

COMPANY ANNOUNCEMENT

No. 98/2021

Tvis, 20 August 2021

Interim report Q2 2021 (April 1 - June 30)

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

Continued significant growth in the second quarter and guidance revised up.**CEO Torben Paulin:**

"Our strong revenue growth continued with sales growing by 11.7% to DKK 291 million in the quarter. Organic growth was even higher at 14%, if we take into account the negative impact from the divestment of the Svane Køkkenet store in Copenhagen. The revenue growth was driven by all our four brands and we saw the highest growth rates within our DIY segment (Nettoline and kitchn.dk).

Profits also continued to rise, adjusted EBIT was up by 8.6% from DKK 40.6 million in Q2 2020 to DKK 44.1 million this quarter.

We are seeing a market with continued high demand from our customers, but also with upward pressure on raw material prices, and challenges with raw material availability leading to higher costs.

Based on the positive development in the first half of the year and present market conditions we revise our guidance. We now estimate revenue for 2021 in the range DKK 1,090-1,120 million, while adjusted EBIT is expected to reach between DKK 148 million and 162 million."

Financial highlights Q2

- Revenue DKK 290.7 million (DKK 260.2 million) corresponding to a revenue growth of 11.7%.
- Adjusted EBITDA DKK 47.7 million (DKK 45.9 million). Adjusted EBITDA margin was 16.4% (17.6%).
- Adjusted EBIT up DKK 3.5 million to DKK 44.1 million (DKK 40.6 million). Adjusted EBIT margin was 15.2% (15.6%)
- Non-recurring items had a total negative impact of DKK 1.5 million (DKK 1.0 million). Non-recurring items included costs related to Covid-19 precautions.
- EBIT up DKK 3.0 million to DKK 42.6 million (DKK 39.6 million), corresponding to an EBIT margin of 14.6% (15.2%).
- Net profit up DKK 1.8 million to DKK 31.9 million (DKK 30.1 million).
- Free cash flow was DKK 52.2 million (DKK 68.6 million).
- Cash conversion ratio was 71.5% (101.8%)

Financial highlights H1 2021

- Revenue DKK 571.8 million (DKK 514.4 million) corresponding to an organic growth of 11.2%.
- Adjusted EBITDA DKK 85.4 million (DKK 80.9 million). Adjusted EBITDA margin was 14.9% (15.7%).
- Adjusted EBIT up DKK 6.7 million to DKK 77.0 million (DKK 70.3 million). Adjusted EBIT margin was 13.5% (13.7%).
- Non-recurring items had a negative impact of DKK 2.8 million (DKK 1.0 million).
- EBIT up DKK 4.9 million to DKK 74.2 million (DKK 69.3 million), corresponding to an EBIT margin of 13.0% (13.5%).
- Net profit up DKK 3.8 million to DKK 56.6 million (DKK 52.8 million).
- Free cash flow was DKK 27.6 million (DKK 46.3 million).
- Full-year guidance for the financial year 2021 is revenue in the range DKK 1,090-1,120 million (previously DKK 1,040-1,100 million), and adjusted EBIT in the range DKK 148-162 million (previously 145-160 million).

Contact

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Presentation

The interim report will be presented on Friday 20 August at 9:30 CEST in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/7b8gepwy>

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

Confirmation Code: **5096241**

Denmark, Copenhagen **+45 32 72 04 17**

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

Sweden, Stockholm **+46 (0) 856618467**

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 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.