

SOLAR SIGNS AGREEMENT TO ACQUIRE SONEPAR IN NORWAY

Today, Solar Norge AS has signed an agreement with Sonepar Sverige AB to acquire 100% of Sonepar Norge AS. The transaction values Sonepar Norge at DKK 315m on an Enterprise Value basis. The transaction is not expected to have an impact on the Solar Group results in 2025 except for the expected acquisition costs of DKK 5m. The transaction will be financed through a combination of 1/3 equity financing via an accelerated bookbuilding and 2/3 debt financing.

CEO Jens Andersen says:

“The combination of Solar and Sonepar in Norway will be transformative for our Norwegian business by creating economies of scale in addition to improving our physical distribution channels with a strong network of branches. The strong operational and commercial synergies between the companies are expected to unlock significant opportunities to develop the combined business, drive growth and enhance earnings over the coming years.”

Sonepar Norge is a trusted player in the market for B2B distribution of electrical material having a strong foothold in the installation segment and to a lesser extent in the industry segment. Sonepar has a loyal base of almost 4,000 customers, including many longstanding relationships spanning over 10 years, a central warehouse in Drammen, a comprehensive portfolio of 12,000+ stock keeping units (SKU) with focus on ESG-compliant sourcing, 13 locations powered by highly skilled teams, an annual revenue of approx. DKKK 700m and 115 highly skilled employees.

The acquisition of Sonepar Norge is a bolt-on acquisition, positioning the combined businesses as one of the leading distributors offering efficient sourcing and services mainly within electrical, ventilation and climate and energy solutions. Together, the two companies will offer a portfolio of 25,000 SKUs and generate an annual revenue of approx. DKK 2.5bn.

Transaction overview

- Enterprise value of DKK 315m and equity value of DKK 225m.
- At completion, Solar Norge will acquire 100% of Sonepar Norge.
- Reported EBITDA of DKK 0m while future estimated normalised annual EBITDA amounts to approx. DKK 60m incl. synergies.
- Estimated transition costs of approx. DKK 60m.
- Estimated DKK 30m in freed up capital from reduction of net working capital.
- Solar expects to finance the transaction during the next two months through a combination of 1/3 equity via an accelerated bookbuilding without pre-emption rights for existing shareholders and 2/3 debt financing provided by Danske Bank and Nordea.
- Solar's majority shareholder Fonden af 20. December, holding 17% of the share capital of Solar, will participate pro rata in the accelerated bookbuilding and will guarantee the entire transaction.
- The acquisition is subject to customary regulatory approvals and is expected to be completed early December 2025. Until the closing of the transaction, Solar Norge and Sonepar Norge remain two separate companies conducting business as usual.

Strategic and financial rationale

Solar remains actively open to pursuing business opportunities and acquisitions that offer strategic value and long-term growth potential. The combination with Sonepar in Norway is a unique opportunity to create and develop Solar as one of the leading Norwegian distributors offering efficient sourcing and services mainly within electrical, ventilation and climate and energy solutions in a very competitive industry.

Solar and Sonepar in Norway are an excellent match based on similarities not only in terms of business models but also with common cultural values, which will provide several benefits, including:

- Strong customer relationships.
- Commercial synergies and stronger network.
- Operational synergies from consolidation of operations, administration and logistics facilities and IT infrastructure.
- Strong focus on sustainability.

Following the closing of the transaction, updated details on the impact of the acquisition will be disclosed, including estimates and timing of synergies and integration costs. The transaction is not expected to have an impact on the Solar Group results in 2025 except for the expected acquisition costs of DKK 5m.

The integration is expected to be completed before the end of H1 2026.

Teleconference today

Solar will host a teleconference today at 11:00 CET. To participate and thus have the possibility to ask questions, register in advance by using the link below. When you have registered, you will receive a dial-in number and a unique personal pin:

<https://register-conf.media-server.com/register/BI082d57a4fdde4dd28623b68ab23507c5>

Access to the webcast

<https://edge.media-server.com/mmc/p/xbcz6kj6>

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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.