



SOLAR DELIVERS ALL-TIME HIGH Q1 EBITDA

In April, revenue and EBITDA guidance were revised upwards by DKK 500m and DKK 125m to DKK 13.25bn and DKK 975m, respectively. See announcement no. 7 2022.

CEO Jens Andersen says:

"In Q1, we delivered an EBITDA increase of DKK 77m, leading to a margin increase of 1.3 percentage points driven by high growth combined with resilience in all market segments.

We have seen all our segments – Installation, Industry and Trade – deliver strong results with adjusted organic growth of 9%, 18% and 35%, respectively.

Furthermore, we are experiencing an additional increase in the demand for renewable solutions across our markets.

Finally, the Board of Directors has decided to distribute an extraordinary dividend of DKK 45.00 per share."

Q1 key financial messages

- With 13.6% organic growth, we realised stronger growth rates than anticipated in all markets.
- EBITDA increased by DKK 77m to DKK 281m.
- Return on invested capital (ROIC) increased by approx. 10 percentage points.

Financial highlights (DKK million)	Q1 2022	Q1 2021
Revenue	3,462	3,004
EBITDA	281	204
Cash flow from operating activities	-202	-88
Financial ratios (%)		
Organic growth adj. for number of working days	13.6	-0.6
EBITDA margin	8.1	6.8
Net working capital, end of period/revenue (LTM)	14.0	11.8
Gearing (NIBD/EBITDA), no. of times	0.6	0.7
Return on invested capital (ROIC)	26.5	16.6



Audio webcast and teleconference today

The presentation of Quarterly Report Q1 2022 will be made in English on 5 May 2022 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at www.solar.eu. Participation will be possible via a teleconference.

Teleconference call-in numbers:

DK: tel. +45 781 501 09

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FACTS ABOUT SOLAR

Solar is a leading European sourcing and services company mainly within electrical, heating & plumbing and climate & energy solutions. Our core business centres on product sourcing, value-adding services and optimisation of our customers' businesses.

We facilitate efficiency improvement and provide digital tools that turn our customers into winners. We drive the green transition and provide best in class solutions to ensure sustainable use of resources.

Solar Group is headquartered in Denmark, generated revenue of approx. DKK 12.4bn in 2021 and has approx. 2,900 employees. Solar is listed on Nasdaq Copenhagen and operates under the short designation SOLAR B. For more information, please visit www.solar.eu.

Disclaimer

This announcement was published in Danish and English today via Nasdaq Copenhagen. In the event of any inconsistency between the two versions, the Danish version shall prevail.



solar

Q1
2022

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OUR PURPOSE

**We improve
construction, building operation
and industry processes
with a commitment to
sustainability and productivity.
For our customers. With our partners.
For a better world.**

WHO WE ARE

We are a leading European sourcing and services company.

OUR ENTITIES



Denmark

33%

Sweden

21%

Norway

16%

The Netherlands

23%

Poland

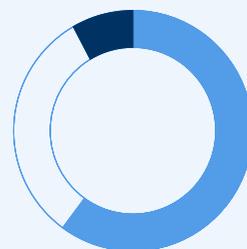
4%

Other¹

3%

2021 share of revenue

OUR SEGMENTS



60%

Installation



32%

Industry



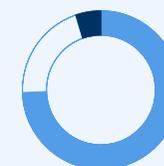
8%

Trade

2021 share of revenue

OUR PRODUCTS

Product groups



● **74%** Electrical

○ **20%** Heating & Plumbing

● **6%** Climate & Energy

Product brands



● **22%** Concepts

○ **78%** Other brands

2021 share of revenue

¹ Including eliminations

In Q1, we are zooming in on our Installation segment. Installation constitutes 60% of revenue, making it a pivotal part of our ambition to achieve a >6.5% EBITDA margin by 2023.

As part of our drive for excellence, we will continue to put our customers first and adapt our organisation, product assortment and services to their requirements.

All of which makes us Stronger Together.

FINANCIAL HIGHLIGHTS

Consolidated (DKK million)	Q1 2022	Q1 2021	Year 2021
Revenue	3,462	3,004	12,354
Earnings before interest, tax, depreciation and amortisation (EBITDA)	281	204	911
Earnings before interest, tax and amortisation (EBITA)	236	157	727
Earnings before interest and tax (EBIT)	222	143	672
Earnings before tax (EBT)	217	123	622
Net profit for the year	168	100	531
Balance sheet total	5,575	4,842	5,305
Equity	1,808	1,619	1,952
Interest-bearing liabilities, net	617	461	-37
Cash flow from operating activities	-202	-88	783
Net investments in property, plant and equipment	-59	8	-125

Employees

Number of employees (FTE), end of period	2,996	2,901	2,936
Average number of employees (FTEs)	2,932	2,897	2,908

Financial ratios (% unless otherwise stated)

Organic growth adjusted for number of working days	13.6	-0.6	5.9
Gross profit margin	23.1	21.9	22.4
EBITDA margin	8.1	6.8	7.4
EBITA margin	6.8	5.2	5.9
Net working capital (year-end NWC)/revenue (LTM)	14.0	11.8	10.2
Gearing (net interest-bearing liabilities/EBITDA), no. of times	0.6	0.7	0.0
Return on equity (ROE)	31.9	17.6	29.1
Equity ratio	32.4	33.4	36.8

Share ratios (DKK)

Earnings per share outstanding (EPS)	23.00	13.70	72.72
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In all material aspects financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios".

Q1 FINANCIAL MESSAGES

- Q1 EBITDA of DKK 281m (DKK 204m) exceeded our expectations due to strong organic growth.
- On 21 April, EBITDA guidance for 2022 was revised upwards by DKK 125m to DKK 975m. Revenue for 2022 was revised upwards to a total of DKK 13.25bn, up by DKK 0.5bn, which corresponds to organic growth of approx. 7%. See announcement no. 7 2022.
- The Board of Directors has decided to use their authority to pay out an extraordinary dividend of DKK 45.00 per share, totalling DKK 329m. The extraordinary dividend will be distributed on 17 May 2022. See announcement no. 8 of 5 May 2022.

THE INSTALLERS OF TODAY REQUIRE MORE THAN A PRODUCT

Our more than 20,000 installation customers range from sole installation contractors to large installation companies. However, all our customers have come to value our expertise and extensive range, which covers electrical, heating & plumbing installations and climate & energy products.

Local market knowledge

The way in which Solar has organised Installation differs from country to country. Market demand and brand recognition vary: what sells in Sweden, for example, does not necessarily sell in the Netherlands.

This is why our organisational setup is locally anchored, ensuring that we can draw on local knowledge, offer the right product assortment and adjust to the level of digitalisation and the number of shops locally.

It is part of our company culture to put our customers at the centre of our business and then position them for success.

Wide product assortment

In general, our customers require a large assortment covering electrical, heating & plumbing installations and renewable product groups.

The combination of our assortment and digital platform means that our customers have a one-stop-shop, which saves them time and increases efficiency.

Whether our installation customers are working on a new build, a renovation or an upgrade, our assortment contains all the products required in their day-to-day business.

Integrated services

We have adapted our ordering platforms to the installation customer segment, ensuring access to the best possible experience during a busy working day. Our order service can be accessed via our digital platforms on desktop, via our Solar Mobile app or accessed by phone.

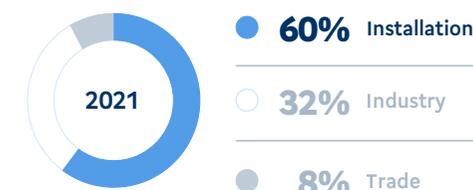
Our ordering service has been designed to ensure first-class delivery. As we know that order timeliness and accuracy are paramount to our customers, we deliver on a day-to-day – even on an hourly – basis.



We understand that digital is not for everyone, which is why we also offer face-to-face transactions - whether through our Click & Collect order service or through one of our strategically located shops.

Every order is supported by our market leading customer service. We not only sell products, but solutions. Our knowledgeable customer service teams are always at hand to guide our customers through the installation process – no matter how complex it is.

SEGMENTS SHARE OF REVENUE



CASE: INSTALLATION

INSTALLED WITH COMPETENT ADVICE AND FAST ASSISTANCE

For Schrøder A/S fast and flexible assistance is paramount when it comes to installations. With Solar as their resource, they are assured of the advice and calculations they need.

When Schrøder A/S was contacted by a bed & breakfast customer about an old pellet boiler stove, it was immediately evident that an upgrade was required. The stove was old, too big for its purpose and difficult to maintain. By switching to a heat pump, the bed & breakfast would be assured of a more modern and future-proof solution.

Schrøder therefore contacted Solar to help them select the best solution.

"In a case like this, it's important for us to call on fast and competent support," says Allan Stokbæk, Chief Engineer at Schrøder A/S, with responsibility for the design and installation of the heat pump. Solar and Panasonic, the supplier of the heat pump, visited the customer to check out the conditions and advise on the best solution. Based

on Schrøder's findings, Solar prepared the necessary heat calculations and technical drawings. "It was a complex installation," explains Allan Stokbæk. "Partly because the heat requirements were substantial which meant that a single standard heat pump would be insufficient, and partly because the hot water tank was located at the other end of the building because of lack of space."

Solar's solution was to install two air/water heat pumps in a cascade solution, where one heat pump is activated at a time to minimise wear and tear. A buffer and an additional hot water tank were also installed to ensure a continuous supply of hot water. Due to the special layout of the system, an ordinary hot water tank would risk the heat being flushed out and the electric heating in the tank would heat up the return pipe in the



SCHRØDER A/S, HOLSTED, DENMARK

Schrøder is a Danish electrical installation company based in Holsted, Vejrup and Vamdrup. The firm has 60 employees and services commercial, industrial, agricultural and domestic customers.



As we run a very busy business, we really value Solar's competent advice and fast assistance with the calculations. Their flexibility in finding the best solution is also a great asset.

heating system. The problem was overcome by choosing a hot water tank with a heating element at the top. As well as ensuring the correct capacity in the heat pumps, Solar also successfully addressed the special conditions pertaining to the hot water supply.

"As we run a very busy business, we really value Solar's competent advice and fast assistance with the calculations. Their flexibility in finding the best solution is also a great asset," says Allan Stokbæk.

Schrøder has since checked with the customer and the system is running smoothly. The customer no longer has the hassle of filling and cleaning the pellet boiler stove – and savings are even expected at the end of the year.

FINANCIAL REVIEW

Q1 EBITDA INCREASED BY 38% TO DKK 281M

(Data shown in brackets relate to the corresponding period in 2021)

Q1 EBITDA of DKK 281m (DKK 204m) exceeded our expectations due to strong organic growth based on our Core+ strategy. Q1 adjusted organic growth was up at 13.6% (-0.6%), while gross profit margin increased to 23.1% (21.9%).

Q1 2022 REVENUE

In Q1, adjusted organic growth at group level amounted to 13.6% (-0.6%). All segments saw positive adjusted organic growth. Revenue increased to DKK 3.5bn (DKK 3.0bn).

GROSS PROFIT

Gross profit margin increased to 23.1% (21.9%) which, combined with revenue growth, resulted in a gross profit increase of DKK 142m. One-off price effects resulted in a positive impact of approx. DKK 35m (DKK 0m) on gross profit, corresponding to a gross profit margin improvement of approx. 1.0 percentage point.

EXTERNAL OPERATING COSTS AND STAFF COSTS

In total, external operating costs and staff costs were down at 14.8% (15.0%) of revenue.

Rising prices, including energy prices, had a negative effect on cost development. Increased costs were also attributable to strong revenue growth and improved earnings.

EBITDA

We succeeded in increasing EBITDA by DKK 77m. This was supported by our four strategic focus areas, Concept, Industry, Climate & Energy and

Trade, positive one-offs and a strong growth level.

The EBITDA margin was up at 8.1% (6.8%) as EBITDA increased to DKK 281m (DKK 204m) and exceeded our expectations.

The results of the individual markets are given on page 19.

FINANCIALS

Net financials amounted to DKK -5m (DKK -20m). In Q1 2021, net financials were negatively affected by DKK 14m due to the early redemption of an interest swap. A similar, positive amount was reported under other comprehensive income. Adjusted for this item, net financials totalled DKK -5m (DKK -6m).

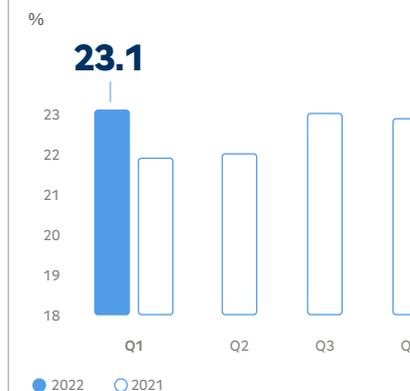
EARNINGS BEFORE TAX

Earnings before tax increased by 76% to DKK 217m (DKK 123m).

NET PROFIT

Net profit increased to DKK 168m (DKK 100m).

GROSS PROFIT MARGIN



EBITDA



FINANCIAL REVIEW

CASH FLOW

Net working capital calculated as an average of the previous four quarters amounted to 11.5% (11.4%) of revenue. Net working capital at the end of Q1 2022 amounted to 14.0% (11.8%).

Cash flow from operating activities totalled DKK -202m (DKK -88m).

Changes in receivables had a DKK -531m (DKK -354m) impact on cash flow affected by the increased growth level in Q1 2022 and normal seasonality.

Changes in inventories and non-interest-bearing liabilities had an impact of DKK 14m (DKK -36m) and DKK 69m (DKK 143m) respectively.

The general inventory level was affected by price increases and by the decision to ensure delivery performance during a period of potential shortage of goods.

As at 31 March 2022, COVID-19 financial support packages amounted to DKK 85m of which the main part will be repaid during 2022.

Total cash flow from investing activities amounted to DKK -109m (DKK -10m). DKK -51m related to the investment in the expansion and upgrade of our central warehouse in Denmark, cf. page 10 in Annual Report 2021. In addition, the acquisition of Højager Belysning A/S had an impact of DKK -34m, cf. page 20 in this report.

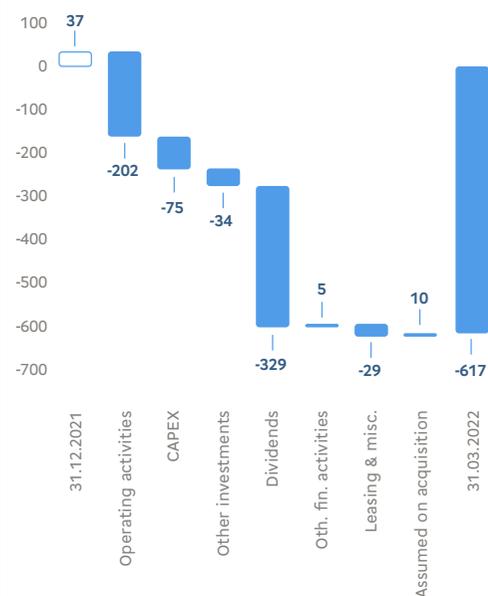
Cash flow from financing activities amounted to DKK -37m (DKK -71m), mainly affected by dividend distributions of DKK -329m (DKK -204m) and by

the change in current interest-bearing debt of DKK 323m (DKK 179m).

Consequently, total cash flow amounted to DKK -348m (DKK -169m).

Net interest-bearing liabilities amounted to DKK 617m (DKK 461m).

NIBD IN DKK MILLION



As at 31 March 2022, gearing was 0.6 (0.7) times EBITDA. Calculated as an average, our gearing was 0.3 (0.8) times EBITDA. Our gearing target is 1.5-3.0 times EBITDA.

As at 31 March 2022, Solar had undrawn credit facilities of DKK 179m (DKK 305m).

INVESTED CAPITAL

Invested capital for the Solar Group totalled DKK 2,377m (DKK 2,011m). ROIC amounted to 26.5% (16.6%).

Activities with a Solar equity interest of less than 50% are not included in the ROIC calculation. Invested capital only includes operating assets and liabilities.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Extraordinary dividend

Solar's Board of Directors regularly assesses the company's capital structure to ensure that it is appropriate for both the shareholders and the company.

At the Annual General Meeting in March 2022, the Board of Directors was granted authority to distribute extraordinary dividend of up to DKK 50.00 per share. The Board of Directors has decided to use their authority to pay out an extraordinary dividend of DKK 45.00 per share due to our upgrading of EBITDA guidance for 2022.

The extraordinary dividend, which totals DKK 329m, will be paid out on 17 May 2022, see announcement no. 8 of 5 May 2022.

Rent agreement, Solar Norge

To increase short-term warehouse capacity, Solar Norge has entered an agreement to rent 12,900 m² located next to the Gardermoen warehouse. The agreement becomes effective on 15 May 2022. DKK 65m will be recognised in the balance sheet as a right of use asset and lease liability, respectively.

KEY RISKS AND MITIGATION

Like other international companies, Solar is affected by both global trends and local conditions in the markets where we operate.

The Russian invasion of Ukraine and sanctions imposed by the European Union and other international bodies may also affect markets outside Russia and Ukraine.

Solar neither has business activities in Russia nor Ukraine, but there is a potential risk of the knock-on effects e.g. leading to significant drop in market activities. We are monitoring the situation closely and will adopt the necessary initiatives to limit these impacts, preserve business continuity and protect earnings.

Commercial and financial risks relating to our activities are detailed in Solar's 2021 Annual Report.

OUR SEGMENTS

OUR SEGMENTS DELIVERED STRONG GROWTH IN Q1

(Data shown in brackets relate to the corresponding period in 2021)

INSTALLATION

Our Installation segment covers installation of electrical, and heating and plumbing products.

In Q1, Installation revenue increased to DKK 2.0bn (DKK 1.8bn) corresponding to overall adjusted organic growth of around 9% (0%) related primarily to the electrical business. All markets saw growth in Installation, with Solar Polska posting particularly strong growth.

Segment profit increased to DKK 256m (DKK 173m) corresponding to a segment profit margin of 12.6% (9.4%) positively affected by an increased gross profit margin.

INDUSTRY

This segment covers the industry, offshore and marine industries as well as utilities and infrastructure. Industry also includes MAG45.

In Q1, Industry revenue increased to DKK 1.1bn (DKK 0.9bn). This corresponds to overall adjusted organic growth of around 18% (1%) related primarily to OEM, Utilities, Marine & Offshore although MRO also saw solid growth. We saw growth above 15% in all markets covering Industry, with Solar Polska and Solar Sverige making a substantial contribution.

Segment profit increased to DKK 198m (DKK 157m). This corresponds to a segment profit margin of 17.7% (16.8%).

TRADE

Our Trade segment covers special sales and other small areas. It also includes Solar Polaris.

In Q1, revenue from Trade increased to DKK 0.3bn (DKK 0.2bn) corresponding to overall adjusted organic growth of around 35% (-11%). We saw double-digit growth rates in all main markets.

Segment profit increased to DKK 40m (DKK 38m) corresponding to a segment profit margin of 13.0% (17.1%).

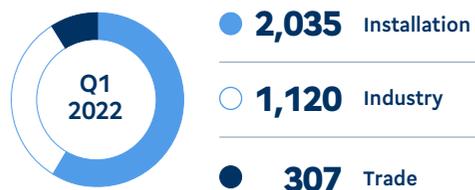
Segment profit includes any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment.

Segment profit does not include non-allocated costs of DKK 213m (DKK 164m) in Q1, which refer to income and costs related to joint group functions and to costs, which can not be reliably allocated to the individual segment.

Detailed segment information is given on page 18.

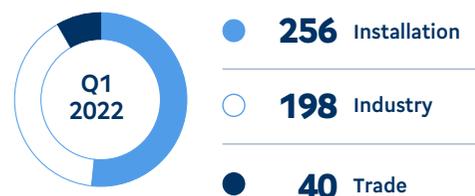
SEGMENT REVENUE

DKKm



SEGMENT PROFIT

DKKm



OVERVIEW BUSINESS SEGMENTS

DKK million	Q1					
	Revenue		Segment profit		Segment margin %	
	2022	2021	2022	2021	2022	2021
Installation	2,035	1,849	256	173	12.6	9.4
Industry	1,120	933	198	157	17.7	16.8
Trade	307	222	40	38	13.0	17.1
Solar Group	3,462	3,004	494	368	14.3	12.3

[GUIDANCE 2022](#)

EBITDA GUIDANCE HAS BEEN UPGRADED TO DKK 975M

Solar upgraded its EBITDA guidance for 2022 by DKK 125m to DKK 975m on 21 April. Revenue for 2022 was revised upwards to a total of DKK 13.25bn, up by DKK 0.5bn, which corresponds to organic growth of approx. 7%, see announcement no. 7 2022.

GENERAL ASSUMPTIONS

The guidance for 2022 assumes that the Russian invasion of Ukraine and sanctions imposed by the European Union and other international bodies will not have any significant knock-on effects e.g. leading to significant drop in market activities.

Loss on trade receivables is assumed to be at the same level as in 2021.

MARKET OUTLOOK FOR SOLAR'S SEGMENTS

Overall, we expect the markets to show growth rates in all countries in 2022, in part due to the effect of price increases but also in part due to greater focus on electrification.

Installation

On the backdrop of continued electrification as one of the important megatrends, we expect the installation market to show growth in 2022 compared to 2021.

Industry

The guidance is based on the assumption that sales to all subsegments within industry will deliver solid growth rates.

Trade

We also expect solid growth for special sales, the primary activity in the Trade segment.

FINANCIAL OUTLOOK 2022

Revenue guidance

We expect revenue to amount to DKK 13,250m, corresponding to organic growth of approx. 7%.

Our Better Business project is an integral part of the Core+ strategy and is expected to reduce revenue by approx. DKK 200m compared to 2021.

This will mainly affect Installation and Trade, primarily in Solar Sverige, and to a lesser extent in Solar Nederland. Adjusted for this, we expect organic growth of approx. 9%.

EBITDA guidance

Supported by increased demand, we expect our strategic focus areas to deliver continuous earnings improvement, resulting in an EBITDA of DKK 975m, of which DKK 80m can be attributed to one-off price effects.

EBITDA

DKKm



* not adjusted for IFRS16 impact

** including one-off income of DKK 112m

SHAREHOLDER INFORMATION

SHARE AND WEBCAST INFORMATION

Solar's share capital is divided into nominal value DKK 90 million A shares and nominal value DKK 646 million B shares.

The A shares are not listed. The B shares are listed on Nasdaq Copenhagen under the ID code DK0010274844, and are designated SOLAR B, and form part of the MidCap index and MidCap on Nasdaq Nordic.

The share capital includes 900,000 A shares and 6,460,000 B shares. Solar's portfolio of treasury shares totals 56,813 B shares or 0.8% of share capital.

A shares have 10 votes per share amount of DKK 100, while B shares have 1 vote per share amount of DKK 100.

TOTAL SHAREHOLDER RETURN

The total shareholder return of the Solar B share during the holding period 1 January 2022 - 31 March 2022 was -0.8% including the DKK 45.00 dividend that was paid out in March 2022.

AUDIO WEBCAST

The presentation of the Quarterly Report Q1 2022 will be conducted in English on 5 May 2022 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at:



WWW.SOLAR.EU

FINANCIAL CALENDAR 2022

1 April – 5 May	IR quiet period
5 May	Quarterly Report Q1 2022
1 July – 11 August	IR quiet period
11 August	Quarterly Report Q2 2022
1 October - 3 November	IR quiet period
3 November	Quarterly Report Q3 2022

DISTRIBUTION OF SHARE CAPITAL AND VOTES BASED ON THE LATEST PUBLIC INFORMATION

Holdings of 5% or more of share capital	Share capital in %	Votes in %
The Fund of 20th December, Vejen, Denmark	17.0%	60.5%
Nordea Funds Ltd., Helsinki, Finland	10.4%	5.0%

CONSOLIDATED FINANCIAL STATEMENTS

Q1 2022

STATEMENT OF COMPREHENSIVE INCOME

Income statement

DKK million	Q1		Year
	2022	2021	2021
Revenue	3,462	3,004	12,354
Cost of sales	-2,662	-2,346	-9,581
Gross profit	800	658	2,773
Other operating income and costs	1	3	7
External operating costs	-96	-75	-297
Staff costs	-418	-376	-1,552
Loss on trade receivables	-6	-6	-20
Earnings before interest, tax, depreciation and amortisation (EBITDA)	281	204	911
Depreciation and write-down on property, plant and equipment	-45	-47	-184
Earnings before interest, tax and amortisation (EBITA)	236	157	727
Amortisation and impairment of intangible assets	-14	-14	-55
Earnings before interest and tax (EBIT)	222	143	672
Share of net profit from associates	0	0	-2
Impairment and gain from divestment of associates	0	0	0
Financial income	10	8	41
Financial expenses	-15	-28	-89
Earnings before tax (EBT)	217	123	622
Income tax	-49	-23	-91
Net profit for the period	168	100	531
Earnings in DKK per share outstanding (EPS)	23.00	13.70	72.72
Diluted earnings in DKK per share outstanding (EPS-D)	22.95	13.68	72.50

Other comprehensive income

DKK million	Q1		Year
	2022	2021	2021
Net profit for the period	168	100	531
Other income and costs recognised:			
Items that can be reclassified for the income statement			
Foreign currency translation adjustments of foreign subsidiaries	7	12	14
Fair value adjustments of hedging instruments before tax	13	17	29
Tax on fair value adjustments of hedging instruments	-3	-4	-6
Other income and costs recognised after tax	17	25	37
Total comprehensive income for the period	185	125	568

BALANCE SHEET

DKK million	31.03		31.12
	2022	2021	2021
ASSETS			
Intangible assets	186	156	159
Property, plant and equipment	929	801	885
Right-of-use assets	302	305	300
Deferred tax asset	12	3	13
Investments in associates	4	4	5
Other non-current assets	54	73	53
Non-current assets	1,487	1,342	1,415
Inventories	1,849	1,572	1,855
Trade receivables	2,042	1,631	1,502
Income tax receivable	3	12	0
Other receivables	12	11	6
Prepayments	39	39	46
Cash at bank and in hand	143	235	481
Current assets	4,088	3,500	3,890
Total assets	5,575	4,842	5,305

DKK million	31.03		31.12
	2022	2021	2021
EQUITY AND LIABILITIES			
Share capital	736	736	736
Reserves	-141	-170	-158
Retained earnings	1,213	1,053	1,045
Proposed dividends for the financial year	0	0	329
Equity	1,808	1,619	1,952
Interest-bearing liabilities	118	179	120
Lease liabilities	206	205	203
Provision for pension obligations	0	0	0
Provision for deferred tax	119	101	101
Other provisions	10	13	11
Non-current liabilities	453	498	435
Interest-bearing liabilities	335	208	19
Lease liabilities	101	104	102
Trade payables	2,100	1,859	2,098
Income tax payable	46	27	33
Other payables	710	517	644
Prepayments	19	3	1
Other provisions	3	7	21
Current liabilities	3,314	2,725	2,918
Liabilities	3,767	3,223	3,353
Total equity and liabilities	5,575	4,842	5,305

CASH FLOW STATEMENT

DKK million	Q1		Year
	2022	2021	2021
Net profit or loss of continuing operations for the period	168	100	531
Depreciation, write-down and amortisation	59	61	239
Changes to provisions and other adjustments	-3	-5	11
Share of net profit from associates	0	0	2
Financials, net	6	20	48
Income tax	49	23	91
Financial income, received	3	1	23
Financial expenses, settled	-7	-24	-50
Income tax, settled	-29	-17	-81
Cash flow before working capital changes	246	159	814
Working capital changes			
Inventory changes	14	-36	-319
Receivables changes	-531	-354	-229
Non-interest-bearing liabilities changes	69	143	517
Cash flow from operating activities	-202	-88	783

DKK million	Q1		Year
	2022	2021	2021
Investing activities			
Purchase of intangible assets	-16	-13	-58
Purchase of property, plant and equipment	-59	-10	-143
Disposal of property, plant and equipment	0	18	18
Aquisition of subsidiaries and activities	-34	0	0
Acquisition of associates	0	-2	-5
Other financial investments	0	-3	-3
Cash flow from investing activities	-109	-10	-191
Financing activities			
Repayment of non-current interest-bearing debt	-2	-20	-79
Raising of non-current interest-bearing liabilities	0	0	0
Change in current interest-bearing debt	323	179	-9
Instalment on lease liabilities	-29	-28	-115
Dividends distributed	-329	-204	-314
Sale of treasury shares	0	2	2
Cash flow from financing activities	-37	-71	-515
Total cash flow	-348	-169	77
Cash at bank and in hand at the beginning of period	481	404	404
Assumed on aquisition of subsidiaries	10	0	0
Foreign currency translation adjustments	0	0	0
Cash at bank and in hand at the end of period	143	235	481
Cash at bank and in hand at the end of the period			
Cash at bank and in hand	143	235	481
Cash at bank and in hand at the end of the period	143	235	481

STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Reserves for hedging transactions ¹	Reserves for foreign currency translation adjustments ¹	Retained earnings	Proposed dividends	Total
2022						
Equity as at 1 January	736	-37	-121	1,045	329	1,952
Foreign currency translation adjustments of foreign subsidiaries			7			7
Fair value adjustments of hedging instruments before tax		13				13
Tax on fair value adjustments		-3				-3
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	10	7	0	0	17
Net profit for the period				168		168
Comprehensive income	0	10	7	168	0	185
Distribution of dividends (DKK 45.00 per share)					-329	-329
Transactions with the owners	0	0	0	0	-329	-329
Equity as at 31 March	736	-27	-114	1,213	0	1,808

STATEMENT OF CHANGES IN EQUITY

– continued

DKK million	Share capital	Reserves for hedging transactions ¹	Reserves for foreign currency translation adjustments ¹	Retained earnings	Proposed dividends	Total
2021						
Equity as at 1 January	736	-60	-135	951	204	1,696
Foreign currency translation adjustments of foreign subsidiaries			12			12
Fair value adjustments of hedging instruments before tax		17				17
Tax on fair value adjustments		-4				-4
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	13	12	0	0	25
Net profit for the period				100		100
Comprehensive income	0	13	12	100	0	125
Distribution of dividends (DKK 28.00 per share)					-204	-204
Sale of treasury shares				2		2
Transactions with the owners	0	0	0	2	-204	-202
Equity as at 31 March	736	-47	-123	1,053	0	1,619

1) Reserves for hedging transactions and reserves for foreign currency translation adjustments are recognised in the balance sheet as a total amount under reserves.

NOTES

Segment information

Solar's business segments are Installation, Industry and Trade and are based on the customers' affiliation with the segments. Installation covers installation of electrical, and heating and plumbing products, while Industry covers industry, offshore and marine, and utility and infrastructure. Trade covers special sales and other small areas. The three main segments have been identified without aggregation of operating segments. Segment income and costs include any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment. Non-allocated costs refer to income and costs related to joint group functions and costs, which can not be reliably allocated to the individual segment. Assets and liabilities are not included in segment reporting.

DKK million	Installation	Industry	Trade	Total
Q1 2022				
Revenue	2,035	1,120	307	3,462
Cost of sales	-1,585	-832	-245	-2,662
Gross profit	450	288	62	800
Direct costs	-67	-32	-9	-108
Earnings before indirect costs	383	256	53	692
Indirect costs	-127	-58	-13	-198
Segment profit	256	198	40	494
Non-allocated costs				-213
Earnings before interest, tax, depreciation and amortisation (EBITDA)				281
Depreciation and amortisation				-59
Earnings before interest and tax (EBIT)				222
Financials, net incl. share of net profit from associates and impairment on associates				-5
Earnings before tax (EBT)				217

DKK million	Installation	Industry	Trade	Total
Q1 2021				
Revenue	1,849	933	222	3,004
Cost of sales	-1,478	-702	-166	-2,346
Gross profit	371	231	56	658
Direct costs	-58	-27	-5	-90
Earnings before indirect costs	313	204	51	568
Indirect costs	-140	-47	-13	-200
Segment profit	173	157	38	368
Non-allocated costs				-164
Earnings before interest, tax, depreciation and amortisation (EBITDA)				204
Depreciation and amortisation				-61
Earnings before interest and tax (EBIT)				143
Financials, net incl. share of net profit from associates and impairment on associates				-20
Earnings before tax (EBT)				123

NOTES

Segment information – continued

Geographical information

Solar A/S primarily operates on the Danish, Swedish, Norwegian and Dutch markets. In the below table, Other markets covers the remaining markets, which can be seen in the group companies overview available on page 132 of Annual Report 2021 or on www.solar.eu. The below allocation has been made based on the products' place of sale.

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
Q1 2022					
Denmark	1,152	12.7	108	9.4	2,073
Sweden	703	12.7	53	7.5	191
Norway	550	14.7	47	8.5	180
The Netherlands	824	10.6	56	6.8	335
Poland	132	47.4	7	5.3	26
Several markets (MAG45)	181	17.6	8	4.4	54
Other markets	19	-0.3	2	10.5	33
Eliminations	-99	-	0	0.0	-1,405
Solar Group	3,462	13.6	281	8.1	1,487

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
Q1 2021					
Denmark	1,000	7.1	94	9.4	1,742
Sweden	637	-3.5	32	5.0	199
Norway	457	-3.5	35	7.7	187
The Netherlands	733	-8.1	32	4.4	352
Poland	92	9.0	3	3.3	26
Several markets (MAG45)	152	6.7	6	3.9	51
Other markets	16	7.4	2	12.5	5
Eliminations	-83	-	0	0.0	-1,220
Solar Group	3,004	-0.6	204	6.8	1,342

NOTES

Acquisition of subsidiary

On 1 March 2022, Solar acquired the shares in the lighting company Højager Belysning A/S in Denmark.

Total acquisition price of 100% of the Højager Belysning shares amounted to DKK 34m, equal to an enterprise value of DKK 25m.

With the acquisition, Solar takes a strong position with the B2G market in Denmark, as Højager Belysning A/S is a leading supplier within sales of light sources and lighting for the public sector with Staten og Kommunernes Indkøbsservice A/S (in short: SKI) and the regions being their customers. Højager Belysning A/S has 28 dedicated employees.

NOTES

Accounting policies

The quarterly report for Solar A/S has been prepared in accordance with IAS 34 "Presentation of interim reports" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

Apart from the effect of new IAS/IFRS standards implemented during the period, the accounting policies remain unchanged from the Annual Report 2021, which contains a full description of these on pages 57-59 as well as of relevant, supplementary notes.

In the quarterly report, income tax has been calculated on the basis of pre-tax profits at the expected average tax rate.

New accounting standards implemented during the period

No additional standards have become effective in the period, only amendments and improvements to existing standards. These changes have no impact on Solar's accounting policies.

New accounting standards to be implemented in coming accounting periods

New or amended standards issued as at 31 March 2022 and to be implemented in coming accounting periods are not expected to have significant impact on Solar's accounting policies.

QUARTERLY FIGURES

Consolidated

	Q1		Q2		Q3		Q4	
Income statement (DKK million)	2022	2021	2021	2020	2021	2020	2021	2020
Revenue	3,462	3,004	3,098	2,745	2,872	2,618	3,380	3,057
Earnings before interest, tax, depreciation and amortisation (EBITDA)	281	204	211	127	237	177	259	191
Earnings before interest, tax and amortisation (EBITA)	236	157	166	81	192	132	212	145
Earnings before interest and tax (EBIT)	222	143	153	65	179	115	197	-14
Financials, net	-5	-20	3	-6	-20	-10	-11	-16
Earnings before tax (EBT)	217	123	156	153	159	109	184	-7
Net profit or loss for the quarter	168	100	148	141	124	83	159	-32

Balance sheet (DKK million)

Non-current assets	1,487	1,342	1,385	1,735	1,393	1,695	1,415	1,339
Current assets	4,088	3,500	3,569	3,267	3,724	3,227	3,890	3,268
Balance sheet total	5,575	4,842	4,954	5,002	5,117	4,922	5,305	4,607
Equity	1,808	1,619	1,661	1,614	1,784	1,688	1,952	1,696
Non-current liabilities	453	498	457	457	446	497	435	498
Current liabilities	3,314	2,725	2,836	2,931	2,887	2,737	2,918	2,413
Interest-bearing liabilities, net	617	461	329	845	450	726	-37	128
Invested capital	2,377	2,011	1,921	2,178	2,185	2,132	1,866	1,760
Net working capital, end of period	1,791	1,344	1,280	1,383	1,568	1,363	1,259	1,109
Net working capital, average	1,475	1,300	1,274	1,391	1,325	1,365	1,363	1,322

QUARTERLY FIGURES

Consolidated – continued

	Q1		Q2		Q3		Q4	
	2022	2021	2021	2020	2021	2020	2021	2020
Cash flows (DKK million)								
Cash flow from operating activities	-202	-88	351	282	-38	142	558	432
Cash flow from investing activities	-109	-10	-63	-18	-65	-8	-53	213
Cash flow from financing activities	-37	-71	-271	-198	77	-116	-250	-397
Net investments in intangible assets	-16	-13	-15	-12	-14	-12	-16	-14
Net investments in property, plant and equipment	-59	8	-47	-4	-51	1	-35	-9
Acquisition and divestment of subsidiaries and operations, net	-34	0	0	0	0	0	0	0
Financial ratios (% unless otherwise stated)								
Revenue growth	15.2	-1.3	12.9	-4.3	9.7	-5.7	10.6	-0.6
Organic growth	15.4	-2.2	10.6	-1.7	8.8	-4.8	9.1	0.0
Organic growth adjusted for number of working days	13.6	-0.6	8.6	-1.6	8.8	-4.8	7.1	-2.1
Gross profit margin	23.1	21.9	22.0	20.5	23.0	21.5	22.9	21.5
EBITDA margin	8.1	6.8	6.8	4.6	8.3	6.8	7.7	6.2
EBITA margin	6.8	5.2	5.4	3.0	6.7	5.0	6.3	4.7
EBIT margin	6.4	4.8	4.9	2.4	6.2	4.4	5.8	-0.5
Net working capital (end of period NWC)/revenue (LTM)	14.0	11.8	10.9	11.9	13.0	11.9	10.2	9.7
Net working capital (average NWC)/revenue (LTM)	11.5	11.4	10.8	11.9	11.0	11.9	11.0	11.5
Gearing (interest-bearing liabilities,net/EBITDA), no. of times	0.6	0.7	0.4	1.5	0.5	1.2	0.0	0.2
Return on equity (ROE)	31.9	17.6	18.2	13.6	19.7	18.9	28.4	13.1
Return on invested capital (ROIC)	26.5	16.6	21.0	10.2	23.6	11.7	24.6	13.8
Enterprise value/earnings before interest, tax and amortisation (EV/EBITA)	7.5	7.6	7.0	6.0	7.6	6.2	7.8	5.8
Equity ratio	32.4	33.4	33.5	32.3	34.9	34.3	36.8	36.8

QUARTERLY FIGURES

Consolidated – continued

	Q1		Q2		Q3		Q4	
Share ratios (DKK unless otherwise stated)	2022	2021	2021	2020	2021	2020	2021	2020
Earnings per share outstanding (EPS)	23.00	13.70	20.27	19.32	16.98	11.37	21.77	-4.38
Intrinsic value per share outstanding	247.56	221.68	227.43	221.15	244.28	231.29	267.28	232.38
Share price	749.19	480.82	541.47	255.05	632.86	301.43	795.05	353.70
Share price/intrinsic value	3.03	2.17	2.38	1.15	2.59	1.30	2.97	1.52

Employees

Number of employees (FTE's), end of period	2,996	2,901	2,899	2,934	2,897	2,891	2,936	2,864
Average number of employees (FTE's)	2,932	2,897	2,889	3,024	2,890	2,979	2,908	2,935

Definitions

Organic growth	Revenue growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days.
Net working capital	Inventories and trade receivables less trade payables.
ROIC	Return on invested capital calculated on the basis of operating profit or loss less tax calculated using the effective tax rate.

In all material aspects financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios".

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

Today, the group's Board of Directors and Executive Board have discussed and approved the financial report of Solar A/S for the first three months of 2022.

The financial report for the first three months of 2022, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

In our opinion, the financial report gives a fair presentation of the group's assets, equity and liabilities and financial position as at 31 March 2022 as well as of the results of the group's activities and cash flow for the first three months of 2022.

Further, in our opinion, the management's review gives a true and fair statement of the development of the group's activities and financial situation, net profit for the period and of the group's overall financial position and describes the most significant risks and uncertainties that the group faces.

In our opinion, the financial report of Solar A/S for the first three months of 2022 with the file name SOLA-2022-03-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Vejen, 5 May 2022

EXECUTIVE BOARD

Jens E. Andersen
CEO

Hugo Dorph
CCO

Michael H. Jeppesen
CFO

BOARD OF DIRECTORS

Michael Troensegaard Andersen
Chair

Jesper Dalsgaard
Vice-chair

Peter Bang

Katrine Borum

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