

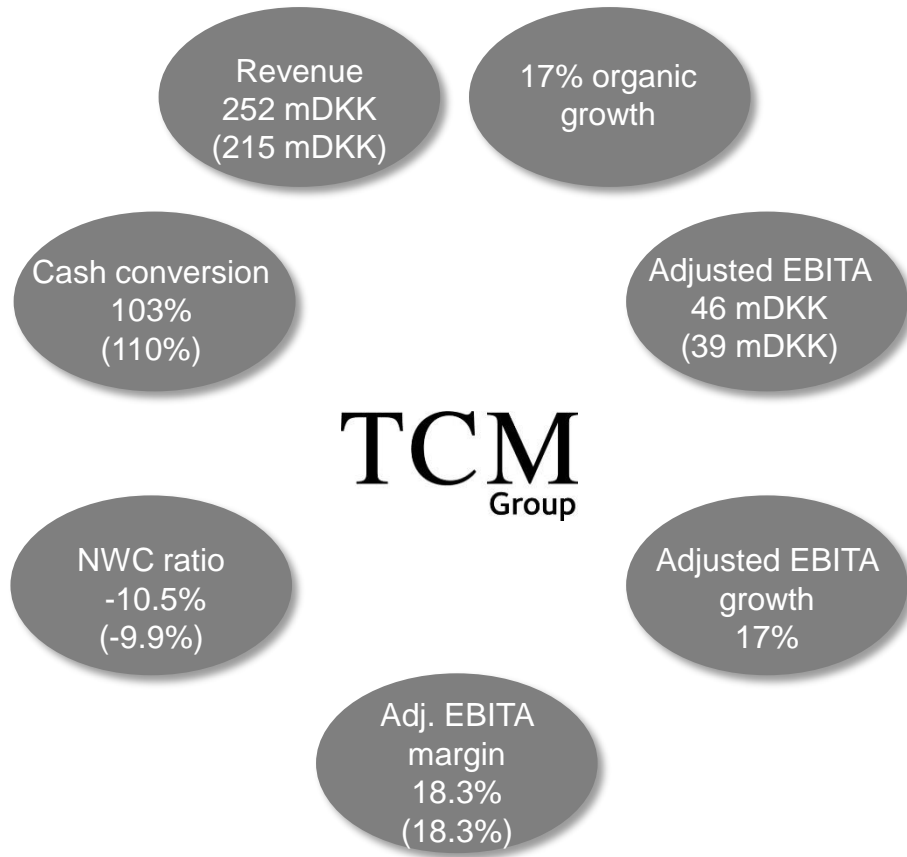


TCM Group A/S

Annual Report January-December 2018

February 27, 2019

Excellent ending to strong 2018 with 17% organic growth in Q4 2018



- ❑ Positive Danish market development in 2018 of 2-3%, but TCM Group continued to gain market share with organic growth in Denmark of 20%
- ❑ Continued momentum regarding new branded stores in Denmark and Norway opening 3 stores in Q4
- ❑ We delivered in the high end of our guidance
- ❑ Successful launch of Svane Køkkenet S19 in December



Full Year 2018

- ❑ Net revenue 900 mDKK (817)
- ❑ Organic growth of 10%
- ❑ Adjusted EBITA 148 mDKK (123) – up 20%
- ❑ Adjusted EBITA margin 16.4% (15.0%)

- ❑ Proposed dividend distribution of DKK 4.75 per share
- ❑ Growth expected to continue in 2019



	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Net revenue (mDKK)	252	215	900	817
- Organic growth	17%		10%	

Q4 comments

- ❑ Organic growth continued in Q4
- ❑ Growth in Denmark of 20% in Q4
- ❑ Growth primarily within B2B
- ❑ Revenue outside Denmark decreased by 9% in Q4
entirely due to lower sale of DIY kitchens

20% growth in
DK in Q4

No. of branded
stores increased
from 60 to 65
during 2018

EBITA margin (adjusted) continued to improve

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Net revenue (mDKK)	252	215	900	817
- <i>Gross Margin</i>	30.9%	31.3%	29.2%	28.3%
Adjusted EBITA (mDKK)	46	39	148	123
- <i>Adj. EBITA margin</i>	18.3%	18.3%	16.4%	15.0%
EBIT (mDKK)	44	25	138	81
- <i>EBIT margin</i>	17.6%	11.6%	15.3%	9.9%

Q4 comments

- ❑ Revenue growth converted to growth in EBITA
- ❑ Gross margin adversely affected by a sales mix compared to Q4 2017
offset by a lower cost ratio
- ❑ Adjusted EBITA on par with LY 18.3%
- ❑ EBIT Q4 2017 affected by non-recurring costs of 13mDKK

	2018 Dec	2017 Dec
Net working capital (mDKK)	-94	-81
NWC ratio	-10.5%	-9.9%
NIBD (mDKK)	91	226
Leverage (x EBITDA)	0.58	1.72

Q4 comments

- ❑ NWC ratio improved compared to last year
- ❑ NIBD decreased primarily due to the positive cash flow from operating activities
- ❑ Solid balance sheet with a leverage at 0.58 compared to 1.72 last year
- ❑ Proposed dividend distribution for 2018 is DKK 4.75 DKK per share corresponding to 46% of net profit.

	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Operating profit (mDKK)	44	25	138	81
Depreciation and amortization (mDKK)	4	4	15	24
Change in NWC (mDKK)	39	32	13	27
Tax a.o (mDKK)	-29	-27	-33	-24
Capex excl. acquisitions (mDKK)	-5	-3	8	-8
Operating cash flow excl. acquisitions (mDKK)	54	31	141	100
Cash conversion			103%	110%

Q4 comments

- ❑ Profit in Q4 compared to last year impacted by revenue growth driving higher earnings and non-recurring costs in Q4 last year
- ❑ Though NWC continues to improve compared to last year, the change compared to last year has an adverse impact on cash flow YTD
- ❑ Free cash flow excl. acquisitions was 54mDKK compared to 31mDKK Q4 last year
- ❑ Cash conversion continues to be high – around 100%

TCM Group

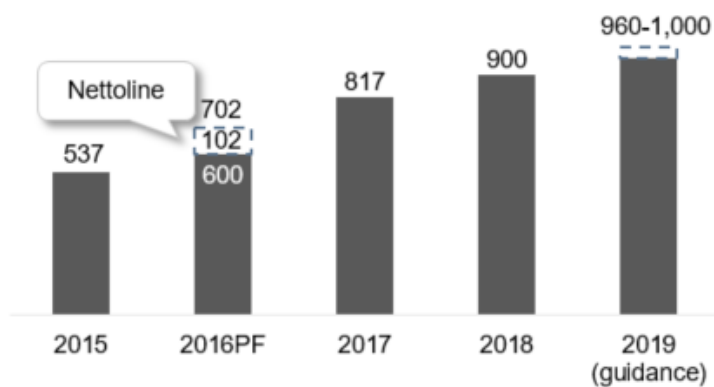
- ❑ Net revenue: 960-1,000 mDKK corresponding to growth of 7-11%. The Danish market is expected to grow by 1-2%.
- ❑ Adjusted EBITA: 155-165mDKK
- ❑ EBIT: 145-155mDKK

- ❑ Proposed dividend distribution for 2018 is DKK 4.75 per share corresponding to 46% of net profit.



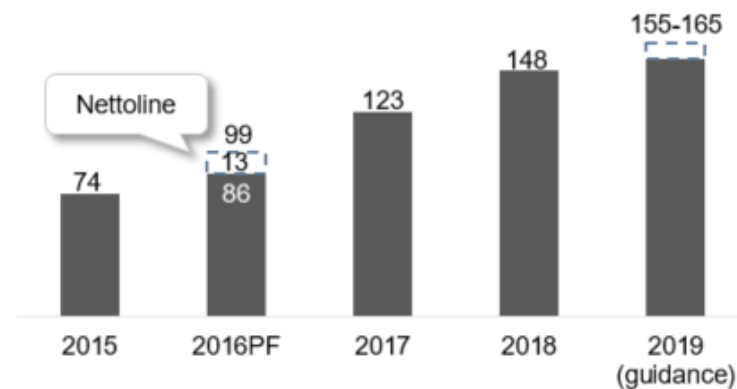
Revenue development

DKKm



Adjusted EBITA development

DKKm





Q&A