



WE RECONFIRM 2023 EBITDA GUIDANCE OF DKK 900M

Q3 EBITDA is in line with our expectations. We reconfirm our 2023 revenue guidance of DKK 13,500m and EBITDA guidance of DKK 900m.

CEO Jens Andersen says:

"Our Q3 results are on par with our expectations, and we have set a clear direction towards our second-best result ever. The revenue development we saw in Q3 was generally in line with our expectations, with residential heat pump sales in Denmark being the only negative deviation. The measures we introduced early 2023, including cost containment, process improvements and staff reduction, continue to deliver."

As we continue to optimise our business for future growth, we will invest in a new, modern warehouse in Kumla, Sweden. The new warehouse is expected to come on stream in late 2026, and the two existing warehouses in Halmstad and Örebro will be divested. The net investment will amount to approx. DKK 400m."

Q3 key financial messages

- Q3 EBITDA of DKK 187m is in line with our expectations.
- Our cost containment initiatives continue to deliver.
- 2023 guidance reconfirmed.

Financial highlights (DKK million)	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022
Revenue	2,965	3,266	9,871	10,179
EBITDA	187	301	681	849
Cash flow from operating activities	190	-14	369	-226
Financial ratios (%)				
Organic growth adj. for number of working days	-4.7	14.0	0.5	13.3
EBITDA margin	6.3	9.2	6.9	8.3
Net working capital, end of period/revenue (LTM)	16.6	16.1	16.6	16.1
Gearing (NIBD/EBITDA), no. of times	1.5	1.1	1.5	1.1
Return on invested capital (ROIC)	16.9	25.3	16.9	25.3



Revenue guidance

We reconfirm our revenue guidance of DKK 13,500m, corresponding to unchanged adjusted organic growth of approx. 0%.

In the wake of substantial price increases in 2022, we delivered positive growth in H1, whereas we expect negative growth in H2.

Adjusted for price increases, mainly roll-over effects from 2022, we expect negative growth in all main segments. This will partly be offset by the expected strong growth within Climate & Energy supported by the Danish subsidy scheme for residential heat pumps.

EBITDA guidance

We reconfirm our EBITDA guidance of approx. DKK 900m which corresponds to an EBITDA margin of approx. 6.7%.

We saw substantial positive one-off price effects in 2022. We expect this to normalise in 2023, which means that no major one-off price effects are included in our guidance.

General assumption

Due to the heightened geopolitical and macroeconomic uncertainty, our market outlook is characterised by greater unpredictability.

Audio webcast and teleconference today

The presentation of the Quarterly Report Q3 2023 will be conducted in English on 2 November 2023 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at www.solar.eu. Participation will be possible through teleconference.

To access the webcast:

<https://edge.media-server.com/mmc/p/orcr5r7v>

To participate by telephone, and thus have the possibility to ask questions:

Register in advance of the teleconference using the link below. Upon registering, each participant will be provided with a Dial In Number, and a unique Personal PIN:

<https://register.vevent.com/register/BI820f7eb358934d3aad616293dfdd0c18>

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FACTS ABOUT SOLAR

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 13.9bn in 2022 and has approx. 3,000 employees. Solar is listed on Nasdaq Copenhagen and operates under the short designation SOLAR B. For more information, please visit www.solar.eu.

Disclaimer

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