

UNEXPECTED SLOWDOWN IN MARKET ACTIVITY

In Q2, Solar experienced negative growth, most notable within the Industry segment and to a lesser extent in Installation.

CEO Jens Andersen says:

"In Q2 and even more July, market developments have been disappointing. We saw an unexpected slowdown for Industry and to a lesser extent for Installation, while Trade and Climate & Energy delivered growth driven by Solar Polaris' sales to a major solar park project. We continue to expect market improvement in 2025, relative to current level.

In Q2, we executed additional staff reductions, and we continue to initiate measures to optimise our operating model. Our H1 results, therefore, include transition costs of DKK 12m and restructuring costs of DKK 45m, of which the latter is expected to generate equivalent savings in 2025 and full-year savings of approx. DKK 70m going forward.

Given our resilient business model combined with the executed initiatives and our strategic focus areas, we are convinced that Solar will be able to improve profitability in our strategy period."

H1 key financial messages

- Strong revenue growth for Solar Polaris in the trade segment.
- Disappointing revenue development in other segments.
- Adjusted for Solar Polaris' deliveries, the underlying gross profit margin improved to 20.7% from 20.5%.
- Restructuring and transition costs amounted to DKK 57m.
- Revenue and EBITDA were below our initial expectations.

| Financial highlights (DKK million) | Q2 2025 | Q2 2024 | H1 2025 | H1 2024 |
|--|---------|---------|---------|---------|
| Revenue | 3,018 | 3,100 | 6,241 | 6,130 |
| EBITDA | 112 | 137 | 186 | 225 |
| Cash flow from operating activities | 4 | 202 | -84 | 209 |
| Financial ratios (%) | | | | |
| Organic growth adj. for number of working days | -1.2 | -7.8 | 2.6 | -11.2 |
| EBITDA margin | 3.7 | 4.4 | 3.0 | 3.7 |
| Net working capital, end of period/revenue (LTM) | 15.1 | 14.0 | 15.1 | 14.0 |
| Gearing (NIBD/EBITDA), no. of times | 2.8 | 2.2 | 2.8 | 2.2 |
| Return on invested capital (ROIC) | 6.7 | 6.6 | 6.7 | 6.6 |

Guidance 2025

| Guidance | DKK million |
|----------|---------------|
| Revenue | 11,750-12,250 |
| EBITDA | 450-510 |

2026 ambition

We continue to strive for our 2026 ambition of an EBITDA margin >5%.

The impact of the initiatives already implemented in 2025 will, all other things equal, increase EBITDA margin by approx. 0.7 percentage points compared to our 2025 guidance.

In order to succeed, it is anticipated that 2026 will be characterised by:

- Average annual GDP growth of at least 1.5%
- Low cost and salary inflation
- Pick-up in industry and building activities
- Continued governmental support for the green transition.

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 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.

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