

REVENUE RETURNS TO GROWTH

Q1 revenue and EBITDA are in line with our expectations. We confirm our EBITDA guidance of between DKK 530m and DKK 600m for 2025.

CEO Jens Andersen says:

"All markets and main segments have rebounded, resulting in a positive organic growth of 6.5% - a significant improvement from the -15.4% in Q1 2024. This pick-up strengthened our underlying financial performance.

We have initiated measures to optimise our operating model, including cost containment, process improvements and staff reductions. Consequently, costs in Q1 include restructuring costs of approx. DKK 40m, which will result in similar savings in the rest of 2025, and full-year savings of approx. DKK 60m going forward.

As part of our investment in a new logistics centre in Kumla, we have chosen to fast-track the closing of our warehouse in Halmstad to optimise our costs and the customer experience during the transition. Consequently, this means DKK 12m in transition costs in Q1 2025, which were initially expected in 2026.

We continue to anticipate a recovery in 2025, although the timing and strength of this recovery have become more unpredictable.

Thus, we confirm our EBITDA guidance of between DKK 530m and DKK 600m for 2025."

Financial highlights (DKK million)	Q1 2025	Q1 2024
Revenue	3,223	3,030
EBITDA	74	88
Cash flow from operating activities	-88	7
Financial ratios (%)		
Organic growth adj. for number of working days	6.5	-15.4
EBITDA margin	2.3	2.9
Net working capital, end of period/revenue (LTM)	15.0	15.1
Gearing (NIBD/EBITDA), no. of times	2.4	2.1
Return on invested capital (ROIC)	7.7	8.5

Our new Kumla logistics centre is ahead of schedule, which enables an early closing of Halmstad, resulting in DKK 12m transition costs in Q1 2025. Fast-tracking this step towards Kumla reduces risks and frees up cash by reducing net working capital.

Guidance

We confirm our guidance ranges of revenue between DKK 12.3bn and DKK 12.8bn and EBITDA between DKK 530m and DKK 600m.

Key risks and mitigation

The commercial and financial risks in respect of our activities are detailed in Solar's 2024 Annual Report. No additional material risks have been identified. Solar is not directly exposed to the tariffs imposed by the US or on the US market, but the resulting macroeconomic consequences may affect Solar's markets. We continue to monitor market developments closely.

However, on a macroeconomic level, we continue to expect a recovery in 2025, although the timing and strength of the recovery have become more unpredictable.

Audio webcast and teleconference today

The presentation of Quarterly Report Q1 2025 will be made in English on 9 May 2025 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 teleconference.

Access to the webcast:

<https://edge.media-server.com/mmc/p/39dyc5jz>

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-conf.media-server.com/register/BI6538708bf9ed442a9357b5c15444691a>

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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 12.2bn in 2024 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.