



## STRONG Q3 AS BASIS FOR ADJUSTMENT OF 2022 GUIDANCE

Q3 was characterised by improved earnings and strong organic growth. On that basis and our expectations to Q4, we adjust 2022 guidance to a revenue of DKK 13,700m and an EBITDA of DKK 1,170m up from a revenue of DKK 13,450m and an EBITDA of DKK 1,100m. The EBITDA guidance includes DKK 225m in one-off effects.

**CEO Jens Andersen says:**

**"Q3 was another strong quarter delivering high organic growth and improved earnings. Our strategic focus area Climate & Energy supported the strong performance by delivering an organic growth of slightly more than 100% in Q3. We expect Climate & Energy to reach a 2022 revenue of approximately DKK 1.2bn with solid earnings.**

**We have successfully diversified our business during the last years thereby making us less dependent on new construction. The annual revenue from project sales, which is mainly related to new construction, is expected to be around DKK 2bn with slightly lower earnings than average in our Installation segment.**

**Based on our strong Q3 performance and our Q4 expectations, we adjust 2022 guidance to a revenue of DKK 13,700m and an EBITDA of DKK 1,170m."**

### Q3 key financial messages

- Adjusted organic growth amounted to 14.0% up from 8.8% with Climate & Energy delivering adjusted organic growth of 103%.
- EBITDA increased by DKK 64m to DKK 301m
- One-off price effects resulted in an impact of approx. DKK 65m on gross profit compared to DKK 50m in Q3 2021.

Financial highlights (DKK million)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Revenue	3,266	2,872	10,179	8,974
EBITDA	301	237	849	652
Cash flow from operating activities	-14	-38	-226	225
Financial ratios (%)				
Organic growth adj. for number of working days	14.0	8.8	13.3	5.4
EBITDA margin	9.2	8.3	8.3	7.3
Net working capital, end of period/revenue (LTM)	16.1	13.0	16.1	13.0
Gearing (NIBD/EBITDA), no. of times	1.1	0.5	1.1	0.5
Return on invested capital (ROIC)	25.3	23.6	25.3	23.6



### Guidance 2022

(DKK million)	Adjusted guidance	Latest guidance
Revenue	13,700	13,450
EBITDA	1,170	1,100

### Revenue guidance

We now expect revenue at DKK 13,700m, corresponding to an organic growth of approx. 12%. The Better Business project is an integral part of our strategic focuses in the Core+ strategy and is expected to reduce revenue by DKK 200m compared to 2021. Adjusted for this, we expect organic growth of approx. 14%.

### EBITDA guidance

We expect EBITDA to amount to DKK 1,170m, up by DKK 70m of which DKK 25m can be attributed to additional one-off price effects.

### General assumption

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 a significant drop in market activities.

### Audio webcast and teleconference today

The presentation of Quarterly Report Q3 2022 will be made in English on 3 November 2022 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at [www.solar.eu](http://www.solar.eu). Participation will be possible via teleconference.

Teleconference call-in numbers:

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## FACTS ABOUT SOLAR

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Solar is a leading European sourcing and services company mainly within electrical, heating and plumbing, ventilation and climate and 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](http://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

Q3  
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.**

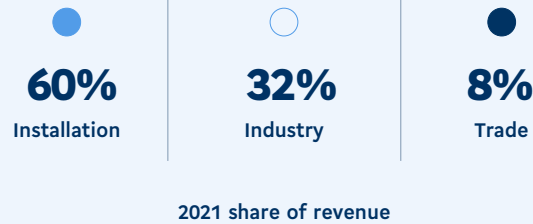
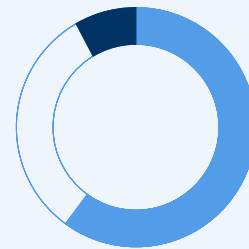
# WHO WE ARE

We are a leading European sourcing and services company.

## OUR MARKETS

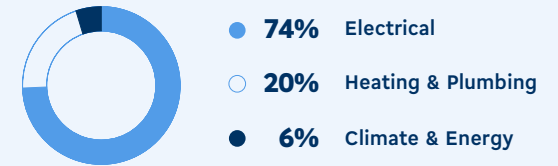


## OUR SEGMENTS

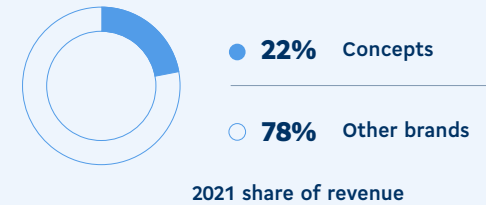


## OUR PRODUCTS

### Product groups



### Product brands



<sup>1</sup> Including eliminations

We engage with our customers to understand their business and tailor our solutions  
- making us stronger together.

# FINANCIAL HIGHLIGHTS

Consolidated (DKK million)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Year 2021
Revenue	3,266	2,872	10,179	8,974	12,354
Earnings before interest, tax, depreciation and amortisation (EBITDA)	301	237	849	652	911
Earnings before interest, tax and amortisation (EBITA)	250	192	704	515	727
Earnings before interest and tax (EBIT)	231	179	655	475	672
Earnings before tax (EBT)	225	159	635	438	622
Net profit for the period	176	124	491	372	531
Balance sheet total	5,937	5,117	5,937	5,117	5,305
Equity	1,764	1,784	1,764	1,784	1,952
Interest-bearing liabilities, net	1,205	450	1,205	450	-37
Cash flow from operating activities	-14	-38	-226	225	783
Net investments in property, plant and equipment	-25	-51	-145	-90	-125

## Employees

Number of employees (FTE's), end of period	3,042	2,897	3,042	2,897	2,936
Average number of employees (FTE's)	2,992	2,890	2,992	2,890	2,908

## Financial ratios (% unless otherwise stated)

Organic growth adjusted for number of working days	14.0	8.8	13.3	5.4	5.9
Gross profit margin	24.1	23.0	23.3	22.3	22.4
EBITDA margin	9.2	8.3	8.3	7.3	7.4
EBITA margin	7.7	6.7	6.9	5.7	5.9
Net working capital (end of period NWC)/revenue (LTM)	16.1	13.0	16.1	13.0	10.2
Gearing (net interest-bearing liabilities/EBITDA), no. of times	1.1	0.5	1.1	0.5	0.0
Return on equity (ROE)	38.6	19.7	38.6	19.7	29.1
Equity ratio	29.7	34.9	29.7	34.9	36.8

## Share ratios (DKK)

Earnings per share outstanding (EPS)	24.10	16.98	67.23	50.94	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".

## Q3 FINANCIAL MESSAGES

- Adjusted organic growth was up at 14.0% from 8.8%, with one of our strategic focus areas, Climate & Energy, delivering revenue of approx. DKK 300m corresponding to adjusted organic growth of 103%.
- EBITDA margin increased by 0.9 percentage points to 9.2%. EBITDA of DKK 301m (DKK 237m) was supported by positive developments in all markets.
- Return on invested capital (ROIC) increased to 25.3% from 23.6%.
- EBITDA guidance for 2022 is adjusted to DKK 1,170m. This is an increase of DKK 70m of which DKK 25m can be attributed to additional one-off price effects. Revenue guidance for 2022 is adjusted by DKK 250m to a total of DKK 13,700m which corresponds to organic growth of approx. 12%.

**BUSINESS UPDATE - INDUSTRY**

# CREATING VALUE FOR OUR INDUSTRY CUSTOMERS

Our more than 20,000 Industry customers span a variety of sub-segments, ranging from food production to infrastructure. However, they all have one thing in common; they rely on our insight and ability to deliver the right products at the right time.

**Deep industry insight**

As specialists, we have a profound understanding and insight into providing the right products, solutions and support as well as the necessary logistics. To deliver this special combination, we are organised cross-border across our four customer sub-segments - OEM (Original Equipment Manufacturer), MRO (Maintenance, Repair & Operations), Infrastructure and Offshore & Marine.

**Expanding green products**

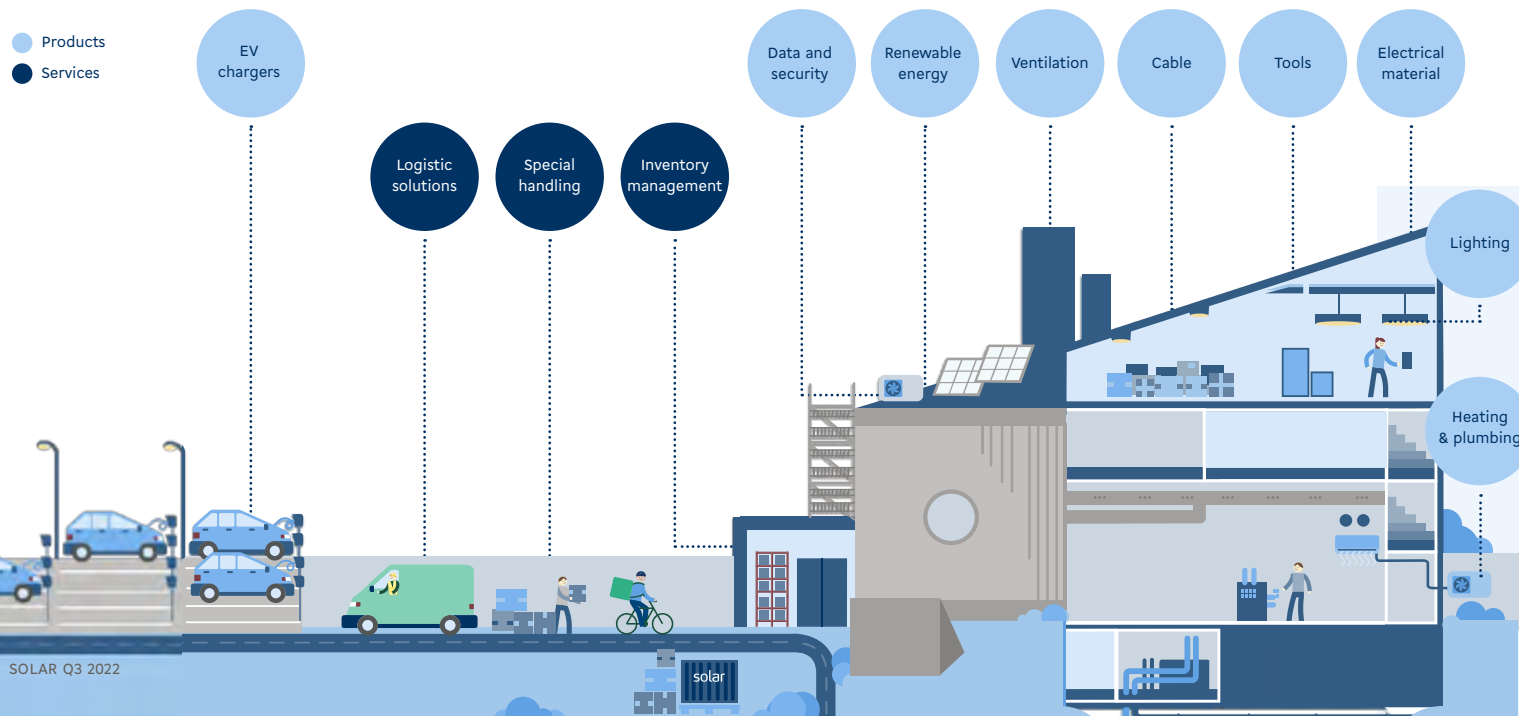
Solar is committed to drive the green transition and to support our customers thereby. We have more than 260,000 products in stock, ranging from lighting and tools to more specialised spare parts that ensure our customers can run a smooth production in a sustainable way.

As part of the green transition, we have added high-capacity heat pumps to our industry product assortment. The heat pumps are constructed for larger buildings such as production facilities, offices and warehouses and will contribute to the reduction of carbon emissions.

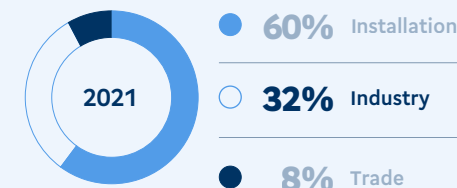
**Tailored services**

Aside from delivering an outstanding logistical setup, our services are a key differentiator in the Industry segment. With our customised stock solutions – vending machines, Kanban, control system, Kitbox and flawless connection between a customer’s ERP system and Solar’s sales portal – we help our customers to realise savings and become more efficient – both in their production and their projects.

By combining these stand-alone services, we are able to provide a full-service setup, which we call Total Cost of Ownership (TCO). TCO is a holistic way of looking at a business, where the focus is on the total cost of a customer’s purchases thereby creating transparency. We do our utmost to create an optimal flow of materials with fewer suppliers, less inventory and increased profitability.



**SEGMENTS SHARE OF REVENUE**





# SOLAR'S LOGISTICS SERVICES STREAMLINE ELECTRICITY DISTRIBUTION NETWORKS

Many electricity distribution companies have merged into major entities that cover extensive geographical areas. Their traditional business structure with their own installers and warehouses can be made more efficient by collaborating with a strong logistics partner like Solar.

Electricity distribution companies are responsible for the electricity network and, via their service companies, for the operation of the network and the design of new electricity installations. Instead of using their own installers and stock, and purchasing directly from manufacturers, more companies have begun to outsource their installation work to external contractors.

By collaborating with a strong logistics partner like Solar, installers can purchase the necessary products on behalf of the electricity distribution companies for both new installations and daily operations. All products can be delivered directly to the project site.

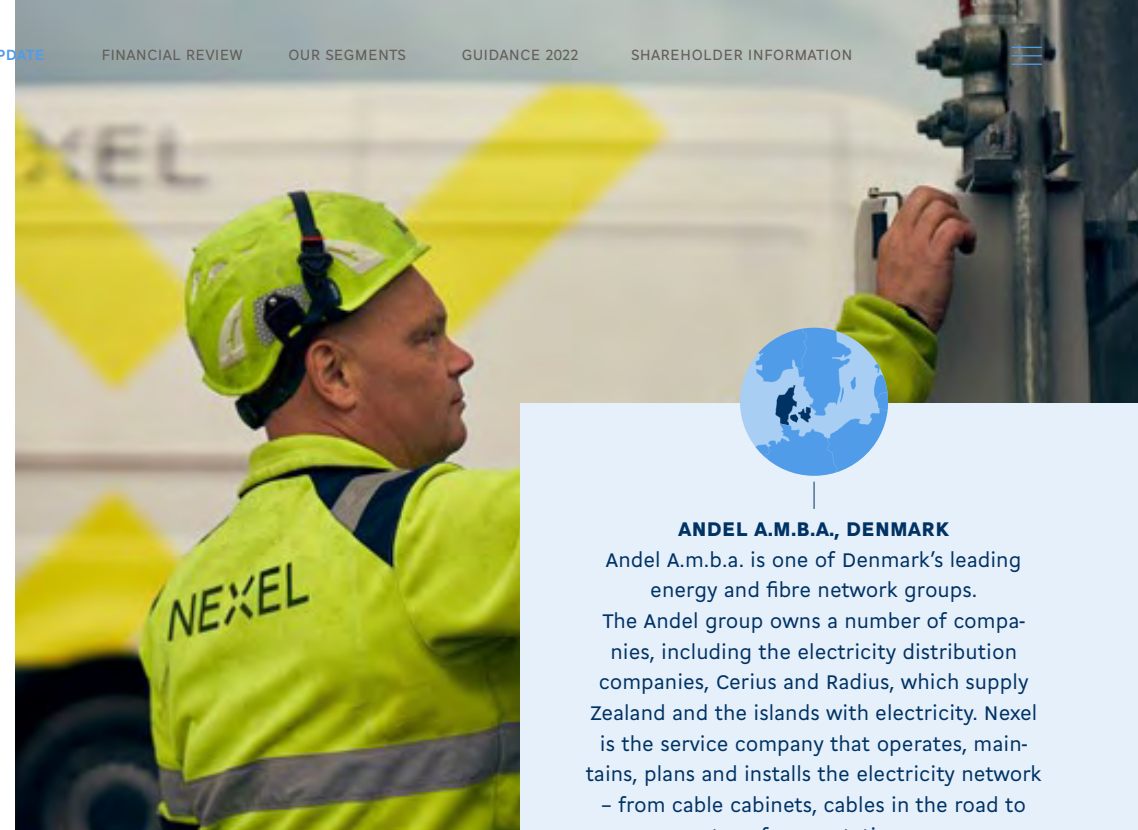
**Well-functioning web shop and efficient workflows**  
On behalf of the electricity distribution compa-

nies, Cerius and Radius, Nexel is responsible for expanding, monitoring, operating and maintaining the electricity network on Zealand and the islands.

Nexel uses external contractors, who order materials from Solar's web shop on a daily basis. Contractors can only buy products from the web shop's predefined ranges on behalf of the distribution company. However, they can opt for



**By collaborating with a strong logistics partner like Solar, installers can purchase the necessary products.**



## ANDEL A.M.B.A., DENMARK

Andel A.m.b.a. is one of Denmark's leading energy and fibre network groups. The Andel group owns a number of companies, including the electricity distribution companies, Cerius and Radius, which supply Zealand and the islands with electricity. Nexel is the service company that operates, maintains, plans and installs the electricity network – from cable cabinets, cables in the road to transformer stations.

combined delivery and specify a delivery address. If ordered before 6 pm, items are delivered to the warehouse or directly to the site before 7 am the following day.

Solar takes care of the logistics so that Nexel and its contractors can focus on their core services.

Steen Hansen, who heads up Partnerships and Materials, Electricity Systems for Nexel says:

"We're highly satisfied with Solar's web shop. We appreciate the flexibility, which means that we can decide ourselves whether deliveries should be made to stores or directly to the project site.

Should we lack a particular item for a project, Solar Fastbox is a good solution for sourcing

several items within 1-2 hours. Our contractors appreciate the service making the whole workflow easy and smooth.

We enjoy a good ongoing dialogue with Solar about the status of their web shop to ensure that the necessary items are in stock or that an alternative can be sourced. Previously, it was the responsibility of one of Nexel's project managers to reserve items at the main warehouse. Now, this can be done by the contractors.

This means that Nexel saves a great deal of stock handling and that some goods no longer need to be collected from the warehouse. Contractors can therefore be sure that the necessary – and correct – items will arrive on time as they are now part of the process."

## FINANCIAL REVIEW

# Q3 EBITDA INCREASED BY 27% TO DKK 301M

(Figures in brackets are figures from the corresponding period in 2021)

Q3 adjusted organic growth was up at 14.0% (8.8%), while gross profit margin increased to 24.1% (23.0%). Q3 EBITDA of DKK 301m (DKK 237m) was supported by positive developments in all markets.

### Q3 2022

#### Revenue

Revenue increased to DKK 3.3bn (DKK 2.9bn). Adjusted organic growth level was up at 14.0% (8.8%) with one of our strategic focus areas, Climate & Energy, delivering adjusted organic growth of 103% corresponding to a total revenue of approx. DKK 300m.

Although growth was supported by price increases, we continued to see growth in volume. The Installation, Industry and Trade segments posted double-digit adjusted organic growth, see page 20.

#### Gross profit

Gross profit margin increased to 24.1% (23.0%), which combined with revenue growth, resulted in a gross profit increase of DKK 126m. One-off price effects resulted in a positive impact of approx. DKK 65m (DKK 50m) on gross profit. Adjusted for price effects the gross profit margin increased by 1.4 percentage points.

#### External operating costs and staff costs

In total, external operating costs and staff costs were unchanged at 14.6% of revenue. Rising prices, including energy prices, had a negative effect on cost development. Increased costs were also driven by strong performance.

### Depreciation

Depreciation and write-down on property, plant and equipment increased to DKK 51m (DKK 45m) as we began to see the effect from the expansion and upgrade of Warehouse Vejten.

### EBITDA

We succeeded in increasing EBITDA by DKK 64m. This was driven by our four strategic focus areas, Concepts, Industry, Climate & Energy and Trade, positive one-offs and a strong growth level.

The EBITDA margin was up at 9.2% (8.3%) as EBITDA increased to DKK 301m (DKK 237m) and slightly exceeded our expectations.

The results of the individual markets are given on page 22.

### Financials

Net financials amounted to DKK -6m (DKK -20m). A negative fair value adjustment of DKK 19m was applied in Q3 2021.

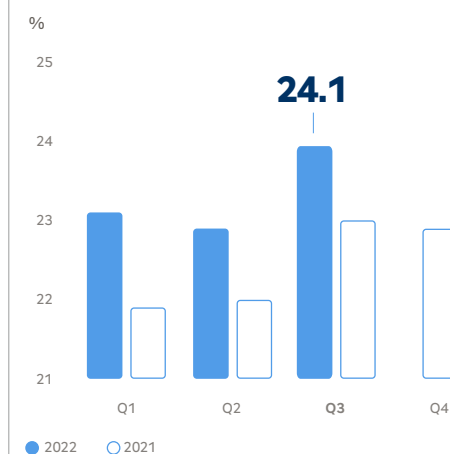
### Earnings before tax

Earnings before tax were up at DKK 225m (DKK 159m).

### Net profit

Net profit came to DKK 176m (DKK 124m).

### GROSS PROFIT MARGIN



### EBITDA



## FINANCIAL REVIEW

### Q1-Q3 2022

#### Revenue

In Q1-Q3, adjusted organic growth at group level increased to 13.3% (5.4%) and revenue was up at DKK 10.2bn (DKK 9.0bn). Although growth was supported by price increases, we continued to see growth in volume.

One of our strategic focus areas, Climate & Energy, delivered revenue of DKK 0.8bn corresponding to adjusted organic growth of 67%.

#### Gross profit

Gross profit increased by DKK 377m with continuous improvement in the gross profit margin, which increased to 23.3% (22.3%).

One-off price effects resulted in a positive impact of approx. DKK 145m (DKK 80m) on gross profit, corresponding to a gross profit margin improvement of approx. 1.4 percentage points (0.9 percentage points).

#### Other income

Other income amounted to DKK 1m (DKK 7m). By way of comparison, in Q1-Q3 2021, other income mainly related to profits from the disposal of a property in Denmark of DKK 3m and one-off compensation of DKK 3m.

Solar Nederland has signed an agreement concerning the sale of its warehouse located in Duiven. Finalisation of the transaction and transfer of the property to the purchaser is subject to the usual conditions, including vacating the building and clearing the premises. This is expected before the end of Q1 2024. The financial effect of the sale is an expected capital gain of approx. DKK 35m that will be recognised

in the income statement when the transaction is finalised.

#### External operating costs and staff costs

In total, external operating costs and staff costs were down at 14.8% (14.9%) of revenue.

Rising prices, including energy prices, had a negative effect on cost development. Increased costs were also driven by strong performance.

#### EBITDA

EBITDA increased by DKK 197m to DKK 849m corresponding to an EBITDA margin of 8.3% (7.3%) of revenue. All markets saw substantial improvement in EBITDA, with Solar Nederland and Solar Sverige making a significant contribution.

The results of the individual markets are shown on page 23.

#### Financials

Net financials amounted to DKK -19m (DKK -37m). In Q1-Q3 2021, net financials were negatively affected by DKK 14m due to the early redemption of an interest swap and positively affected by DKK 13m from interest compensation related to a ruling by the Danish tax authorities. In addition, net financials were negatively affected by DKK 19m due to a fair value adjustment.

#### Earnings before tax

Earnings before tax were up at DKK 635m (DKK 438m).

#### Income tax

Income tax amounted to DKK -144m (DKK -66m). In Q2 2021, we received a ruling from the Danish

tax authorities, which approved a reduction in Danish taxable income in 2012. This resulted in a tax income of approx. DKK 19m.

#### Net profit

Net profit increased to DKK 491m (DKK 372m).

#### Cash flows

Net working capital calculated as an average of the previous four quarters amounted to 13.1% (11.0%) of revenue. Net working capital at the end of Q3 2022 was 16.1% (13.0%).

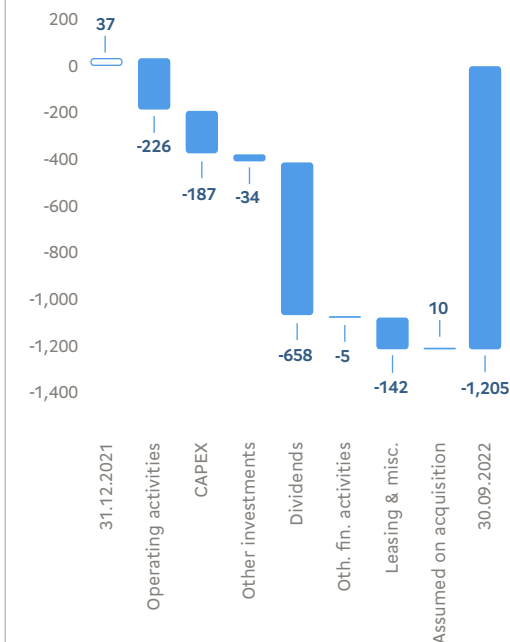
In Q1-Q3, cash flow from operating activities totalled DKK -226m (DKK 225m).

Changes in receivables had a DKK -571m (DKK -450m) impact on cash flow, which was affected by the increased growth level in Q1-Q3 2022 and normal seasonal fluctuations. Changes in inventories and non-interest-bearing liabilities had an impact of DKK -366m (DKK -174m) and DKK -47m (DKK 231m), respectively.

The general inventory level was affected by price increases and by the decision to increase our inventory level to ensure delivery performance during a period of potential goods shortage. Part of the inventory increase also supports delivery of our strategic focus area, Climate & Energy, particularly in Solar Nederland.

Total cash flow from investing activities amounted to DKK -221m (DKK -138m). DKK -117m relates to the investment in the expansion and upgrade of our warehouse in Denmark, cf. page 10 of the 2021 Annual Report. In addition, the acquisition of Højager Belysning A/S had an impact of DKK -34m, cf. page 24 of this report.

### NIBD IN DKK MILLION



Cash flow from financing activities amounted to DKK 70m (DKK -265m), mainly affected by ordinary and extraordinary dividend distributions totalling DKK 658m (DKK 314m) and by the change in current interest-bearing debt of DKK 820m (DKK 210m).

Consequently, cash flow totalled DKK -377m (DKK -178m).

Net interest-bearing liabilities amounted to DKK 1,205m (DKK 450m).

## FINANCIAL REVIEW

As at 30 September 2022, gearing was 1.1 (0.5) times EBITDA. Calculated as an average, gearing amounted to 0.7 (0.4) times EBITDA. If adjusted for one-off impact, gearing amounted to 1.3 times EBITDA. Our gearing target is between 1.5-3.0 times EBITDA. The Board of Directors continually assesses the capital structure in relation to our target and the need for capital.

As at 30 September 2022, Solar had available credit facilities of DKK 1,454m.

### Invested capital

Invested capital for the Solar Group totalled DKK 2,923m (DKK 2,185m). ROIC amounted to 25.3% (23.6%). 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.

### KEY RISKS AND MIGITATION

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 does not have any business activity in Russia or Ukraine, but there is a potential risk from knock-on effects e.g. leading to a 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.

No additional material risks have been identified but we continue to monitor the situation closely.

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



## OUR SEGMENTS

# ALL SEGMENTS DELIVERED STRONG GROWTH IN Q3

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

### INSTALLATION

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

In Q3, Installation revenue increased to DKK 1,883m (DKK 1,677m) corresponding to overall adjusted organic growth of around 13% (4%) related primarily to the electrical business. Apart from Solar Polska, all markets saw growth in the segment.

Segment profit increased to DKK 251m (DKK 185m) corresponding to a segment profit margin of 13.3% (11.0%) positively affected by increased gross profit margin.

### INDUSTRY

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

In Q3, Industry revenue increased to DKK 1,112m (DKK 953m). This corresponds to overall adjusted organic growth of around 17% (13%) related primarily to OEM, Utilities, Marine & Offshore, although MRO also saw solid growth. Solar Sverige and Solar Polska posted growth above 20%.

Segment profit increased to DKK 196m (DKK 157m). This corresponds to a segment profit margin of 17.6% (16.5%).

### TRADE

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

In Q3, revenue from Trade amounted to DKK 271m (DKK 242m) corresponding to overall adjusted organic growth of around 9% (28%). The DIY sub-segment returned to growth.

Segment profit amounted to DKK 36m (DKK 47m) corresponding to a segment profit margin of 13.3% (19.4%) negatively affected by a decline in gross profit margin.

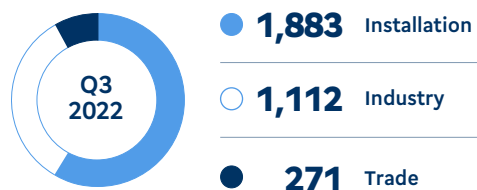
Segment profit includes any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment.

Segment profit does not include non-allocated costs of DKK 182m (DKK 152m) in Q3, which refer to income and costs related to joint group functions and to costs, which cannot be reliably allocated to the individual segment.

Detailed segment information is given on page 20.

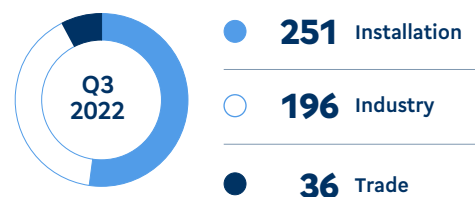
### SEGMENT REVENUE

DKKm



### SEGMENT PROFIT

DKKm



### OVERVIEW BUSINESS SEGMENTS

Q3

DKK million	Revenue		Segment profit		Segment margin %	
	2022	2021	2022	2021	2022	2021
Installation	1,883	1,677	251	185	13.3	11.0
Industry	1,112	953	196	157	17.6	16.5
Trade	271	242	36	47	13.3	19.4
<b>Solar Group</b>	<b>3,266</b>	<b>2,872</b>	<b>483</b>	<b>389</b>	<b>14.8</b>	<b>13.5</b>

## OUR SEGMENTS

# SEGMENT PROFIT INCREASED BY DKK 303M IN Q1-Q3

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

## INSTALLATION

In Q1-Q3, Installation revenue increased to DKK 5,946m (DKK 5,376m) corresponding to overall adjusted organic growth of around 11% (3%) related primarily to the electrical business. All markets saw growth in Installation, with Solar Nederland, Solar Danmark and Solar Norge posting double-digit growth.

Segment profit increased to DKK 751m (DKK 569m) corresponding to a segment profit margin of 12.6% (10.6%) positively affected by increased gross profit margin.

## INDUSTRY

In Q1-Q3, Industry revenue increased to DKK 3,377m (DKK 2,857m). This corresponds to overall adjusted organic growth of around 18% (8%) related primarily to OEM, Utilities, Marine & Offshore, with MRO also seeing solid growth. We posted growth above 15% in all markets comprising Industry, with Solar Polska and Solar Norge making a substantial contribution.

Segment profit increased to DKK 591m (DKK 451m). This corresponds to a segment profit margin of 17.5% (15.8%).

## TRADE

In Q1-Q3, revenue from Trade increased to DKK 856m (DKK 741m) corresponding to unchanged overall adjusted organic growth of around 13%.

Segment profit amounted to DKK 116m (DKK 135m) corresponding to a segment profit margin of 13.6% (18.2%).

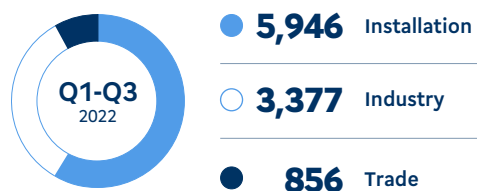
Segment profit includes any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment.

Segment profit does not include non-allocated costs of DKK 609m (DKK 503m) in Q1-Q3, which refer to income and costs related to joint group functions and to costs, which cannot be reliably allocated to the individual segment.

Detailed segment information is given on page 21.

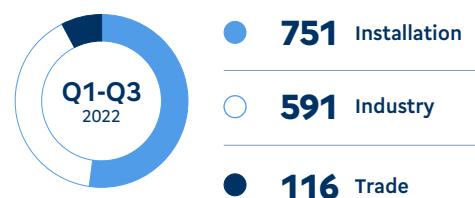
## SEGMENT REVENUE

DKKm



## SEGMENT PROFIT

DKKm



## OVERVIEW BUSINESS SEGMENTS

DKK million	Revenue		Q1-Q3 Segment profit		Segment margin %	
	2022	2021	2022	2021	2022	2021
Installation	5,946	5,376	751	569	12.6	10.6
Industry	3,377	2,857	591	451	17.5	15.8
Trade	856	741	116	135	13.6	18.2
<b>Solar Group</b>	<b>10,179</b>	<b>8,974</b>	<b>1,458</b>	<b>1,155</b>	<b>14.3</b>	<b>12.9</b>

GUIDANCE 2022

# EBITDA GUIDANCE ADJUSTED TO AN EBITDA OF DKK 1,170M

Solar adjusts its EBITDA guidance for 2022 by DKK 70m to DKK 1,170m driven by increased growth. Revenue guidance for 2022 was adjusted by DKK 250m to a total of DKK 13,700m.

## 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 a significant drop in market activities.

Loss on trade receivables is assumed to be approximately 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 throughout the rest of 2022.

### Installation

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

### Industry

The guidance is based on the assumption that sales to all industry sub-segments will continue to deliver solid growth rates.

### Trade

In 2022, we also expect solid growth for special sales, the Trade segment's primary activity.

## FINANCIAL OUTLOOK 2022

### Revenue guidance

We adjust revenue guidance from DKK 13,450m to DKK 13,700m, corresponding to organic growth of approx. 12% compared to the previous approx. 9%.

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.

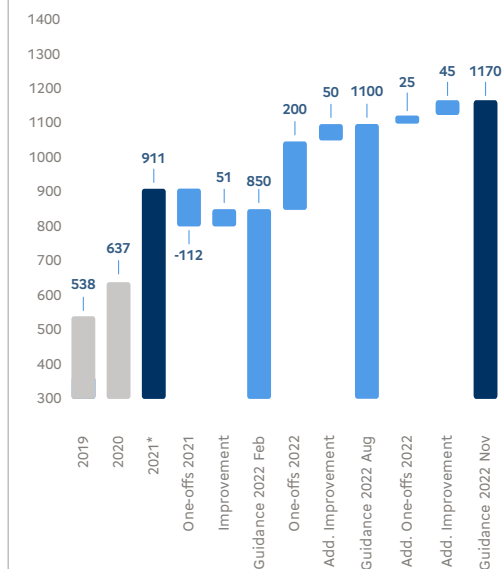
This will mainly affect Installation and Trade, primarily in Solar Sverige, and to a lesser extent in Solar Nederland. Adjusted for this, we expect organic growth of approx. 14%.

### EBITDA guidance

Based on slightly increased growth, we adjust our EBITDA guidance from approx. DKK 1,100m to approx. DKK 1,170m. This is an increase of DKK 70m of which DKK 25m can be attributed to additional one-off price effects. In total one-off price effects are now expected to amount to DKK 225m.

## EBITDA

DKKm



\* 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 - 30 September 2022 was -26.0% including the DKK 45.00 ordinary dividend and DKK 45.00 extraordinary dividend that was paid out in March and May 2022, respectively.

**AUDIO WEBCAST**

The presentation of the Quarterly Report Q3 2022 will be conducted in English on 3 November 2022 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at:

→ [WWW.SOLAR.EU](http://WWW.SOLAR.EU)

**FINANCIAL CALENDAR 2023**

9 February	Annual Report 2022
17 March	Annual General Meeting
3 April - 4 May	IR quiet period
4 May 2023	Quarterly Report Q1
3 July - 10 August	IR quiet period
10 August 2023	Quarterly Reprt Q2
2 October - 2 November	IR quiet period
2 November 2023	Quarterly Report Q3

**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

## Q3 2022

# STATEMENT OF COMPREHENSIVE INCOME

## Income statement

DKK million	Q3		Q1-Q3		Year
	2022	2021	2022	2021	2021
<b>Revenue</b>	<b>3,266</b>	<b>2,872</b>	<b>10,179</b>	<b>8,974</b>	<b>12,354</b>
Cost of sales	-2,480	-2,212	-7,803	-6,975	-9,581
<b>Gross profit</b>	<b>786</b>	<b>660</b>	<b>2,376</b>	<b>1,999</b>	<b>2,773</b>
Other operating income and costs	0	1	1	7	7
External operating costs	-89	-69	-276	-212	-297
Staff costs	-389	-351	-1,230	-1,127	-1,552
Loss on trade receivables	-7	-4	-22	-15	-20
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>301</b>	<b>237</b>	<b>849</b>	<b>652</b>	<b>911</b>
Depreciation and write-down on property, plant and equipment	-51	-45	-145	-137	-184
<b>Earnings before interest, tax and amortisation (EBITA)</b>	<b>250</b>	<b>192</b>	<b>704</b>	<b>515</b>	<b>727</b>
Amortisation and impairment of intangible assets	-19	-13	-49	-40	-55
<b>Earnings before interest and tax (EBIT)</b>	<b>231</b>	<b>179</b>	<b>655</b>	<b>475</b>	<b>672</b>
Share of net profit from associates	0	0	-1	0	-2
Financial income	15	10	37	32	41
Financial expenses	-21	-30	-56	-69	-89
<b>Earnings before tax (EBT)</b>	<b>225</b>	<b>159</b>	<b>635</b>	<b>438</b>	<b>622</b>
Income tax	-49	-35	-144	-66	-91
<b>Net profit for the period</b>	<b>176</b>	<b>124</b>	<b>491</b>	<b>372</b>	<b>531</b>
Earnings in DKK per share outstanding (EPS)	24.10	16.98	67.23	50.94	72.72
Diluted earnings in DKK per share outstanding (EPS-D)	24.03	16.93	67.01	50.82	72.50

## Other comprehensive income

DKK million	Q3		Q1-Q3		Year
	2022	2021	2022	2021	2021
<b>Net profit for the period</b>	<b>176</b>	<b>124</b>	<b>491</b>	<b>372</b>	<b>531</b>
<b>Other income and costs recognised:</b>					
<b>Items that can be reclassified for the income statement</b>					
Foreign currency translation adjustments of foreign subsidiaries	-20	-3	-48	8	14
Fair value adjustments of hedging instruments before tax	10	3	35	26	29
Tax on fair value adjustments of hedging instruments	-2	-1	-8	-6	-6
<b>Other income and costs recognised after tax</b>	<b>-12</b>	<b>-1</b>	<b>-21</b>	<b>28</b>	<b>37</b>
<b>Total comprehensive income for the period</b>	<b>164</b>	<b>123</b>	<b>470</b>	<b>400</b>	<b>568</b>

# BALANCE SHEET

DKK million	30.09		31.12
	2022	2021	2021
<b>ASSETS</b>			
Intangible assets	176	159	159
Property, plant and equipment	961	865	885
Right-of-use assets	341	307	300
Deferred tax asset	12	3	13
Investments in associates	4	5	5
Other non-current assets	51	54	53
<b>Non-current assets</b>	<b>1,545</b>	<b>1,393</b>	<b>1,415</b>
Inventories	2,184	1,708	1,855
Trade receivables	2,031	1,721	1,502
Income tax receivable	3	14	0
Other receivables	10	9	6
Prepayments	50	46	46
Cash at bank and in hand	114	226	481
<b>Current assets</b>	<b>4,392</b>	<b>3,724</b>	<b>3,890</b>
<b>Total assets</b>	<b>5,937</b>	<b>5,117</b>	<b>5,305</b>

DKK million	30.09		31.12
	2022	2021	2021
<b>EQUITY AND LIABILITIES</b>			
Share capital	736	736	736
Reserves	-179	-167	-158
Retained earnings	1,207	1,215	1,045
Proposed dividends for the financial year	0	0	329
<b>Equity</b>	<b>1,764</b>	<b>1,784</b>	<b>1,952</b>
Interest-bearing liabilities	114	122	120
Lease liabilities	242	207	203
Provision for pension obligations	0	1	0
Provision for deferred tax	125	104	101
Other provisions	10	12	11
<b>Non-current liabilities</b>	<b>491</b>	<b>446</b>	<b>435</b>
Interest-bearing liabilities	857	243	19
Lease liabilities	106	104	102
Trade payables	2,029	1,861	2,098
Income tax payable	107	75	33
Other payables	564	591	644
Prepayments	3	3	1
Other provisions	16	10	21
<b>Current liabilities</b>	<b>3,682</b>	<b>2,887</b>	<b>2,918</b>
<b>Liabilities</b>	<b>4,173</b>	<b>3,333</b>	<b>3,353</b>
<b>Total equity and liabilities</b>	<b>5,937</b>	<b>5,117</b>	<b>5,305</b>

# CASH FLOW STATEMENT

DKK million	Q3		Q1-Q3		Year
	2022	2021	2022	2021	2021
<b>Net profit for the period</b>	<b>176</b>	<b>124</b>	<b>491</b>	<b>372</b>	<b>531</b>
Depreciation, write-down and amortisation	70	58	194	177	239
Changes to provisions and other adjustments	-6	4	-18	2	11
Share of net profit from associates	0	0	1	0	2
Financials, net	6	20	19	37	48
Income tax	49	35	144	66	91
Financial income, received	3	16	9	19	23
Financial expenses, settled	-9	-8	-23	-41	-50
Income tax, settled	-10	12	-59	-14	-81
<b>Cash flow before working capital changes</b>	<b>279</b>	<b>261</b>	<b>758</b>	<b>618</b>	<b>814</b>
<b>Working capital changes</b>					
Inventory changes	-207	-198	-366	-174	-319
Receivables changes	-76	-17	-571	-450	-229
Non-interest-bearing liabilities changes	-10	-84	-47	231	517
<b>Cash flow from operating activities</b>	<b>-14</b>	<b>-38</b>	<b>-226</b>	<b>225</b>	<b>783</b>

DKK million	Q3		Q1-Q3		Year
	2022	2021	2022	2021	2021
<b>Investing activities</b>					
Purchase of intangible assets	-12	-14	-42	-42	-58
Purchase of property, plant and equipment	-25	-51	-145	-108	-143
Disposal of property, plant and equipment	0	0	0	18	18
Aquisition of subsidiaries and activities	0	0	-34	0	0
Acquisition of associates	0	0	0	-3	-5
Other financial investments	0	0	0	-3	-3
<b>Cash flow from investing activities</b>	<b>-37</b>	<b>-65</b>	<b>-221</b>	<b>-138</b>	<b>-191</b>
<b>Financing activities</b>					
Repayment of non-current interest-bearing debt	-2	-55	-6	-77	-79
Change in current interest-bearing debt	97	161	820	210	-9
Instalment on lease liabilities	-29	-29	-86	-86	-115
Dividends distributed	0	0	-658	-314	-314
Sale of treasury shares	0	0	0	2	2
<b>Cash flow from financing activities</b>	<b>66</b>	<b>77</b>	<b>70</b>	<b>-265</b>	<b>-515</b>
<b>Total cash flow</b>	<b>15</b>	<b>-26</b>	<b>-377</b>	<b>-178</b>	<b>77</b>
Cash at bank and in hand at the beginning of period	99	252	481	404	404
Assumed on aquisition of subsidiaries	0	0	10	0	0
<b>Cash at bank and in hand at the end of period</b>	<b>114</b>	<b>226</b>	<b>114</b>	<b>226</b>	<b>481</b>
<b>Cash at bank and in hand at the end of the period</b>					
Cash at bank and in hand	114	226	114	226	481
<b>Cash at bank and in hand at the end of the period</b>	<b>114</b>	<b>226</b>	<b>114</b>	<b>226</b>	<b>481</b>

# STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Reserves for hedging transactions <sup>1</sup>	Reserves for foreign currency translation adjustments <sup>1</sup>	Retained earnings	Proposed dividends	Total
<b>2022</b>						
<b>Equity as at 1 January</b>	<b>736</b>	<b>-37</b>	<b>-121</b>	<b>1,045</b>	<b>329</b>	<b>1,952</b>
Foreign currency translation adjustments of foreign subsidiaries			-48			-48
Fair value adjustments of hedging instruments before tax		35				35
Tax on fair value adjustments		-8				-8
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	27	-48	0	0	-21
Net profit for the period				491		491
<b>Comprehensive income</b>	<b>0</b>	<b>27</b>	<b>-48</b>	<b>491</b>	<b>0</b>	<b>470</b>
Distribution of dividends (DKK 45.00 per share)					-329	-329
Distribution of extraordinary dividends (DKK 45.00 per share)				-329		-329
<b>Transactions with the owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-329</b>	<b>-329</b>	<b>-658</b>
<b>Equity as at 30 September</b>	<b>736</b>	<b>-10</b>	<b>-169</b>	<b>1,207</b>	<b>0</b>	<b>1,764</b>

# STATEMENT OF CHANGES IN EQUITY

– continued

DKK million	Share capital	Reserves for hedging transactions <sup>1</sup>	Reserves for foreign currency translation adjustments <sup>1</sup>	Retained earnings	Proposed dividends	Total
<b>2021</b>						
<b>Equity as at 1 January</b>	<b>736</b>	<b>-60</b>	<b>-135</b>	<b>951</b>	<b>204</b>	<b>1,696</b>
Foreign currency translation adjustments of foreign subsidiaries			8			8
Fair value adjustments of hedging instruments before tax		26				26
Tax on fair value adjustments		-6				-6
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	20	8	0	0	28
Net profit for the period				372		372
<b>Comprehensive income</b>	<b>0</b>	<b>20</b>	<b>8</b>	<b>372</b>	<b>0</b>	<b>400</b>
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
<b>Transactions with the owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-108</b>	<b>-204</b>	<b>-312</b>
<b>Equity as at 30 September</b>	<b>736</b>	<b>-40</b>	<b>-127</b>	<b>1,215</b>	<b>0</b>	<b>1,784</b>

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
<b>Q3 2022</b>				
Revenue	1,883	1,112	271	3,266
Cost of sales	-1,440	-827	-213	-2,480
<b>Gross profit</b>	<b>443</b>	<b>285</b>	<b>58</b>	<b>786</b>
Direct costs	-67	-33	-8	-108
<b>Earnings before indirect costs</b>	<b>376</b>	<b>252</b>	<b>50</b>	<b>678</b>
Indirect costs	-125	-56	-14	-195
<b>Segment profit</b>	<b>251</b>	<b>196</b>	<b>36</b>	<b>483</b>
Non-allocated costs				-182
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>301</b>
Depreciation and amortisation				-70
<b>Earnings before interest and tax (EBIT)</b>				<b>231</b>
Financials, net incl. share of net profit from associates and impairment on associates				-6
<b>Earnings before tax (EBT)</b>				<b>225</b>

DKK million	Installation	Industry	Trade	Total
<b>Q3 2021</b>				
Revenue	1,677	953	242	2,872
Cost of sales	-1,318	-718	-176	-2,212
<b>Gross profit</b>	<b>359</b>	<b>235</b>	<b>66</b>	<b>660</b>
Direct costs	-62	-27	-7	-96
<b>Earnings before indirect costs</b>	<b>297</b>	<b>208</b>	<b>59</b>	<b>564</b>
Indirect costs	-112	-51	-12	-175
<b>Segment profit</b>	<b>185</b>	<b>157</b>	<b>47</b>	<b>389</b>
Non-allocated costs				-152
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>237</b>
Depreciation and amortisation				-58
<b>Earnings before interest and tax (EBIT)</b>				<b>179</b>
Financials, net incl. share of net profit from associates and impairment on associates				-20
<b>Earnings before tax (EBT)</b>				<b>159</b>

# NOTES

## Segment information – continued

DKK million	Installation	Industry	Trade	Total
<b>Q1-Q3 2022</b>				
Revenue	5,946	3,377	856	10,179
Cost of sales	-4,614	-2,515	-674	-7,803
<b>Gross profit</b>	<b>1,332</b>	<b>862</b>	<b>182</b>	<b>2,376</b>
Direct costs	-203	-98	-27	-328
<b>Earnings before indirect costs</b>	<b>1,129</b>	<b>764</b>	<b>155</b>	<b>2,048</b>
Indirect costs	-378	-173	-39	-590
<b>Segment profit or loss</b>	<b>751</b>	<b>591</b>	<b>116</b>	<b>1,458</b>
Non-allocated costs				-609
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>849</b>
Depreciation and amortisation				-194
<b>Earnings before interest and tax (EBIT)</b>				<b>655</b>
Financials, net				-20
<b>Earnings before tax (EBT)</b>				<b>635</b>

DKK million	Installation	Industry	Trade	Total
<b>Q1-Q3 2021</b>				
Revenue	5,376	2,857	741	8,974
Cost of sales	-4,266	-2,164	-545	-6,975
<b>Gross profit</b>	<b>1,110</b>	<b>693</b>	<b>196</b>	<b>1,999</b>
Direct costs	-183	-87	-24	-294
<b>Earnings before indirect costs</b>	<b>927</b>	<b>606</b>	<b>172</b>	<b>1,705</b>
Indirect costs	-358	-155	-37	-550
<b>Segment profit or loss</b>	<b>569</b>	<b>451</b>	<b>135</b>	<b>1,155</b>
Non-allocated costs				-503
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>652</b>
Depreciation and amortisation				-177
<b>Earnings before interest and tax (EBIT)</b>				<b>475</b>
Financials, net				-37
<b>Earnings before tax (EBT)</b>				<b>438</b>



# 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](http://www.solar.eu). The below allocation has been made based on the products' place of sale.

DKK million	Q3					DKK million	Q3				
	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets		Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
<b>2022</b>						<b>2021</b>					
Denmark	1,113	14.8	123	11.1	2,154	Denmark	970	10.0	109	11.2	1,800
Sweden	608	7.3	66	10.9	172	Sweden	589	8.4	43	7.3	213
Norway	549	16.5	45	8.2	217	Norway	462	6.4	44	9.5	179
The Netherlands	749	18.2	52	6.9	325	The Netherlands	635	1.2	27	4.3	343
Poland	121	2.5	6	5.0	36	Poland	125	46.6	6	4.8	28
Several markets (MAG45)	194	18.2	9	4.6	50	Several markets (MAG45)	164	22.9	8	4.9	46
Other markets	27	12.2	0	0.0	31	Other markets	14	2.0	0	0.0	4
Eliminations	-95	-	0	0.0	-1,440	Eliminations	-87	-	0	0.0	-1,220
<b>Solar Group</b>	<b>3,266</b>	<b>14.0</b>	<b>301</b>	<b>9.2</b>	<b>1,545</b>	<b>Solar Group</b>	<b>2,872</b>	<b>8.8</b>	<b>237</b>	<b>8.3</b>	<b>1,393</b>

# NOTES

## Segment information – continued

DKK million	Q1-Q3					DKK million	Q1-Q3				
	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets		Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
<b>2022</b>						<b>2021</b>					
Denmark	3,374	12.3	331	9.8	2,154	Denmark	2,977	10.3	294	9.9	1,800
Sweden	2,035	9.3	167	8.2	172	Sweden	1,918	3.8	110	5.7	213
Norway	1,653	15.3	136	8.2	217	Norway	1,401	2.8	117	8.4	179
The Netherlands	2,398	15.5	167	7.0	325	The Netherlands	2,075	-3.1	93	4.5	343
Poland	372	15.8	18	4.8	36	Poland	329	34.3	14	4.3	28
Several markets (MAG45)	568	17.9	26	4.6	50	Several markets (MAG45)	482	16.6	21	4.4	46
Other markets	75	11.0	4	5.3	31	Other markets	44	7.0	3	6.8	4
Eliminations	-296	-	0	0.0	-1,440	Eliminations	-252	-	0	0.0	-1,220
<b>Solar Group</b>	<b>10,179</b>	<b>13.3</b>	<b>849</b>	<b>8.3</b>	<b>1,545</b>	<b>Solar Group</b>	<b>8,974</b>	<b>5.4</b>	<b>652</b>	<b>7.3</b>	<b>1,393</b>

# NOTES

## Acquisition of business activities

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 financial 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 financial 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 30 September 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	2022	2021	2022	2021	2021	2020
Revenue	3,462	3,004	3,451	3,098	3,266	2,872	3,380	3,057
Earnings before interest, tax, depreciation and amortisation (EBITDA)	281	204	267	211	301	237	259	191
Earnings before interest, tax and amortisation (EBITA)	236	157	218	166	250	192	212	145
Earnings before interest and tax (EBIT)	222	143	202	153	231	179	197	-14
Financials, net	-5	-20	-8	3	-6	-20	-11	-16
Earnings before tax (EBT)	217	123	193	156	225	159	184	-7
Net profit or loss for the quarter	168	100	147	148	176	124	159	-32
<b>Balance sheet (DKK million)</b>								
Non-current assets	1,487	1,342	1,557	1,385	1,545	1,393	1,415	1,339
Current assets	4,088	3,500	4,122	3,569	4,392	3,724	3,890	3,268
Balance sheet total	5,575	4,842	5,679	4,954	5,937	5,117	5,305	4,607
Equity	1,808	1,619	1,600	1,661	1,764	1,784	1,952	1,696
Non-current liabilities	453	498	506	457	491	446	435	498
Current liabilities	3,314	2,725	3,573	2,836	3,682	2,887	2,918	2,413
Interest-bearing liabilities, net	617	461	1,122	329	1,205	450	-37	128
Invested capital	2,377	2,011	2,675	1,921	2,923	2,185	1,866	1,760
Net working capital, end of period	1,791	1,344	1,856	1,280	2,186	1,568	1,259	1,109
Net working capital, average	1,475	1,300	1,619	1,274	1,773	1,325	1,363	1,322

# QUARTERLY FIGURES

## Consolidated – continued

	Q1		Q2		Q3		Q4	
	2022	2021	2022	2021	2022	2021	2021	2020
<b>Cash flows (DKK million)</b>								
Cash flow from operating activities	-202	-88	-10	351	-14	-38	558	432
Cash flow from investing activities	-109	-10	-75	-63	-37	-65	-53	213
Cash flow from financing activities	-37	-71	41	-271	66	77	-250	-397
Net investments in intangible assets	-16	-13	-14	-15	-12	-14	-16	-14
Net investments in property, plant and equipment	-59	8	-61	-47	-25	-51	-35	-9
Acquisition and divestment of subsidiaries and operations, net	-34	0	0	0	0	0	0	0
<b>Financial ratios (% unless otherwise stated)</b>								
Revenue growth	15.2	-1.3	11.4	12.9	13.7	9.7	10.6	-0.6
Organic growth	15.4	-2.2	11.7	10.6	14.0	8.8	9.1	0.0
Organic growth adjusted for number of working days	13.6	-0.6	12.4	8.6	14.0	8.8	7.1	-2.1
Gross profit margin	23.1	21.9	22.9	22.0	24.1	23.0	22.9	21.5
EBITDA margin	8.1	6.8	7.7	6.8	9.2	8.3	7.7	6.2
EBITA margin	6.8	5.2	6.3	5.4	7.7	6.7	6.3	4.7
EBIT margin	6.4	4.8	5.9	4.9	7.1	6.2	5.8	-0.5
Net working capital (end of period NWC)/revenue (LTM)	14.0	11.8	14.1	10.9	16.1	13.0	10.2	9.7
Net working capital (average NWC )/revenue (LTM)	11.5	11.4	12.3	10.8	13.1	11.0	11.0	11.5
Gearing (interest-bearing liabilities,net/EBITDA), no. of times	0.6	0.7	1.1	0.4	1.1	0.5	0.0	0.2
Return on equity (ROE)	31.9	17.6	35.1	18.2	38.6	19.7	28.4	13.1
Return on invested capital (ROIC)	26.5	16.6	25.5	21.0	25.3	23.6	24.6	13.8
Enterprise value/earnings before interest, tax and amortisation (EV/EBITA)	7.5	7.6	6.3	7.0	5.2	7.6	7.8	5.8
Equity ratio	32.4	33.4	28.2	33.5	29.7	34.9	36.8	36.8

# QUARTERLY FIGURES

## Consolidated – continued

	Q1		Q2		Q3		Q4	
Share ratios (DKK unless otherwise stated)	2022	2021	2022	2021	2022	2021	2021	2020
Earnings per share outstanding (EPS)	23.00	13.70	20.13	20.27	24.10	16.98	21.77	-4.38
Intrinsic value per share outstanding	247.56	221.68	219.08	227.43	241.54	244.28	267.28	232.38
Share price	749.19	480.82	597.09	541.47	492.34	632.86	795.05	353.70
Share price/intrinsic value	3.03	2.17	2.73	2.38	2.04	2.59	2.97	1.52

### Employees

Number of employees (FTE's), end of period	2,996	2,901	2,995	2,899	3,042	2,897	2,936	2,864
Average number of employees (FTE's)	2,932	2,897	2,956	2,889	2,992	2,890	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 nine months of 2022

The financial report for the first nine 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 30 September 2022 as well as of the results of the group's activities and cash flow for the first nine 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 nine months of 2022 with the file name SOLA-2022-09-30-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Vejen, 3 November 2022

## EXECUTIVE BOARD

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**Jens E. Andersen**  
CEO

**Hugo Dorph**  
CCO

**Michael H. Jeppesen**  
CFO

## BOARD OF DIRECTORS

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**Michael Troensegaard Andersen**  
Chair

**Jesper Dalsgaard**  
Vice-chair

**Peter Bang**

**Katrine Borum**

**Morten Chrono**

**Denise Goldby**

**Louise Knauer**

**Rune Jesper Nielsen**

**Michael Kærgaard Ravn**



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