

TCM Group Management's review Interim report Q1 2021 (January 1 - March 31)

(All figures in brackets refer to the corresponding period in 2020)

Double-digit growth in revenue and earnings in the first quarter.

CEO Torben Paulin:

“We had a good start in the first quarter of 2021 with double-digit growth in both revenue and earnings. Revenue grew by 10.6% to record high DKK 281 million, through organic growth of 13% off-set by the divestment of the Svane Køkkenet store in Copenhagen.

The revenue growth was driven by all our four brands with the highest growth rates within our DIY segment (Nettoline and kitchn.dk) and a higher share of revenue from third party products.

Adjusted EBIT grew 11.0% from DKK 29.7 million to DKK 33.0 million.

We reiterate our financial outlook: a revenue in the range of DKK 1,040-1,100 million, and adjusted EBIT in the range of DKK 145-160 million. The market is characterized by pressure on raw material prices and availability, combined with general market uncertainties.”

Financial highlights Q1

- Revenue DKK 281.1 million (DKK 254.2 million) corresponding to a revenue growth of 10.6%.
- Adjusted EBITDA DKK 37.6 million (DKK 35.0 million). Adjusted EBITDA margin was 13.4% (13.8%).
- Adjusted EBIT up DKK 3.3 million to DKK 33.0 million (DKK 29.7 million). Adjusted EBIT margin was 11.7% (11.7%)
- Non-recurring items had a total negative impact of DKK 1.3 million. Non-recurring items included costs related to Covid-19 precautions, restructuring costs within our supply chain organisation offset by the gain from the divestment of an own operated store.
- EBIT up DKK 1.9 million to DKK 31.6 million (DKK 29.7 million), corresponding to an EBIT margin of 11.3% (11.7%).
- Net profit up DKK 2.1 million to DKK 24.7 million (DKK 22.6 million).
- Free cash flow was DKK -24.6 million (DKK -22.3 million).
- Cash conversion ratio was 83.4% (87.3%).

Contact

For further information, please contact:

CEO Torben Paulin +45 21210464

CFO Mogens Elbrønd Pedersen +45 97435200

IR Contact - ir@tcmgroun.dk

Key figures and ratios

DKK million	Q1 2021	Q1 2020	FY 2020
Income statement			
Revenue	281.1	254.2	1,024.6
Gross profit	66.0	65.3	272.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	36.3	35.0	156.1
Adjusted EBITDA	37.6	35.0	161.1
Earnings before interest, tax and amortisation (EBITA)	32.9	31.6	142.3
Adjusted EBIT	33.0	29.7	139.7
Operating profit (EBIT)	31.6	29.7	134.7
Financial items	(0.3)	(0.8)	(4.0)
Profit before tax	31.4	28.9	130.7
Net profit for the period	24.7	22.6	102.2
Balance sheet			
Total assets	944.6	915.2	929.5
Net working capital (NWC)	(68.9)	(61.3)	(117.0)
Net interest-bearing debt (NIBD)	(14.1)	76.7	(42.9)
Equity	597.8	495.3	574.4
Cash Flow			
Free cash flow excl. acquisitions of operations	(24.6)	(22.3)	101.0
Cash conversion, %	83.4%	87.3%	85.8%
Growth ratios			
Revenue growth, %	10.6%	1.8%	1.8%
Gross profit growth, %	1.1%	3.0%	(2.4%)
Adjusted EBIT growth, %	11.0%	(4.1%)	(9.0%)
EBIT growth, %	6.6%	(4.1%)	(8.1%)
Net profit growth, %	9.3%	(3.3%)	(8.2%)
Margins			
Gross margin, %	23.5%	25.7%	26.6%
Adjusted EBITDA margin, %	13.4%	13.8%	15.7%
Adjusted EBIT margin, %	11.7%	11.7%	13.6%
EBIT margin, %	11.3%	11.7%	13.1%
Other ratios			
Solvency ratio, %	63.3%	54.1%	61.8%
Leverage ratio	(0.09)	0.44	(0.23)
NWC ratio, %	(6.6%)	(6.1%)	(11.4%)
Capex ratio excl. acquisitions, %	2.8%	1.6%	3.0%
Share information			
Earnings per share before dilution, DKK	2.47	2.26	10.22
Earnings per share after dilution, DKK	2.47	2.26	10.22

Reference is made to the consolidated financial statements for 2020 prepared in accordance with IFRS for definitions of key figures and ratios.

Business review

In Q1 2021 revenue increased by 10.6% to DKK 281.1 million (DKK 254.2 million). The organic growth in the quarter was 13% offset by the divestment of the Svane Køkkenet store in Copenhagen.

TCM Group's primary market is Denmark which contributed with 91% of Group revenue in Q1 2021. The kitchen market in Denmark has up to this point shown robust resilience, and demand has kept up despite the lock down of stores in the beginning of the year. Revenue in Denmark was up 11.5% driven by growth within all our four brands. The highest growth rates was achieved within our DIY segment (Nettoline and our e-commerce platform kitchn.dk) and within revenue from third party products.

Revenue outside Denmark increased by 2.4% compared to Q1 2020 driven by growth in sales to the Norwegian market.

Gross margin decreased from 25.7% to 23.5% in Q1 2021. The divestment of the Svane Køkkenet store in Copenhagen had a technical negative impact on gross margin of 0.8%-point in the quarter. In addition gross margin was negatively affected by a higher share of revenue from third party products with lower margin, and additional costs in our supply chain related to the replacement of our main automatised board cutting and stacking solution. The new solution has been successfully installed and has been in full operation since Easter.

At the end of Q1 2021, the total number of branded stores was 91 (88). During Q1 two new Nettoline stores in Køge and Fjerritslev, Denmark opened, whereas the Tvis store in Aabenraa closed. We have signed an agreement with a dealer to open a Svane Køkkenet store in Arendal, Norway. The store is expected to open during Q4 2021 and together with the planned store openings of a Svane Køkkenet store in Oslo, Norway and a Tvis Køkkener store in Roskilde, Denmark, this will bring the number of branded stores to 94 during 2021.

Svane Køkkenet launched new trendy colours in our popular S19 range and Tvis Køkkener launched a new design, combining the new Momento design from 2020 and the classic M line design. The new designs will be available in the stores during Q2.

Total number of employees at the end of Q1 2021 was 498 (469).

Events after the reporting period

A new finance agreement with Nykredit Bank was signed in April comprising of a committed facility of DKK 150 million. The agreement initially includes a 3 year commitment plus an option to extend the facility on similar terms to a period of up to 5 years.

The annual general meeting was held on 13 April 2021. The annual general meeting approved the proposed dividend distribution of DKK 13 per share, in total DKK 130 million plus the implementation of a share buy back program of in total up to DKK 150 million or 10% of the number of shares. The share buy back program was initiated during April, and runs in the period up until 11 March 2022. As of 14 May 2021 TCM Group has acquired shares of a total of DKK 59 million.

Besides from the above, no events of importance to the consolidated interim financial statements have occurred after the reporting period.

Financial outlook

We reiterate our financial outlook: a revenue in the range of DKK 1,040-1,100 million, and adjusted EBIT in the range of DKK 145-160 million. The market is characterized by pressure on raw material prices and availability, combined with general market uncertainties.

Forward looking statements

This interim report contains statements relating to the future, including statements regarding TCM Group's future operating results, financial position, cash flows, business strategy and plans for the future. The statements are based on management's reasonable expectations and forecasts at the time of the disclosure of the report. Any such statements are subject to risks and uncertainties, and a number of different factors, many of which are beyond TCM Group's control, could mean that actual performance and actual results will differ significantly from the expectations expressed in this interim report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.

Significant risks in the Group

TCM Group is exposed to strategic, operating and financial risks, which are described in the management review and note 2 of the 2020 Annual Report prepared in accordance with IFRS.

The Covid-19 situation and the possible risk of this leading to a macro economic recession is a significant risk to impact TCM Group's financial results.

Financial review

Revenue

In Q1 2021 revenue grew by 10.6% to DKK 281.1 million (DKK 254.2 million).

Revenue in Denmark in Q1 2021 was DKK 255.3 million (DKK 229.0 million) corresponding to a growth of 11.5%. The organic growth was driven by all four brands with the highest growth rates within our DIY segment (Nettoline and our e-commerce platform kitchn.dk) and a higher share of revenue from third party products. Revenue in other countries in Q1 2021 was up 2.4% to DKK 25.8 million (DKK 25.2 million).

Gross profit

Gross profit in Q1 2021 was DKK 66.0 million (DKK 65.3 million), corresponding to a gross margin of 23.5% (25.7%). The divestment of the Svane Køkkenet store in Copenhagen had a technical negative impact on gross margin of 0.8%-point in the quarter. In addition gross margin was negatively affected by a higher share of revenue from third party products, and additional costs in our supply chain related to the replacement of our main automatised board cutting and stacking solution.

Operating expenses

Operating expenses in Q1 2021 were DKK 33.1 million (DKK 35.6 million). Operating expenses represented 11.8% of revenue in Q1 2021 (14.0%). The decline in operating expenses was driven by the divestment of the Svane Køkkenet store in Copenhagen partly offset by higher marketing costs.

Adjusted EBITDA

Adjusted EBITDA in Q1 2021 was DKK 37.6 million (DKK 35.0 million), corresponding to an adjusted EBITDA margin of 13.4% (13.8%).

Adjusted EBIT

Adjusted EBIT in Q1 2021 was DKK 33.0 million (DKK 29.7 million), corresponding to an adjusted EBIT margin of 11.7% (11.7%).

Non-recurring items

TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. In Q1 2021 non-recurring items included costs related to Covid-19 precautions, restructuring costs within our supply chain organisation and gain from the divestment of an own operated store. These items are considered non-recurring by nature and material, and are presented as non-recurring items.

	Q1	
	2021	2020
Non-recurring items, DKK m		
Costs related to Covid-19 precautions *	2.5	0.0
Restructuring costs	1.3	0.0
Gain from the divestment of an own operated store	(2.5)	0.0
Total	1.3	0.0

* Some costs related to Covid-19 precautions was incurred in Q1 2020, but not reported as they were below the materiality threshold.

EBIT

EBIT in Q1 2021 increased to DKK 31.6 million (DKK 29.7 million). The increase was primarily due to the increase in EBITDA. Depreciations and amortizations in Q1 2021 were DKK 4.7 million (DKK 5.3 million). The decline was primarily driven by lower amortizations, which is due to the value of our franchise setup has been fully amortized during Q1 2021. Q1 2021 included non-recurring items of DKK 1.3 million (DKK 0.0 million).

Net profit

Net profit in Q1 2021 increased to DKK 24.7 million (DKK 22.6 million). Financial income and expenses in Q1 2021 were DKK 0.5 million below Q1 2020.

Free cash flow

Free cash flow in Q1 2021 was DKK -24.6 million (DKK -22.3 million). The decrease in cash flow in Q1 2021 compared to Q1 2020 was primarily due to investments of DKK 8.1 million (DKK 4.0 million). The reversed impact from extended credit for VAT and income taxes provided in the government's stimulus packages had a negative cash flow impact in Q1 2021 of c. DKK 10 million.

Net working capital

Net working capital at the end of Q1 2021 was DKK -68.9 million (DKK -61.3 million). NWC ratio at the end of Q1 2021 was -6.6% (-6.1%).

DKK million	End of Q1	
	2021	2020
Inventories	56.2	45.0
Trade and other receivables	81.3	69.6
Trade and other payables	(206.5)	(176.0)
Net working capital	(68.9)	(61.3)
NWC ratio	(6.6%)	(6.1%)

Inventories increased by DKK 11.2 million, as it was decided to build up buffer stock of raw material to ensure high delivery assurance and to create a finished goods inventory to increase capacity during high season. Trade receivables and other receivables increased by DKK 11.7 million. Other receivables as of 31 March 2021 presented above is excluding the value of DKK 7.6 million, which relates to subleases due to the implementation of IFRS 16. This is not included in the net working capital. The increase in trade payables and other payables of DKK 30.5 million was primarily due to the higher activity level. The impact from the extended credit for VAT and payroll taxes provided in the government's stimulus package amounted to c. DKK 5 million as of 31 March 2021.

Net interest-bearing debt

Net interest-bearing debt amounted to DKK -14.1 million (deposit) at the end of Q1 2021 (DKK 76.7 million). Net interest-bearing debt increased by DKK 28.8 million in Q1 2021. Leverage ratio measured as net interest bearing debt excluding tax liabilities divided by adjusted EBITDA LTM end of Q1 2021 was -0.09 (0.44).

Equity

Equity at the end of Q1 2021 amounted to DKK 597.8 million (DKK 495.3 million). The equity increased by DKK 23.4 million in Q1 2021.

The solvency ratio was 63.3% at the end of Q1 2021 (54.1%). The solvency ratio is negatively affected by the implementation of IFRS 16 by 2.3%-points (2.4%-points).

The annual general meeting was held on 13 April 2021. The annual general meeting approved the proposed dividend distribution of DKK 13 per share, in total DKK 130 million and the implementation of a share buy back program of in total up to DKK 150 million or 10% of the number of shares. The share buy back program was initiated during April, and runs in the period up until 11 March 2022.

Additional information

Financial calendar

The financial year covers the period 1 January – 31 December, and the following dates have been fixed for releases etc. in the financial year 2021:

20 August 2021	Interim report Q2 2021
12 November 2021	Interim report Q3 2021
25 February 2022	Interim report Q4 2021 and Annual report 2021
5 April 2022	Annual General Meeting

Presentation

The interim report will be presented on Wednesday 19 May at 9:30 CEST in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/adbewxei>.

To participate in the teleconference, and thus have the possibility to ask questions, call one of the following numbers:

Confirmation Code: **8968792**

Denmark, Copenhagen ... +45 32 72 04 17

United Kingdom..... +44 (0) 8444819752

Sweden, Stockholm..... +46 (0) 856618467

About TCM Group A/S

TCM Group is Scandinavia's third largest kitchen manufacturer, with the major part of its business concentrated in Denmark. The product offering includes cabinets, table tops and storage.

Manufacturing is generally carried out in-house and more than 90% is manufactures to a specific customer order. Production sites are located in Denmark, with three factories in Tvis and Aulum (outskirts of Holstebro).

The Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the secondary brands are Tvis Køkkener, Nettoline, kitchn and private label. Combined, the brands cater for the entire price range. Products are mainly marketed through a network of franchise stores and independent kitchen retailers.

Company information

TCM Group A/S

Skautrupvej 16

DK-7500 Holstebro, Denmark

Business Registration No: 37 29 12 69

Phone: +45 97435200

Internet: investor-en.tcmgroup.dk

E-mail: ir@tcmgroup.dk

Consolidated interim financial statements

Consolidated income statement

DKK m	Note	Q1 2021	Q1 2020	12 months 2020
Revenue	2	281.1	254.2	1,024.6
Cost of goods sold		<u>(215.1)</u>	<u>(188.8)</u>	<u>(751.8)</u>
Gross profit		66.0	65.3	272.8
Selling expenses		(19.5)	(21.3)	(78.4)
Administrative expenses		<u>(13.6)</u>	<u>(14.4)</u>	<u>(54.7)</u>
Operating profit before non-recurring items		33.0	29.7	139.7
Non-recurring items	3	<u>(1.3)</u>	<u>0.0</u>	<u>(5.0)</u>
Operating profit		31.6	29.7	134.7
Financial income		0.4	0.1	0.3
Financial expenses		<u>(0.7)</u>	<u>(0.9)</u>	<u>(4.3)</u>
Profit before tax		31.4	28.9	130.7
Tax for the period		<u>(6.7)</u>	<u>(6.2)</u>	<u>(28.5)</u>
Net profit for the period		24.7	22.6	102.2
Earnings per share before dilution, DKK		2.47	2.26	10.22
Earnings per share after dilution, DKK		2.47	2.26	10.22

Consolidated statement of comprehensive income

DKK m	Q1		12 months
	2021	2020	2020
Net profit for the period	24.7	22.6	102.2
Other comprehensive income			
Items that are or may be reclassified subsequent to profit or loss			
Value adjustments of currency hedges before tax	(1.7)	0.0	(0.8)
Tax on value adjustments of currency hedges	0.4	0.0	0.2
Other comprehensive income for the period	(1.3)	0.0	(0.6)
Total comprehensive income for the period	23.4	22.6	101.6

Consolidated balance sheet

DKK m	Note	End of Q1 2021	2020	End of 2020
ASSETS				
Intangible assets				
Goodwill		369.8	369.8	369.8
Brand		172.0	172.0	172.0
Other intangible assets		0.4	7.2	1.7
		<u>542.2</u>	<u>549.0</u>	<u>543.5</u>
Tangible assets				
Land and buildings		83.7	85.2	87.1
Tangible attest under constructions and prepayments		10.6	0.0	11.9
Machinery and other technical equipment		33.5	19.8	27.7
Equipment, tools, fixtures and fittings		7.2	7.4	6.6
		<u>135.0</u>	<u>112.4</u>	<u>133.3</u>
Financial assets		15.0	17.7	13.2
Total non-current assets		<u>692.2</u>	<u>679.1</u>	<u>689.9</u>
Inventories		<u>56.2</u>	<u>45.0</u>	<u>48.3</u>
Current receivables				
Trade receivables		74.6	63.3	24.4
Current tax receivables		6.5	1.6	5.0
Other receivables		14.3	10.7	23.7
Prepaid expenses and accrued income		0.0	1.4	0.4
		<u>95.4</u>	<u>77.0</u>	<u>53.6</u>
Cash and cash equivalents		100.9	114.1	125.9
Assets held for sale		0.0	0.0	11.8
Total current assets		<u>252.5</u>	<u>236.2</u>	<u>239.5</u>
Total assets		<u>944.6</u>	<u>915.2</u>	<u>929.5</u>

Consolidated balance sheet

DKK m	Note	End of Q1 2021	2020	End of 2020
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		1.0	1.0	1.0
Value adjustments of currency hedging		(1.9)	0.0	(0.6)
Retained earnings		468.7	494.3	444.0
Proposed dividend for the financial year		130.0	0.0	130.0
Total shareholders' equity		597.8	495.3	574.4
Deferred tax		53.6	53.1	53.2
Mortgage loans		30.8	27.3	30.6
Bank loans		0.0	97.7	9.7
Lease liabilities		22.7	28.2	24.1
Other liabilities		0.0	0.0	24.2
Total long-term liabilities		107.1	206.2	141.8
Mortgage loans		1.9	8.3	2.8
Bank loans		19.7	18.8	9.9
Lease liabilities		11.7	10.6	10.9
Prepayments from customers		0.0	4.6	0.0
Trade payables		134.9	115.9	125.4
Other liabilities		71.6	55.5	55.2
Liabilities held for sale		0.0	0.0	9.0
Total short-term liabilities		239.8	213.7	213.3
Total shareholders' equity and liabilities		944.6	915.2	929.5

Change in consolidated shareholders' equity

	Share capital DKK m	Value ad-just-ments of currency hedges after tax DKK m	Retained earnings DKK m	Propo-sed divi-dend DKK m	Total DKK m
Opening balance 01.01.2020	1.0	0.0	419.2	52.5	472.7
Reversed prosed dividends*	0.0	0.0	52.5	(52.5)	0.0
Net profit for the period	0.0	0.0	22.6	0.0	22.6
Other comprehensive income for the period	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	0.0	75.1	(52.5)	22.6
Dividend paid	0.0	0.0	0.0	0.0	0.0
Closing balance 31.03.2020	1.0	0.0	494.3	0.0	495.3
Opening balance 01.01.2021	1.0	(0.6)	444.0	130.0	574.4
Net profit for the period	0.0	0.0	24.7	0.0	24.7
Other comprehensive income for the period	0.0	(1.3)	0.0	0.0	(1.3)
Total comprehensive income for the period	0.0	(1.3)	24.7	0.0	23.4
Closing balance 31.03.2021	1.0	(1.9)	468.7	130.0	597.8

*At the general meeting on 11 June 2020, it was concluded that no dividend were to be distributed regarding the financial year 2019.

Consolidated cash flow statement

DKK m	Note	Q1 2021	2020	12 months 2020
Operating activities				
Operating profit		31.6	29.7	134.7
Depreciation and amortization		4.7	5.3	21.3
Income tax paid		(7.2)	(5.8)	(31.2)
Change in net working capital		(48.4)	(47.5)	7.4
Cash flow from operating activities		(19.3)	(18.3)	132.2
Investing activities				
Investments in fixed assets		(8.1)	(4.0)	(31.0)
Sale of fixed assets		0.0	0.0	(0.2)
Divestments of operations		2.8	0.0	0.0
Cash flow from investing activities		(5.3)	(4.0)	(31.2)
Financing activities				
Interest paid		(0.3)	(0.8)	(3.3)
Repayments of loans		(0.6)	(0.7)	(100.3)
Repayments of lease liabilities		0.5	(1.4)	(5.1)
Dividend paid		0.0	0.0	0.0
Cash flow from financing activities		(0.4)	(2.9)	(108.7)
Cash flow for the period		(25.0)	(25.3)	(7.7)
Cash and cash equivalents at the beginning of the period				
		125.9	139.4	139.4
Cash flow for the period		(25.0)	(25.3)	(7.7)
Cash and cash equivalents at the end of the period		100.9	114.1	131.7
Specification				
Cash and cash equivalents at the end of the period		100.9	114.1	125.9
Cash and cash equivalents assets held for sale		0.0	0.0	5.8
Cash and cash equivalents at the end of the period		100.9	114.1	131.7

Notes to the consolidated interim financial statements

1. Accounting policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish disclosure requirements for listed companies. TCM Group has applied the same accounting policies in this interim report as were applied in the consolidated financial statements for 2020 prepared in accordance with IFRS, why reference is made to note 1 of these financial statements for accounting policies and for definitions of key figures and ratios on pages 45-53 and 72.

Impact from new IFRS standards

TCM Group A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2021 as adopted by the European Union.

Implementation of the standards and amendments have not had any material impact on the Group’s Financial Statements and are likewise not expected to have any significant future impact.

2. Revenue and segment information

The Group’s business activities are managed within a single operating segment that is producing and selling kitchens, bathrooms and storage. The result of the operating segment is monitored by the Group’s management to evaluate it and to allocate resources.

	Q1		12 months
	2021	2020	2020
Revenue by region, DKK m			
Denmark	255.3	229.0	941.6
Other countries	25.8	25.2	83.0
	281.1	254.2	1,024.6

Revenue consists of sale of goods and services.

3. Non-recurring items

	Q1		12 months
	2021	2020	2020
Non-recurring items, DKK m			
Costs related to Covid-19 precautions *	2.5	0.0	5.0
Restructuring costs	1.3	0.0	0.0
Gain from the divestment of an own operated store	(2.5)	0.0	0.0
Total	1.3	0.0	5.0

* Some costs related to Covid-19 precautions was incurred in Q1 2020, but not reported as they were below the materiality threshold.

4. Related party transactions

Except for remuneration to senior executives and Board of Directors, there were no other transactions with related parties.

5. Events after the reporting period

A new finance agreement with Nykredit Bank was signed in April comprising of a committed facility of DKK 150 million. The agreement initially includes a 3 year commitment plus an option to extend the facility on similar terms to a period of up to 5 years.

The annual general meeting was held on 13 April 2021. The annual general meeting approved the proposed dividend distribution of DKK 13 per share, in total DKK 130 million plus the implementation of a share buy back program of in total up to DKK 150 million or 10% of the number of shares. The share buy back program was initiated during April, and runs in the period up until 11 March 2022. As of 14 May 2021 TCM has acquired shares of a total of DKK 59 million.

Besides from the above, no events of importance to the consolidated interim financial statements have occurred after the reporting period.

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management today considered and adopted the interim report of TCM Group A/S for the period 1 January 2021 – 31 March 2021.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 31 March 2021 and of the results of the Group's operations and cash flows for the period 1 January to 31 March 2021.

Furthermore, in our opinion, the management review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Tvis, 19 May, 2021

Executive Management

Torben Paulin
CEO

Mogens Elbrønd Pedersen
CFO

Board of Directors

Sanna Mari Suvanto-Harsaae
Chairman

Anders Tormod Skole-Sørensen
Deputy Chairman

Søren Mygind Eskildsen

Carsten Bjerg

Danny Feltmann Espersen

Supplementary financial disclosure

Quarterly overview

DKK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Income statement					
Revenue	254.2	260.2	247.4	262.8	281.1
Gross profit	65.3	72.3	64.9	70.4	66.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	35.0	44.9	37.6	38.6	36.3
Adjusted EBITDA	35.0	45.9	38.6	41.6	37.6
Earnings before interest, tax and amortisation (EBITA)	31.6	41.5	34.0	35.3	32.9
Adjusted EBIT	29.7	40.6	33.1	36.4	33.0
Operating profit (EBIT)	29.7	39.6	32.1	33.4	31.6
Financial items	(0.8)	(0.9)	(1.1)	(1.2)	(0.3)
Profit before tax	28.9	38.7	31.0	32.2	31.4
Net profit for the period	22.6	30.1	24.4	25.1	24.7
Balance sheet					
Total assets	915.2	989.2	1,020.7	929.5	944.6
Net working capital	(61.3)	(89.0)	(82.4)	(117.0)	(68.9)
Net interest-bearing debt (NIBD)	76.7	18.9	0.3	(42.9)	(14.1)
Equity	495.3	525.5	549.8	574.4	597.8
Cash Flow					
Free cash flow excl. acquisitions of operations	(22.4)	68.6	25.0	29.9	(24.6)
Margins					
Gross margin, %	25.7%	27.8%	26.2%	26.8%	23.5%
Adjusted EBITDA margin, %	13.8%	17.3%	15.2%	15.8%	13.4%
Adjusted EBIT margin, %	11.7%	15.6%	13.4%	13.8%	11.7%
EBIT margin, %	11.7%	15.2%	13.0%	12.7%	11.3%
Other ratios					
Solvency ratio, %	54.1%	53.1%	53.9%	61.8%	63.3%