



Q2 EBITDA OF DKK 214M ON PAR WITH EXPECTATIONS

Q2 revenue and EBITDA are in line with our expectations. We confirm our 2023 revenue guidance of DKK 13,500m and EBITDA guidance of DKK 900m.

CEO Jens Andersen says:

"Our Q2 results are on par with our expectations. When adjusted for one-off price effects, the underlying EBITDA was in line with Q2 2022, and the EBITDA margin increased slightly.

Climate & Energy delivered strong growth rates, corresponding to revenue of almost DKK 375m, even though the slowdown in Denmark seen in March continued in Q2. We expect sales of heat pumps in Denmark to pick up when the new subsidy scheme is implemented, which is expected in late Q3.

The measures we introduced in Q1, including cost containment, process improvements and staff reduction, became effective in Q2 and contributed to our Q2 results being in line with expectations.

We confirm our revenue guidance of DKK 13,500m and EBITDA guidance of DKK 900m."

Q2 key financial messages

- Adjusted for one-off price effects, the underlying EBITDA margin improved slightly.
- EBITDA of DKK 214m in line with our expectations.
- 2023 guidance confirmed.

Financial highlights (DKK million)	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenue	3,250	3,451	6,906	6,913
EBITDA	214	267	494	548
Cash flow from operating activities	78	-10	179	-212
Financial ratios (%)				
Organic growth adj. for number of working days	-1.0	12.4	2.8	12.9
EBITDA margin	6.6	7.7	7.2	7.9
Net working capital, end of period/revenue (LTM)	16.3	14.1	16.3	14.1
Gearing (NIBD/EBITDA), no. of times	1.4	1.1	1.4	1.1
Return on invested capital (ROIC)	20.5	25.5	20.5	25.5



Revenue guidance

We confirm 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, which will only partly be offset by the expected strong growth within Climate & Energy.

EBITDA guidance

We confirm 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 Quarterly Report Q2 2023 will be made in English on 10 August 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 via a teleconference.

Teleconference call-in numbers:

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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.