



TCM Group A/S

Interim Report July-September 2023

November 17, 2023

- ❑ Revenue in Q3 of DKK 258 million vs. DKK 265 million last year.
- ❑ Organic revenue decline of 23.5% in the quarter.
- ❑ B2C sales remained weak in the quarter, although we did see an improvement in order-intake towards the end of the quarter.
- ❑ Underlying gross margin improvement on Q2, up from 20.0% to 20.3%
- ❑ Continued demand uncertainty in the market
- ❑ 112 branded stores, hereof 21 AUBO stores in Denmark.
- ❑ Cost base adjusted in November to reflect the expected demand, and to improve operating margins going forward.



Q3 Revenue development weaker than expected

Revenue
258 mDKK
(265 mDKK)

Cash conversion
88.1%
(54.9%)

3%
revenue decline
y-o-y

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Group

NWC ratio
3.1%
(-0.8%)

Adjusted EBIT
3 mDKK
(21 mDKK)

Adjusted
EBIT margin
1.0%
(7.8%)



	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep
Net revenue (mDKK)	258	265	795	871
- Revenue decline	-2.8%		-8.7%	

Q3 comments:

- ❑ Organic revenue declined by 23.5% y-o-y.
- ❑ Reported revenue in Denmark decreased by 14.8% y-o-y
- ❑ Revenue outside Denmark increased by 114.3% driven by the acquisition of AUBO Production A/S as of 3 July 2023.

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep
Net revenue (mDKK)	258	265	795	871
- <i>Gross Margin</i>	18.3%	18.7%	18.9%	20.5%
Adjusted EBIT (mDKK)	3	21	38	86
- <i>Adjusted EBIT margin</i>	1.0%	7.8%	4.8%	9.8%

Q3 comments:

- ❑ Reported margins negatively impacted by the correction of transit fees related to Q1 and Q2.
- ❑ Underlying gross margin of 20.3% up from 18.7% in Q3 LY, supported by the AUBO acquisition.
- ❑ EBIT further impacted by provisions for potential losses on trade receivables of DKK 5.4 million in Q3.

	2023 Sep	2022 Sep
Net working capital (mDKK)	34	-9
NWC ratio	3%	-1%
NIBD (mDKK)	417	335
Leverage (incl. IFRS 16)	5.21	2.52

Q3 comments:

- ❑ Increase in NWC compared to Q3 LY due to the acquisition of AUBO Production A/S.
- ❑ AUBO carries a higher NWC than the remaining TCM business due to a different operating model.
- ❑ Inventories reduced in the quarter as a result of the decision to decrease the stock of components and raw materials after the supply situation in the market has stabilized.
- ❑ Net interest-bearing debt increased by DKK 158.6 million in Q3 due to the acquisition of AUBO Production A/S.
- ❑ Leverage ratio was 5.21 (2.52).

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep
Operating profit (mDKK)	2	16	33	79
Depreciation and amortization (mDKK)	8	5	18	13
Other non-cash operating items	0	0	0	0
Change in NWC (mDKK)	17	-21	-31	-79
Tax a.o (mDKK)	0	0	-11	-7
Capex excl. acquisitions, net (mDKK)	-10	-6	-29	-19
Free cash flow excl. acquisitions (mDKK)	17	-6	-20	-13
Cash conversion	88.1%	54.9%	88.1%	54.9%
Capex ratio	1.8%	1.3%	1.6%	1.4%

Q2 comments:

- ❑ Free cash flow was DKK 17m compared to DKK -6m in Q3 LY.
- ❑ Development primarily driven by the change in NWC.
- ❑ Capex ratio was 1.8% of revenue compared to 1.3% LY.
- ❑ Cash conversion LTM Q3 of 88%.

TCM Group

Financial outlook on earnings re-iterated:

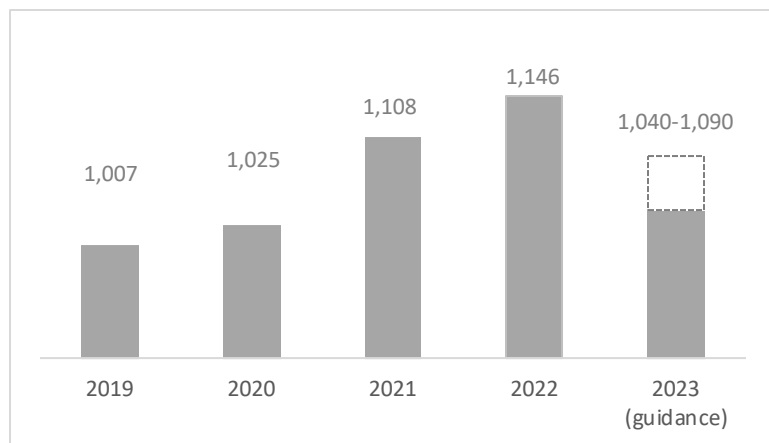
- ❑ Net revenue: DKK 1,040-1,090
- ❑ EBIT: DKK 40-50m

(EBIT excluding non-recurring items)



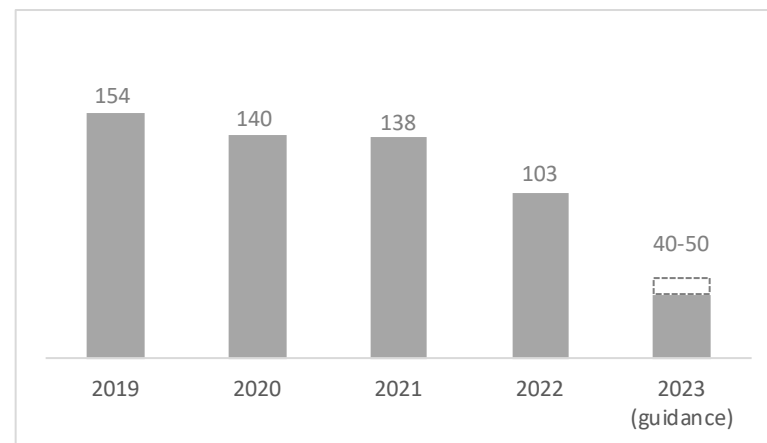
Revenue development

DKKm



Adjusted EBIT development

DKKm



Q&A

