



TCM Group A/S

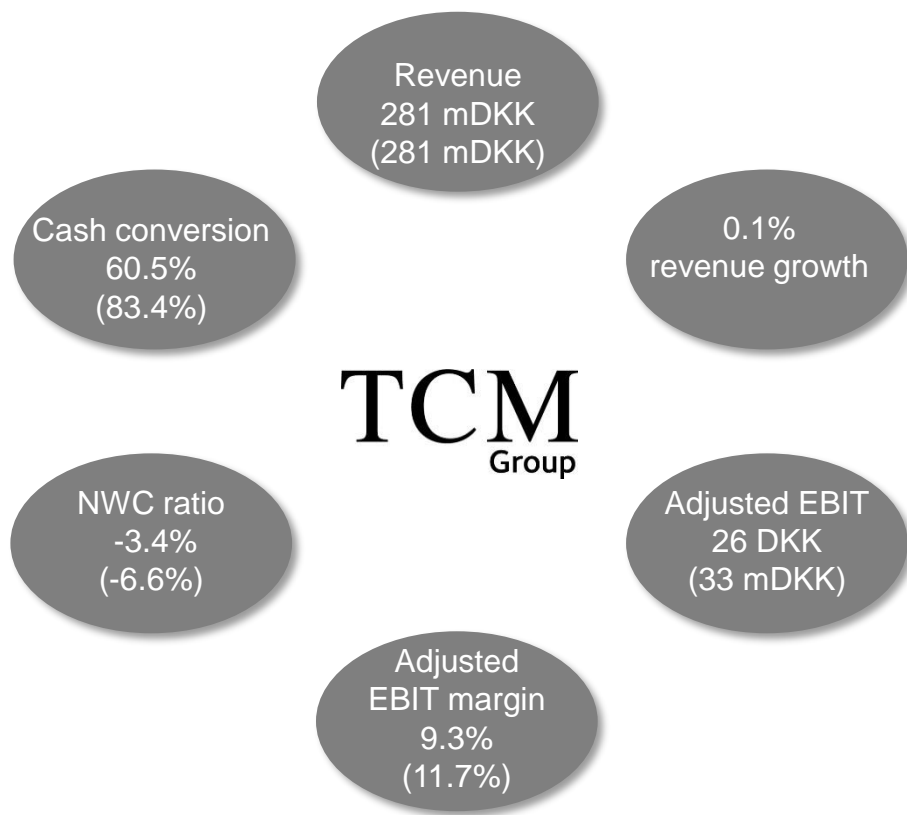
Interim Report January-March 2022

May 18, 2022

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- ❑ Organic like-for-like growth excluding third party revenue (core business) of 7%.
- ❑ Decline in low-margin revenue from third party products.
- ❑ Unstable supply situation
- ❑ Number of branded stores was 94 (91). New Nettoline store opened in Næstved.







	2022 Jan-Mar	2021 Jan-Mar
Net revenue (mDKK)	281	281
- Revenue growth	0.1%	

## Q1 comments:

- ❑ Reported revenue growth in Denmark was -1.1% - organic like-for-like growth excluding third party revenue (core business) in Denmark was +7%.
- ❑ Growth in Denmark driven by our DIY segment (Nettoline and e-commerce) and Svane Køkkenet.
- ❑ Revenue outside Denmark increased by 12.4%, driven by growth in sales to the Norwegian market, both organic growth and growth from new stores.



-1.1% growth  
in DK revenue



12.4% growth  
in revenue  
outside DK

	2022 Jan-Mar	2021 Jan-Mar
Net revenue (mDKK)	281	281
- <i>Gross Margin</i>	21.3%	23.5%
Adjusted EBIT (mDKK)	26	33
- <i>Adjusted EBIT margin</i>	9.3%	11.7%

## Q1 comments:

- ❑ The merge of the e-commerce activities in kitchn.dk and Celebert had a technical negative impact on gross margin of in total 1.0%-point in the quarter.
- ❑ In addition gross margin was negatively affected by increased energy and logistic costs, and a lower margin following the significantly increased raw material prices, partly offset by change in sales mix.
- ❑ Operating expenses increased by 0.8mDKK primarily due to higher sales and marketing expenses.
- ❑ Non-recurring costs of 5.4mDKK in Q1 2022

	2022 Mar	2021 Mar
Net working capital (mDKK)	-38	-69
NWC ratio	-3.4%	-6.6%
NIBD (mDKK)	278	-14
Leverage (x EBITDA)	1.89	-0.09

## Q1 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. 5mDKK.
- ❑ NWC ratio was -3.4% compared to -6.6% in Q1 last year.
- ❑ NIBD was 278mDKK compared to -14mDKK in Q1 last year.
- ❑ Increase in NIBD compared to Q1 last year driven by dividend distribution of 130mDKK and share buy back program of 150mDKK.
- ❑ As of 1 January 2022 the expected useful life of IFRS 16 contracts were reassessed, which increased net interest-bearing debt by DKK 22.5 million
- ❑ Leverage 1.9 (-0.1).

	2022 Jan-Mar	2021 Jan-Mar
Operating profit (mDKK)	21	32
Depreciation and amortization (mDKK)	4	5
Change in NWC (mDKK)	-43	-51
Tax a.o (mDKK)	-8	-7
Capex excl. acquisitions (mDKK)	-7	-8
Free cash flow excl. acquisitions (mDKK)	-33	-25
Cash conversion ratio	60.5%	83.4%
Capex ratio	1.9%	2.8%

## Q1 comments:

- ❑ Free cash flow was -33mDKK compared to -25mDKK in Q1 2021.
- ❑ Development primarily driven by the lower operating profit.
- ❑ Cash conversion in Q1 at 61%.

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### Financial outlook reiterated:

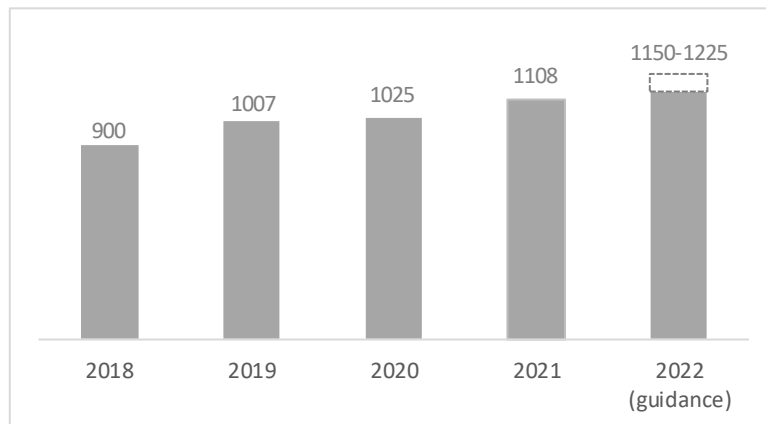
- ❑ Net revenue: 1,150-1,225mDKK, corresponding to organic growth of 4-11%.
- ❑ Adjusted EBIT: 140-170mDKK.

*(EBIT excluding non-recurring items)*



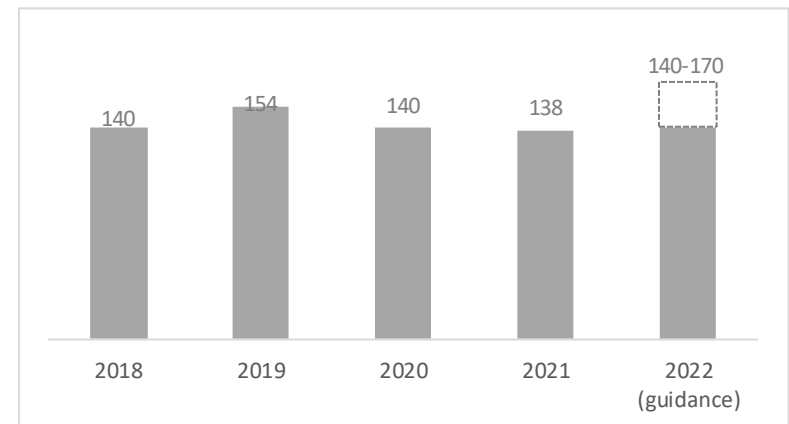
### Revenue development

DKKm



### Adjusted EBIT development

DKKm







Q&A

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