

## **TCM Group Management's review**

### **Interim report Q2 2024 (April 1 - June 30)**

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

## **Organic growth in sales and improved earnings, despite challenging market conditions.**

### **CEO Torben Paulin:**

“Sales in the second quarter have developed positively despite the, as expected, weak B2B-kitchen market. Organically sales grew by 5% year-on-year supported by a growth in B2C sales of more than 25% y-o-y. As expected B2B sales declined in the quarter due to the slowdown in the Project sales market. Overall revenue in Q2 was DKK 332 million compared to DKK 256 million in Q2 last year. Sales in Denmark, which accounts for 80% of the Group revenue, increased by 15%, with an underlying organic growth of 6%.

Overall gross margin increased to 21.5% in Q2 compared to 20.2% in the same quarter last year. The growth in margin was caused by the inclusion of AUBO sales (AUBO Production was acquired in Q3 of 2023) and an increase in the share of higher margin B2C sales in the turnover.

Adjusted EBIT in Q2 was DKK 28 million compared to DKK 22 million in Q2 last year, and the adjusted EBIT margin was 8.4% compared to 8.7% in Q2 last year. If the amortisation of intangible assets recognized as part of the AUBO acquisition is taken into account, the underlying adjusted EBIT-margin improved from 8.7% in Q2 last year to 8.9% in Q2 this year.

Free cash-flow was DKK 26 million, compared to DKK -2 million last year, due to the higher earnings and a significant improvement in working capital. Leverage decreased further to 3.20 (down from 3.73 in the previous quarter), well within the agreed covenants.

In the second quarter TCM Group continued to expand its Danish footprint adding two new AUBO branded stores.

As part of the TCM Group's journey towards creating full transparency of our products environmental impact, we released third party approved and validated Environmental Product declarations (EPD) for the AUBO brand in the quarter. This means that all brands now are covered by EPDs.

As stated in Company announcement no. 193 dated 15. August 2024, we adjust 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 1,125-1,200 million (previously DKK 1,000-1,150 million) with earnings (adjusted EBIT) in the range of DKK 70-90 million (previously DKK 55-85 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 3-5 million.”

**Financial highlights Q2 2024**

- Revenue DKK 332.2 million (DKK 255.5 million) corresponding to a revenue increase of 30.0%.
- Adjusted EBITDA DKK 36.7 million (DKK 27.5 million). Adjusted EBITDA margin was 11.1% (10.8%).
- Adjusted EBIT of DKK 28.0 million (DKK 22.3 million). Adjusted EBIT margin was 8.4% (8.7%).
- Non-recurring items had a total impact of DKK 0.0 million (DKK 2.8 million).
- EBIT of DKK 28.0 million (DKK 19.5 million), corresponding to an EBIT margin of 8.4% (7.6%).
- Net profit of DKK 18.9 million (DKK 12.2 million).
- Free cash flow was DKK 25.8 million (DKK -1.6 million).
- Cash conversion ratio was 94.8% (48.8%).

**Financial highlights H1 2024**

- Revenue DKK 624.7 million (DKK 519.4 million) corresponding to a revenue increase of 20.3%.
- Adjusted EBITDA of DKK 61.1 million (DKK 45.5 million). Adjusted EBITDA margin was 9.8% (8.8%).
- Adjusted EBIT of DKK 43.8 million (DKK 35.4 million). Adjusted EBIT margin was 7.0% (6.8%).
- Non-recurring items had a negative impact of DKK 0.0 million (DKK 4.7 million).
- EBIT of DKK 43.8 million (DKK 30.9 million), corresponding to an EBIT margin of 7.0% (5.9%).
- Net profit of DKK 25.9 million (DKK 17.6 million).
- Free cash flow was DKK 38.4 million (DKK -37.4 million).
- Full-year guidance for the financial year 2024 is revenue in the range DKK 1,125-1,200 million with earnings (adjusted EBIT) in the range of DKK 70-90 million.

**Contact**

For further information, please contact:

CEO Torben Paulin +45 21210464

CFO Thomas Hjannung +45 25174233

IR Contact – [ir@tcmgroup.dk](mailto:ir@tcmgroup.dk)

**Key figures and ratios (incl. AUBO Production A/S from 3 July 2023)**

DKK million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
<b>Income statement</b>					
<b>Revenue</b>	<b>332.2</b>	<b>255.5</b>	<b>624.7</b>	<b>519.4</b>	<b>1,084.1</b>
Gross profit	71.3	51.7	131.4	101.7	215.8
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	36.7	24.7	61.1	41.0	77.4
Adjusted EBITDA	36.7	27.5	61.1	45.5	85.3
Earnings before interest, tax, and amortisation (EBITA)	29.6	19.5	46.9	30.9	52.3
<b>Adjusted EBIT</b>	<b>28.0</b>	<b>22.3</b>	<b>43.8</b>	<b>35.4</b>	<b>55.6</b>
<b>Operating profit (EBIT)</b>	<b>28.0</b>	<b>19.5</b>	<b>43.8</b>	<b>30.9</b>	<b>45.8</b>
Financial items	(5.9)	(3.4)	(14.8)	(8.2)	(20.9)
Profit before tax	23.7	16.3	32.3	23.1	27.1
Net profit for the period	18.9	12.2	25.9	17.6	21.5
<b>Balance sheet</b>					
Total assets	1,226.1	1,003.0	1,226.1	1,003.0	1,200.9
Net working capital (NWC)	(15.8)	(0.6)	(15.8)	(0.6)	(16.0)
Net interest-bearing debt (NIBD)	326.0	258.7	326.0	258.7	349.3
Equity	556.9	516.0	556.9	516.0	529.7
<b>Cash Flow</b>					
Free cash flow excl. acquisitions of operations	25.8	(1.6)	38.4	(37.4)	40.3
Cash conversion, %	94.8%	48.8%	94.8%	48.8%	37.6%
<b>Growth ratios</b>					
Revenue growth, %	30.0%	(21.3%)	20.3%	(14.3%)	(5.4%)
Gross profit growth, %	37.9%	(24.6%)	29.2%	(20.0%)	(6.4%)
Adjusted EBIT growth, %	25.4%	(42.9%)	23.8%	(45.7%)	(46.2%)
EBIT growth, %	43.4%	(54.3%)	41.9%	(51.2%)	(52.7%)
Net profit growth, %	54.3%	(62.1%)	46.8%	(63.9%)	(69.5%)
<b>Margins</b>					
Gross margin, %	21.5%	20.2%	21.0%	19.6%	19.9%
Adjusted EBITDA margin, %	11.1%	10.8%	9.8%	8.8%	7.9%
Adjusted EBIT margin, %	8.4%	8.7%	7.0%	6.8%	5.1%
EBIT margin, %	8.4%	7.6%	7.0%	5.9%	4.2%
<b>Other ratios</b>					
Solvency ratio, %	45.4%	51.4%	45.4%	51.4%	44.1%
Leverage ratio	3.20	2.80	3.20	2.80	4.08
NWC ratio, %	(1.3%)	(0.1%)	(1.3%)	(0.1%)	(1.5%)
Capex ratio excl. acquisitions, %	1.3%	2.3%	1.2%	1.6%	2.0%
<b>Share information</b>					
Number of outstanding shares	10,440,587	10,213,713	10,440,587	10,213,713	10,438,638
Weighted average number of outstanding shares	10,440,223	9,107,561	10,439,430	9,087,539	9,767,408
Number of treasury shares	73,051	75,000	73,051	75,000	75,000
Earnings per share before dilution, DKK	1.81	1.41	2.48	2.01	2.20
Earnings per share after dilution, DKK	1.80	1.41	2.48	2.00	2.20

Reference is made to the consolidated financial statements for 2023 prepared in accordance with IFRS for definitions of key figures and ratios.

## Business review

(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)

Revenue in Q2 was DKK 332.2 million compared to DKK 255.5 million in Q2 last year, equal to an increase of 30.0%, representing an organic increase of 5.1%. Revenue in Q2 in AUBO Production A/S amounted DKK 63.7 million (AUBO was not included in the Q2 figures last year as the company was acquired in Q3 2023).

TCM Group's primary market is Denmark which contributed with 80.4% of Group revenue in Q2 2024. Revenue in Denmark was up 14.7% compared to Q2 last year to DKK 267.0 million, with an organic increase of 5.6%.

As expected B2B sales, especially within Project sales, declined in the quarter, while B2C sales were significantly up compared to Q2 last year. As such the positive development in B2C-orderintake in Q1 continued well into Q2 with an increase of more than 20% on a comparable basis. Total order-intake in Denmark increased by 9% compared to Q2 last year, measured on a comparable basis.

Revenue in Norway increased by 213.1% compared to Q2 2023 to DKK 62.0 million, driven by the inclusion of AUBO Production A/S. Organically, revenue in Norway increased by 0.9% in the quarter, despite very difficult trading conditions, especially in the B2B market.

Revenue in other countries was largely unchanged at DKK 3.2 million in Q2 2024 compared to DKK 3.0 million in Q2 last year.

Gross margin increased from 20.2% in Q2 2023 to 21.5% in Q2 2024. The improvement was due to the changed sales mix, where B2C sales generally attracts higher margins, and a positive impact from the inclusion of AUBO Production A/S. These positive effects were slightly diluted by an increased share of low-margin 3rd party revenue.

TCM Group continues its journey to create full transparency of our products environmental impact. In Q2 TCM Group released third party approved and validated Environmental Product declarations (EPD) for the AUBO brand. This means that all brands now are covered by EPDs.

Our ambition is to only use certified responsible wood in our products. In Q2 we took another big step in this direction as AUBO Production was FSC® certified. Next follows a conversion of existing inventories to certified material before AUBO Production is ready to supply FSC® certified material to its customers.

At the end of Q2 2024, the total number of branded stores was 113 (91). Two stores opened in Denmark during the quarter, AUBO in Vejle and Nakskov.

Total number of employees at the end of the quarter was 477 (427 end of Q2 2023).

## **Other events in Q2 2024**

The annual general meeting was held on 11 April 2024. The annual general meeting approved the proposal not to distribute dividend.

Björn Johan Olsson Lissner was appointed as new board member at the annual general meeting. The Board of Directors hereafter consists of five independent and one dependent board members, all elected by the annual general meeting. Following the annual general meeting the Board of Directors constituted itself with Anders Skole-Sørensen as chairman and Søren Mygind Eskildsen as vice-chairman.

## **Events after the reporting period**

No events of importance to the consolidated interim financial statements have occurred after the reporting period.

## **Financial outlook**

As stated in Company Announcement no. 193 dated 15. August 2024, we adjust our full year guidance: A full year revenue for 2024 in the range of DKK 1,125-1,200 million (previously DKK 1,000-1,150 million) and adjusted EBIT in the range of DKK 70-90 million (previously DKK 55-85 million).

From 2024 TCM Group has changed the classification of certain income types from Revenue to reduction in Cost of Goods Sold. The change in classification will reduce the revenue in the range of DKK 20-25 million annually. Comparative historical figures in the 2024 financial reports are restated accordingly.

## **Forward looking statements**

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.

## **Significant risks in the Group**

TCM Group is exposed to strategic, operating, and financial risks, which are described in the management review and note 2 of the 2023 Annual Report prepared in accordance with IFRS. The macroeconomic turbulence following the Russian invasion of Ukraine combined with rising inflation and higher interest rates have had and can continue to have a short-term negative impact on demand for kitchens, and thereby impacting TCM Group's financial results negatively.

## Financial review

(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)

### Revenue

In Q2 2024 revenue increased by 30.0% to DKK 332.2 million (DKK 255.5 million). Revenue in AUBO Production A/S amounted to DKK 63.7 million in Q2.

Revenue in Denmark in Q2 2024 was DKK 267.0 million (DKK 232.8 million) corresponding to an increase of 14.7%. Revenue in Norway in Q2 2024 was up 213.1% to DKK 62.0 million (DKK 19.8 million) driven by the inclusion of AUBO Production A/S. Revenue in other countries in Q2 2024 was DKK 3.2 million (DKK 3.0 million).

Total revenue for the first six months of 2024 was up 20.3% to DKK 624.7 million (DKK 519.4 million). Revenue in Denmark for the first six months of 2024 was up 6.3% to DKK 497.8 million (DKK 468.5 million), while revenue in Norway for the first six months of 2024 was up 169.4% to DKK 120.7 million (DKK 44.8 million). Revenue in other countries for the first six months of 2024 was up 1.6% to DKK 6.2 million (DKK 6.1 million).

### Gross profit

Gross profit in Q2 2024 was DKK 71.3 million (DKK 51.7 million), corresponding to a gross margin of 21.5% (20.2%).

Gross profit for the first six months of 2024 was DKK 131.4 million (DKK 101.7 million), corresponding to a gross margin of 21.0% (19.6%).

### Operating expenses

Operating expenses in Q2 2024 were DKK 45.9 million (DKK 30.3 million). Operating expenses represented 13.8% of revenue in Q2 2024 (11.9%). The increase in operating expenses is fully attributable to the inclusion of AUBO Production A/S, where AUBO Production A/S due to a different operating model in Norway incurs higher operating expenses than the other TCM brands. On a comparable basis operating expenses decreased by 6% compared to last year.

Operating expenses for the first six months of 2024 were DKK 92.2 million (DKK 67.8 million). Operating expenses represented 14.8% of revenue for the first six months in 2024 (13.0%).

### Adjusted EBITDA

Adjusted EBITDA in Q2 2024 was DKK 36.7 million (DKK 27.5 million), corresponding to an adjusted EBITDA margin of 11.1% (10.8%).

Adjusted EBITDA for the first six months of 2024 was DKK 61.1 million (DKK 45.5 million), corresponding to an adjusted EBITDA margin of 9.8% (8.8%).

### Adjusted EBIT

Adjusted EBIT in Q2 2024 was DKK 28.0 million (DKK 22.3 million), corresponding to an adjusted EBIT margin of 8.4% (8.7%).

Adjusted EBIT for the first six months of 2024 was DKK 43.8 million (DKK 35.4 million), corresponding to an adjusted EBIT margin of 7.0% (6.8%).

### Non-recurring items

TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. In Q2 2024 there were no non-recurring items. In Q2 2023 non-recurring items were transaction costs related to business combinations.

Non-recurring items, DKK m	Q2		H1	
	2024	2023	2024	2023
Transaction costs related to business combinations	0.0	2.8	0.0	2.8
Restructuring costs	0.0	0.0	0.0	1.7
<b>Total</b>	<b>0.0</b>	<b>2.8</b>	<b>0.0</b>	<b>4.5</b>

### EBIT

EBIT in Q2 2024 was DKK 28.0 million (DKK 19.5 million). The increase was due to higher EBITDA, partly offset by higher depreciations and amortisations. Depreciations and amortizations in Q2 2024 were DKK 8.7 million (DKK 5.2 million), including amortisations on intangible assets recognized as part of the purchase price allocation related to the acquisition of AUBO Production A/S.

EBIT for the first six months of 2024 increased to DKK 43.8 million (DKK 30.9 million). The increase was primarily due to the increase in EBITDA. Depreciations, amortizations, and impairment charges for the first six months of 2024 were DKK 17.3 million (DKK 10.1 million).

### Net profit

Net profit in Q2 2024 increased to DKK 18.9 million (DKK 12.2 million). Net Financial expenses in Q2 2024 were DKK 2.4 million higher than in Q2 2023, due to the higher level of interest-bearing debt during the quarter and higher interest rates.

Net profit for the first six months of 2024 increased to DKK 25.9 million (DKK 17.6 million). Net Financial expenses were DKK 6.5 million higher than the same period last year, primarily due to the higher level of interest-bearing debt during the year, higher interest rates and foreign exchange rate losses.

### Free cash flow

Free cash flow in Q2 2024 was DKK 25.8 million (DKK -1.6 million). The cash flow in Q2 2024 was positively impacted by higher operating profit and by a change in net working capital of DKK 2.1 million compared to DKK -13.8 million in Q2 2023 as further described below. Investments were DKK 12.0 million in Q2 2024 compared

to DKK 12.5 million last year. The investments related primarily to digitalisation and modernisation of the production equipment.

Free cash flow for the first six months of 2024 was DKK 38.4 million (DKK -37.4 million).

### Net working capital

Net working capital at the end of Q2 2024 was DKK -15.8 million (DKK -0.6 million). NWC ratio at the end of Q2 2024 was -1.3% (-0.1%).

<b>DKK million</b>	<b>End of Q2</b>	
	<b>2024</b>	<b>2023</b>
Inventories	86.9	79.1
Trade and other receivables	138.7	90.2
Trade and other payables	(241.4)	(169.8)
<b>Net working capital</b>	<b>(15.8)</b>	<b>(0.6)</b>
<b>NWC ratio</b>	<b>(1.3%)</b>	<b>(0.1%)</b>

Inventories amounting to DKK 86.9 million were on par with Q1 2024 (DKK 87.0 million).

Trade receivables and other receivables increased by DKK 10.6 million in the quarter, due to normal seasonal trading movements and higher activity level. Other receivables are measured excluding the value of short-term lease receivables amounting to DKK 6.9 million, as this is not considered part of the net working capital.

Operating liabilities increased by DKK 17.0 million in the quarter. The development in operating liabilities was a mix of higher trade payables and higher other payables and was primarily due to the higher activity level.

### Net interest-bearing debt

Net interest-bearing debt amounted to DKK 326.0 million at the end of Q2 2024 (DKK 258.7 million end Q2 2023).

Leverage ratio, measured as net interest-bearing debt excluding tax liabilities divided by adjusted EBITDA LTM, end of Q2 2024 was 3.20 (2.80 end of Q2 2023).

### Equity

Equity at the end of Q2 2024 amounted to DKK 556.9 million (DKK 516.0 million end Q2 2023). The solvency ratio was 45.4% at the end of Q2 2024 (51.4%).



## **Additional information**

### **Financial calendar**

The financial year covers the period 1 January – 31 December, and the following dates have been fixed for releases etc. related to the financial year 2024:

22 November 2024	Interim report Q3 2024
26 February 2025	Interim report Q4 2024 and Annual report 2024
9 April 2025	Annual General Meeting

### **Presentation**

The interim report will be presented on Wednesday 21 August 2024 at 9:30 CEST in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/5atfeaup>.

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/B1c049f0a905b44997b5408ac2d547d39a>

### **About TCM Group A/S**

TCM Group is Scandinavia's third largest kitchen manufacturer, with a major part of its business concentrated in Denmark. The product offering includes cabinets, table tops and storage.

Manufacturing is generally carried out in-house and more than 90% is manufactured to a specific customer order. Production sites are located in Denmark, with four factories in Tvis and Aulum (in the western part of Denmark).

The Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the secondary brands are Tvis Køkken, Nettoline, AUBO and private label. Combined, the brands cater for the entire price range. Products are mainly marketed through a network of franchise stores and independent kitchen retailers. Furthermore, 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 Wood.

### **Company information**

TCM Group A/S  
Skautrupvej 16  
DK-7500 Holstebro, Denmark  
Business Registration No: 37 29 12 69

Phone: +45 97435200  
Internet: investor-en.tcmgroup.dk  
E-mail: [ir@tcmgroup.dk](mailto:ir@tcmgroup.dk)

## Consolidated interim financial statements

### Consolidated income statement

DKK m	Note	Q2		H1	
		2024	2023	2024	2023
Revenue	2	332.2	255.5	624.7	519.4
Cost of goods sold		(260.8)	(203.8)	(493.3)	(417.7)
<b>Gross profit</b>		<b>71.3</b>	<b>51.7</b>	<b>131.4</b>	<b>101.7</b>
Selling expenses		(26.1)	(17.8)	(52.3)	(42.0)
Administrative expenses		(19.8)	(12.5)	(39.8)	(25.8)
Other operating income		2.5	0.9	4.5	1.4
<b>Operating profit before non-recurring items</b>		<b>28.0</b>	<b>22.3</b>	<b>43.8</b>	<b>35.4</b>
Non-recurring items	3	0.0	(2.8)	0.0	(4.5)
<b>Operating profit</b>		<b>28.0</b>	<b>19.5</b>	<b>43.8</b>	<b>30.9</b>
Share of profit/loss in associated companies		1.6	0.2	3.2	0.4
Financial income and expenses		(5.9)	(3.4)	(14.8)	(8.2)
<b>Profit before tax</b>		<b>23.7</b>	<b>16.3</b>	<b>32.3</b>	<b>23.1</b>
Tax for the period		(4.9)	(4.1)	(6.4)	(5.4)
<b>Net profit for the period</b>		<b>18.9</b>	<b>12.2</b>	<b>25.9</b>	<b>17.6</b>
Earnings per share before dilution, DKK		1.81	1.41	2.48	2.01
Earnings per share after dilution, DKK		1.80	1.41	2.48	2.00

## Consolidated statement of comprehensive income

DKK m	Q2		H1	
	2024	2023	2024	2023
Net profit for the period	18.9	12.2	25.9	17.6
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Value adjustments of currency hedges before tax	(0.7)	0.9	1.1	0.9
Tax on value adjustments of currency hedges	0.1	(0.2)	(0.2)	(0.2)
<b>Other comprehensive income for the period</b>	<b>(0.5)</b>	<b>0.7</b>	<b>0.9</b>	<b>0.7</b>
<b>Total comprehensive income for the period</b>	<b>18.3</b>	<b>12.9</b>	<b>26.8</b>	<b>18.3</b>

## Consolidated balance sheet

DKK m	Note	End of Q2 2024	2023	End of 2023
<b>ASSETS</b>				
<b>Intangible assets</b>				
Goodwill		412.0	369.8	412.0
Brand		178.0	172.0	178.7
Customer contract		42.8	0.0	45.1
Other intangible assets		1.9	1.9	2.8
Other intangible assets in progress		45.7	22.3	33.7
		<b>680.4</b>	<b>566.0</b>	<b>672.3</b>
<b>Tangible assets</b>				
Land and buildings		127.5	95.6	128.9
Tangible assets under construction and prepayments		3.7	2.1	6.1
Machinery and other technical equipment		56.1	42.5	54.0
Equipment, tools, fixtures and fittings		5.8	6.0	7.1
Right-of-use assets		39.8	45.9	41.5
		<b>232.9</b>	<b>192.1</b>	<b>237.6</b>
<b>Financial assets</b>				
Investments in associated companies		46.7	48.9	48.0
Lease receivables		8.2	13.8	10.8
Other financial assets		11.0	12.6	11.1
		<b>65.9</b>	<b>75.3</b>	<b>69.9</b>
<b>Total non-current assets</b>		<b>979.2</b>	<b>833.3</b>	<b>979.8</b>
<b>Inventories</b>		<b>86.9</b>	<b>79.1</b>	<b>92.5</b>
<b>Current receivables</b>				
Trade receivables		122.9	72.5	80.6
Lease receivables		6.9	6.7	8.5
Receivables from associated companies		2.5	0.2	1.9
Current tax receivables		0.0	1.8	0.0
Other receivables		10.2	6.3	23.1
Prepaid expenses and accrued income		0.0	0.0	1.2
		<b>142.5</b>	<b>87.7</b>	<b>115.2</b>
Cash and cash equivalents		17.5	3.0	13.3
<b>Total current assets</b>		<b>246.9</b>	<b>169.7</b>	<b>221.1</b>
<b>Total assets</b>		<b>1,226.1</b>	<b>1,003.0</b>	<b>1,200.9</b>

## Consolidated balance sheet

DKK m	Note	End of Q2		End of
		2024	2023	2023
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital		1.1	1.0	1.1
Treasury shares		(11.8)	(12.1)	(12.1)
Value adjustments of currency hedging		(0.1)	(0.2)	(0.9)
Retained earnings		567.7	527.3	541.6
Proposed dividend for the financial year		0.0	0.0	0.0
<b>Total shareholders' equity</b>		<b>556.9</b>	<b>516.0</b>	<b>529.7</b>
Deferred tax		66.8	53.7	68.0
Mortgage loans		21.4	23.7	22.7
Bank loans		199.3	0.0	145.3
Lease liabilities		47.3	56.7	48.1
Other liabilities		47.0	1.3	52.5
<b>Total long-term liabilities</b>		<b>381.8</b>	<b>135.4</b>	<b>336.8</b>
Mortgage loans		2.6	2.8	2.5
Bank loans		22.5	168.8	93.0
Lease liabilities		9.4	11.6	14.2
Trade payables		169.0	125.1	144.7
Liabilities to associated companies		0.0	0.0	0.0
Current tax liabilities		3.5	0.0	1.7
Other liabilities		80.4	43.4	77.8
Deferred income		0.0	0.0	0.6
<b>Total short-term liabilities</b>		<b>287.3</b>	<b>351.7</b>	<b>334.5</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,226.1</b>	<b>1,003.0</b>	<b>1,200.9</b>

## Change in consolidated shareholders' equity

	Share capital DKK m	Treas- ury shares DKK m	Value adjust- ments of currency hedges after tax DKK m	Re- tained earnings DKK m	Pro- posed dividend DKK m	Total DKK m
<b>Opening balance 01.01.2023</b>	<b>0.9</b>	<b>(12.1)</b>	<b>(0.9)</b>	<b>432.7</b>	<b>0.0</b>	<b>420.6</b>
Net profit for the period	0.0	0.0	0.0	17.7	0.0	17.7
Other comprehensive income for the period	0.0	0.0	0.7	0.0	0.0	0.7
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>17.7</b>	<b>0.0</b>	<b>18.4</b>
Share capital increase	0.1	0.0	0.0	78.7	0.0	78.8
Cost related to share capital in- crease	0.0	0.0	0.0	(1.8)	0.0	(1.8)
<b>Closing balance 30.06.2023</b>	<b>1.0</b>	<b>(12.1)</b>	<b>(0.2)</b>	<b>527.3</b>	<b>0.0</b>	<b>516.0</b>
<b>Opening balance 01.01.2024</b>	<b>1.1</b>	<b>(12.1)</b>	<b>(0.9)</b>	<b>541.6</b>	<b>0.0</b>	<b>529.7</b>
Net profit for the period	0.0	0.0	0.0	25.9	0.0	25.9
Other comprehensive income for the period	0.0	0.0	0.9	0.0	0.0	0.9
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.9</b>	<b>25.9</b>	<b>0.0</b>	<b>26.8</b>
Adjustment, cash flow hedges	0.0	0.0	(0.1)	0.1	0.0	0.0
Share based incentive program Transfer, exercised share based payment	0.0	0.0	0.0	0.5	0.0	0.5
	0.0	0.3	0.0	(0.3)	0.0	0.0
<b>Closing balance 30.06.2024</b>	<b>1.1</b>	<b>(11.8)</b>	<b>(0.1)</b>	<b>567.7</b>	<b>0.0</b>	<b>556.9</b>

## Consolidated cash flow statement

DKK m	Note	Q2		H1	
		2024	2023	2024	2023
<b>Operating activities</b>					
Operating profit		28.0	19.5	43.8	30.9
Depreciation and amortization		8.7	5.2	17.3	10.1
Other non-cash operating items		0.5	0.0	0.5	0.0
Income tax paid		(6.0)	0.0	(6.1)	(10.7)
Change in net working capital		2.1	(13.8)	(2.4)	(48.9)
<b>Cash flow from operating activities</b>		<b>33.3</b>	<b>10.9</b>	<b>53.1</b>	<b>(18.6)</b>
<b>Investing activities</b>					
Investments in fixed assets		(12.0)	(12.5)	(19.3)	(18.9)
Sale of fixed assets		0.0	0.0	0.1	0.0
Dividends from associates		4.5	0.0	4.5	0.0
<b>Cash flow from investing activities</b>		<b>(7.5)</b>	<b>(12.5)</b>	<b>(14.7)</b>	<b>(18.9)</b>
<b>Financing activities</b>					
Interest paid		(6.1)	(3.7)	(12.7)	(5.8)
Repayments of loans		(20.4)	(70.8)	(18.0)	(32.8)
Repayments of lease liabilities		(1.5)	(1.2)	(2.9)	(2.3)
Rights issue, net proceeds		0.0	77.0	0.0	77.0
<b>Cash flow from financing activities</b>		<b>(28.0)</b>	<b>1.3</b>	<b>(33.6)</b>	<b>36.1</b>
<b>Cash flow for the period</b>		<b>(2.2)</b>	<b>(0.3)</b>	<b>4.8</b>	<b>(1.4)</b>
<b>Cash and cash equivalents at the beginning of the period</b>					
		<b>19.5</b>	<b>3.0</b>	<b>13.3</b>	<b>4.4</b>
Cash flow for the period		(2.2)	(0.3)	4.8	(1.4)
Exchange-rate differences in cash and cash equivalents		0.2	0.3	(0.6)	0.0
<b>Cash and cash equivalents at the end of the period</b>		<b>17.5</b>	<b>3.0</b>	<b>17.5</b>	<b>3.0</b>

## Notes to the consolidated interim financial statements

### 1. Accounting policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish disclosure requirements for listed companies. TCM Group has applied the same accounting policies in this interim report as were applied in the consolidated financial statements for 2023 prepared in accordance with IFRS, why reference is made to note 1 of these financial statements for accounting policies and for definitions of key figures and ratios on pages 43-47 and 66.

From 2024 TCM Group has changed the classification of certain income types from Revenue to reduction in Cost of Goods Sold. The change in classification has reduced the revenue in the range of DKK 20-25 million annually. Comparative figures in 2024 financial reports are restated accordingly.

#### *Impact from new IFRS standards*

TCM Group A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2024 as adopted by the European Union.

Implementation of the standards and amendments have not had any material impact on the Group’s Financial Statements and are likewise not expected to have any significant future impact.

### 2. Revenue and segment information

The Group’s business activities are managed within a single operating segment that is producing and selling kitchens, bathrooms and storage solutions. The result of the operating segment is monitored by the Group’s management to evaluate it and to allocate resources.

	Q2		H1	
	2024	2023	2024	2023
<b>Revenue by region, DKK m</b>				
Denmark	267.0	232.8	497.8	468.5
Norway	62.0	19.8	120.7	44.8
Other countries	3.2	3.0	6.2	6.1
	<b>332.2</b>	<b>255.6</b>	<b>624.7</b>	<b>519.4</b>
<b>Revenue by category, DKK m</b>				
Revenue, core business	251.2	189.3	475.2	393.0
Revenue, 3rd party	81.0	66.3	149.5	126.3
	<b>332.2</b>	<b>255.6</b>	<b>624.7</b>	<b>519.4</b>

Revenue consists of sale of goods and services.



### 3. Non-recurring items

Non-recurring items, DKK m	Q2		H1	
	2024	2023	2024	2023
Transaction costs related to business combinations	0.0	2.8	0.0	2.8
Restructuring costs	0.0	0.0	0.0	1.7
<b>Total</b>	<b>0.0</b>	<b>2.8</b>	<b>0.0</b>	<b>4.5</b>

### 4. Acquisition of operations (business combinations)

#### 2023: Acquisition of AUBO Production A/S

On 3 July 2023, TCM Group A/S acquired 100% of the share capital of AUBO Production A/S. The acquisition supports TCM Group's strategy of strengthening the market position of TCM in the core markets and grow the presence of TCM in Norway.

Purchase consideration	DKK m
Cash paid	105.1
Ordinary shares issued	10.0
Vendor note	35.0
Contingent consideration	18.5
<b>Purchase price</b>	<b>168.6</b>

The fair value of the 149,925 shares issued as part of the consideration paid for AUBO Production A/S (DKK 10.0 million) was DKK 66.7 per share based on the share value calculated as the volume-weighted average closing price as shown by Nasdaq Copenhagen between and including 19 June 2023 and 23 June 2023.

Contingent consideration of potential DKK 60 million is linked to the performance of the company going forward. The fair value of the contingent consideration was estimated at DKK 18.5 million as of the acquisition date and revalued to DKK 17.5 million as of 31 December 2023.

Assets and liabilities included in the acquisition	Fair value DKK m	Acquired carrying amount DKK m
Cash and cash equivalents	4.4	4.4
Tangible assets	55.4	47.0
Intangible assets	3.4	3.4
Intangible assets: Customer contract	47.5	0.0
Intangible assets: Brand value	7.5	0.0
Financial assets	1.0	1.0
Inventories	34.9	34.3

Trade receivable and other receivables	65.2	65.2
Accounts payable and other operating liabilities	(42.1)	(42.1)
Tax payable	(9.1)	(9.1)
Debt to parent company	(16.8)	(16.8)
Interest-bearing liabilities	(8.4)	0.0
Deferred taxes, net	(16.4)	(4.1)
<b>Net identifiable assets acquired</b>	<b>126.4</b>	<b>83.1</b>
Goodwill	42.2	
<b>Net assets acquired</b>	<b>168.6</b>	

Goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

In 2023, revenue attributable to AUBO Production A/S since the date of acquisition amounted to DKK 117.0 million and net profit amounted to DKK 1.5 million.

If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the period ended 31 December 2023 would have been approximately DKK 260 million and DKK 6 million respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2023, together with the consequential tax effects.

Fair value of trade receivable amounted to DKK 57.3 million. The gross contractual receivables amounted to DKK 57.3 million of which DKK 0.0 million is considered uncollectible.

**Purchase consideration - cash outflow**

	<u>DKK m</u>
Purchase consideration paid in cash	105.1
Cash and cash equivalents in acquired subsidiaries	(4.4)
<b>Reduction in the Group's cash and cash equivalents in conjunction with acquisition</b>	<b>100.7</b>

Transaction costs for the acquisition amounted to DKK 2.8 million and are presented under non-recurring items. Of the transaction costs DKK 2.8 million was recognized in Q2 2023.

**5. Related party transactions**

Except for remuneration to senior executives and Board of Directors, there were no other transactions with related parties.

**6. Events after the reporting period**

No events of importance to the consolidated interim financial statements have occurred after the reporting period.

## Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management today considered and adopted the interim report of TCM Group A/S for the period 1 January 2024 – 30 June 2024.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 30 June 2024 and of the results of the Group's operations and cash flows for the period 1 January to 30 June 2024.

Furthermore, in our opinion, the management review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Tvis, 21 August 2024

### Executive Management

Torben Paulin  
CEO

Thomas Hjannung  
CFO

### Board of Directors

Anders Tormod Skole-Sørensen  
Chairman

Søren Mygind Eskildsen  
Deputy Chairman

Pernille Wendel Mehl

Jan Amtoft

Erika Hummel

Björn Johan Olsson Lissner

## Supplementary financial disclosure

### Quarterly overview

DKK million	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
<b>Income statement</b>					
<b>Revenue</b>	<b>255.5</b>	<b>258.6</b>	<b>306.2</b>	<b>292.5</b>	<b>332.2</b>
Gross profit	51.7	45.9	68.3	60.1	71.3
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	24.7	10.1	26.3	24.4	36.7
Adjusted EBITDA	27.5	10.8	29.0	24.4	36.7
Earnings before interest, tax and amortisation (EBITA)	19.5	3.3	18.1	17.4	29.6
<b>Adjusted EBIT</b>	<b>22.3</b>	<b>2.5</b>	<b>17.8</b>	<b>15.8</b>	<b>28.0</b>
<b>Operating profit (EBIT)</b>	<b>19.5</b>	<b>1.8</b>	<b>13.1</b>	<b>15.8</b>	<b>28.0</b>
Financial items	(3.4)	(4.1)	(8.6)	(8.9)	(5.9)
Profit before tax	16.3	(2.3)	6.3	8.6	23.7
Net profit for the period	12.2	(1.7)	5.6	7.0	18.9
<b>Balance sheet</b>					
Total assets	1,003.0	1,250.3	1,200.9	1,213.7	1,226.1
Net working capital	(0.6)	40.2	(16.0)	(9.1)	(15.8)
Net interest-bearing debt (NIBD)	258.7	417.3	349.3	346.6	326.0
Equity	516.0	523.8	529.7	538.1	556.9
<b>Cash Flow</b>					
Free cash flow excl. acquisitions of operations	(1.6)	17.5	60.3	12.6	25.8
<b>Margins</b>					
Gross margin, %	20.2%	17.7%	22.3%	20.5%	21.5%
Adjusted EBITDA margin, %	10.8%	4.2%	9.5%	8.3%	11.1%
Adjusted EBIT margin, %	8.7%	1.0%	5.8%	5.4%	8.4%
EBIT margin, %	7.6%	0.7%	4.3%	5.4%	8.4%
<b>Other ratios</b>					
Solvency ratio, %	51.4%	41.9%	44.1%	44.3%	45.4%