



TCM Group A/S

Interim Report January-September 2018

November 7, 2018

10% organic growth

Revenue
202 mDKK
(185 mDKK)

Adjusted EBITA
33 mDKK
(28mDKK)

TCM
Group

NWC ratio
-6.4%
(-6.3%)

Adj. EBITA
margin
16.1%
(15.3%)

Cash
conversion
99%
(109%)



- ❑ Positive Danish market development in Q3 2018, but TCM Group continued to gain market share with organic growth in Denmark of 12%
- ❑ Continued momentum regarding new branded stores in Denmark and Norway
- ❑ Strong pipeline going into Q4
- ❑ Outlook for full year 2018 unchanged
- ❑ Organisation in place



Q3 2018

- ❑ Net revenue 202 mDKK (185)
- ❑ Organic growth of 10%
- ❑ Adjusted EBITA 33 mDKK (28)
- ❑ Adjusted EBITA margin 16.1% (15.3%)

YTD Q3 2018

- ❑ Net revenue 648 mDKK (602)
- ❑ Organic growth of 8%
- ❑ Adjusted EBITA 102 mDKK (83)
- ❑ Adjusted EBITA margin 15.7% (13.9%)
- ❑ NWC ratio -6.4% (-6.3%)
- ❑ Cash conversion ratio 99% (109%)
- ❑ Net interest bearing debt 162 mDKK (185)



	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep
Net revenue (mDKK)	202	185	648	602
- Organic growth	10%		8%	

Q3 comments

- ❑ Organic growth continued in Q3
- ❑ Growth in Denmark of 12% in Q3
- ❑ Growth primarily within B2B
- ❑ Revenue outside Denmark decreased by 12% in Q3
entirely due to lower sale of DIY kitchens

12% growth in
DK in Q2

No. of branded
stores to increase
from 62 to 67

EBITA margin (adjusted) continued to improve

	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep
Net revenue (mDKK)	202	185	648	602
- <i>Gross Margin</i>	29.6%	28.5%	28.5%	27.2%
Adjusted EBITA (mDKK)	33	28	102	83
- <i>Adj. EBITA margin</i>	16.1%	15.3%	15.7%	13.9%
EBIT (mDKK)	31	8	94	56
- <i>EBIT margin</i>	15.1%	4.5%	14.5%	9.3%

Q3 comments

- ❑ Revenue growth converted to growth in EBITA
- ❑ Gross margin positively affected by a favorable sales mix compared to Q3 2017, other efficiency improvements as well as the inclusion of Svane Køkkenet Aabenraa
- ❑ Adjusted EBITA up 0.8%-point to 16.1%
- ❑ EBIT Q3 2017 affected by non-recurring costs of 18mDKK

	2018 Sep	2017 Sep
Net working capital (mDKK)	-55	-49
NWC ratio	-6.4%	-6.3%
NIBD (mDKK)	162	185
Leverage (x EBITDA)	0.96	1.36

Q3 comments

- NWC ratio on par with last year
- NIBD decreased primarily due to the positive cash flow from operating activities
- Solid balance sheet with a leverage at 0.96 compared to 1.36 last year

	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep
Operating profit (mDKK)	31	8	94	56
Depreciation and amortization (mDKK)	4	11	12	20
Change in NWC (mDKK)	3	10	-26	-6
Tax a.o (mDKK)	0	1	-4	3
Capex excl. acquisitions (mDKK)	-3	-2	12	-5
Operating cash flow excl. acquisitions (mDKK)	35	28	88	69
Cash conversion			99%	109%

Q3 comments

- ❑ Profit in Q3 compared to last year impacted by revenue growth, a higher gross margin and non-recurring costs in Q3 last year
- ❑ Depreciations Q3 last year included a non-recurring impairment of 7mDKK.
- ❑ Though NWC continues to improve compared to last year, the change compared to last year has an adverse impact on cash flow both in Q3 and YTD
- ❑ Free cash flow excl. acquisitions was 35mDKK compared to 28mDKK Q3 last year
- ❑ Cash conversion continues to be high – around 100%

Financial outlook 2018 is unchanged compared to increased outlook after Q2

TCM Group

- ❑ Net revenue: 890-910 mDKK (unchanged)
- ❑ Adjusted EBITA: 140-150mDKK (unchanged)
- ❑ EBIT: 130-140mDKK (unchanged)

- ❑ 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 capex of 1-2% of revenue





Q&A