



SOLAR LEVEREDE EN EBITDA-STIGNING PÅ 66% I 2. KVARTAL

I juli opjusterede vi vores forventninger til omsætning og EBITDA med DKK 350 mio. og DKK 100 mio. til henholdsvis DKK 12.100 mio. og DKK 825 mio., se meddelelse nr. 15.

CEO Jens Andersen udtaler:

”Vi offentliggjorde vores anden opjustering kun seks måneder inde i vores Core+ strategiperiode. Alle fire strategiske fokusområder viser fremgang på tværs af markeder og har bidraget væsentligt til det stærke resultat.

Vi ser stærke resultater inden for alle vores segmenter. Vi er især godt tilfredse med vores industrisegment, hvor OEM og MRO viser fremdrift. På samme tid har andelen af vores konceptsalg nået det højeste niveau nogensinde og udgør nu 22% af omsætningen. Vi ser stærke resultater på alle vores markeder, især i Solar Nederland, som opnåede en stigning i konceptandelen på over 2 procentpoint.

Derudover har vi udbetalt ekstraordinært udbytte på DKK 110 mio. til vores aktionærer, hvormed det totale udbytte udbetalt år til dato er på DKK 314 mio. svarende til DKK 43 per aktie á DKK 100.

De imponerende resultater kunne ikke være opnået uden det dedikerede og store stykke arbejde, der er udført af vores medarbejdere, som jeg gerne vil takke – de er grundlaget for vores succes.”

Finansielle hovedbudskaber for Q2

- EBITDA-margin steg med 2,2 procentpoint, en stigning på næsten 50%
- Engangspriseffekter resulterede i en positiv indvirkning på ca. DKK 30 mio. af bruttofortjenesten, svarende til en forbedring af bruttoavancen på ca. 1 procentpoint
- Forventninger til 2021: Omsætning på DKK 12.100 mio. og EBITDA på DKK 825 mio.
- Afkast af investeret kapital (ROIC) steg til 21% fra 10%

Udvalgte hovedtal (DKK mio.)	Q2 2021	Q2 2020	H1 2021	H1 2020
Omsætning	3.098	2.745	6.102	5.790
EBITDA	211	127	415	269
Pengestrømme fra driftsaktivitet	351	282	263	239
Udvalgte nøgletal (%)				
Organisk vækst justeret for antal arbejdsdage	8,6	-1,6	3,8	0,0
EBITDA-margin	6,8	4,6	6,8	4,6
Nettoarbejdskapital, ultimo/omsætning (LTM)	10,9	11,9	10,9	11,9
Gearing (NIBD/EBITDA), antal gange	0,4	1,5	0,4	1,5
Afkast af investeret kapital (ROIC)	21,0	10,2	21,0	10,2



Audio webcast og telekonference i dag

Præsentationen af Delårsrapport Q2 2021 foregår på engelsk den 12. august 2021 kl. 11.00. Præsentationen bliver transmitteret som en audio webcast og kan følges på www.solar.eu. Deltagelse er mulig via den tilknyttede telekonference.

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FAKTA OM SOLAR

Solar-koncernen er en førende europæisk sourcing- og servicevirksomhed, der leverer løsninger primært inden for el, vvs, ventilation samt klima og energi. Vores kerneforretning centrerer sig om sourcing af produkter, værdiskabende services og optimering af vores kunders forretning.

Vi fremmer effektivitetsforbedringer og tilbyder digitale værktøjer, der gør vores kunder til vindere. Vi driver den grønne omstilling og leverer de bedste løsninger, der sikrer bæredygtig brug af ressourcer.

Solar-koncernen har hovedsæde i Danmark, havde i 2020 en omsætning på ca. 11,5 mia. kroner og beskæftiger ca. 2.900 medarbejdere. Solar er noteret på Nasdaq Copenhagen med kortnavn SOLAR B. Flere oplysninger kan findes på www.solar.eu

Ansvarsfraskrivelse

Denne meddelelse er offentliggjort dags dato på dansk og engelsk via Nasdaq Copenhagen. I tilfælde af uoverensstemmelse mellem de to versioner er det den danske version, der er gældende.



solar

Q2 2021

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We are a leading European sourcing and services company mainly within electrical, heating & plumbing, ventilation, and climate & energy solutions.

A DIGITAL COMPANY

>60%
e-business share

OUR MARKETS

Denmark, Norway,
Sweden, the Netherlands,
Poland & the Faroe Islands

OUR 2021-2023 STRATEGY IS ENTITLED CORE+
AND HAS FOUR STRATEGIC FOCUS AREAS

CONCEPTS

CLIMATE
& ENERGY

INDUSTRY

TRADE

FINANCIAL HIGHLIGHTS

Consolidated (DKK million)	Q2		H1		Year
	2021	2020	2021	2020	2020
Revenue	3,098	2,745	6,102	5,790	11,465
Earnings before interest, tax, depreciation and amortisation (EBITDA)	211	127	415	269	637
Earnings before interest, tax and amortisation (EBITA)	166	81	323	178	455
Earnings before interest and tax (EBIT)	153	65	296	147	248
Earnings before tax (EBT)	156	153	279	198	300
Net profit for the year	148	141	248	171	222
Balance sheet total	4,954	5,002	4,954	5,002	4,607
Equity	1,661	1,614	1,661	1,614	1,696
Interest-bearing liabilities, net	329	845	329	845	128
Cash flow from operating activities	351	282	263	239	813
Net investments in property, plant and equipment	-47	-4	-39	-17	-25

Employees

Number of employees (FTE), end of period	2,899	2,934	2,899	2,934	2,864
Average number of employees (FTEs)	2,889	3,024	2,889	3,024	2,935

Financial ratios (% unless otherwise stated)

Organic growth adjusted for number of working days	8.6	-1.6	3.8	0.0	-2.0
Gross profit margin	22.0	20.5	21.9	20.5	21.0
EBITDA margin	6.8	4.6	6.8	4.6	5.6
EBITA margin	5.4	3.0	5.3	3.1	4.0
Net working capital (end of period NWC)/revenue (LTM)	10.9	11.9	10.9	11.9	9.7
Gearing (net interest-bearing liabilities/EBITDA), no. of times	0.4	1.5	0.4	1.5	0.2
Return on equity (ROE)	18.2	13.6	18.2	13.6	13.5
Equity ratio	33.5	32.3	33.5	32.3	36.8

Share ratios (DKK)

Earnings per share outstanding (EPS)	20.27	19.32	33.97	23.43	30.42
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In general, financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios".

Q2 FINANCIAL MESSAGES

- With 8.6% in organic growth, we realised stronger growth rates than anticipated in all markets.
- Project Better Business and a strong ongoing development in concept sales contributed to a gross profit margin of 22.0%. The gross profit margin increase attributes to all markets.
- One-off price effects resulted in a positive impact of approx. DKK 30m of the gross profit, corresponding to a gross profit margin improvement of approx. 1 percentage point.
- Return on invested capital (ROIC) increased to 21% from 10%.

BUSINESS UPDATE - STRATEGY

STRATEGIC PROGRESS

Core+ is the name of our strategy toward 2023. Our strategy focuses on four strategic areas; Concepts, Climate & Energy, Industry and Trade. The first six months of our strategy period have already delivered Core+'s first positive results.

**CONCEPTS****CLIMATE & ENERGY****INDUSTRY****TRADE****OUR CURRENT ACHIEVEMENTS**

Increasing concept share across markets, with Solar Nederland leading the way by delivering a +2%-point share increase.

Big Data & Machine Learning taken to the next level thereby increasing our sales opportunities within Concepts.

New partnerships with strategic suppliers.

Transformation from black to green energy solutions in Solar Danmark with strong two-digit growth rate.

Establishment of a Marine/offshore branch in Solar Nederland.

Increased level of activity for Solar Sverige with strong two-digit growth rate, particularly driven by MRO and OEM.

Establishment of trade organisation in Solar Sverige and Solar Norge.

Onboarding new customers every month in all markets.

2023 TARGETS FOR OUR CORE+ FOCUS AREAS

Our target is to increase our share of revenue in Sweden, Norway and the Netherlands. Ultimately, targetting a concept share of 25% of revenue for the core business, up from 21%.

25% SHARE OF REVENUE

With a starting point of DKK 600m for 2020, we are targetting a CAGR of 5% for the strategic period.

5% CAGR FOR OUR STRATEGIC PERIOD

We aim to increase our Industry share of revenue, particularly in Sweden and the Netherlands, which supports our ambition of an Industry share of 30% of core revenue, up from 27%.

30% SHARE OF CORE REVENUE

Our ambition is to introduce Trade to more of our markets and aim for a CAGR of 5% over the coming three years with a starting point of DKK 874m for 2020.

5% CAGR FOR OUR STRATEGIC PERIOD

BUSINESS UPDATE - CONCEPTS

CORE+ STRATEGY

ADAPTING TO MARKET CHANGES AND CUSTOMER NEEDS

In each of the quarterly reports, we will examine Core+'s strategic focus areas. While the Q1 report focused on Industry, the Q3 report will focus on Climate & Energy. This Q2 report focuses on Concepts and Trade.

Customers, markets and the demands presented to us are constantly changing. As a sourcing and services company, we have to be ready to adapt to shifting circumstances. Trade and concepts are good examples of how we do this.

Based on our customers' needs, Solar has developed seven concepts, each with a different DNA. They embody five elements: price, quality, assortment, availability and delivery. Installation and Industry customers are the target group.

Although more than 22% of core revenue derives from concepts, we aim for 25% by 2023. We particularly aim to increase our share of revenue in Sweden, Norway and the Netherlands.

Solar Plus, our oldest and most important concept, continues to develop. New concepts such as Solar Tools, Heat and Cable, however, are growing rapidly and are now starting to contribute quite significantly to the overall concept share.

Combining our concepts with guidance from in-house specialists underlines our expertise. It also reaffirms our pledge: we are ready to assist with the right products and offer guidance on how to use them to the best advantage.



BUSINESS UPDATE - CONCEPTS

SEVEN BENEFICIAL CONCEPTS FOR OUR CUSTOMERS

solar|plus⁺

Solar Plus offers an assortment that covers up to 80% of the materials required on a daily basis by Installation and Maintenance, Repair & Operations (MRO). The products are always in stock, and can be delivered right away, which contributes to our customers' efficiency.

solar|tools

Solar Tools covers tools and related products. Our Smart Supply service is linked to this concept in that our inventory solutions enable our customers to find the right tools and articles more easily.

solar|netto[®]

Solar Netto is our most price-effective offering. In other words, a basic assortment where quality meets standard requirements. Our customers are guaranteed low prices and products that match expectations.

solar|project[®]

Solar Project, which covers the full project scope, aims to ensure that the purchasing process is smooth and efficient and that planning and assembly are seamless. The assortment is also available as BIM objects*, which means that customers can reduce the time spent on planning and choice of materials.

solar|light

Solar Light offers solutions for lighting projects and our experts are well experienced at providing our customers with customised and sustainable solutions. Their expertise combined with our range of high-quality products lies at the heart of Solar Light.

solar|heat

Solar Heat was developed in our Dutch market and comprises a wide range of high-quality heating-related products. As a responsible sourcing and services company, our focus is firmly on sustainability and green energy. Our customers know they can rely on us for product knowledge and support.

solar|cable

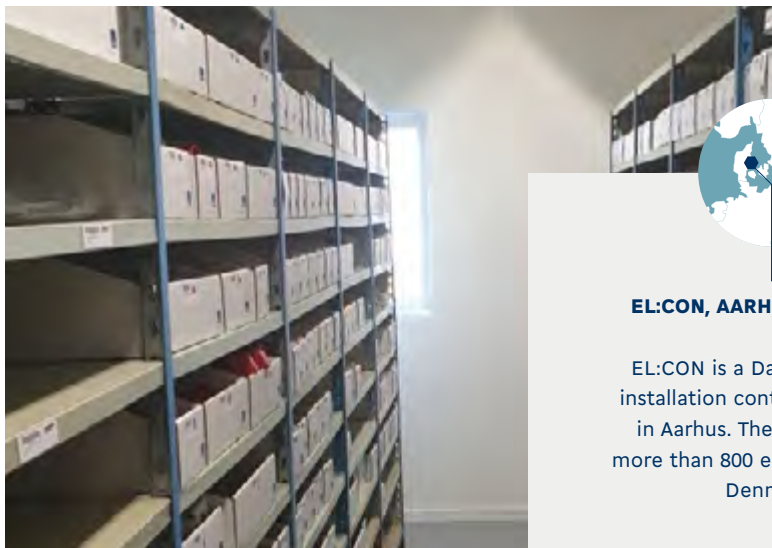
Solar Cable involves collaborating with a number of suppliers across Europe, which benefits our customers. Solar offers more than 6,000 different types of cables and wires and is one of the largest suppliers of these items in Northern Europe. We produce – and label - more than 1,200 cable cuts daily so that our customers can handle and install their specific orders more easily.

* Building Information Modelling Object

BUSINESS UPDATE - CONCEPTS

OPTIMISED INVENTORY WITH SMART SUPPLY AND SOLAR PLUS

A well-organised stockroom means that EL:CON, a Danish electrical installation contractor, avoids having to commit unnecessary resources. With Solar Smart Supply, EL:CON's stockroom has an inventory at their disposal that is always stocked with the right products, including those from Solar Plus.

**EL:CON, AARHUS, DENMARK**

EL:CON is a Danish electrical installation contractor founded in Aarhus. The company has more than 800 employees across Denmark.

When EL:CON in the town of Fredericia in Denmark, grew out of their premises, they built a new, larger and upgraded unit on the same site. For the new storage facility, they decided to install Solar Smart Supply, which has provided them with a better overview and resulted in substantial savings.

"Our new inventory solution is extremely effective. With Solar's help, we structured our inventory to ensure that we always have the right products in stock, which is a crucial time-saver," explains EL:CON's unit manager.

Prior to the change, EL:CON wasted a great deal of time in the stockroom searching for products which turned out to be out of stock.

"Basically, we were wasting time on product searches - time that we can now spend on serving our customers more efficiently," explains the unit manager.

AVAILABILITY MAKES SOLAR PLUS THE OBVIOUS CHOICE

The new storage facility in Fredericia comprises crates of various electrical installation products labelled with the relevant data. A Solar employee handles restocking, which means the business is never short of key products and components.

"The Solar Smart Supply concept structures inventory so that products are always in the correct crates and assigned to the same place on the rack. We assist in organising the storage facility, ensure that the crates are correctly labelled, and help with restocking," says Jesper Grøning Andersen, Customer Logistics Manager at Solar.

Around half the products in the inventory are from Solar Plus because they are always available and can be restocked immediately, Jesper Grøning Andersen points out.

"An industrial customer may have an urgent need for a certain product in the event of a breakdown, so it's of critical importance that EL:CON always has the required item in stock. Naturally, Solar Plus' competitive pricing is also an important factor."

With a better overview, the EL:CON inventory team no longer need to spend time ordering items and restocking as this is now handled by Solar. It also minimises inventory write-offs as fewer items are destroyed, lost, scratched, become outdated or otherwise lose value.



Our new inventory solution is extremely effective. With Solar's help, we structured our inventory to ensure that we always have the right products in stock, which is a crucial time-saver

BUSINESS UPDATE - TRADE



UNDERSTANDING CUSTOMER NEEDS

With increasing digitalisation and demand for one-stop shopping, we have established Trade as a segment.

Trade is our most recent strategic area. It targets customers who do not fit into the installation and industry segments, typically DIY/retailers, webshops and smaller independent B2B-customers. Unlike the majority of our customers, they do not request visits from sales team or technical support. However, they require a business partner with a strong digital mindset.

We introduced Trade in 2018 with the intention of providing this customer group with services unavailable elsewhere.

Availability and a wide assortment are paramount. We offer a great webshop where customers can gain a quick overview and receive deliveries through our flexible logistics solutions, sourcing all their products from Solar means that customers can cut back on suppliers, deliveries and administration, which saves time and money.

It is a win-win situation for our customers and for Solar – and makes good business sense all round.

We have customised our storage facilitation, inventory management and logistics solutions. Together with a wide assortment, this has helped us to position ourselves as the preferred partner among many companies across various industries.

Trade is currently an active part of our proposition in Denmark and the Netherlands. Both Norway and Sweden have spent the first six months of 2021 developing the local organisation, supported by the Danish trade organisation. The organisation and structure are now in place in all Solar markets, and the sales teams are onboarding new customers every month.

BUSINESS UPDATE - TRADE

EFFICIENT SUPPLIES OF HEAT PUMPS TO THE END USER

Bauhaus has selected Solar as their heat pump partner. This means fast and efficient supplies of the market's leading heat pump brands.

Bauhaus' stores and webshop contain heat pumps and accessories from the likes of Panasonic, Haier, etc. With overall responsibility for logistics, Solar handles both the storage and delivery of heat pumps and ships them directly to customers.

"Reliability of supply is a crucial factor for us. What makes Solar different is the speed at which they can deliver. In some cases – within the hour," explains Holger Jepsen, Head of Procurement at Bauhaus.

He explains that Bauhaus has become aware of a growing interest in heat pumps, which is why they decided to expand the range. So far, there are heat pump displays in five warehouses and everything is available online.

"Solar focuses on sustainable solutions. It's therefore obvious for us to offer green and energy-saving products. Our collaboration with Bauhaus also includes charging stations for electric cars for

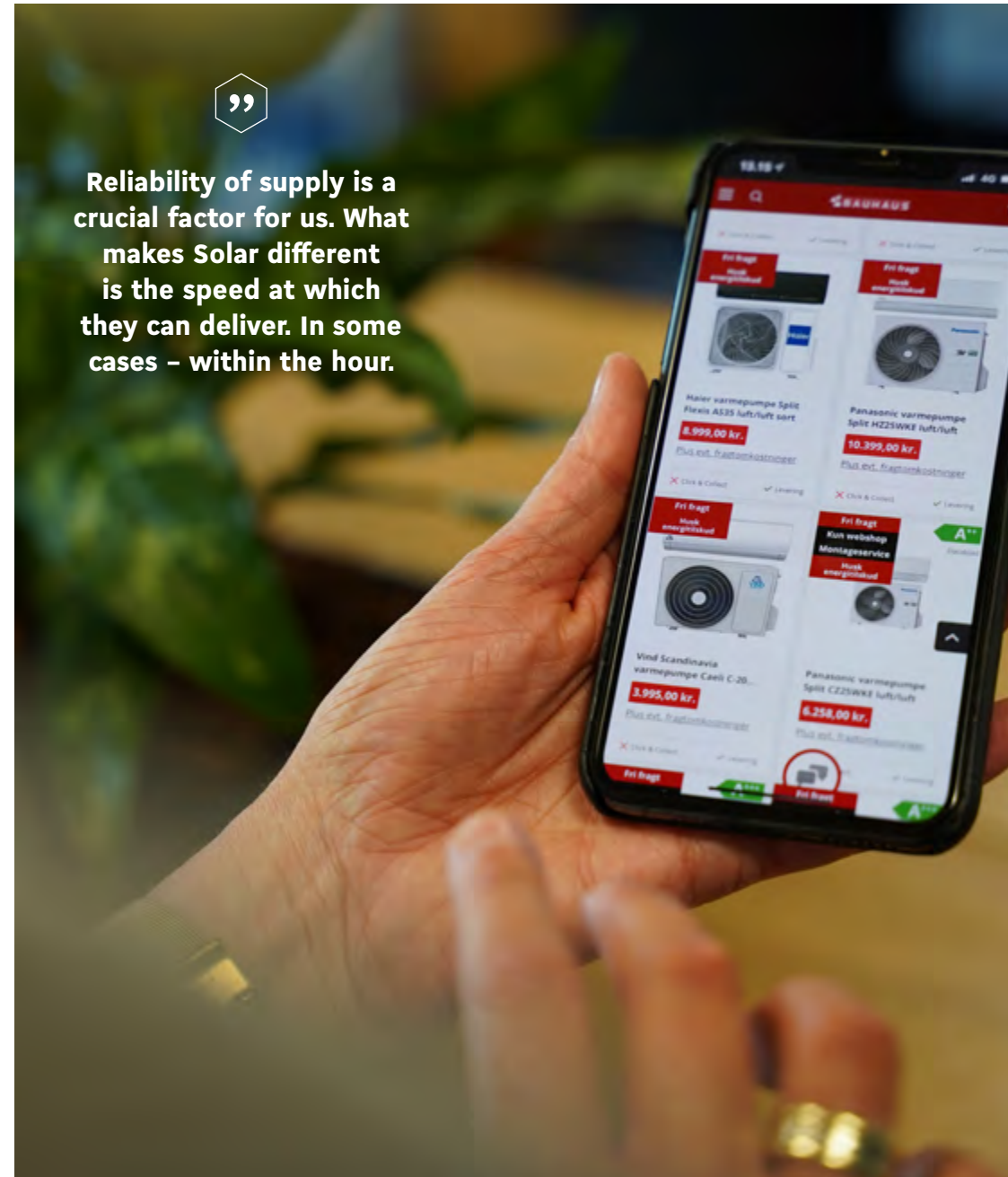
which there is a huge market," explains Carsten Antonisen, Senior Vice President, Solar.

A TECHNICALLY SKILLED LOGISTICS PARTNER

According to Holger Jepsen, another benefit is the technical support that Solar is able to provide.

"We have an enormous number of products, and it would be impossible for our staff to know every detail about all of them. A technically skilled partner who can offer support when specific questions arise is important," he explains. As Bauhaus was quite specific about what it needed from Solar in terms of logistics and branding, a customised solution was required.

"It's imperative that we provide the best customer experience from start to finish. Solar has adapted their set-up to meet our wishes and requirements," says Holger Jepsen from Bauhaus.



Reliability of supply is a crucial factor for us. What makes Solar different is the speed at which they can deliver. In some cases – within the hour.

FINANCIAL REVIEW

Q2 EBITDA INCREASED BY DKK 84M TO DKK 211M EXCEEDING OUR EXPECTATIONS

(Figures in brackets are figures from the corresponding period in 2020)

Q2 EBITDA exceeded expectations. We delivered an EBITDA increase of 66%. Core+ focus areas are already paying off with substantial gross profit margin improvements combined with adjusted organic growth of 8.6% as the main drivers behind the DKK 84m EBITDA increase.

Our comments on core and related business and disclosures in the note, Segment information, should be regarded as supplementary information. Information on the following segments - Installation, Industry and Trade - is included in the note, Segment information.

Q2 2021

REVENUE

In Q2, adjusted organic growth at group level amounted to 8.6% (-1.6%). All entities except Solar Nederland saw positive adjusted organic growth. Revenue increased to DKK 3.1bn (DKK 2.7bn).

Solar's overall adjusted organic growth for Installation amounted to around 4% driven by Solar Danmark, Solar Norge and Solar Polska. Our Core+ strategy continues to focus on the Better Business project, which aims to supply the right products to the right customers. Part of this project involves product pruning of low-margin business, which has caused negative growth for Installation in Solar Nederland.

All entities saw positive growth in the Industry segment, primarily within MRO and OEM. Overall, organic growth within this segment amounted to around 12%.

The trade segment also delivered two-digit growth rates in Q2.

GROSS PROFIT

Gross profit margin increased to 22.0% (20.5%) which, combined with revenue growth, resulted

in a gross profit increase of DKK 119m. One-off price effects resulted in a positive impact of approx. DKK 30m on gross profit, corresponding to a gross profit margin improvement of approx. 1 percentage point.

In addition, we saw continuous positive development in concept sales. This, together with the Better Business project, is part of the Core+ strategy and focuses on increasing gross profit margin.

EBITDA

EBITDA increased to DKK 211m (DKK 127m) and exceeded our expectations.

The EBITDA margin increased to 6.8% (4.6%). We succeeded in increasing EBITDA by DKK 84m due to a combination of a high Q2 growth level, substantial improvements in the gross profit margin and positive one-off price effects.

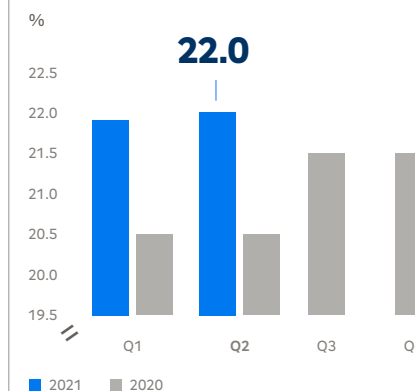
The results from the individual countries are given on page 23.

IMPAIRMENT ON ASSOCIATES

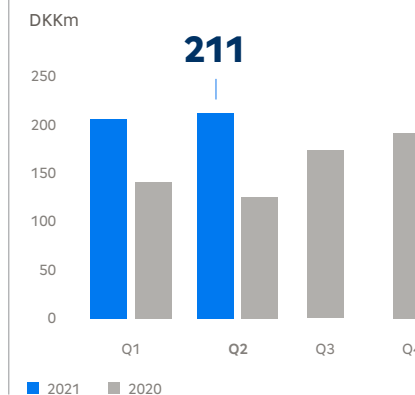
Impairment on associates was DKK 0m (DKK 97m).

In Q2 2020, the market value of Solar's

GROSS PROFIT MARGIN



EBITDA



FINANCIAL REVIEW

shareholding in BIMobject increased to DKK 204m. Hence the reversal of a previously performed write-down amounted to DKK 97m.

In Q4 2020, we divested our shareholding in BIMobject for a total cash consideration of DKK 237m. The shares were acquired at DKK 172m in H1 2017.

FINANCIALS

Net financials amounted to DKK 3m (DKK -6m).

Interest compensation related to a ruling from the Danish Tax Authorities amounts to DKK 11m with a positive impact on net financials in Q2 2021, see section on income tax.

EARNINGS BEFORE TAX

Earnings before tax were up at DKK 156m (DKK 153m) and when adjusted, earnings before tax total DKK 156m (DKK 56m), as illustrated below.

DKK million	Q2 2021	Q2 2020	Year 2020
Earnings before tax	156	153	300
<i>Impact due to market value changes in BIMobject:</i>			
Impairment on associates	0	-97	-104
Earnings before tax, adjusted for impact from associates	156	56	196
Impairment loss, other intangible assets	0	0	10
Impairment loss, goodwill and customer lists	0	0	129
Adjusted earnings before tax	156	56	335

INCOME TAX

Income tax amounted to DKK -8m (DKK -12m).

In June, we received a ruling from the Danish Tax Authorities approving a reduction in Danish taxable income in 2012 with a tax loss of DKK 74m related to divested activities. The tax value of the loss amounts to approx. DKK 19m, see the 2020 Annual Report, note 19 for additional information.

NET PROFIT

Net profit came to DKK 148m (DKK 141m).

H1 2021

REVENUE

In H1, adjusted organic growth at group level increased to 3.8% (0.0%) and revenue was up at DKK 6.1bn (DKK 5.8bn).

Solar's overall adjusted organic growth for Installation amounted to around 2% while Industry showed growth of around 6%. We saw positive adjusted organic growth in all entities apart from Solar Nederland.

GROSS PROFIT

Gross profit increased by DKK 154m with continuous improvement in the gross profit margin, which increased to 21.9% (20.5%) in H1 2021.

OTHER INCOME

Other income amounted to DKK 6m (DKK 10m) including profit from the disposal of a property in Denmark of DKK 3m and one-off compensation of DKK 3m.

In Q1 2020, other income primarily included the outcome of a settlement with the former shareholder of MAG45, which amounted to DKK 7m.

EBITDA

EBITDA increased by DKK 146m to DKK 415m corresponding to an EBITDA margin of 6.8% (4.6%) of revenue. All entities saw substantial improvements in EBITDA, with Solar Danmark, Solar Norge and Solar Nederland making a significant contribution.

The results of the individual countries are shown on pages 23-24.

IMPAIRMENT ON ASSOCIATES

Impairment on associates was DKK 0m (DKK 73m).

In H1 2020, the market value of Solar's shareholding in BIMobject increased to DKK 204m. Hence the reversal of a previously performed write-down amounted to DKK 73m.

FINANCIALS

Net financials amounted to DKK -17m (DKK -14m) negatively affected by DKK 14m due to the early redemption of an interest swap. A similar, positive amount is reported under other comprehensive income.

Furthermore, net financials were positively affected by DKK 11m regarding interest compensation related to a ruling by the Danish Tax Authorities, see Q2 financials on this page.

Adjusted for these items, net financials total an unchanged DKK -14m.

EARNINGS BEFORE TAX

Earnings before tax were up at DKK 279m (DKK 198m) and when adjusted - as illustrated in the table below - earnings before tax were up at DKK 279m (DKK 125m).

DKK million	H1 2021	H1 2020	FY 2020
Earnings before tax	279	198	300
<i>Impact due to market value changes in BIMobject:</i>			
Impairment on associates	0	-73	-104
Earnings before tax, adjusted for impact from associates	279	125	196
Impairment loss, other intangible assets	0	0	10
Impairment loss, goodwill and customer lists	0	0	129
Adjusted earnings before tax	279	125	335

NET PROFIT

Net profit increased to DKK 248m (DKK 171m).

CASH FLOWS

Net working capital calculated as an average of the previous four quarters amounted to 10.8% (11.9%) of revenue. Net working capital at the end of Q2 2021 was 10.9% (11.9%).

In H1, cash flow from operating activities totalled DKK 263m (DKK 239m). Changes in inventories and changes in non-interest-bearing liabilities had a DKK 24m (DKK 85m) and a DKK 315m (DKK 17m) impact on cash flow respectively, while changes in receivables had an impact of DKK -433m (DKK -91m). Cash flow from receivables was affected

FINANCIAL REVIEW

by the increased growth level in Q2 2021. As at 30 June 2021, COVID-19 financial support packages amounted to DKK 102m and affected cash flow from non-interest-bearing debt positively.

Cash flow from investing activities totalled DKK -73m (DKK -43m). The disposal of a property in Denmark had a positive impact of DKK 18m while DKK -35m related to investment in the expansion and upgrade of our central warehouse in Denmark, c.f. page 9 in the 2020 Annual Report.

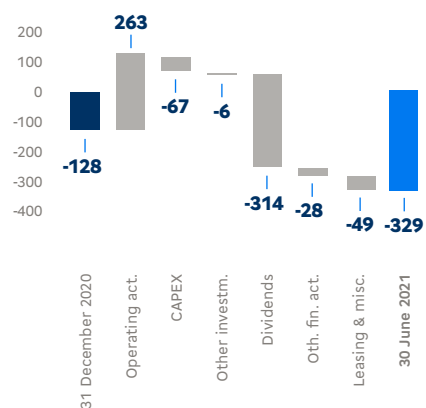
Cash flow from financing activities amounted to DKK -342m (DKK -114m), mainly affected by ordinary and extraordinary dividend distributions totalling DKK 314m (DKK 102m).

Consequently, total cash flow totalled DKK -152m (DKK 82m).

Net interest-bearing liabilities were down at DKK 329m (DKK 845m).

NET INTEREST-BEARING DEBT

DKK m



As at 30 June 2021, gearing was 0.4 (1.5) times EBITDA. Calculated as an average, our gearing was 0.5 (1.7) times EBITDA. Our gearing target is 1.5-3.0 times EBITDA.

As at 30 June 2021, Solar had undrawn credit facilities of DKK 426m (DKK 469m).

INVESTED CAPITAL

Invested capital for the Solar Group totalled DKK 1,921m (DKK 2,178m). ROIC amounted to 21.0% (10.2%). ROIC for core business amounted to 22.6% (12.3%).

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

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 COVID-19 pandemic has impacted the entire world and Solar is also affected by the challenges this has brought about.

Solar has adopted a number of initiatives to limit the risk of infection, safeguard the health of employees, preserve business continuity and protect earnings.

Commercial and financial risks relating to our activities are detailed in Solar's 2020 Annual Report.

RELATED BUSINESS

Revenue from related business amounts to approx. 5% of our total revenue.

In Q2 2021, we continued to see positive development. MAG45 saw adjusted organic growth of 20.5% (-0.7%) and EBITDA of DKK 7m (DKK 3m). MAG45, therefore, delivered adjusted organic growth of 13.5% (-0.9%) and EBITDA of DKK 13m (DKK 7m) for H1 2021.

Due to a reduced COVID-19 risk, we have re-initiated the strategic review of MAG45.

Related business (MAG45 and Solar Polaris) showed adjusted organic growth of 12.7% (-0.7%) while EBITDA was up at DKK 13m (DKK 7m) in H1 2021.

GUIDANCE 2021

GUIDANCE FOR 2021 REVISED UPWARDS TO REVENUE OF DKK 12.1BN AND EBITDA OF DKK 825M

On 9 July, Solar upgraded its EBITDA guidance for 2021 by DKK 100m to DKK 825m. 2021 revenue was revised upwards to a total of DKK 12.1bn, up by DKK 0.35bn, and corresponding to organic growth of approx. 4%, see announcement no. 15 2021.

MARKET OUTLOOK FOR SOLAR'S SEGMENTS

Overall, we expect Installation, Industry, and Trade to deliver growth in 2021 across all our markets.

Installation

We expect the Installation market to continue to show growth as compared to 2020, positively affected by electrification, which is one of the important megatrends.

Industry

The guidance is based on the assumption that sales to OEM and MRO continue to grow compared to 2020. Infrastructure is expected to remain at least at current levels for the rest of the year.

Trade

We expect growth in Special Sales, which is the primary activity in the trade segment.

FINANCIAL OUTLOOK 2021

Revenue guidance

We expect revenue of DKK 12.1bn, corresponding to organic growth of approx. 4%. The Better Business project is an integral part of the Core-strategy and is expected to reduce revenue by DKK 200m compared to 2020. Adjusted for this, we expect organic growth of approx. 6%.

EBITDA guidance

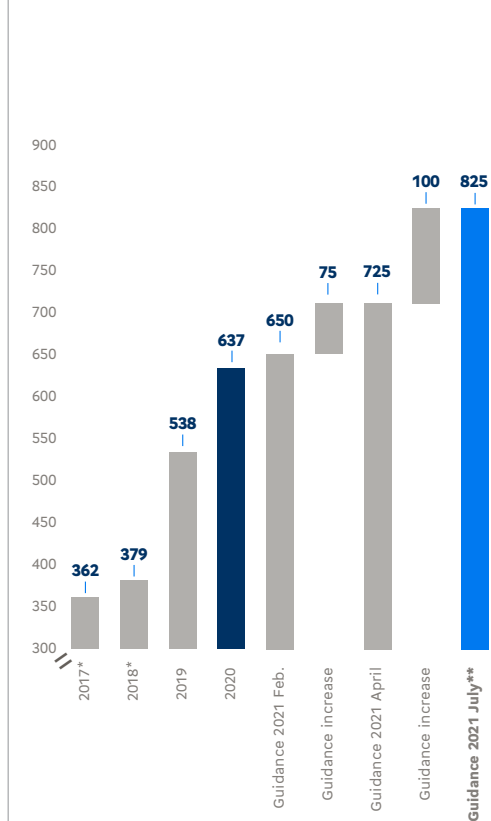
We expect EBITDA of DKK 825m to be achieved by our strategic focus areas delivering continuous improvement in earnings, combined with approx. DKK 50m from positive one-off price effects.

Investments

As announced on 11 February 2021, we have initiated an expansion and upgrade of our central warehouse in Denmark, cf. page 9 in the 2020 Annual Report. The investment is expected to total approx. DKK 250m and to be finalised in 2022.

EBITDA

DKKm



* not adjusted for IFRS16 impact

** including one-off income of DKK 56m

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. They 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 on the Solar B share during the holding period 1 January 2021 - 30 June 2021 was DKK 228.00 (63%) as DKK 43.00 was paid out in dividend and the increase in share price amounted to DKK 185.00 in H1 2021.

AUDIO WEBCAST

The presentation of the Q2 2021 Quarterly Report will be conducted in English on 12 August 2021 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at :

 WWW.SOLAR.EU

FINANCIAL CALENDAR 2021

4 October - 4 November IR quiet period

4 November Quarterly Report Q3 2021

DISTRIBUTION OF SHARE CAPITAL AND VOTES IN % 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
RWC asset management LLP, London, England	10.0	4.7
Investeringsforeningen Nordea Invest, Copenhagen, Denmark	5.0	2.4

CONSOLIDATED FINANCIAL STATEMENTS

Q2 2021

STATEMENT OF COMPREHENSIVE INCOME

Income statement

DKK million	Q2		H1		Year
	2021	2020	2021	2020	2020
Revenue	3,098	2,745	6,102	5,790	11,465
Cost of sales	-2,417	-2,183	-4,763	-4,605	-9,060
Gross profit	681	562	1,339	1,185	2,405
Other operating income and costs	3	2	6	10	8
External operating costs	-68	-61	-143	-153	-288
Staff costs	-400	-372	-776	-763	-1,465
Loss on trade receivables	-5	-4	-11	-10	-23
Earnings before interest, tax, depreciation and amortisation (EBITDA)	211	127	415	269	637
Depreciation and write-down on property, plant and equipment	-45	-46	-92	-91	-182
Earnings before interest, tax and amortisation (EBITA)	166	81	323	178	455
Amortisation and impairment of intangible assets	-13	-16	-27	-31	-207
Earnings before interest and tax (EBIT)	153	65	296	147	248
Share of net profit from associates	0	-3	0	-8	-12
Impairment and gain from divestment of associates	0	97	0	73	104
Financial income	14	6	22	15	24
Financial expenses	-11	-12	-39	-29	-64
Earnings before tax (EBT)	156	153	279	198	300
Income tax	-8	-12	-31	-27	-78
Net profit for the period	148	141	248	171	222
Earnings in DKK per share outstanding (EPS)	20.27	19.32	33.97	23.43	30.42
Diluted earnings in DKK per share outstanding (EPS-D)	20.22	19.31	33.90	23.42	30.38

Other comprehensive income

DKK million	Q2		H1		Year
	2021	2020	2021	2020	2020
Net profit for the period	148	141	248	171	222
Other income and costs recognised:					
Items that can be reclassified for the income statement					
Foreign currency translation adjustments of foreign subsidiaries	-1	33	11	-42	-22
Fair value adjustments of hedging instruments before tax	6	-2	23	-7	7
Tax on fair value adjustments of hedging instruments	-1	1	-5	2	-1
Other income and costs recognised after tax	4	32	29	-47	-16
Total comprehensive income for the period	152	173	277	124	206

BALANCE SHEET

DKK million	30.06		31.12
	2021	2020	2020
ASSETS			
Intangible assets	157	307	157
Property, plant and equipment	831	836	818
Right-of-use assets	317	292	288
Deferred tax asset	3	10	3
Investments in associates	5	215	2
Other non-current assets	72	75	71
Non-current assets	1,385	1,735	1,339
Inventories	1,513	1,551	1,531
Trade receivables	1,701	1,496	1,271
Income tax receivable	33	19	13
Other receivables	18	9	8
Prepayments	52	54	41
Cash at bank and in hand	252	138	404
Current assets	3,569	3,267	3,268
Total assets	4,954	5,002	4,607

DKK million	30.06		31.12
	2021	2020	2020
EQUITY AND LIABILITIES			
Share capital	736	736	736
Reserves	-166	-226	-195
Retained earnings	1,091	1,104	951
Proposed dividends for the financial year	0	0	204
Equity	1,661	1,614	1,696
Interest-bearing liabilities	124	151	199
Lease liabilities	217	193	189
Provision for deferred tax	103	100	98
Other provisions	13	13	12
Non-current liabilities	457	457	498
Interest-bearing liabilities	135	539	41
Lease liabilities	105	100	103
Trade payables	1,934	1,664	1,693
Income tax payable	46	26	21
Other payables	607	590	544
Prepayments	4	5	2
Other provisions	5	7	9
Current liabilities	2,836	2,931	2,413
Liabilities	3,293	3,388	2,911
Total equity and liabilities	4,954	5,002	4,607

CASH FLOW STATEMENT

DKK million	Q2		H1		Year
	2021	2020	2021	2020	2020
Net profit or loss of continuing operations for the period	148	141	248	171	222
Depreciation, write-down and amortisation	58	62	119	122	389
Impairment and gain from divestment of associates	0	-97	0	-73	-104
Changes to provisions and other adjustments	3	-1	-2	-9	-3
Share of net profit from associates	0	3	0	8	12
Financials, net	-3	6	17	14	40
Income tax	8	12	31	27	78
Financial income, received	2	1	3	3	7
Financial expenses, settled	-9	-9	-33	-18	-47
Income tax, settled	-9	-4	-26	-17	-65
Cash flow before working capital changes	198	114	357	228	529
Working capital changes					
Inventory changes	60	0	24	85	126
Receivables changes	-79	212	-433	-91	173
Non-interest-bearing liabilities changes	172	-44	315	17	-15
Cash flow from operating activities	351	282	263	239	813

DKK million	Q2		H1		Year
	2021	2020	2021	2020	2020
Investing activities					
Purchase of intangible assets	-15	-12	-28	-24	-50
Purchase of property, plant and equipment	-47	-4	-57	-18	-33
Disposal of property, plant and equipment	0	0	18	1	8
Acquisition of associates	-1	-2	-3	-2	-2
Divestment of associates	0	0	0	0	240
Other financial investments	0	0	-3	0	-1
Cash flow from investing activities	-63	-18	-73	-43	162
Financing activities					
Repayment of non-current interest-bearing debt	-2	-3	-22	-5	-252
Raising of non-current interest-bearing liabilities	0	0	0	0	53
Change in current interest-bearing debt	-130	-166	49	54	-205
Instalment on lease liabilities	-29	-29	-57	-61	-121
Dividends distributed	-110	0	-314	-102	-102
Sale of treasury shares	0	0	2	0	0
Cash flow from financing activities	-271	-198	-342	-114	-627
Total cash flow	17	66	-152	82	348
Cash at bank and in hand at the beginning of period	235	72	404	56	56
Cash at bank and in hand at the end of period	252	138	252	138	404
Cash at bank and in hand at the end of the period					
Cash at bank and in hand	252	138	252	138	404
Cash at bank and in hand at the end of the period	252	138	252	138	404

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
2021						
Equity as at 1 January	736	-60	-135	951	204	1,696
Foreign currency translation adjustments of foreign subsidiaries			11			11
Fair value adjustments of hedging instruments before tax		23				23
Tax on fair value adjustments		-5				-5
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	18	11	0	0	29
Net profit for the period				248		248
Comprehensive income	0	18	11	248	0	277
Distribution of dividends (DKK 28.00 per share)					-204	-204
Distribution of extraordinary dividends (DKK 15.00 per share)				-110		-110
Sale of treasury shares				2		2
Transactions with the owners	0	0	0	-108	-204	-312
Equity as at 30 June	736	-42	-124	1,091	0	1,661

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

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
2020						
Equity as at 1 January	736	-66	-113	933	102	1,592
Foreign currency translation adjustments of foreign subsidiaries			-42			-42
Fair value adjustments of hedging instruments before tax		-7				-7
Tax on fair value adjustments		2				2
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	-5	-42	0	0	-47
Net profit or loss for the period				171		171
Comprehensive income	0	-5	-42	171	0	124
Distribution of dividends (DKK 14.00 per share)					-102	-102
Transactions with the owners	0	0	0	0	-102	-102
Equity as at 30 June	736	-71	-155	1,104	0	1,614

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. Assets and liabilities are not included in segment reporting.

DKK million	Installation	Industry	Trade	Total
Q2 2021				
Revenue	1,850	971	277	3,098
Cost of sales	-1,470	-744	-203	-2,417
Gross profit	380	227	74	681
Direct costs	-63	-33	-12	-108
Earnings before indirect costs	317	194	62	573
Indirect costs	-106	-57	-12	-175
Segment profit	211	137	50	398
Non-allocated costs				-187
Earnings before interest, tax, depreciation and amortisation (EBITDA)				211
Depreciation and amortisation				-58
Earnings before interest and tax (EBIT)				153
Financials, net incl. share of net profit from associates and impairment on associates				3
Earnings before tax (EBT)				156

No single customer makes up more than 10% of the total revenue.

DKK million	Installation	Industry	Trade	Total
Q2 2020				
Revenue	1,701	837	207	2,745
Cost of sales	-1,370	-644	-169	-2,183
Gross profit	331	193	38	562
Direct costs	-57	-24	-5	-86
Earnings before indirect costs	274	169	33	476
Indirect costs	-139	-41	-13	-193
Segment profit	135	128	20	283
Non-allocated costs				-156
Earnings before interest, tax, depreciation and amortisation (EBITDA)				127
Depreciation and amortisation				-62
Earnings before interest and tax (EBIT)				65
Financials, net incl. share of net profit from associates and impairment on associates				88
Earnings before tax (EBT)				153

No single customer makes up more than 10% of the total revenue.

NOTES

Segment information – continued

DKK million	Installation	Industry	Trade	Total
H1 2021				
Revenue	3,699	1,904	499	6,102
Cost of sales	-2,948	-1,446	-369	-4,763
Gross profit	751	458	130	1,339
Direct costs	-121	-60	-17	-198
Earnings before indirect costs	630	398	113	1,141
Indirect costs	-246	-104	-25	-375
Segment profit	384	294	88	766
Non-allocated costs				-351
Earnings before interest, tax, depreciation and amortisation (EBITDA)				415
Depreciation and amortisation				-119
Earnings before interest and tax (EBIT)				296
Financials, net incl. share of net profit from associates and impairment on associates				-17
Earnings before tax (EBT)				279

DKK million	Installation	Industry	Trade	Total
H1 2020				
Revenue	3,556	1,773	461	5,790
Cost of sales	-2,864	-1,366	-375	-4,605
Gross profit	692	407	86	1,185
Direct costs	-124	-51	-11	-186
Earnings before indirect costs	568	356	75	999
Indirect costs	-283	-87	-25	-395
Segment profit	285	269	50	604
Non-allocated costs				-335
Earnings before interest, tax, depreciation and amortisation (EBITDA)				269
Depreciation and amortisation				-122
Earnings before interest and tax (EBIT)				147
Financials, net incl. share of net profit from associates and impairment on associates				51
Earnings before tax (EBT)				198

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 137 of Annual Report 2020 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
Q2 2021					
Denmark	1,007	13.8	91	9.0	1,778
Sweden	692	7.4	35	5.1	221
Norway	482	5.9	38	7.9	183
The Netherlands	707	-1.4	34	4.8	342
Poland	112	47.0	5	4.5	28
Other markets	10	19.7	1	10.0	4
Eliminations	-82	-	0	0.0	-1,220
Core business	2,928	8.0	204	7.0	1,336
Several markets (MAG45)	166	20.5	7	4.2	49
Other markets	4	-4.6	0	0.0	0
Related business	170	19.7	7	4.1	49
Solar Group	3,098	8.6	211	6.8	1,385

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
Q2 2020					
Denmark	865	1.9	62	7.2	2,101
Sweden	607	-4.8	20	3.3	322
Norway	430	-5.0	19	4.4	172
The Netherlands	694	0.6	20	2.9	363
Poland	84	-14.5	2	2.4	30
Other markets	9	16.4	1	11.1	5
Eliminations	-83	-	0	0.0	-1,313
Core business	2,606	-1.6	124	4.8	1,680
Several markets (MAG45)	134	-0.7	3	2.2	54
Other markets	5	-6.8	0	0.0	1
Related business	139	-0.9	3	2.2	55
Solar Group	2,745	-1.6	127	4.6	1,735

NOTES

Segment information – continued

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
H1 2021					
Denmark	2,007	10.4	185	9.2	1,778
Sweden	1,329	1.9	67	5.0	221
Norway	939	1.1	73	7.8	183
The Netherlands	1,440	-5.0	66	4.6	342
Poland	204	27.5	8	3.9	28
Other markets	22	19.4	3	13.6	4
Eliminations	-165	-	0	0.0	-1,220
Core business	5,776	3.4	402	7.0	1,336
Several markets (MAG45)	318	13.5	13	4.1	49
Other markets	8	-11.3	0	0.0	0
Related business	326	12.7	13	4.0	49
Solar Group	6,102	3.8	415	6.8	1,385

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
H1 2020					
Denmark	1,811	3.0	133	7.3	2,101
Sweden	1,249	-3.3	48	3.8	322
Norway	905	-3.4	40	4.4	172
The Netherlands	1,506	2.4	35	2.3	363
Poland	173	-9.3	4	2.3	30
Other markets	19	21.5	2	10.5	5
Eliminations	-161	-	0	0.0	-1,313
Core business	5,502	0.0	262	4.8	1,680
Several markets (MAG45)	279	-0.9	7	2.5	54
Other markets	9	6.1	0	0.0	1
Related business	288	-0.7	7	2.4	55
Solar Group	5,790	0.0	269	4.6	1,735

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 2020, which contains a full description of these on pages 58-60 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 been implemented 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 in 2021 and to be implemented in coming accounting periods are not expected to have significant impact on Solar's accounting policies.

QUARTERLY FIGURES

Consolidated

Income statement (DKK million)	Q1		Q2		Q3		Q4	
	2021	2020	2021	2020	2020	2019	2020	2019
Revenue	3,004	3,045	3,098	2,745	2,618	2,777	3,057	3,077
Earnings before interest, tax, depreciation and amortisation (EBITDA)	204	142	211	127	177	152	191	161
Earnings before interest, tax and amortisation (EBITA)	157	97	166	81	132	105	145	115
Earnings before interest and tax (EBIT)	143	82	153	65	115	82	-14	75
Financials, net	-20	-8	3	-6	-10	-9	-16	-10
Earnings before tax (EBT)	123	45	156	153	109	-2	-7	73
Net profit or loss for the quarter	100	30	148	141	83	-22	-32	58
Balance sheet (DKK million)								
Non-current assets	1,342	1,636	1,385	1,735	1,695	1,691	1,339	1,756
Current assets	3,500	3,349	3,569	3,267	3,227	3,460	3,268	3,234
Balance sheet total	4,842	4,985	4,954	5,002	4,922	5,151	4,607	4,990
Equity	1,619	1,441	1,661	1,614	1,688	1,512	1,696	1,592
Non-current liabilities	498	455	457	457	497	707	498	503
Current liabilities	2,725	3,089	2,836	2,931	2,737	2,932	2,413	2,895
Interest-bearing liabilities, net	461	1,077	329	845	726	1,089	128	921
Invested capital	2,011	2,332	1,921	2,178	2,132	2,395	1,760	2,297
Net working capital, end of period	1,344	1,432	1,280	1,383	1,363	1,467	1,109	1,280
Net working capital, average	1,300	1,411	1,274	1,391	1,365	1,339	1,322	1,386

QUARTERLY FIGURES

Consolidated – continued

	Q1		Q2		Q3		Q4	
	2021	2020	2021	2020	2020	2019	2020	2019
Cash flows (DKK million)								
Cash flow from operating activities	-88	-43	351	282	142	144	432	305
Cash flow from investing activities	-10	-25	-63	-18	-8	-40	213	-48
Cash flow from financing activities	-71	84	-271	-198	-116	-88	-397	-264
Net investments in intangible assets	-13	-12	-15	-12	-12	-8	-14	-9
Net investments in property, plant and equipment	8	-13	-47	-4	1	-25	-9	-39
Acquisition and divestment of subsidiaries and operations, net	0	0	0	0	0	0	0	0
Financial ratios (% unless otherwise stated)								
Revenue growth	-1.3	3.0	12.9	-4.3	-5.7	9.4	-0.6	2.3
Organic growth	-2.2	2.6	10.6	-1.7	-4.8	7.9	0.0	1.6
Organic growth adjusted for number of working days	-0.6	1.4	8.6	-1.6	-4.8	6.3	-2.1	2.6
Gross profit margin	21.9	20.5	22.0	20.5	21.5	19.7	21.5	20.5
EBITDA margin	6.8	4.7	6.8	4.6	6.8	5.5	6.2	5.2
EBITA margin	5.2	3.2	5.4	3.0	5.0	3.8	4.7	3.7
EBIT margin	4.8	2.7	4.9	2.4	4.4	3.0	-0.5	2.4
Net working capital (end of period NWC)/revenue (LTM)	11.8	12.2	10.9	11.9	11.9	12.6	9.7	11.0
Net working capital (average NWC)/revenue (LTM)	11.4	12.0	10.8	11.9	11.9	11.5	11.5	11.9
Gearing (interest-bearing liabilities,net/EBITDA), no. of times	0.7	1.9	0.4	1.5	1.2	2.2	0.2	1.7
Return on equity (ROE)	17.6	7.5	18.2	13.6	18.9	1.0	13.1	4.1
Return on invested capital (ROIC)	16.6	9.0	21.0	10.2	11.7	8.3	13.8	8.3
Adjusted enterprise value/earnings before interest, tax and amortisation (EV/EBITA)	7.6	6.3	7.0	6.0	6.2	8.1	5.8	7.9
Equity ratio	33.4	28.9	33.5	32.3	34.3	29.4	36.8	31.9

QUARTERLY FIGURES

Consolidated – continued

Share ratios (DKK unless otherwise stated)	Q1		Q2		Q3		Q4	
	2021	2020	2021	2020	2020	2019	2020	2019
Earnings per share outstanding (EPS)	13.70	4.11	20.27	19.32	11.37	-3.18	-4.38	7.95
Intrinsic value per share outstanding	221.68	197.44	227.43	221.15	231.29	218.73	232.38	218.13
Share price	480.82	204.50	541.47	255.05	301.43	289.41	353.70	297.31
Share price/intrinsic value	2.17	1.04	2.38	1.15	1.30	1.32	1.52	1.36

Employees

Number of employees (FTE's), end of period	2,901	3,052	2,899	2,934	2,891	3,070	2,864	3,041
Average number of employees (FTE's)	2,897	3,057	2,889	3,024	2,979	3,018	2,935	3,039

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 general, 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 six months of 2021.

The financial report for the first six months of 2021, 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 30 June 2021 as well as of the results of the group's activities and cash flow for the first six months of 2021.

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 six months of 2021 with the file name SOLA-2021-06-30.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Vejen, 12 August 2021

EXECUTIVE BOARD

Jens E. Andersen
CEO

Hugo Dorph
CCO

Michael H. Jeppesen
CFO

BOARD OF DIRECTORS

Jens Borum
Chairman

Jesper Dalsgaard
Vice-chairman

Lars Lange Andersen

**Michael Troensegaard
Andersen**

Peter Bang

Morten Chrono

Ulrik Damgaard

Bent H. Frisk

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