



TCM Group A/S

Interim Report July-September 2021

November 12, 2021

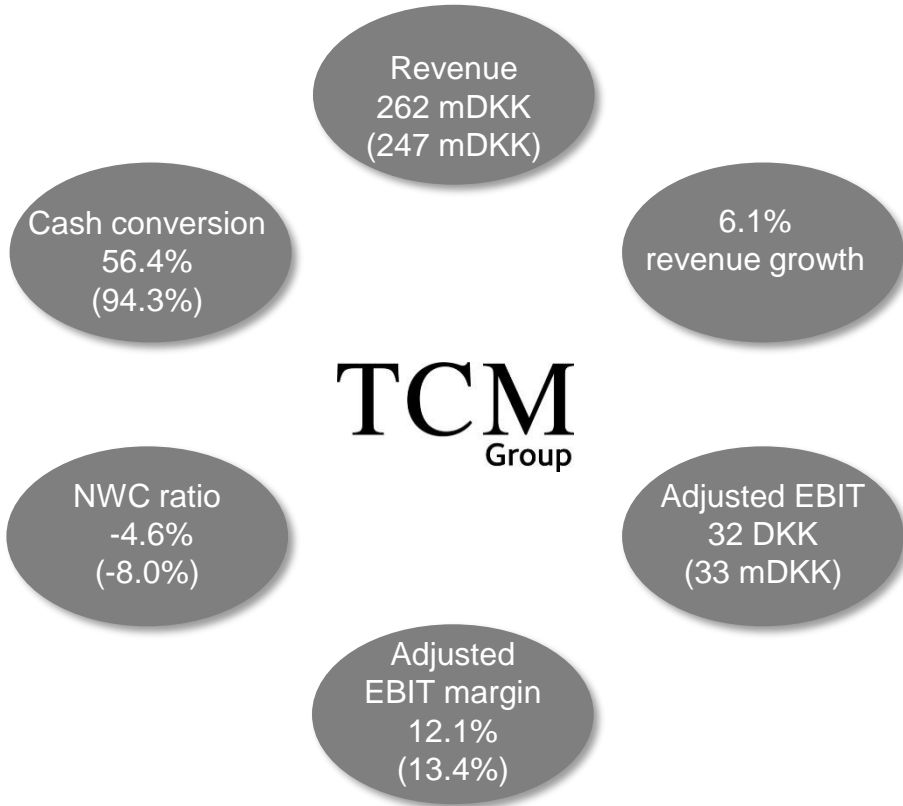
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- ❑ Organic like-for-like growth of 10%.
- ❑ Customer demand remained solid in the quarter.
- ❑ Growth driven by all three brands with the highest growth rates within our DIY segment (Nettoline and e-commerce).
- ❑ Number of branded stores was 91 (88). New Nettoline store opened in Randers. In October, a new Svane store opened in Copenhagen and a Tvis Køkkener store opened in Roskilde.
- ❑ Intensified focus on e-commerce with the Celebert transaction.



- ❑ Unprecedented instability in the supply chain.
- ❑ On-going mitigation to limit impact on customers, leading to additional costs.
- ❑ Significant price increases on raw material.
- ❑ Sales price increase has been implemented and will mitigate the pressure on input costs in Q4.





Q3 revenue growth driven by all brands

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep
Net revenue (mDKK)	262	247	834	762
- Organic growth	6.1%		9.5%	

Q3 comments:

- ❑ Reported revenue growth in Denmark was +5.4%.
- ❑ Growth in Denmark driven by all three brands.
- ❑ Highest growth rate was achieved within our DIY segment.
- ❑ Revenue outside Denmark increased by 16.3%, driven by growth in sales to the Norwegian market, both organic growth and growth from new stores, but also because Q3 2020 was a soft comparison.

5.4% growth
in DK revenue

16.3% growth
in revenue
outside DK

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep
Net revenue (mDKK)	262	247	834	762
- <i>Gross Margin</i>	21.5%	26.2%	23.6%	26.6%
Adjusted EBIT (mDKK)	32	33	109	103
- <i>Adjusted EBIT margin</i>	12.1%	13.4%	13.0%	13.6%

Q3 comments:

- ❑ The divestment of the Svane Køkkenet store in Copenhagen and the e-commerce activities within kitchn.dk had a technical negative impact on gross margin of in total 2.2%-point in the quarter.
- ❑ In addition gross margin was negatively affected by a significantly increased raw material prices of c. DKK 7 million corresponding to 2.7%-points in the quarter.
- ❑ Operating expenses decreased by 7.2mDKK primarily due to the divestment of the Svane Køkkenet store in Copenhagen and the e-commerce activities within kitchn.dk.

- ❑ Non-recurring items in the quarter:
- ❑ Covid-19 precautions and related supply chain disruptions of 3.5mDKK (1.0mDKK Q3 LY).
- ❑ Net gain from the divestment of the e-commerce activities in kitchn.dk of 15.5mDKK.



	2021 Sep	2020 Sep
Net working capital (mDKK)	-50	-82
NWC ratio	-4.6%	-8.0%
NIBD (mDKK)	224	0
Leverage (x EBITDA)	1.31	-0.08

Q3 comments:

- ❑ Higher level of inventories was besides impact from increased raw material prices caused by a management decision to establish a buffer of parts and raw materials.
- ❑ NWC impacted favourably by stimulus packages of c. 10mDKK compared to c. 25mDKK in Q3 last year.
- ❑ Change in the Danish holiday allowance obligation had a negative impact on NWC of 19mDKK.
- ❑ NWC ratio was -4.6% compared to -8.0% in Q3 last year.
- ❑ NIBD was 224mDKK compared to 0mDKK in Q3 last year.
- ❑ Increase in NIBD in Q3 2021 due to the implementation of a share buy back program and the Celebert/kitchn.dk transaction.
- ❑ Leverage 1.31 (-0.08).

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep
Operating profit (mDKK)	44	32	118	101
Depreciation and amortization (mDKK)	4	6	13	16
Other non-cash operating items	-18	0	-18	0
Change in NWC (mDKK)	-33	-7	-71	-27
Tax a.o (mDKK)	0	0	-7	-6
Capex excl. acquisitions (mDKK)	-9	-6	-19	-14
Free cash flow excl. acquisitions (mDKK)	-12	25	16	71
Cash conversion			56.4%	94.3%
Capex ratio			2.7%	1.9%

Q3 comments:

- Free cash flow was -12mDKK compared to 25mDKK in Q3 2020.
- Change in NWC in the quarter was impacted negatively by the change of the Danish holiday allowance obligation.
- Capex was higher compared with Q3 2020.
- Cash conversion in Q3 decreased compared to Q3 2020 primarily due to change in NWC.

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Financial outlook:

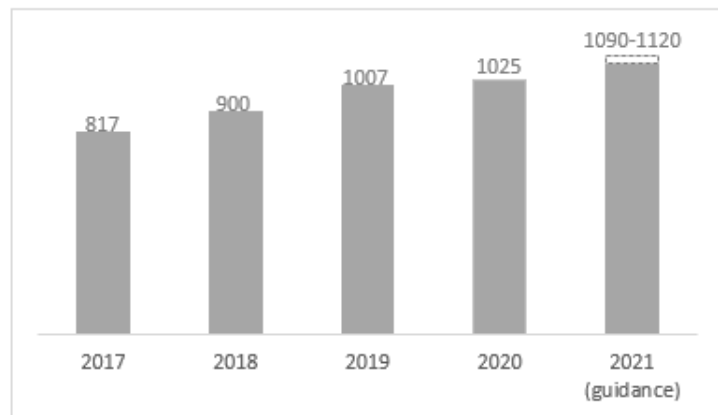
- ❑ Net revenue range reiterated: 1,090-1,120mDKK, corresponding to organic growth on the continuing business excluding the divestment of the Svane store in Copenhagen of 9-12%.
- ❑ Adjusted EBIT range narrowed: 148-155mDKK (previously 148-162mDKK).

(EBIT excluding non-recurring items)



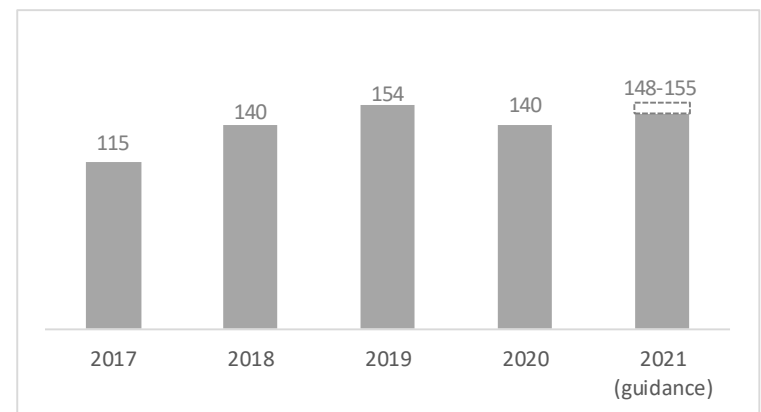
Revenue development

DKKm



Adjusted EBIT development

DKKm





Q&A

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