

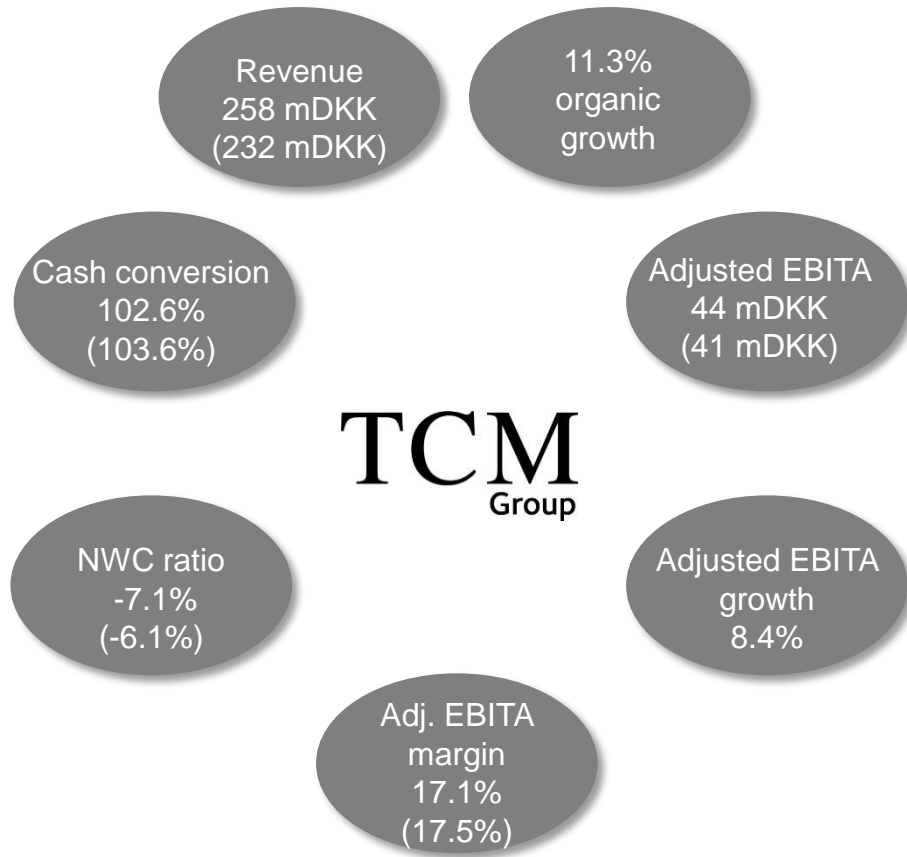


**TCM Group A/S**

**Interim Report April-June 2019**

August 14, 2019

# A strong Q2 - with 11% organic revenue growth



- ❑ Positive Danish market development in 2019 of 1-2% and TCM Group continued to gain market share with organic growth in Denmark of 14%
- ❑ Growth primarily driven by B2B through the branded stores in Denmark
- ❑ Number of branded stores increased to 67 (62)
- ❑ We have raised our full-year guidance both with regards to revenue and earnings



## Q2 2019

- ❑ Net revenue 258 mDKK (232)
- ❑ Organic growth of 11.3%
- ❑ Growth in Q2 despite fewer production days compared to LY
  
- ❑ Adjusted EBITA 44 mDKK (41) – up 8.4%
- ❑ Adjusted EBITA margin 17.1% (17.5%)
- ❑ EBIT 42 mDKK (39) – up 8.8%
- ❑ EBIT margin 16.3% (16.7%)



## H1 2019


- ❑ Net revenue 508 mDKK (446)
- ❑ Organic growth of 13.9%
  
- ❑ Adjusted EBITA 77 mDKK (69) – up 11.4%
- ❑ Adjusted EBITA margin 15.1% (15.5%)
- ❑ EBIT 73 mDKK (63) – up 15.6%
- ❑ EBIT margin 14.4% (14.2%)



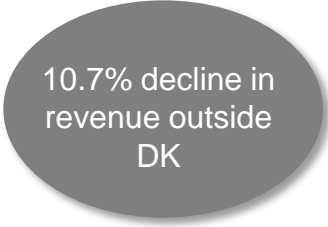
	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun
Net revenue (mDKK)	258	232	508	446
- Organic growth	11.3%		13.9%	

## Q2 comments

- ❑ Strong organic growth in DK +14.1%
- ❑ Growth driven by B2B and a higher share of revenue from 3rd party products
- ❑ Revenue outside Denmark decreased by 10.7%



14.1% growth in  
DK revenue



10.7% decline in  
revenue outside  
DK

	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun
Net revenue (mDKK)	258	232	508	446
- <i>Gross Margin</i>	28.6%	29.8%	27.0%	28.1%
Adjusted EBITA (mDKK)	44	41	77	69
- <i>Adj. EBITA margin</i>	17.1%	17.5%	15.1%	15.5%
EBIT (mDKK)	42	39	73	63
- <i>EBIT margin</i>	16.3%	16.7%	14.4%	14.2%

## Q2 comments

- Revenue growth converted to growth in EBITA
- Gross margin negatively affected by sales mix partly offset by a lower cost ratio
- EBIT H1 2018 impacted by non-recurring costs of 2mDKK

	2019 Jun	2018 Jun
Net working capital (mDKK)	-69	-51
NWC ratio	-7.1%	-6.1%
NIBD (mDKK)	151	189
Leverage (x EBITDA)	0.8	1.2

## Q2 comments

- ❑ NWC improved compared to last year both in nominal and relative terms driven by higher trade payables (higher activity level)
- ❑ NIBD increased by 11mDKK during Q2 primarily due to dividend distribution of 47.5mDKK.
- ❑ At the end of Q2 NIBD was impacted by 45mDKK due to implementation of IFRS 16
- ❑ Solid balance sheet with a leverage at 0.8 compared to 1.2 last year



	2019 Apr-Jun	2018 Apr-Jun	2019 Jan-Jun	2018 Jan-Jun
Operating profit (mDKK)	42	39	73	63
Depreciation and amortization (mDKK)	5	4	10	8
Change in NWC (mDKK)	1	-14	-26	-29
Tax a.o (mDKK)	0	0	-5	-4
Capex excl. acquisitions (mDKK)	-2	-1	-5	15
Operating cash flow excl. acquisitions (mDKK)	46	28	48	53
Cash conversion			102.6%	103.6%

## Q2 comments

- ❑ Profit increased compared to last year primarily driven by revenue growth
- ❑ Higher depreciations primarily due to the implementation of IFRS 16
- ❑ Change in NWC in the quarter had a positive cash flow of 14mDKK compared to Q2 2018
- ❑ Slightly higher capex compared to Q2 2018
- ❑ Free cash flow excl. acquisitions was 46mDKK compared to 28mDKK Q2 2018
- ❑ Cash conversion continues to be above 100%

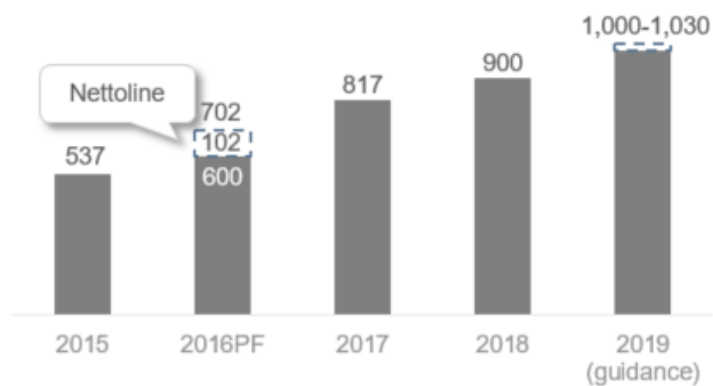
## TCM Group

- ❑ We have raised our full-year guidance for 2019:
- ❑ Net revenue: 1,000-1,030mDKK corresponding to growth of 11-14% (previously 960-1,000 mDKK)
- ❑ Adjusted EBITA: 160-170mDKK (previously 155-165mDKK)
- ❑ EBIT: 150-160mDKK (previously 145-155mDKK)



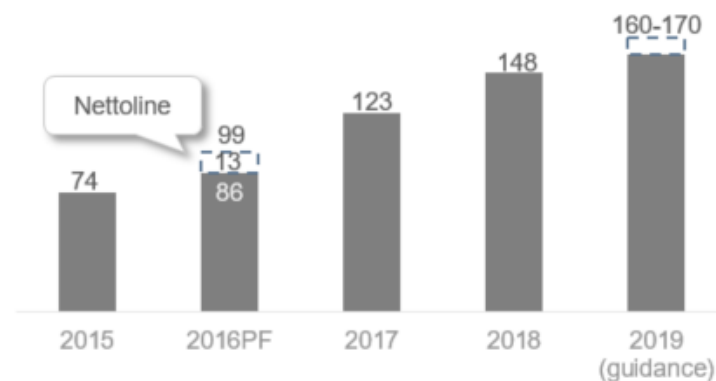
## Revenue development

DKKm



## Adjusted EBITA development

DKKm





Q&A