

COMPANY ANNOUNCEMENT

No. 68/2020

Tvis, 11 November 2020

Interim report Q3 2020 (July 1 - September 30)

(All figures in brackets refer to the corresponding period in 2019)

Revenue growth of 4.2% in Q3 2020. Financial outlook reiterated.**CEO Torben Paulin:**

"In the third quarter of 2020 TCM Group managed to grow revenue by 4.2% in a kitchen market influenced by the Covid-19 pandemic. In the quarter the main market for TCM Group, Denmark, has shown more resilience than the other Scandinavian markets.

At the moment we are in the midst of the second wave of the virus outbreak, and I am very proud of all of our employees and business partners. Due to them and their hard work we have been able to operate with a minimum of disruption in this extraordinary situation.

In the quarter we continued to support sales by increased promotional activities and sales campaigns. These efforts have strengthened revenue, but also had a diluting impact on our gross margin. In addition our cost base has been burdened by additional costs related to Covid-19 related precautions in the company. As a result EBIT in the third quarter stood at DKK 32 million, a decline of DKK 2 million compared to the same quarter last year, approximately on par with our expectations.

Based on an assumption that Denmark will not be subject to more drastic lockdown measures than the ones we have seen recently in Q4, we reiterate our full-year financial outlook: revenue in the range DKK 980-1,020 million and EBIT in a range of DKK 135-145 million."

Financial highlights Q3

- Revenue DKK 247.4 million (DKK 237.5 million) corresponding to a revenue growth of 4.2%.
- Adjusted EBITDA DKK 37.6 million (DKK 42.5 million). Adjusted EBITDA margin was 15.2% (17.9%). The decrease in adjusted EBITDA margin was primarily driven by a lower gross margin primarily impacted by sales campaigns and costs related to Covid-19 precautions.
- EBIT down DKK 2.0 million to DKK 32.1 million (DKK 34.1 million), corresponding to an EBIT margin of 13.0% (14.4%).
- Net profit down DKK 1.5 million to DKK 24.4 million (DKK 25.9 million).
- Free cash flow was DKK 25.0 million (DKK 39.5 million).
- Cash conversion ratio was 94.2% (101.7%).

Financial highlights 9 months 2020

- Revenue DKK 761.7 million (DKK 745.3 million) corresponding to an organic growth of 2.2%.
- Adjusted EBITDA DKK 117.4 million (DKK 125.9 million). EBITDA margin was 15.4% (16.9%).
- EBIT down DKK 5.9 million to DKK 101.3 million (DKK 107.2 million), corresponding to a decrease of 5.5%. EBIT margin was 13.3% (14.4%).
- Net profit down DKK 4.4 million to DKK 77.1 million (DKK 81.5 million).
- Free cash flow was DKK 71.1 million (DKK 87.7 million).
- Full-year guidance for the financial year 2020 is revenue in the range DKK 980-1,020 million (unchanged), and EBIT in the range DKK 135-145 million (unchanged).

Contact

For further information, please contact:

CEO Torben Paulin +45 21210464

CFO Mogens Elbrønd Pedersen +45 97435200

IR Contact - ir@tcmgroup.dk

Presentation

The interim report will be presented on Wednesday 11 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/px9eyunr>

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

Confirmation Code: **1695324**

Denmark, Copenhagen **+45 327 28042**

United Kingdom..... **+44 (0) 8445718892**

Sweden, Stockholm **+46 (0) 850692180**

About TCM Group A/S

TCM Group is Scandinavia's third largest kitchen manufacturer, with the 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 manufactures to a specific customer order. Production sites are located in Denmark, with three factories in Tvis and Aulum (outskirts of Holstebro).

The Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the secondary brands are Tvis Køkkener, Nettoline, kitchn 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.