK 5.4 million to DKK 108.7 million (DKK 103.3 million). Adjusted EBIT margin was 13.0% (13.6%).
- Non-recurring items had a positive impact of DKK 9.2 million (negative impact of DKK 2.0 million).
- EBIT up DKK 16.6 million to DKK 117.9 million (DKK 101.3 million), corresponding to an EBIT margin of 14.1% (13.3%).
- Net profit up DKK 17.5 million to DKK 94.6 million (DKK 77.1 million).
- Free cash flow was DKK 15.9 million (DKK 71.1 million).
- Full-year guidance for the financial year 2021 is revenue in the range DKK 1,090-1,120 million (unchanged), and adjusted EBIT in the range DKK 148-155 million (previously DKK 148-162 million).

**Contact**

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## Presentation

The interim report will be presented on Friday 12 November at 9:30 CET in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/3yzmw3b5>.

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

Confirmation Code: **7203608**

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United Kingdom..... **+44 (0) 8444819752**

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## About TCM Group A/S

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 Køkkener and Nettoline. Combined, the brands cater for the entire price spectrum, and are sold through c. 140 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, billigskabe.dk, Celebert and Just Woods. 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.