



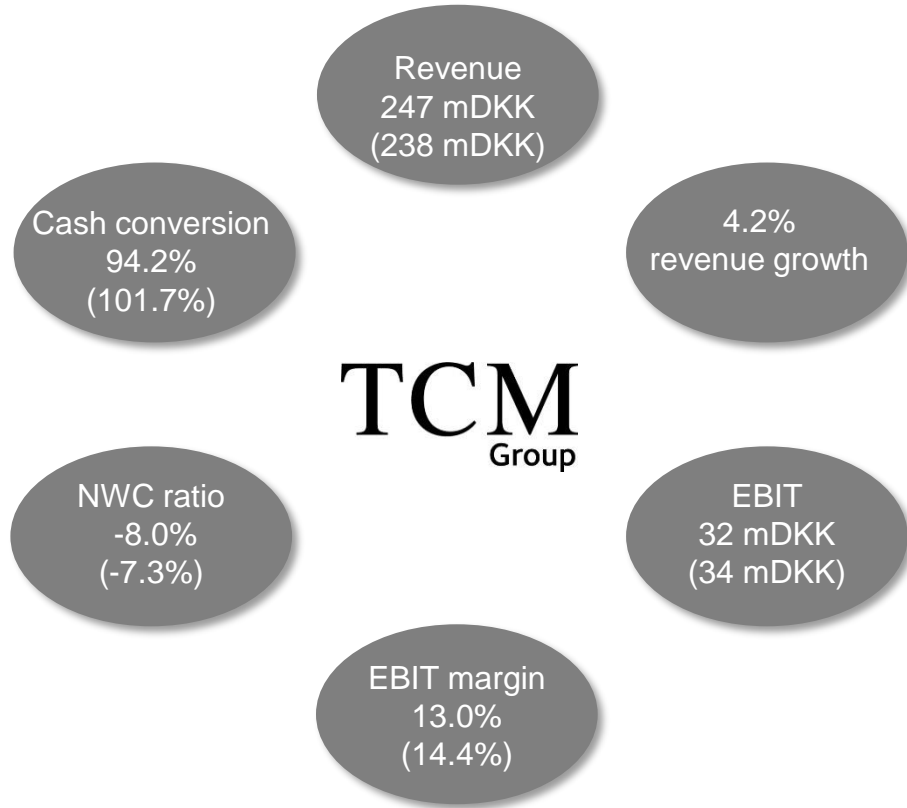
TCM Group A/S

Interim Report July-September 2020

November 11, 2020

- ❑ Growth driven by the Danish market primarily within branded stores including Nettoline and kitchn.dk as well as a higher revenue from 3rd party products
- ❑ The Danish kitchen market has been resilient despite Covid-19
- ❑ The Norwegian kitchen market influenced by Covid-19
- ❑ Number of branded stores was 68 (67). Furthermore, 20 dealers have converted stores into the Nettoline store concept and therefore considered branded stores
- ❑ Continued product innovation with the launch of S12 RAW Limited edition
- ❑ Financial outlook reiterated





	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net revenue (mDKK)	247	238	762	745
- Organic growth	4.2%		2.2%	

Q3 comments:

- ❑ Revenue growth in Denmark was +5.6%
- ❑ Growth in Denmark driven by branded stores including Nettoline and kitchn.dk as well as revenue from 3rd party revenue
- ❑ Revenue outside Denmark decreased by 13.6%

5.6% growth
in DK revenue

13.6% decrease
in revenue
outside DK

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net revenue (mDKK)	247	238	762	745
- <i>Gross Margin</i>	25.8%	28.1%	26.3%	27.4%
EBIT (mDKK)	32	34	101	107
- <i>EBIT margin</i>	13.0%	14.4%	13.3%	14.4%

Q3 comments

- ❑ Sales campaigns supported topline growth, but had a diluting impact on gross margin
- ❑ Furthermore, a negative gross margin impact from additional costs related to Covid-19 precautions and a higher share of low margin revenue from 3rd party products
- ❑ Going forward Covid-19 precautions will continue to impact, whereas the sales campaigns ended during Q3
- ❑ Operating expenses increased by 2mDKK primarily due to costs related to projects targeted operational efficiency improvements and higher marketing costs
- ❑ Q3 LY included non-recurring items of 3mDKK

NWC ratio improved vs LY supported by extended credit on VAT/income tax – part of the government’s stimulus packages

	2020 Sep	2019 Sep
Net working capital (mDKK)	-82	-73
NWC ratio	-8.0%	-7.3%
NIBD (mDKK)	0	119
Leverage (x EBITDA)	-0.1	0.6

Q3 comments

- ❑ NWC impacted favourably by stimulus packages of c. 23mDKK
- ❑ Higher level of inventories due to increased buffer level to ensure high delivery assurance
- ❑ Higher trade receivables compared to Q3 LY due to a higher number of outstanding debtors days at the end of quarter.
- ❑ NWC ratio was -8.0% compared to -7.3% in Q3 last year
- ❑ NIBD was 0mDKK compared 119mDKK Q3 last year.
- ❑ At the end of Q3 NIBD was impacted by 37mDKK due to implementation of IFRS 16

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Operating profit (mDKK)	32	34	101	107
Depreciation and amortization (mDKK)	6	6	16	16
Change in NWC (mDKK)	-7	4	-27	-22
Tax a.o (mDKK)	0	0	-6	-5
Capex excl. acquisitions (mDKK)	-6	-4	-14	-9
Operating cash flow excl. acquisitions (mDKK)	25	40	71	88
Cash conversion			94.2%	101.7%
Capex ratio			1.9%	1.3%

Q3 comments

- ❑ Free cash flow was 25mDKK compared to 40mDKK in Q3 2019
- ❑ Change in NWC in the quarter had a negative impact on cash flow of 11mDKK compared to Q3 2019.
- ❑ Cash flow in the quarter was negatively impacted by 3mDKK as a reversed effect of the extended credit in stimulus packages during Q2. At the end of Q3 the extended credit had a positive impact of c. 23mDKK, which will have a similar adverse impact in Q4 2020 and Q1 2021.
- ❑ Capex was 2mDKK higher than Q3 2019.
- ❑ Cash conversion in Q3 remained high – close to 100%

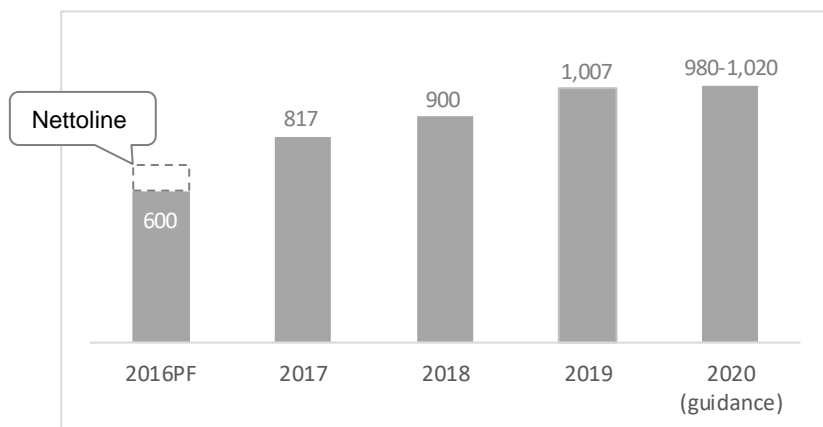
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- ❑ Full-year guidance for 2020 is reiterated:
- ❑ Net revenue: 980-1,020mDKK, which is at level on par with 2019 (1,007mDKK)
- ❑ EBIT: 135-145mDKK, slightly below 2019
(EBIT excluding non-recurring items)



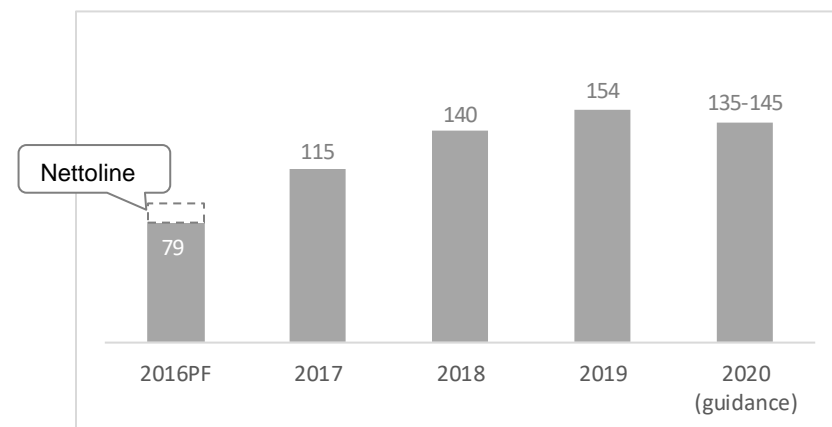
Revenue development

DKKm



Adjusted EBIT development

DKKm





Q&A