



# TCM Group A/S

# Interim Report October-December 2020

February 24, 2021

- ❑ Growth driven by the Danish market primarily within Nettoline and kitchn.dk
- ❑ The Danish kitchen market has been resilient despite Covid-19
- ❑ Number of branded stores (Svane/Tvis) was 69 (68).
- ❑ Nettoline Skive opened during Q4 2020 bringing the total number of branded Nettoline stores to 21.
- ❑ Continued focus to add new branded stores in Norway (Svane Køkkenet) and Denmark (Tvis Køkkener and Nettoline)
- ❑ Continued product innovation with the launch of Momento in the Tvis Køkkener assortment



- Strong cash generation and strong financial position
- Balancing the capital structure

Board recommendation for the AGM:

- Ordinary dividend of 5.50 DKK per share (totaling 55mDKK) corresponding to 54% of Net profit
- Extraordinary dividend of 7.50 DKK per share (totaling 75mDKK)
- Implementation of a share buy back program of up to 150mDKK



# Revenue growth in Q4 of 0.5%

Cash conversion  
85.8%  
(99.9%)

Revenue  
263 mDKK  
(262 mDKK)

0.5%  
revenue growth

NWC ratio  
-11.4%  
(-10.8%)

Adjusted EBIT  
36 mDKK  
(43 mDKK)

EBIT  
33 mDKK  
(39 mDKK)

TCM  
Group



	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Net revenue (mDKK)	263	262	1,025	1,007
- <i>Organic growth</i>		0.5%		1.8%

## Q4 comments:

- Revenue growth in Denmark was +0.9%
- Growth in Denmark driven by Nettoline and our e-commerce platform kitchn.dk
- Revenue outside Denmark decreased by 4.0%

0.9% growth  
in DK revenue

-4.0% decrease  
in revenue  
outside DK

	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Net revenue (mDKK)	263	262	1,025	1,007
- <i>Gross Margin</i>	26.8%	28.9%	26.6%	27.8%
Adjusted EBIT (mDKK)	36	43	140	154
- <i>Adjusted EBIT margin</i>	13.8%	16.6%	13.6%	15.3%

## Q4 comments:

- Gross margin was negatively impacted by a change in sales mix (B2B vs. B2C) and additional discounts supporting new product launches.
- Furthermore, additional costs in our supply chain related to the replacement of our main automated board cutting and stacking solution had a significant impact on the cost of goods sold in Q4.
- Q4 included non-recurring items of 3mDKK related to Covid-19 precautions.
- Operating expenses increased by 2mDKK primarily due to higher marketing spend related to new product launches and increased e-commerce activity level.

	2020 Dec	2019 Dec
Net working capital (mDKK)	-117	-109
NWC ratio	-11.4%	-10.8%
NIBD (mDKK)	-43	52
Leverage (x EBITDA)	-0.2	0.3

#### **Q4 comments:**

- NWC impacted favourably by stimulus packages of c. 15mDKK
- Higher level of inventories due to increased buffer level to ensure high delivery assurance
- NWC ratio was -11.4% compared to -10.8% in Q4 last year.
- NIBD was -43mDKK compared to 52mDKK in Q4 last year.
- Leverage -0.2 (0.3)

# High cash conversion continued

	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Operating profit (mDKK)	33	39	135	147
Depreciation and amortization (mDKK)	5	5	21	21
Change in NWC (mDKK)	34	36	7	15
Tax a.o (mDKK)	-25	-31	-31	-35
Capex excl. acquisitions (mDKK)	-17	-6	-31	-14
Free cash flow excl. acquisitions (mDKK)	30	45	101	132
Cash conversion			85.8%	99.9%
Capex ratio			3.0%	1.5%

## Q4 comments:

- ❑ Free cash flow was 30mDKK compared to 45mDKK in Q4 2019
- ❑ Cash flow in the quarter was negatively impacted by 8mDKK as a reversed effect of the extended credit from stimulus packages. At the end of Q4 the extended credit had a positive impact of c. 15mDKK, which will have a similar adverse impact during 2021.
- ❑ Capex was 12mDKK higher than Q4 2019.
- ❑ Cash conversion in Q4 decreased compared to Q4 2019 due to higher capex.

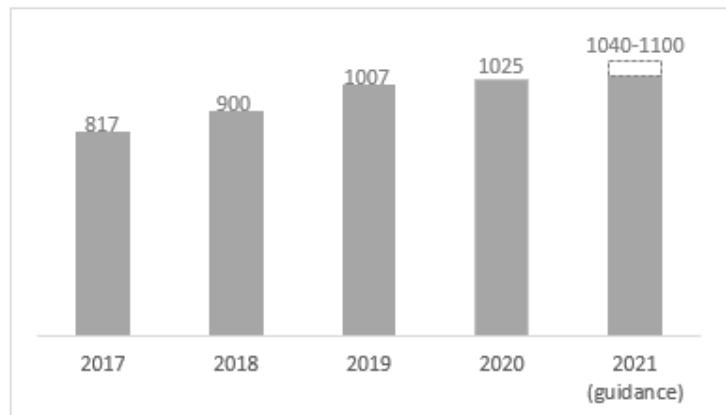
## TCM Group

- Net revenue: 1,040-1,100mDKK, corresponding to organic growth on the continuing business excluding the divestment of the Svane store in Copenhagen of 4-10%
- EBIT: 145-160mDKK  
*(EBIT excluding non-recurring items)*



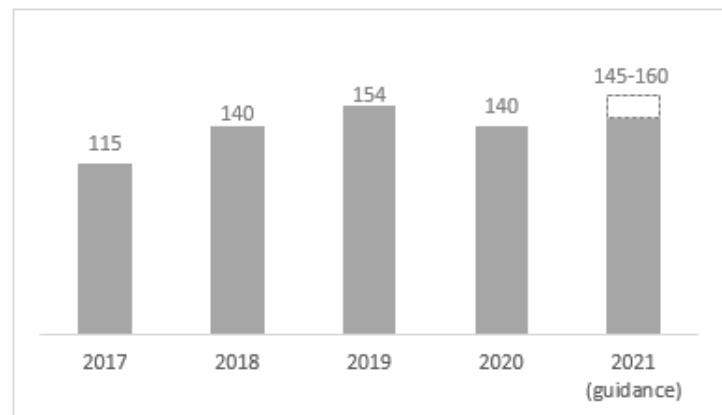
**Revenue development**

DKKm



**Adjusted EBIT development**

DKKm





Q&A