

---

# **Interim Financial Report for the Period 1 January – 30 June 2022**

---



---

## **Brødrene A & O Johansen A/S**

Rørvang 3 \* DK-2620 Albertslund \* Denmark  
Tel: +45 70 28 00 00 \* Fax: +45 70 28 01 01 \* [www.ao.dk](http://www.ao.dk)

CVR (Central Business Register) No.: 58 21 06 17

---

# Contents

Highlights for the second quarter and first half of 2022.....	page 3
Financial and operating data for the AO Group .....	page 5
Management’s review .....	page 6-9
Management’s statement .....	page 10
Income statement and statement of comprehensive income .....	page 11
Balance sheet as at 30 June 2022 .....	page 12-13
Cash flow statement.....	page 14
Statement of changes in equity .....	page 15
Notes.....	page 16-17

The Board of Directors has approved the Group's interim financial report for the period 1 January – 30 June 2022.

## **Highlights for the second quarter and first half of 2022**

- Consolidated revenue for the second quarter of 2022 was DKK 1,318.8 million, which is DKK 130.0 million, or 10.9%, more than for the second quarter of 2021. The second quarter of 2022 had one more working day than the corresponding quarter a year ago. Consolidated revenue for the first half of 2022 was DKK 2,570.1 million, which is DKK 150.7 million, or 6.2%, more than for the same period last year. The first half of 2022 had the same number of working days as the year-earlier period.
- Operating profit (EBIT) for the second quarter of 2022 was DKK 92.3 million, corresponding to a profit margin of 7.0%, against DKK 76.5 million and 6.4% for the second quarter of 2021. Operating profit (EBIT) for the first half of 2022 was DKK 177.3 million, corresponding to a profit margin of 6.9%, against DKK 158.6 million and 6.6% for the first half of 2021
- Profit before tax for the second quarter of 2021 was DKK 90.9 million, which is DKK 11.8 million more than in the second quarter of last year. Profit before tax for the first half of 2022 amounted to DKK 176.8 million, which is DKK 16.1 million more than last year. In the second quarter of 2022 the profit margin, measured as profit before tax, was 6.9% against 6.7% in the second quarter of 2021. The earnings growth is a result of an increase in sales, while the increased profit margin is achieved through an increase in the gross profit margin. In the first half of 2022, the gross profit margin increased by 0.9 percentage point compared with the same period last year.
- As at 30 June 2022, the Group's total assets amounted to DKK 3,199.2 million, which is DKK 605.7 million more than at 30 June 2021. The increase is mainly attributable to a rise in receivables and inventories due the growth in sales and a higher level of non-current assets driven by investment in the central warehouse of the future. The acquisition of EA Værktøj impacted the balance sheet total by DKK 179.8 million.
- As at 30 June 2022, the Group's equity of DKK 1,255.4 million, equalling a solvency ratio of 39.2%, was DKK 140.9 million higher than for the same period last year. The consolidation of EA Værktøj briefly reduced the solvency ratio by 2.4 percentage points.
- Cash flow from operating activities was DKK 73.8 million for the second quarter of 2022 and DKK -36.4 million for the first half of 2022, which is DKK 47.0 million more and DKK 169.2 million less than for the same periods last year. The development is driven by an improvement in the cash flows from operations before change in working capital, countered by more funds being tied up in working capital as at 30 June 2022. Investments for the second quarter of 2022 totalled DKK 187.1 million and DKK 247.6 million for the first half of 2022, compared with DKK 79.4 million and DKK 117.2 million in 2021. Investments in the second quarter were mainly attributable to the acquisition of EA Værktøj.

Other highlights for the second quarter and first half of 2022:

- The Brødrene A & O Johansen Group delivered record results in both the second quarter and first half of 2022 with the highest revenue ever, primarily driven by growth in the B2B segment. The acquisition of EA Værktøj was included in the second quarter of 2022 with revenue of DKK 69.5 million and EBT of DKK 3.6 million.
- To ensure security of supply for AO's customers, additional purchases of selected products have been made in 2022. As at 30 June 2022, inventories amount to a total of DKK 796.7 million, which is DKK 272.9 million more than as at 30 June 2021. Of this increase, DKK 66.1 million is attributable to the acquisition of EA Værktøj. The increased funds tied up in assets will be reduced to normal, when it is deemed appropriate in relation to the supply situation.
- On 1 April 2022, Brødrene A & O Johansen A/S completed the acquisition of EA Værktøj Engros A/S. The integration of EA Værktøj has begun and is expected to be completed both organisationally and systemically in the fourth quarter of 2022.
- AO won the Gold Award as well as the awards for the best B2B company of the year and the best omnichannel company of the year at the Danish E-Commerce Awards 2022. The awards are the result of many years of dedicated work to digitise AO and AO's sales channels.

## Expectations for the year

The second quarter of 2022 was characterised by continued growth in the B2B segment. The organic growth was 9.2%, while the acquisition of EA Værktøj means that the reported growth in the B2B segment is 16.0% compared with the same period last year.

In the second quarter of 2022 the sales index of the B2C segment rose to -16.6% when compared with the second quarter of 2021. It was -32.7% in the first quarter of 2022 when compared with the first quarter of 2021.

The AO Group's sales developed as forecasted in the latest company announcement regarding net profit expectations for the year.

A number of indicators, e.g., increased level of interest rates, rising product prices, a high rate of inflation and lower consumer confidence, lead to increased uncertainty regarding future demand levels

Despite the increased uncertainty, the previously announced expectations for this year's earnings are maintained.

### *Revenue*

Revenue for 2022 is still expected to be in the region of DKK 5,200-5,300 million. Revenue for 2021 was DKK 4,800.5 million.

### *EBITDA*

EBITDA for 2022 is still expected to be in the range of DKK 455-485 million, corresponding to an EBITDA margin of 8.6%-9.3%. EBITDA for 2021 was DKK 417.2 million.

### *EBT*

Profit before tax (EBT) is still expected to be in the region of DKK 345-375 million, corresponding to a profit margin of 6.5%-7.2%. Profit before tax for 2021 was DKK 326.1 million.

These expectations are based on an assumption of revenue growth of 10-14% for the rest of 2022, including the acquisition of EA Værktøj.

The expected synergies from the acquisition of EA Værktøj are expected to occur from 2023, and therefore they are not included in expectations for 2022

The expansion of the Albertslund central warehouse is expected to be completed in the third quarter of 2022. Efficiency improvements in logistics are expected to take effect from the end of 2022.

Albertslund, 17 August 2022

Niels A. Johansen  
CEO

Per Toelstang  
CFO

## Financial and operating data for the AO Group (DKKm)

### Key figures

	H1 2022	H1 2021	Q2 2022	Q2 2021	Full Year 2021
Consolidated revenue	2,570.1	2,419.4	1,318.8	1,188.8	4,800.5
Gross margin	618.6	561.8	323.6	273.8	1,119.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	230.3	208.6	119.4	100.7	417.2
Profit or loss before financial income and expenses (EBIT)	177.3	158.6	92.3	76.5	316.7
Financial income and expenses, net	(0.4)	2.1	(1.4)	2.7	9.4
Profit or loss before tax (EBT)	176.8	160.7	90.9	79.2	326.1
Tax on profit or loss for the period	(38.7)	(34.1)	(19.9)	(17.2)	(72.3)
Net profit or loss for the period	138.1	126.6	71.1	62.0	253.8
Non-current assets	1,713.9	1,417.0	1,713.9	1,417.0	1,472.7
Current assets	1,485.3	1,176.5	1,485.3	1,176.5	1,235.9
Total assets	3,199.2	2,593.5	3,199.2	2,593.5	2,708.5
Share capital	28.0	28.0	28.0	28.0	28.0
Equity	1,255.4	1,114.5	1,255.4	1,114.5	1,239.9
Non-current liabilities	367.2	308.1	367.2	308.1	295.9
Current liabilities	1,576.5	1,171.0	1,576.5	1,171.0	1,172.7
Cash flow from operating activities	(36.4)	132.8	73.8	26.9	308.1
Cash flow from investing activities	(247.6)	(117.2)	(187.1)	(79.4)	(212.7)
Of which investments in property, plant and equipment, net	(106.0)	(76.6)	(52.7)	(44.7)	(170.5)
Cash flow from financing activities	147.8	(82.0)	113.4	(44.0)	(91.6)
Cash flow for the period	(136.2)	(66.4)	0.1	(96.5)	3.7
<b>Financial ratios*</b>					
Gross profit margin	24.1%	23.2%	24.5%	23.0%	23.3%
EBITDA margin	9.0%	8.6%	9.1%	8.5%	8.7%
Profit margin	6.9%	6.6%	7.0%	6.4%	6.6%
Return on capital employed**	6.0%	6.4%	3.0%	3.0%	9.5%
Return on equity**	11.1%	11.8%	5.8%	5.7%	18.2%
Net gearing	1.6	0.7	1.6	0.7	0.5
Solvency ratio	39.2%	43.0%	39.2%	43.0%	45.8%
Book value	44.8	39.8	44.8	39.8	44.3
Share price at the end of the period***	72.1	94.2	72.1	94.2	136.0
Earnings per share (EPS Basic), DKK****/****	5.1	4.7	2.6	2.3	9.3
Diluted earnings per share (EPS-D), DKK****/****	5.1	4.7	2.6	2.3	9.3
Average number of employees	795	695	853	695	705
Average number of employees, incl. external temporary workers	864	774	920	776	784

\* Other financial ratios have been calculated in accordance with CFA Society Denmark's 'Recommendations and Financial Ratios'.

\*\* Not translated into full-year figures.

\*\*\* Comparative figures related to shares are adjusted to reflect share split in 2022.

\*\*\*\* Basic EPS and diluted EPS have been calculated in accordance with IAS 33.

## Management's review

The consolidated financial statements include the financial statements of Brødrene A & O Johansen A/S and the wholly owned subsidiaries AO Invest A/S, EA Værktøj Engros A/S, EA Værktøj Ejendomme A/S, Billig VVS AS (Norway), Lampeguru AS (Norway), VVSochBad Sverige AB, and AO Sverige AB.

### The Group's financial development

Consolidated revenue for the second quarter of 2022 totalled DKK 1,318.8 million, which is DKK 130.0 million, or 10.9%, more than last year. The second quarter of 2022 had one more working day than the corresponding quarter a year ago.

Consolidated revenue for the first half of 2022 totalled DKK 2,570.1 million against DKK 2,419.4 million for the first half of 2021, corresponding to a growth of DKK 150.7 million or 6.2%. For the first half of 2022, sales growth in the professional market was 13.2%, both in Denmark and abroad, countered by a reduction of 25.8% in the private online market. For both segments, growth has been higher in the second quarter than in the first half of the year. International revenue accounts for less than 10% of total revenue.

Gross margin for the second quarter of 2022 amounted to DKK 323.6 million, compared with DKK 273.8 million for the same period of 2021. When compared with the second quarter of 2021, the gross profit margin increased by 1.5 percentage points to 24.5%. The second quarter gross profit margin was positively affected by price increases and the acquisition of EA Værktøj, where the gross profit margin is higher than in the remaining business. Distribution costs for the second quarter constituted 4.0% of revenue, which is 0.4 percentage point less than in the second quarter of 2021. The lower share of B2C revenue contributes to the reduction. Gross margin for the first half of 2022 amounted to DKK 618.6 million, compared with DKK 561.8 million last year. The gross profit margin of 24.1% is improved by 0.9 percentage point compared with the same period last year. Distribution costs constituted 4.0% of revenue in the first half of 2022 against 4.4% in the first half of 2021. The lower share of B2C revenue also contributes to the reduction in distribution costs for the first half of 2022.

Total operating expenses for the second quarter of 2022, including depreciation and amortisation, amounted to DKK 231.3 million, which is DKK 34.0 million more than for the same period last year. Total operating expenses for the first half of 2022 totalled DKK 441.3 million, which is DKK 38.1 million more than for the same period last year. The increase is mainly attributable to the acquisition of EA Værktøj. Thus, total operating costs, measured as a percentage of revenue, increased from 14.6% in the second quarter of 2021 to 15.5% in 2022. The increase is mainly due to the acquisition of EA Værktøj and lower revenue from the B2C segment.

In the second quarter of 2022, external expenses totalled DKK 72.0 million, which is DKK 11.7 million more than in the second quarter of 2021. External expenses for the first half of 2022 amounted to DKK 135.8 million, which is DKK 10.9 million more than last year. EA Værktøj accounts for half the increase.

In the second quarter of 2022, staff costs amounted to DKK 132.2 million, an increase of DKK 19.4 million on last year's figures for the same period. EA Værktøj makes up DKK 14.1 million of the increase. In the first half of 2022, staff costs totalled DKK 252.5 million, which is DKK 24.2 million more than in the same period last year. In the first half of 2022, the average number of employees, including temporary workers, increased by 90 compared with the same period a year ago. The acquisition of EA Værktøj accounts for an average increase of 55 employees in the first half of the year and 110 employees in the second quarter of the year.

Depreciation and amortisation totalled DKK 27.1 million in the second quarter of 2022 and DKK 53.0 million in the first half of 2022. Compared with the same periods last year, these figures are up by DKK 2.9 million and DKK 3.0 million, respectively.

Operating profit (EBIT) for the second quarter of 2022 was DKK 92.3 million, which is 7.0% of revenue. Compared to the same period last year, EBIT is DKK 15.8 million higher, and the profit margin is up by 0.6 percentage point.

In the first half of 2022, EBIT was DKK 177.3 million, corresponding to 6.9% of revenue. Compared to the same period last year, EBIT is DKK 18.6 million higher, and the profit margin is up by 0.3 percentage point. The increase in EBIT is mainly attributable to higher sales and gross profit.

Financial income and expenses, net, for the second quarter of 2022 were negative at DKK 1.4 million against a positive of DKK 2.7 million in the second quarter of 2021. Financial income and expenses, net, for the first half of 2022 were negative at DKK 0.4 million, which is DKK 2.5 million more than in the first half of 2021. Thus, financial income and expenses, net, remains at a low level.

For the second quarter of 2022, the Group recorded a pre-tax profit of DKK 90.9 million against DKK 79.2 million reported for the same period last year. For the first half of 2022, the Group recorded a pre-tax profit of DKK 176.8 million, which is DKK 16.1 million more than in the first half of 2021.

Tax is in accordance with applicable tax rates in the areas where the Group is operating, equalling an average tax rate of approximately 22%.

A post-tax profit of DKK 138.1 million was recorded for the first half of 2022, compared with DKK 126.6 million for the same period last year.

As at 30 June 2022 the Group's total assets amounted to DKK 3,199.2 million, which is DKK 605.7 million, or 23.4%, more than at the same time last year. As at 30 June 2022 EA Værktøj accounted for DKK 179.8 million of the balance sheet total.

Non-current assets of DKK 1,713.9 million are DKK 296.9 million, net, higher than at the same time last year. The acquisition of EA Værktøj has resulted in an increase in goodwill as well as property, plant, and equipment due to the fact that the Group has access to seven new stores.

Current assets amounted to DKK 1,485.3 million, which is DKK 308.8 million more than at the same time last year. Inventories increased by DKK 272.9 million to DKK 796.7 million. This increase is attributable to an inventory build-up of products likely to be affected by supply uncertainty as well as price increases. It is expected that inventories will be reduced concurrently with a normalisation of the supply situation. Trade receivables went up by DKK 96.4 million to DKK 651.3 million due to sales growth. Cash and short-term deposits of DKK 0.1 million are DKK 66.0 million lower than at 30 June 2021.

Equity of DKK 1,255.4 million, corresponding to a solvency ratio of 39.2%, is DKK 140.9 million more than at the same time last year due to earnings after tax minus dividend payments of DKK 122.3 million.

The Group's payables to credit institutions amount to DKK 611.3 million, which is DKK 349.7 million more than at 30 June 2021. AO has converted bank loans of DKK 205 million into mortgages secured upon land and buildings owned by the Group.

Trade payables of DKK 1,045.2 million are DKK 111.3 million higher than at the same time last year due to the increase in activities and the acquisition of EA Værktøj.

Other payables of DKK 79.5 million are DKK 40.1 million lower than at the same time last year. In 2021, deferred payments were included in other payables due to a deferral of payment deadlines for VAT and A taxes.

Cash flow from operating activities for the second quarter of 2022 amounted to DKK 73.8 million, which is DKK 47.0 million more than for the same period last year. Cash flow from operating activities for the first half of 2022 amounted to DKK -36.4 million, which is DKK 169.2 million less than for the first half of 2021. The reduction is due to increased funds tied up in working capital.

Net investments for the second quarter of 2022 totalled DKK 187.1 million, which is DKK 107.8 million more than for the same period last year. Net investments for the first half of 2022 totalled DKK 247.6 million, which is DKK 130.4 million more than for the same period last year. The increase in investments is driven by the acquisition of EA Værktøj. The investment level is expected to be lower in the second half of 2022. Shareholders received dividend payments of DKK 122.3 million against DKK 40.8 million last year. Lease payments amounted to DKK 13.4 million for the first half of 2022.

Total cash flow for the first half of 2022 is negative at DKK 136.2 million. As at 30 June 2022 the Group's cash and short-term deposits totalled DKK 0.8 million, which is DKK 66.0 million less than at 30 June 2021

The interest-bearing net debt amounted to DKK 722.7 million, and therefore financial gearing was 1.6. As at 31 December 2021, financial gearing was 0.5.

## **Significant risks**

As mentioned in the annual report for 2021, under the paragraph 'Internal controls and risk management', the Company assesses on an ongoing basis the most significant risks in connection with the Company's activities. In addition to the risks mentioned in the annual report, the Group is sensitive to the overall development in Danish and Swedish economy as well as business trends in the building industries of these countries.

Across countries and business areas, there are at present greater fluctuations in the security of supply of certain products than usual. If these fluctuations continue and increase, it may lead to an increased level of shortages that may affect both wholesalers and customers. In order to counter this risk, AO has in the first half of 2022 made increased purchases of products likely to be affected by supply uncertainty.

The increased inflation in society is assumed to lead to a negative spill-over effect on demand. The extent and timing of the impact is difficult to predict, and it is therefore assessed that in the second half of 2022 there will be a greater degree of uncertainty than usual.

No significant direct impact is expected because of the war in Ukraine, but the increased uncertainty in the world is estimated to result in a slowdown in economy and investment appetite.

## **Incentive programme and treasury shares**

An incentive programme may be prepared in accordance with the remuneration policy approved by the Annual General Meeting on 18 March 2022. The remuneration policy is available in full on the Company's website [www.ao.dk](http://www.ao.dk).

A share-based incentive programme for certain members of the Executive Board and executive officers were introduced in 2022. The incentive programme runs over three years and relates to the granting of a total of 62,847 free restricted shares.

As at 30 June 2022, the Company held a total of 823,900 treasury shares.

## **Outlook**

As mentioned under 'Expectations for the year' consolidated revenue in the range of DKK 5,200-5,300 million, EBITDA of DKK 455-485 million, and EBT of DKK 345-375 million are expected for 2022.

AO is focused on realising efficiency improvements and synergies from the recently completed investments in the central warehouse and the acquisition of EA Værktøj. It is expected that the synergies will take effect mainly from 2023

## **Events after the end of the interim period**

No significant events have occurred after the end of the reporting period.

## **Additional information**

This interim financial report is available in Danish and English. In case of doubt, the Danish version shall apply.



## **Company announcements in 2022**

Announcement no. 1	Annual report 2021	22 February 2022
Announcement no. 2	Notice convening the Annual General Meeting	22 February 2022
Announcement no. 3	Election of employee representatives to the Board of Directors of Brødrene A & O Johansen A/S	14 March 2022
Announcement no. 4	The Danish competition authorities have approved AO's acquisition of EA Værktøj Engros A/S	15 March 2022
Announcement no. 5	Result of the Annual General Meeting of Brødrene A & O Johansen A/S	18 March 2022
Announcement no. 6	Decision to carry out share split in Brødrene A & O Johansen A/S at a ratio of 1:10	21 March 2022
Announcement no. 7	Introduction of a share-based incentive programme	24 March 2022
Announcement no. 8	Total number of voting rights and total share capital in Brødrene A & O Johansen A/S	30 March 2022
Announcement no. 9	Interim financial report for the first quarter of 2022	28 April 2022
Announcement no. 10	Revised financial calendar for 2022	11 May 2022

## **Management's statement**

The Board of Directors and the Executive Board have discussed and approved the interim financial report of Brødrene A & O Johansen A/S for the period 1 January - 30 June 2022.

The interim financial report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2022 and of the results of the Group's operations and cash flows for the period 1 January – 30 June 2022.

Further, in our opinion the Management's review includes a fair review of the development in the Group's operations and financial matters, the net profit or loss for the period and of the Group's financial position as a whole as well as a description of the most significant risks and elements of uncertainty facing the Group.

Albertslund, 17 August 2022

### ***Executive Board***

Niels A. Johansen  
CEO

Per Toelstang  
CFO

Stefan Funch Jensen  
CDO

Lili Johansen  
CHRO

Gitte Lindeskov  
CIO

### ***Board of Directors***

Henning Dyremose  
Chairman of the Board

Michael Kjær  
Deputy Chairman

René Alberg

Erik Holm

Leif Hummel

Marlene L. Jakobsen

Niels A. Johansen

Preben Damgaard Nielsen

Contacts:  
Niels A. Johansen/Per Toelstang  
Telephone: +45 70 28 00 00

## Income statement and statement of comprehensive income

(All amounts are in DKK thousands)	Note:	H1 2022	H1 2021	Q2 2022	Q2 2021	Full Year 2021
<b>Revenue</b>	<b>3</b>	<b>2,570,115</b>	<b>2,419,378</b>	<b>1,318,801</b>	<b>1,188,838</b>	<b>4,800,520</b>
Cost of sales		(1,849,528)	(1,752,958)	(943,570)	(863,149)	(3,474,217)
Distribution costs		(102,817)	(105,990)	(52,191)	(52,579)	(209,637)
Gross profit		617,770	560,430	323,040	273,110	1,116,666
Other operating income		836	1,400	595	698	2,681
<b>Gross margin</b>		<b>618,606</b>	<b>561,830</b>	<b>323,635</b>	<b>273,808</b>	<b>1,119,347</b>
External expenses		(135,816)	(124,948)	(72,001)	(60,325)	(272,256)
Staff costs		(252,510)	(228,312)	(132,197)	(112,818)	(429,845)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>230,280</b>	<b>208,570</b>	<b>119,437</b>	<b>100,666</b>	<b>417,246</b>
Depreciation and amortisation		(53,012)	(49,934)	(27,096)	(24,167)	(100,501)
<b>Operating profit or loss (EBIT)</b>		<b>177,268</b>	<b>158,636</b>	<b>92,341</b>	<b>76,499</b>	<b>316,745</b>
Write-down of financial assets		-	-	-	-	-
Financial income		2,817	4,465	1,038	3,807	13,720
Financial expenses		(3,253)	(2,380)	(2,437)	(1,137)	(4,326)
<b>Profit or loss before tax (EBT)</b>		<b>176,832</b>	<b>160,721</b>	<b>90,942</b>	<b>79,169</b>	<b>326,139</b>
Tax on profit or loss for the period		(38,716)	(34,149)	(19,867)	(17,192)	(72,321)
<b>Net profit or loss for the period</b>		<b>138,116</b>	<b>126,572</b>	<b>71,075</b>	<b>61,977</b>	<b>253,818</b>
<b>Other comprehensive income</b>						
<b>Items reclassified to the income statement</b>						
Foreign currency translation adjustment relating to foreign entities		(347)	(1,567)	(430)	589	(3,367)
Tax on other comprehensive income		-	-	-	-	-
Other comprehensive income after tax		(347)	(1,567)	(430)	589	(3,367)
<b>Total comprehensive income</b>		<b>137,769</b>	<b>125,005</b>	<b>70,645</b>	<b>62,566</b>	<b>250,451</b>
<b>Earnings per share</b>						
Earnings per share (EPS)		5.1	4.7	2.6	2.3	9.3
Diluted earnings per share (EPS-D)		5.1	4.7	2.6	2.3	9.3

## Balance sheet

(All amounts are in DKK thousands)

<b>ASSETS</b>	Note:	<b>2022.06.30</b>	<b>2021.06.30</b>	<b>2021.12.31</b>
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	4	496,124	412,182	412,030
Intellectual property rights		41,609	44,708	43,163
Software		57,381	38,765	46,123
		595,114	495,655	501,316
<b>Property, plant and equipment</b>				
Land and buildings		789,412	680,946	691,312
Leasehold improvements		12,867	1,275	10,348
Fixtures and operating equipment		211,865	162,634	199,378
Right-of-use assets		104,345	76,490	70,091
		1,118,489	921,345	971,129
<b>Other non-current assets</b>				
Other Investments		284	-	247
		284	-	247
<b>Total non-current assets</b>		<b>1,713,887</b>	<b>1,417,000</b>	<b>1,472,692</b>
<b>Current assets</b>				
Inventories	5	796,658	523,729	580,478
Trade receivables	6	651,279	554,832	491,687
Other receivables		15,886	13,126	9,701
Prepayments and accrued income		20,716	18,051	17,040
Cash and short-term deposits		767	66,776	136,946
<b>Total current assets</b>		<b>1,485,306</b>	<b>1,176,514</b>	<b>1,235,852</b>
<b>Total assets</b>		<b>3,199,193</b>	<b>2,593,514</b>	<b>2,708,544</b>

## Balance sheet

(All amounts are in DKK thousands)

### EQUITY AND LIABILITIES

Note:	2022.06.30	2021.06.30	2021.12.31
<b>Equity</b>			
Share capital	28,000	28,000	28,000
Reserve for foreign currency translation adjustments	(2,835)	(688)	(2,488)
Retained earnings	1,230,246	1,087,176	1,088,422
Proposed dividend for the financial year	-	-	126,000
<b>Total equity</b>	<b>1,255,411</b>	<b>1,114,488</b>	<b>1,239,934</b>
<b>Non-current liabilities</b>			
Deferred tax	54,208	51,804	52,192
Credit institutions	230,132	195,748	188,757
Lease liabilities	79,107	57,541	53,465
Frozen holiday pay	3,798	1,463	-
Other non-current liabilities	-	1,500	1,500
<b>Total non-current liabilities</b>	<b>367,245</b>	<b>308,056</b>	<b>295,914</b>
<b>Current liabilities</b>			
Credit institutions	381,197	62,553	72,862
Lease liabilities	29,236	18,949	16,627
Trade payables	1,045,210	933,891	1,012,663
Corporation tax	2,884	1,453	3,181
Joint taxation contribution payable	35,759	31,787	2,297
Other payables	79,511	119,587	62,316
Provisions for liabilities	2,740	2,750	2,750
<b>Total current liabilities</b>	<b>1,576,537</b>	<b>1,170,970</b>	<b>1,172,696</b>
<b>Total liabilities</b>	<b>1,943,782</b>	<b>1,479,026</b>	<b>1,468,610</b>
<b>Total equity and liabilities</b>	<b>3,199,193</b>	<b>2,593,514</b>	<b>2,708,544</b>

## Cash flow statement

(All amounts are in DKK thousands)

	H1 2022	H1 2021	Q2 2022	Q2 2021	Full year 2021
Operating profit or loss	177,268	158,636	92,341	76,499	316,745
Depreciation and amortisation	53,012	49,934	27,096	24,167	100,501
Other non-cash operating items, net	(635)	(1,157)	-	(1,456)	6,866
Cash flow from operations before change in working capital	229,645	207,413	119,437	99,210	424,112
Change in inventories	(126,732)	(45,726)	(21,887)	(20,752)	(103,852)
Change in receivables	(124,981)	(134,258)	28,605	(14,921)	(71,058)
Change in trade and other payables	(5,861)	111,721	(50,654)	(35,151)	132,126
Total change in working capital	(257,574)	(68,262)	(43,936)	(70,824)	(42,784)
Cash flow from operations	(27,929)	139,151	75,501	28,386	381,328
Net financials paid	(437)	(2,085)	(1,399)	2,670	(2,200)
Corporation tax paid	(8,030)	(8,479)	(261)	(4,186)	(71,064)
<b>Cash flow from operating activities</b>	<b>(36,396)</b>	<b>132,757</b>	<b>73,841</b>	<b>26,870</b>	<b>308,064</b>
Purchase of intangible assets	(14,456)	(15,497)	(8,818)	(11,040)	(32,404)
Purchase of property, plant and equipment, net	(105,959)	(76,560)	(52,666)	(44,655)	(170,481)
Purchase of financial assets	-	-	-	-	(247)
Acquisitions	(127,163)	(25,159)	(125,663)	(23,659)	(9,609)
<b>Cash flow from investing activities</b>	<b>(247,578)</b>	<b>(117,216)</b>	<b>(187,147)</b>	<b>(79,354)</b>	<b>(212,741)</b>
Change in amounts owed to credit institutions	283,437	(53,617)	141,525	(31,412)	(50,299)
Raising of loans from credit institutions	-	25,000	-	-	25,000
Repayment of lease liabilities	(13,350)	(12,606)	(6,825)	(6,248)	(25,537)
Dividends paid	(122,292)	(40,764)	(21,266)	(6,348)	(40,764)
<b>Cash flow from financing activities</b>	<b>147,795</b>	<b>(81,987)</b>	<b>113,434</b>	<b>(44,008)</b>	<b>(91,600)</b>
<b>Cash flow for the period</b>	<b>(136,179)</b>	<b>(66,446)</b>	<b>128</b>	<b>(96,492)</b>	<b>3,723</b>
Cash and short-term deposits at beginning of period	136,946	133,223	639	163,268	133,223
<b>Cash and short-terms deposits at end of period</b>	<b>767</b>	<b>66,776</b>	<b>767</b>	<b>66,776</b>	<b>136,946</b>

## Statement of changes in equity

*(All amounts are in DKK thousands)*

	Share Capital	Foreign currency translation adjustment	Proposed dividend for the financial year	Retained earnings	Total equity
<b>Equity at 1 January 2022</b>	<b>28,000</b>	<b>(2,488)</b>	<b>126,000</b>	<b>1,088,422</b>	<b>1,239,934</b>
Net profit or loss for the period	-	-	-	138,116	138,116
Foreign currency translation adjustment relating to foreign entities	-	(347)	-	-	(347)
<b>Total comprehensive income</b>	<b>-</b>	<b>(347)</b>	<b>-</b>	<b>138,116</b>	<b>137,769</b>
Dividend distribution	-	-	(122,292)	-	(122,292)
Dividend, own shares	-	-	(3,708)	3,708	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(126,000)</b>	<b>3,708</b>	<b>(122,292)</b>
<b>Equity at 30 June 2022</b>	<b>28,000</b>	<b>(2,835)</b>	<b>-</b>	<b>1,230,246</b>	<b>1,255,411</b>
<b>Equity at 1 January 2021</b>	<b>28,000</b>	<b>879</b>	<b>42,000</b>	<b>959,368</b>	<b>1,030,247</b>
Net profit or loss for the period	-	-	-	126,572	126,572
Foreign currency translation adjustment relating to foreign entities	-	(1,567)	-	-	(1,567)
<b>Total comprehensive income</b>	<b>-</b>	<b>(1,567)</b>	<b>-</b>	<b>126,572</b>	<b>125,005</b>
Dividend distribution	-	-	(40,764)	-	(40,764)
Dividend, own shares	-	-	(1,236)	1,236	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(42,000)</b>	<b>1,236</b>	<b>(40,764)</b>
<b>Equity at 30 June 2021</b>	<b>28,000</b>	<b>(688)</b>	<b>-</b>	<b>1,087,176</b>	<b>1,114,488</b>
<b>Equity at 1 January 2021</b>	<b>28,000</b>	<b>879</b>	<b>42,000</b>	<b>959,368</b>	<b>1,030,247</b>
Net profit or loss for the year	-	-	126,000	127,818	253,818
Foreign currency translation adjustment relating to foreign entities	-	(3,367)	-	-	(3,367)
<b>Total comprehensive income</b>	<b>-</b>	<b>(3,367)</b>	<b>126,000</b>	<b>127,818</b>	<b>250,451</b>
Dividend distribution	-	-	(40,764)	-	(40,764)
Dividend, own shares	-	-	(1,236)	1,236	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(42,000)</b>	<b>1,236</b>	<b>(40,764)</b>
<b>Equity at 31 December 2021</b>	<b>28,000</b>	<b>(2,488)</b>	<b>126,000</b>	<b>1,088,422</b>	<b>1,239,934</b>

# Notes

## 1 Accounting policies

The interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Share options are measured at fair value at the time of granting and recognised in the income statement under staff costs. The counter entry is recognised directly in equity. The fair value of the granted share options is calculated using the option pricing model (Black & Scholes).

Apart from the paragraph regarding share options, the accounting policies are unchanged from the accounting policies applied in the consolidated and parent company financial statements for 2021, to which reference is made. The consolidated and parent company financial statements for 2021 contain a full description of the accounting policies.

## 2 Accounting estimates and judgements

### Estimation uncertainty

In preparing these interim financial statements, management has made accounting estimates and assumptions which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The most significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements and parent company financial statements for 2021. For a more detailed description of the estimation uncertainty, reference is made to the consolidated and parent company financial statements for 2021.

## 3 Segment information

Group activities relating to the trade in technical installation materials (Technical Installation: electrical equipment and components as well as plumbing, heating and sanitary ware) and construction materials (Construction: water supply and drainage, Vaga and tools) with private, public and corporate customers take place in an integrated manner and are dealt with as one operating segment.

According to IFRS 15, revenue for the second quarter of 2022 is categorised into Technical Installation totalling DKK 890.7 million (2021: DKK 839.0 million) and Construction totalling DKK 428.0 million (2021: DKK 349.9 million).

According to IFRS 15, revenue for the first half of 2022 is categorised into Technical Installation totalling DKK 1,814.3 million (2021: DKK 1,772.6 million) and Construction totalling DKK 755.8 million (2021: DKK 646.8 million).

The Group operates primarily in Denmark, and less than 10% of its revenue relates to foreign countries. This was also the case in the first half of 2021.

The Group has not traded with any individual customer representing more than 10% of the Group's total revenue. This was also the case in the first half of 2021.

The Group has activities within the B2B segment and the B2C segment. The two segments share the same chief operating decision maker but are identified as separate operating segments in the internal management reporting.



**SEGMENT INFORMATION Q2 2022**

	B2B	B2C	Total
Revenue	1,165.0	153.8	1,318.8
Cost of goods sold	- 840.6	- 102.4	- 943.0
<b>Product margin</b>	<b>324.4</b>	<b>51.4</b>	<b>375.8</b>
Distribution	- 41.2	- 11.0	- 52.2
<b>Gross margin</b>	<b>283.2</b>	<b>40.4</b>	<b>323.6</b>
Direct expenses	- 125.1	- 30.5	- 155.6
<b>EBITDA before indirect expenses</b>	<b>158.1</b>	<b>9.9</b>	<b>168.0</b>
Indirect expenses			- 48.6
<b>EBITDA</b>			<b>119.4</b>
<b>Key figures</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>
Gross margin %	24.3%	26.3%	24.5%
EBITDA (before indirect expenses) %	13.3%	6.4%	12.7%
EBITDA %			9.1%

**SEGMENT INFORMATION Q2 2021**

	B2B	B2C	Total
Revenue	1,004.4	184.4	1,188.8
Cost of goods sold	- 741.7	- 120.7	- 862.4
<b>Product margin</b>	<b>262.7</b>	<b>63.7</b>	<b>326.4</b>
Distribution	- 36.7	- 15.9	- 52.6
<b>Gross margin</b>	<b>226.0</b>	<b>47.8</b>	<b>273.8</b>
Direct expenses	- 101.7	- 32.6	- 134.3
<b>EBITDA before indirect expenses</b>	<b>124.3</b>	<b>15.2</b>	<b>139.5</b>
Indirect expenses			- 38.8
<b>EBITDA</b>			<b>100.7</b>
<b>Key figures</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>
Gross margin %	22.5%	25.9%	23.0%
EBITDA (before indirect expenses) %	12.4%	8.2%	11.7%
EBITDA %			8.5%

**SEGMENT INFORMATION H1 2022**

	B2B	B2C	Total
Revenue	2,250.8	319.3	2,570.1
Cost of goods sold	- 1,640.7	- 208.0	- 1,848.7
<b>Product margin</b>	<b>610.1</b>	<b>111.3</b>	<b>721.4</b>
Distribution	- 78.5	- 24.3	- 102.8
<b>Gross margin</b>	<b>531.6</b>	<b>87.0</b>	<b>618.6</b>
Direct expenses	- 228.5	- 62.6	- 291.1
<b>EBITDA before indirect expenses</b>	<b>303.1</b>	<b>24.4</b>	<b>327.5</b>
Indirect expenses			- 97.2
<b>EBITDA</b>			<b>230.3</b>
<b>Key figures</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>
Gross margin %	23.6%	27.2%	24.1%
EBITDA (before indirect expenses) %	13.5%	7.6%	12.7%
EBITDA %			9.0%

**SEGMENT INFORMATION H1 2021**

	B2B	B2C	Total
Revenue	1,988.8	430.6	2,419.4
Cost of goods sold	- 1,470.3	- 281.3	- 1,751.6
<b>Product margin</b>	<b>518.5</b>	<b>149.3</b>	<b>667.8</b>
Distribution	- 70.5	- 35.5	- 106.0
<b>Gross margin</b>	<b>448.0</b>	<b>113.8</b>	<b>561.8</b>
Direct expenses	- 197.5	- 74.9	- 272.4
<b>EBITDA before indirect expenses</b>	<b>250.5</b>	<b>38.9</b>	<b>289.4</b>
Indirect expenses			- 80.8
<b>EBITDA</b>			<b>208.6</b>
<b>Key figures</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>
Gross margin %	22.5%	26.4%	23.2%
EBITDA (before indirect expenses) %	12.6%	9.0%	12.0%
EBITDA %			8.6%

#### 4 Goodwill and intangible assets

The annual impairment test of intangible assets, including goodwill and intellectual property rights, is performed at 31 December 2022, after the completion of budgets and strategy plans for the coming period.

At 30 June 2022, management is of the opinion that there has been no indication of impairment of the carrying amount of goodwill and intellectual property rights, and therefore no impairment test of goodwill and intellectual property rights has been performed at 30 June 2022.

#### 5 Inventories

No unusual inventory write-downs or reversals of inventory write-downs have been recorded in the period.

#### 6 Trade receivables

An estimate is used to assess the recoverability of receivables according to the same principles as applied in the financial statements for 2021.

In previous years, a write-down of DKK 8.0 million was made to counter the increase in bad debts, which was likely to arise in connection with the phasing out of COVID-19 compensation packages. As at 30 June 2022, DKK 5.8 million still remains to be used.