

COMPANY ANNOUNCEMENT

Nr. 35/2018

Tvis, 7 November 2018

Interim report Q3 2018 (July 1 - September 30)

(All figures in brackets refer to the corresponding period in 2017)

A strong Q3 for TCM Group with 10% revenue growth and increased earnings

Financial highlights Q3 2018:

- Revenue DKK 202.4 million (DKK 184.8 million) corresponding to an organic growth of 9.5%
- Adjusted EBITA up DKK 4.1 million to DKK 32.5 million (DKK 28.4 million), corresponding to an increase of 14.6%. Adjusted EBITA margin was 16.1% (15.3%)
- EBIT up DKK 22.4 million to DKK 30.6 million (DKK 8.2 million), corresponding to an EBIT margin of 15.1% (4.5%). Non-recurring items had a negative impact of DKK 18.2 million in Q3 2017
- Net profit up 603.4% to DKK 23.0 million (DKK 3.3 million)
- Free cash flow excl. acquisitions of operations was DKK 35.1 million (DKK 27.7 million)
- Cash conversion ratio was 98.4% (108.9%)

Financial highlights 9 months 2018:

- Revenue DKK 648.1 million (DKK 602.3 million) corresponding to an organic growth of 7.6%
- Adjusted EBITA up DKK 18.1 million to DKK 101.5 million (DKK 83.4 million), corresponding to an increase of 21.6%. Adjusted EBITA margin was 15.7% (13.9%)
- Non-recurring items had a negative impact of DKK 2.0 million in the first 9 months of 2018 due to costs related to the integration of Nettoline. This compares to non-recurring costs in the first 9 months of 2017 of DKK 21.7 million related to the acquisition of Nettoline and the Initial Public Offering
- EBIT up DKK 37.8 million to DKK 93.8 million (DKK 56.0 million), corresponding to an increase of 67.5%. EBIT margin was 14.5% (9.3%)
- Net profit up 96.8% to DKK 70.2 million (DKK 35.7 million)
- Free cash flow excl. acquisitions of operations was DKK 87.8 million (DKK 68.5 million)
- Outlook for the financial year 2018 is unchanged. Revenue is expected to be in the range DKK 890-910 million, adjusted EBITA in the range DKK 140-150 million and EBIT in the range of DKK 130-140 million

CEO Ole Lund Andersen:

"We continued our strong growth and gained market share in the third quarter with an organic revenue growth of 10%. At the same time earnings developed positively growing 15% driven by revenue growth, production efficiencies and synergies. All in all we are satisfied with the results and maintain our full-year outlook, which we raised after the second quarter."

Conference call

A conference call for investors and analysts will be held today at 9:30 CET. The presentation for the conference call will be available on www.investor-en.tcmgroup.dk

Dial-in numbers for the conference call:

Confirmation Code: 2440947

Denmark: +45 35158049

Finland: +358 (0)9 7479 0361

United Kingdom: +44 (0)330 336 9128

Contact:

For further information, please contact:

CEO Ole Lund Andersen +45 97435200

CFO Mogens Elbrønd Pedersen +45 97435200

IR Contact - ir@tcmgroup.dk

About TCM Group

TCM Group is Scandinavia's third largest manufacturer of kitchens and furniture for bathrooms and storage. The products are Danish design, produced in Denmark and rooted in a proud tradition of good quality and good craftsmanship. TCM Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the other brands are Tvis Køkkener, Nettoline and kitchn. Combined, the brands cater for the entire price spectrum, and are sold through c. 125 dealers in Denmark and the rest of the Scandinavia. In addition, TCM Group sells private label kitchens through DIY stores in Denmark and independent kitchen stores in Norway. See www.tcmgroup.dk for more information.

This interim report contains statements relating to the future, including statements regarding the TCM Group's future operating results, financial position, cash flows, business strategy and future targets. Such statements are based on management's reasonable expectations and forecasts at the time of release of the interim report. Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond the TCM Group's control. This may have the effect that actual results may differ significantly from the expectations expressed in the interim report. Without being exhaustive, such factor include general economic and commercial factors, including market and competitive conditions, supplier issues and financial and regulatory issues.