



SOLAR PRESENTS ITS SECOND GUIDANCE INCREASE DURING 2021 WITH AN EBITDA INCREASE OF DKK 100M

Based on preliminary reporting, Solar increases guidance for 2021 EBITDA to DKK 825m from DKK 725m.

Moreover, we are increasing revenue guidance by DKK 350m to DKK 12,100m compared to our previous guidance of DKK 11,750m as presented in announcement no. 11.

CEO Jens Andersen says:

"Six months into our Core+ strategy, the result continues to exceed our expectations. We have achieved a continuous positive development of our concept share, which in combination with stronger growth than anticipated in all markets contributes to a strong result.

Furthermore, we have experienced extraordinary price increases on certain products due to increasing commodity prices. These extraordinary price increases have resulted in a positive one-off impact of approx. DKK 30m in Q2. We expect the remainder of the year to be impacted to a lesser degree from these price increases."

Q2 key financial messages

- With 8.6% in organic growth, we realised stronger growth rates than anticipated in all markets.
- Project Better Business and a strong ongoing development in concept sales contributed to a gross profit margin of 22.0%. The gross profit margin increase attributes to all markets.
- Extraordinary price increases resulted in a positive one-off impact of approx. DKK 30m of the gross profit, equal to a gross profit margin improvement of approx. 1%-point.

Financial highlights (DKK million)	Q2 2021	Q2 2020	H1 2021	H1 2020
Revenue	3,098	2,745	6,102	5,790
Gross profit	681	562	1,339	1,185
EBITDA	211	127	415	269
EBITA	166	81	323	178
EBIT	153	65	296	147
Financial ratios (%)				
Organic growth adj.	8.6	-1.6	3.8	0.0
Gross profit margin	22.0	20.5	21.9	20.5
EBITDA margin	6.8	4.6	6.8	4.6



Guidance 2021

Guidance overview (DKK million)	Updated guidance	Latest guidance
Revenue	12,100	11,750
EBITDA	825	725

Revenue guidance

We now expect revenue at DKK 12,100m, corresponding to an organic growth of approx. 4%. 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 2020. Adjusted for this, we expect organic growth of approx. 6%.

EBITDA guidance

We expect the strategic focuses to deliver continuous improvements in earnings, delivering an EBITDA of DKK 825m.

Contacts

CEO Jens Andersen - tel. +45 79 30 02 01

CFO Michael H. Jeppesen - tel. +45 79 30 02 62

IR Director Dennis Callesen - tel. +45 29 92 18 11

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 more than DKK 11.5bn in 2020 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.

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.