



Nasdaq OMX
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Interim Report

On a recently held board meeting, the Board noted that the development in the turnover in the first three months of the financial year 2022/23 has been higher than last year. The turnover has also been above the listed expectations in the budget. The profit has as well been at a higher level both compared to last year as well as to the budget. RIAS A/S has thus had a positive development in the expectations for the first quarter of the financial year 2022/23. The development shows a turnover at a higher level in both the industry and the construction sectors.

The higher turnover in the industry sector observed in the last quarter of the financial year 2021/22 has continued into the first quarter of 2022/23. This confirms the overall trend of the industrial sector still being busy. This development covers large differences in demand from different industries. Generally, the mood is positive, however, dampened and expectant because of the general development in the society with rising interest rates and high inflation. Likewise, the fluctuating prices on especially raw materials and energy have created some uncertainty. Consequently, we see a much shorter order horizon where the customers to some extent are awaiting the situation expecting the prices to decrease. The uncertainty on what the next months will bring remains significant.

The turnover in the Building and Construction sector has been at a higher level compared to the last quarter of 2021/22. Previous year's figures were positively influenced by the fact that many worked from home and thus spent more money on refurbishing their house and home. This has normalized in 2021/22 and here in 2022/23 we see that especially the private sector (DIY) experience a decreasing activity. We experience continuous good activities within the professional building area; however, we also experience projects being postponed because of poor project economy.

The turnover and profit in Sweden have been challenged and we see a decreasing turnover compared to last year. Sweden remains a growth market for RIAS and we continue to invest in the Swedish market. The Swedish market is still a market with fierce competition; however, we see a positive development in the profit margin, which give a reasonable picture of the total turnover.

The processing area is still an area we are investing in and we are seeing a reasonable increase in turnover compared to 2021/22. We see customers and order sizes continuing to grow which fits well with our strategy of running larger and more complex orders for customers. We expect to continue to see growth within this segment and we will continue to invest in machines and employees so that we can continue to help our customers at a high professional level.



All areas have been affected by the rising prices for both raw materials and energy costs. We are still experiencing a nervous market from our subcontractors where high energy costs and entered fixed price agreements make it difficult to see a clear trend towards declining prices.

Based on the above-mentioned developments and despite the strong inflationary development in costs including i.a. the rising energy prices and the expectations of increased wage pressure, we believe that we have created a solid basis, where we got off to a good start and thus created a good basis for the rest of 2022/23.

Taking into account the mentioned uncertainty and with a positive first quarter as basis, the Board of RIAS A/S still expects an EBIT level for the financial year 2022/23 in the range of DKK 14,5-16,5 million.

Kind regards,
RIAS A/S

A handwritten signature in blue ink, appearing to read "K. Due".

Karsten Due