TCM Group A/S
Interim Report January-December 2017

February 28, 2018

Strong financial performance in 2017

18% organic growth

Revenue 817 mDKK

Adjusted EBITA 123 mDKK

NWC ratio -9.9%

Adj. EBITA margin 15.0%

Cash conversion 110%

Business review 2017

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- Strong Danish market development in 2017, but TCM Group continues to gain market share
- Agreements in place to open three new branded stores
- New Svane product line RAW successfully launched
- Nettoline integration near completion
- First robot centre implemented at the table top production site in Tvis

Financial highlights Q4

Q4 2017

- Net revenue 215 mDKK (162)
- Organic growth of 17%
- Adjusted EBITA 39 mDKK (28)
- Adjusted EBITA margin 18.3% (17.3)

- NWC ratio -9.9% (-9.9)
- Cash conversion ratio 110% (108)
- Net interest bearing debt 226 mDKK (171)

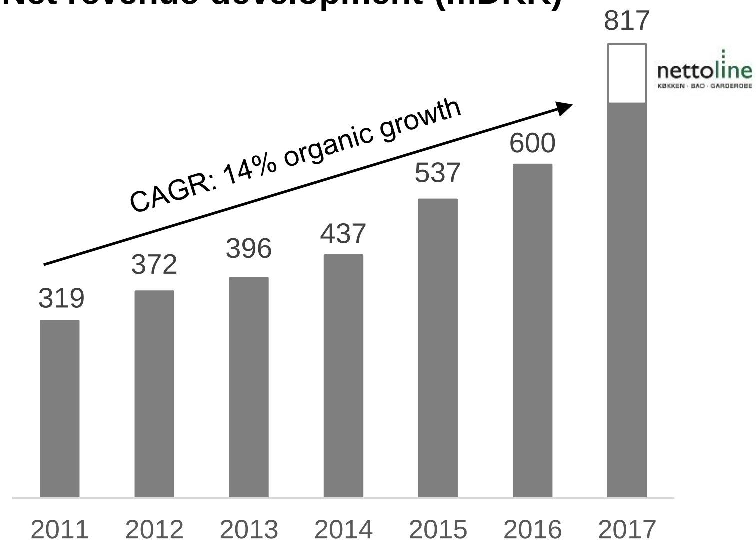
TCM Group continues its strong growth track record

	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Net revenue (mDKK)	215	162	817	600
- Organic growth	*17%*		*18%*	
- Acquired growth	*15%*		*18%*	

Q4 comments

- Organic growth continued in Q4
- Growth both in Denmark and export markets
- Growth both within B2B and B2C
- Revenue exceeding previous guidance of 795-805 million – primarily due to a higher than expected level of re-invoicing of white goods

Net revenue development (mDKK)



EBITA margin (adjusted) continues to improve – EBIT impacted by non-recurring costs

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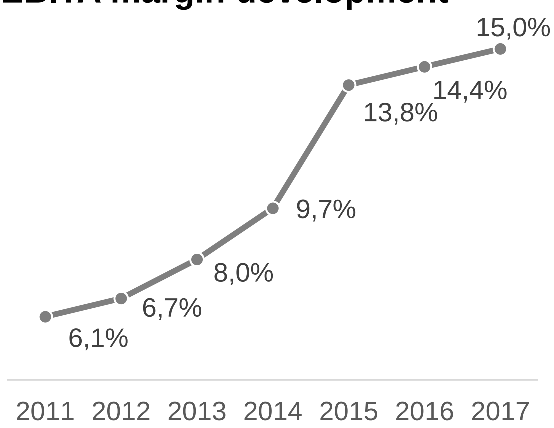
	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Net revenue (mDKK)	215	162	817	600
- Gross Margin	*31.3%*	*31.5%*	*28.3%*	*29.9%*
Adjusted EBITA (mDKK)	39	28	123	86
- Adj. EBITA margin	*18.3%*	*17.3%*	*15.0%*	*14.4%*
EBIT (mDKK)	25	26	81	60
- EBIT margin	*11.6%*	*15.9%*	*9.9%*	*10.0%*

Q4 comments

- Revenue growth converted to growth in EBITA
- Gross margin more or less on par with last year and favorably impacted by synergies from the Nettoline acquisition
- Adjusted EBITA up 1%-point to 18.3%
- EBIT impacted by non-recurring costs

EBITA margin development



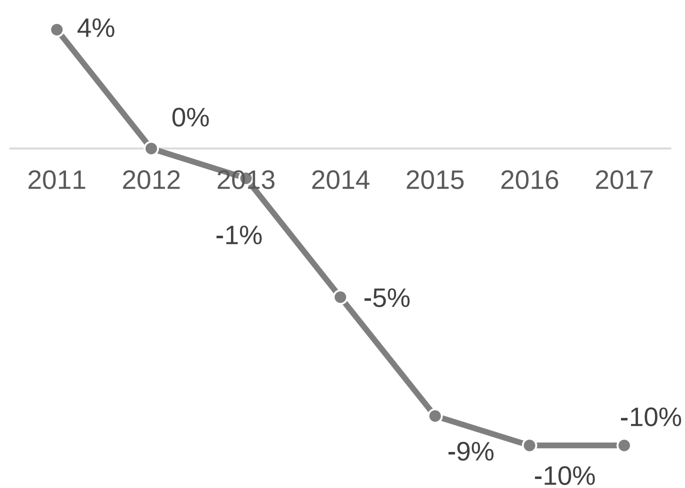
NWC ratio on par with last year, despite Nettoline acquisition

	2017 Dec	2016 Dec
Net working capital (mDKK)	-81	-59
NWC ratio	-9.9%	-9.9%
NIBD (mDKK)	226	171
Leverage (x EBITDA)	1.7	1.8

Q4 comments

- NWC ratio on par with last year, despite the Nettoline acquisition – Nettoline had a NWC ratio of +5% when acquired
- NIBD increased due to net cash settlement of warrant program prior to IPO and the Nettoline acquisition partly off-set by earnings and NWC improvements
- Leverage is slightly lower than last year and with a satisfactory buffer compared with the maximum target of 2.25

NWC ratio development



High cash conversion continues

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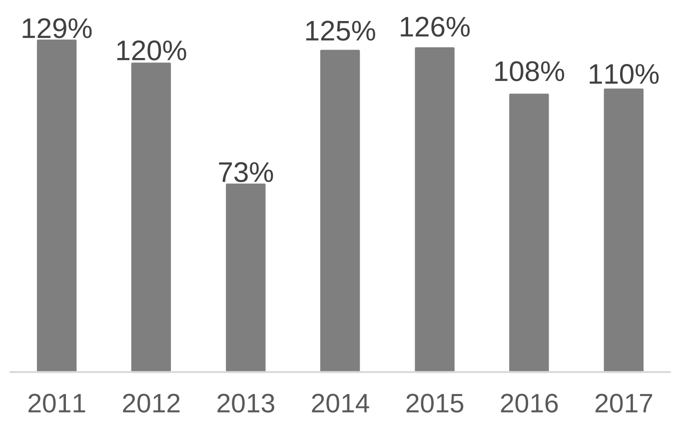
	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
Operating profit (mDKK)	25	26	81	54
Depreciation and amortization (mDKK)	4	4	24	18
Change in NWC (mDKK)	32	29	27	24
Tax a.o (mDKK)	-26	-11	-24	-13
Capex excl. acquisitions (mDKK)	-3	-3	-8	-4
Operating cash flow excl. acquisitions (mDKK)	31	46	100	80
Cash conversion			110%	108%

Q4 comments

- Profit in Q4 impacted by non-recurring items of 13mDKK
- Tax payments impacted free cash flow in Q4 with 15mDKK compared to last year
- Free cash flow excl. acquisitions was 31mDKK compared to 46mDKK last year

Cash conversion



Financial targets 2018

Market

- Denmark: Growth expected to be slower than in 2017 – 2-3%
- Norway and Sweden: Market expected to be negatively affected by decrease in real estate prices and a slow down in new builds

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- Net revenue: 870-900 mDKK
- Note: Fewer delivery days in Q1 compared to 2017
- Adjusted EBITA: 130-140mDKK
- EBIT: 120-130mDKK

- 40-60% dividend pay-out ratio from financial year 2018, depending on possible acquisitions
- Leverage ratio depending on possible acquisitions – but we expect to maintain the current NWC performance and with capex of 1-2% of revenue


Q&A