

COMPANY ANNOUNCEMENT

No. 125/2022

Tvis, 18 January 2022

TCM Group announces preliminary 2021 results with revenues in line with expectations, but earnings below expectations.

The preliminary result for 2021 shows a revenue of DKK 1,108 million, which is in line with the company's communicated revenue outlook between DKK 1,090 and 1,120 million. As a consequence of the continued price increases on raw materials, and supply chain constraints with follow on effect on the revenue composition, the preliminary result shows earnings (Adjusted EBIT) of DKK 138 million. This is below the latest communicated earnings guidance of between DKK 148 and 160 million.

CEO Torben Paulin:

"2021 has been the most challenging year in the many years I have been in the wood and furniture industry. On this backdrop I am satisfied that we in cooperation with our partners have been able to grow revenue organically with more than 10% within TCM Group and reach a revenue in line with our latest guidance.

We have, however not been able to deliver earnings in line with our expectations. Increasing raw material prices and an extremely unstable supply chain situation has impacted our earnings negatively. The preliminary result shows, that TCM Group in 2021 has delivered a result on par with last year, but below our earnings guidance.

During the fourth quarter of 2021 adjustments to the sales prices have been introduced to mitigate the continued price increases on raw materials, but the positive effect hereof comes with some delay. A delay which is prolonged when many customers postpone the time of delivery of their orders."

During the fourth quarter TCM Group experienced an aggravation of the unstable supply chain situation, which has characterized 2021, and specifically the quarter was characterized by a situation where the company's margin was negatively impacted by both a rise in the price of raw materials, and a, for the earnings, negative development in the sales mix.

In the fourth quarter TCM Group saw many customers postponing the delivery of high margin orders. The revenue was replaced by revenue from third party products, a revenue which carried a lower margin.

TCM Group expects to announce the final Annual Report for 2021 on 25 February 2022 as planned.

For further information please contact:

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About TCM Group

TCM Group is Scandinavia's third largest manufacturer of kitchens and furniture for bathrooms and storage. The products are designed and 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 and Nettoline. Combined, the brands cater for the entire price spectrum, and are sold through c. 140 dealers in Denmark and the rest of the Scandinavia. TCM Group sells private label kitchens through DIY stores in Denmark and independent kitchen stores in Norway. TCM Group is supplier to the 45% owned e-commerce kitchen business Celebert, which operates under the brands kitchn.dk, billigskabe.dk, Celebert and Just Woods. See www.tcmgroup.dk for more information.