

COMPANY ANNOUNCEMENT

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TCM Group enters into a strategic partnership with and acquires stake in fast growing Danish e-commerce kitchen business Celebert.

TCM Group and Danish e-commerce kitchen business Celebert are joining hands in a transaction, where TCM Group will merge its e-commerce activities in kitchn.dk with the activities of Celebert, a fast growing e-commerce business operating under the brands billigskabe.dk, Celebert and Just Wood.

TCM Group will initially acquire a 45% stake in Celebert and will act as a supplier to the combined Celebert/kitchn.dk business, primarily through the Aulum factory.

The DIY segment within TCM Group has been growing well in recent years both online through kitchn.dk and through the dealer network of physical stores and there is significant potential for further growth in this segment i.e. through store network expansion and further growth within e-commerce.

The merger of kitchn.dk and Celebert will further strengthen the position of TCM Group on the digital market.

Celebert has been a pioneer in the Danish online kitchen market since 2007, and under the stewardship of founder and CEO Birk Aagaard developed a strong online position in the kitchen market. In recent years both revenues and earnings have risen significantly.

Birk Aagaard will continue as CEO in the merged company with TCM Group supporting the business both as a supplier and on the board of the company.

The initial acquisition of 45% of Celebert plus the inclusion of the kitchn.dk activities will require an investment of a maximum of DKK 29 million for TCM Group, including an earn out element.

As part of the agreement with Celebert, TCM Group will acquire an option to acquire the remaining 55% of the Celebert/kitchn.dk business at a later date.

The financial impact of the transaction on the 2021 results of TCM Group will be minimal.

For 2022, when the partnership will have full-year impact, the EBIT of TCM Group will be impacted positively by approximately DKK 8-10 million, based on current market conditions.

CEO Torben Paulin:

“Today is a good day for TCM Group, and I am happy that we have succeeded in reaching a long-term partnership with Celebert. With this transaction we strategically put more traction on our e-commerce business and gain a larger footprint in the Danish online kitchen market. We continue to see a great potential in this distribution channel, and we join forces with skilled key competencies a.o. with the CEO of Celebert, Birk Aagaard. We expect to continue the growth journey in this part of the market, also outside our home market.”

Contact

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About TCM Group / kitchn.dk

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.

Since 2017 TCM Group has owned the online brand kitchn.dk, which will continue in the new setup as part the brand portfolio within Celebert.

About Celebert

Celebert was founded by Birk Aagaard and has sold kitchens online since 2007. Celebert is operating with a multi-brand strategy with current brands billigskabe.dk, Celebert and Just Wood.

CEO Birk Aagaard will be head of the combined e-commerce business.