



STRONGER GROWTH THAN EXPECTED INCREASES PROFITABILITY AND EBITDA GUIDANCE TO DKK 975M

Solar delivered strong performance due to high growth combined with resilience in all market segments.

Based on preliminary reporting, Solar increases its guidance for 2022 EBITDA to DKK 975m from DKK 850m.

Moreover, we are increasing revenue guidance by DKK 500m to DKK 13,250m compared to our previous guidance of DKK 12,750m as presented in announcement no. 2 2022.

CEO Jens Andersen says:

"Q1 has been a continuation of the strong growth rates we saw last year in Q4 supported by extraordinary price increases. Our Core+ strategy continues to exceed expectations by among other things increasing our Industry business - with Industry delivering all-time high revenue in March.

Furthermore, we expect the strong demand we have experienced to continue throughout 2022 albeit at a lower level. This also applies to price effects that we estimate will have a total one-off impact of DKK 80m on EBITDA for the full year 2022."

Q1 key financial messages

- With 13.6% organic growth, we realised stronger growth rates than anticipated in all markets.
- The growth was supported by our four strategic focus areas Concepts, Industry, Climate & Energy and Trade but also price effects.
- One-off price effects resulted in an impact of approx. DKK 35m on gross profit.

Financial highlights (DKK million)	Q1 2022	Q1 2021
Revenue	3,462	3,004
Gross profit	800	658
EBITDA	281	204
EBITA	236	157
EBIT	222	143
Financial ratios (%)		
Organic growth adj.	13.6	-0.6
Gross profit margin	23.1	21.9
EBITDA margin	8.1	6.8



Guidance 2022

(DKK million)	Updated guidance	Latest guidance
Revenue	13,250	12,750
EBITDA	975	850

Revenue guidance

We now expect revenue at DKK 13,250m, corresponding to an organic growth of approx. 7%. 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. 9%.

EBITDA guidance

Supported by increased demand we expect the strategic focus areas to deliver continuous improvements in earnings, resulting in an EBITDA of approx. DKK 975m, of which DKK 80m can be explained by 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 significant drop in market activities.

Contacts

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FACTS ABOUT SOLAR

Solar is a leading European sourcing and services company mainly within electrical, heating & plumbing and climate & 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.

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