

## COMPANY ANNOUNCEMENT

No. 191/2024

Tvis, 16 May 2024

### Interim report Q1 2024 (January 1 - March 31)

(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)

## Continued B2C recovery in Q1 under challenging market conditions.

### CEO Torben Paulin:

“Sales in the quarter developed in line with our expectations, with the order-intake in the B2C market in Denmark continuing to improve across most of our brands. B2B sales, as expected, continued to contract primarily within project sales. Revenue in Q1, was DKK 293 million compared to DKK 264 million in Q1 last year. Underlying organic like-for-like sales declined by 12% in the quarter. Sales in Norway, which accounted for 20% of the Groups revenue, were negatively impacted by the slowdown in the B2B market which plays a large role in the Norwegian sales. Together with our Norwegian distributor we have directed our focus on gaining market share in the B2C market until the B2B market recovers.

As a result of higher margin B2C sales growing as a percentage of total sales and the inclusion of AUBO sales (AUBO Production was acquired in Q3 of 2023), the overall gross margin grew significantly in Q1 compared to the same quarter last year, going from 18.9% to 20.7%.

Adjusted EBIT in Q1 was DKK 16 million compared to DKK 13 million in Q1 last year, and the adjusted EBIT margin increased to 5.4% from 4.9% in Q1 last year.

Free cash-flow was DKK 13 million, compared to DKK -36 million last year, due to a significant improvement in working capital management, and leverage at the end of Q1 was 3.73, well within the covenants agreed.

In the first quarter TCM Group continued to expand its Danish footprint adding three new branded stores during the quarter, two in AUBO and one in Nettoline.

In TCM Group, our employees are our greatest asset. Therefore, it is very important to us that our employees are safe and secure while working, and we continue to build a culture where work-related accidents are not acceptable. We are therefore also satisfied that we in Q1 at one of the production sites could celebrate three years without accidents.

Based on the results of Q1 we reiterate 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 in the range of DKK 1,000-1,150 million with earnings (adjusted EBIT) in the range of DKK 55-85 million.”

## Financial highlights Q1 2024

- Revenue DKK 292.5 million (DKK 263.8 million) corresponding to a revenue increase of 10.9%.
- Adjusted EBITDA DKK 24.4 million (DKK 17.9 million). Adjusted EBITDA margin was 8.3% (6.8%).
- Adjusted EBIT of DKK 15.8 million (DKK 13.1 million). Adjusted EBIT margin was 5.4% (4.9%).
- Non-recurring items had a total negative impact of DKK 0.0 million (DKK 1.7 million).
- EBIT of DKK 15.8 million (DKK 11.4 million), corresponding to an EBIT margin of 5.4% (4.3%).
- Net profit of DKK 7.0 million (DKK 5.4 million).
- Free cash flow was DKK 12.6 million (DKK -35.9 million).
- Cash conversion ratio was 69.2% (61.5%).
- Full-year guidance for the financial year 2024 is revenue in the range DKK 1,000-1,150 million with earnings (adjusted EBIT) in the range of DKK 55-85 million.

## For further information please contact:

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## Presentation

The interim report will be presented on Thursday 16 May 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/2ezitred>.

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/BI6d7867feb2e14a598cc87b2cf85cabd1>

## **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.