



TCM Group A/S

Interim Report October - December 2023

February 28, 2024

- ❑ Revenue in Q4 of DKK 316 million vs. DKK 275 million last year.
- ❑ Organic revenue decline of 7.6% in the quarter.
- ❑ Order-intake in Denmark flat, with positive trends in B2C
- ❑ Gross margin improvement on LY Q2, up from 19.9% to 22.0%
- ❑ Continued demand uncertainty in the market
- ❑ Cost base adjusted in November to reflect the expected demand, and to improve operating margins going forward.
- ❑ No dividend distribution for 2023
- ❑ 110 branded stores, hereof 22 AUBO stores in Denmark.



Q4 Revenue development better than than expected

Revenue
316 mDKK
(275 mDKK)

Cash conversion
37.6%
(53.3%)

15%
revenue increase
y-o-y

TCM
Group

NWC ratio
-1.4%
(-4.2%)

Adjusted EBIT
18 mDKK
(18 mDKK)

Adjusted
EBIT margin
5.6%
(6.5%)



	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Net revenue (mDKK)	316	275	1,111	1,146
- Revenue decline	+15.0%		-3.0%	

Q4 comments:

- Organically revenue declined by 7.6% y-o-y.
- Reported revenue in Denmark increased by 0.6% y-o-y.
- Revenue outside Denmark increased by 157% driven by the inclusion of AUBO Production A/S.

Full year comments:

- Organically revenue declined by 13.2% y-o-y.
- Reported revenue in Denmark decreased by 8.7% y-o-y.
- Revenue outside Denmark increased by 148% driven by the inclusion of AUBO Production A/S.

	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Net revenue (mDKK)	316	275	1,111	1,146
- <i>Gross Margin</i>	22.0%	19.9%	19.6%	20.1%
Adjusted EBIT (mDKK)	18	18	56	103
- <i>Adjusted EBIT margin</i>	5.6%	6.5%	5.0%	9.0%

Q4 comments:

- ❑ Gross margin of 22.0% up from 19.9% in Q4 LY, supported by the AUBO acquisition and price increases.
- ❑ EBIT negatively impacted by realized losses and provisions for potential losses on trade receivables of DKK 5.7 million in Q4.

	2023 Dec	2022 Dec
Net working capital (mDKK)	-16	-48
NWC ratio	-1.4%	-4.2%
NIBD (mDKK)	349	288
Leverage (incl. IFRS 16)	4.08	2.35

Q4 comments:

- ❑ Increase in NWC compared to Q4 LY due to the inclusion 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 lower buffer stocks and improved procurement processes.
- ❑ Net interest-bearing debt higher than LY due to the acquisition of AUBO Production A/S in Q3.
- ❑ Leverage ratio was 4.08 (2.35).

	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Operating profit (mDKK)	13	18	46	97
Depreciation and amortization (mDKK)	13	4	31	18
Other non-cash operating items	0	2	0	2
Change in NWC (mDKK)	53	44	22	-36
Tax a.o (mDKK)	-7	-2	-18	-9
Capex excl. acquisitions, net (mDKK)	-14	-14	-43	-33
Dividends from associates (mDKK)	2	0	2	0
Free cash flow excl. acquisitions (mDKK)	60	52	40	39
Cash conversion	37.6%	53.3%	37.6%	53.3%
Capex ratio	2.8%	3.9%	1.9%	2.0%

Q4 comments:

- ❑ Free cash flow was DKK 60m compared to DKK 62m in Q4 LY.
- ❑ Inventories reduced by DKK 16m in the quarter.
- ❑ Capex ratio was 2.8% of revenue compared to 3.9% LY.
- ❑ Cash conversion of 38% - adjusted for AUBO acquisition - 105%.

TCM Group

Financial outlook on earnings:

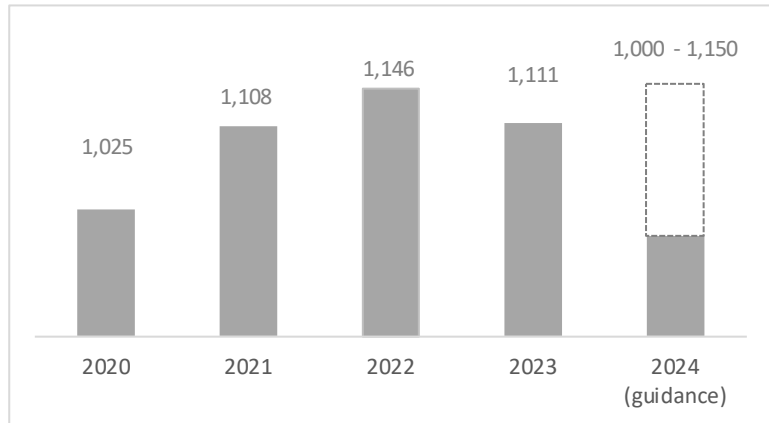
- ❑ Net revenue: DKK 1,000-1,150
- ❑ EBIT: DKK 55-85m

(EBIT excluding non-recurring items)



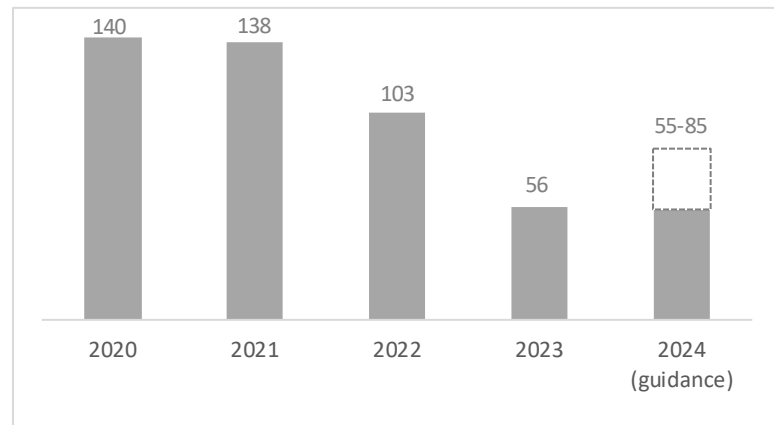
Revenue development

DKKm



Adjusted EBIT development

DKKm



Key drivers for outlook 2024

- ❑ Sales mix B2C / B2B: Improvement in B2C sales compared to 2023, weaker B2B sales
- ❑ NOK Development
- ❑ Input cost development
 - ❑ Raw materials and components
 - ❑ Direct wages
 - ❑ Logistics cost
- ❑ Cost for dealer restructurings

Q&A

