



TCM Group A/S

Interim Report April-June 2022

August 19, 2022

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- ❑ Organic like-for-like growth (core business) of 11%
- ❑ Strong growth in the Norwegian business
- ❑ Supply situation has normalized
- ❑ Higher input costs, though mitigated, impact earnings temporarily
- ❑ High uncertainty regarding future demand, however solid order book going into Q3
- ❑ Number of branded stores was 94 (91). New Svane Køkkenet store opened in Frederikstad (NO)



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Revenue
325 mDKK
(291 mDKK)

11.7%
revenue growth

Cash conversion
49.5%
(71.5%)

NWC ratio
-2.6%
(-7.0%)

Adjusted EBIT
39 DKK
(44 mDKK)

Adjusted
EBIT margin
12.0%
(15.2%)



Q2 revenue growth driven by the DIY segment and Svane Køkkenet in DK and strong growth in Norway

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun
Net revenue (mDKK)	325	291	606	572
- Organic growth	11.7%		6.0%	

Q2 comments:

- ❑ Reported revenue growth in Denmark was 10.5% - organic like-for-like growth excluding third party revenue (core business) in Denmark was 9%.
- ❑ Growth in Denmark driven by our DIY segment (Nettoline and e-commerce) and Svane Køkkenet.
- ❑ Revenue outside Denmark increased by 23.5%, driven by growth in sales to the Norwegian market, both organic growth and growth from new stores.

10.5% growth
in DK revenue

23.5% growth
in revenue
outside DK

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun
Net revenue (mDKK)	325	291	606	572
- <i>Gross Margin</i>	21.3%	25.7%	21.3%	24.6%
Adjusted EBIT (mDKK)	39	44	65	77
- <i>Adjusted EBIT margin</i>	12.0%	15.2%	10.7%	13.5%

Q2 comments:

- ❑ The merge of the e-commerce activities in kitchn.dk and Celebert had a technical negative impact on gross margin of in total 0.6%-point in the quarter.
- ❑ In addition gross margin was negatively affected by further increased costs on raw material and energy following the Russian invasion of Ukraine. Mitigation from further sales price increases comes with some delay.
- ❑ Operating expenses decreased by 0.3mDKK primarily due to the merge of the e-commerce activities in kitchn.dk and Celebert.
- ❑ Non-recurring gain of 3.6mDKK in Q2 2022 compared to non-recurring costs in Q2 LY of 1.5mDKK.

	2022 Jun	2021 Jun
Net working capital (mDKK)	-29	-76
NWC ratio	-2.6%	-7.0%
NIBD (mDKK)	333	153
Leverage (x EBITDA)	2.35	0.90

Q2 comments:

- ❑ Higher level of inventories was due to impact from increased raw material prices, and a decision to increase the stock of parts and raw materials.
- ❑ Change in the Danish holiday allowance obligation had a negative impact on NWC of 19mDKK compared to LY. NWC last year was impacted favourably by stimulus packages of c. 10mDKK.
- ❑ NWC ratio was -2.6% compared to -7.0% in Q2 LY.
- ❑ NIBD was 333mDKK compared to 153mDKK in Q2 LY.
- ❑ Excluding liabilities related to IFRS 16 net interest-bearing debt was 264mDKK compared to 118mDKK LY
- ❑ Leverage ratio was 2.35 (0.90), excluding IFRS 16 leverage ratio was 1.89 (0.73).

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun
Operating profit (mDKK)	43	43	63	74
Depreciation and amortization (mDKK)	4	4	9	8
Other non-cash operating items	0	0	0	0
Change in NWC (mDKK)	-15	10	-58	-38
Tax a.o (mDKK)	0	0	-7	-7
Capex excl. acquisitions (mDKK)	-6	-4	-13	-10
Free cash flow excl. acquisitions (mDKK)	27	52	-6	28
Cash conversion			49.5%	71.5%
Capex ratio			1.4%	2.0%

Q2 comments:

- ❑ Free cash flow was 27mDKK compared to 52mDKK in Q2 2021.
- ❑ Development primarily driven by the change in NWC compared to LY.
- ❑ Capex ratio was 1.4% of revenue compared to 2.0% LY.
- ❑ Cash conversion in Q2 at 50%.

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Financial outlook on EBIT revised:

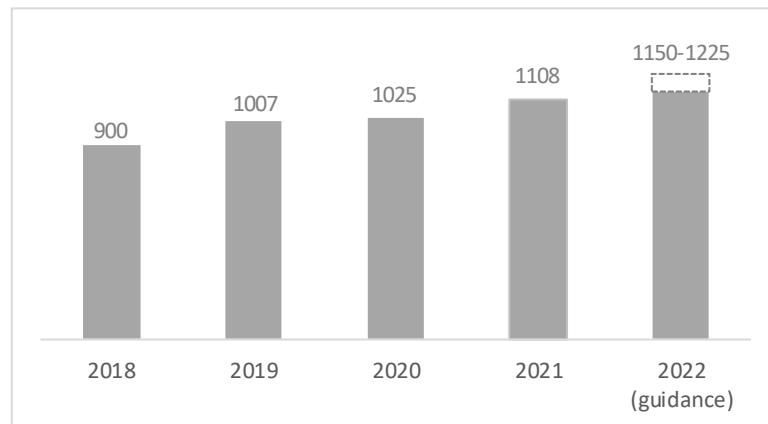
- ❑ Net revenue: 1,150-1,225mDKK (unchanged), corresponding to organic growth of 4-11%.
- ❑ Adjusted EBIT: 130-160mDKK (previously 140-170mDKK).

(EBIT excluding non-recurring items)



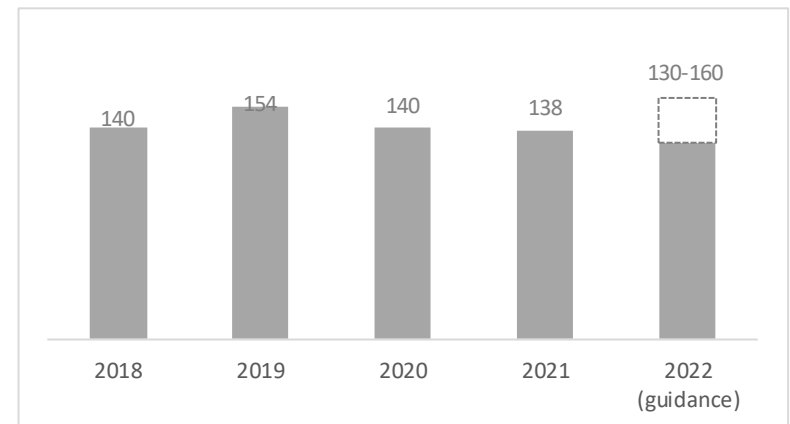
Revenue development

DKKm



Adjusted EBIT development

DKKm





Q&A

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