

Copenhagen, 15 December 2015

Axcel sells kitchen business TCM Group to private equity firm IK Investment Partners

Following significant operational improvements in TCM Group, one of Scandinavia's leading kitchen manufacturers, Axcel has reached an agreement to sell the company to funds advised by IK Investment Partners. Under Axcel's ownership, TCM Group has developed into one of Europe's most profitable kitchen producers.

TCM Group is one of Scandinavia's leading manufacturers of kitchens, with strong brands such as Svane Køkkenet and Tvis Køkkener, which together have 70 shops in Denmark and Norway. TCM Group mainly supplies the Danish market but has an increasing focus on the rest of the Nordic region. The internationalisation process is expected to pick up pace under the new ownership.

Per Christensen, responsible partner at Axcel, can look back on a number of sound improvements to TCM Group under Axcel's ownership:

"TCM Group was hit hard by the financial crisis but – thanks to a number of operational measures – the company's earnings margin has increased from 6% before the crisis to more than 15% today, placing TCM Group among the most profitable kitchen manufacturers in Europe. These results are due not least to the efforts of a very capable and dedicated management team, which has delivered growth in revenue and earnings five years in a row. The sales growth has been achieved through constant product innovation and focus on customer satisfaction, and revenue in 2015 is starting to approach the level achieved pre-crisis. In short, TCM is a well-oiled engine and well positioned for further growth, and we're proud to hand the company over to new owners."

Ole Lund Andersen, CEO of TCM Group, adds: "We've grown our market share in Denmark in recent years and, following our successful move into Norway, we see good opportunities for continued growth in Scandinavia, which is now an important focus area. 2015 looks to be a really good year with growth of more than 20% as the market for kitchens and bathrooms has started to move again. At the same time, we can see that our focus on increased product development and Danish production is paying off in the form of higher sales."

The sale to funds advised by IK Investment Partners is subject to approval from the Danish competition authorities, and the transaction is expected to be completed early next year.

About Axcel

Founded in 1994 by a group of investors from Denmark's largest financial and industrial institutions, Axcel is a Nordic private equity firm focusing on mid-market companies and has a broad base of both Danish and international investors. It has raised four funds with total committed capital of around DKK 10 billion and has made 43 investments along with 60+ significant bolt-on acquisitions. So far more than 30 of the companies in which it has invested have been sold or floated. Axcel's investments currently include 11 portfolio companies, representing combined revenue of just under DKK 7 billion and around 5,000 employees. See www.axcel.dk.

About TCM Group

TCM Group develops, manufactures and sells kitchens and bathrooms from factories in Tvis and Horsens respectively. TCM Group expects revenue of more than DKK 500 million in 2015. TCM Group comprises TMK A/S and Concepta A/S, both suppliers of kitchens, bathrooms and wardrobes. TMK is the third-largest kitchen manufacturer in Scandinavia, with strong brands such as Svane Køkkenet and Tvis Køkkener. Mainly a supplier to the Danish market, the company has an increasingly international focus. Concepta is a supplier of kitchens and bathrooms to the DIY market. Its products are mainly distributed through Nordic DIY chains under various brands. For more information, visit www.tmk.dk.

The sellers of TCM Group are Axcel (majority owner), former owners and management.

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