

Translation of Announcement No. 8/2023 to NASDAQ Copenhagen



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AO sees lower market activity in September

AO gains market shares in 2023, and the roll-out of the EA range is proceeding as planned.

While the sales index for January-August was 102.5, demand receded more than expected in September, where the day-to-day sales index was 89.5. When compared to expectations, there is a particular reduction in the sale of heat pumps and sanitary ware.

Revenue for the third quarter of 2023 was DKK 1,229 million against DKK 1,329 million in 2022. EBITDA amounted to DKK 96 million, compared to DKK 122 million for the third quarter of 2022, and EBT was DKK 63 million against DKK 92 million for the third quarter of 2022.

Revenue for the first nine months of 2023 was DKK 3,900 million against DKK 3,899 million in 2022. EBITDA amounted to DKK 310 million, compared to DKK 352 million for the same period in 2022, and EBT amounted to DKK 204 million against DKK 268 million for the same period 2022. The reduction in earnings is primarily attributable to one-off gains from large, supplier-driven price increases in 2022.

Based on the expectation that the fourth-quarter activity will develop according to the same reduced demand as in September, AO changes its expectations for the year to a revenue in the range of DKK 5,150-5,300 million (from DKK 5,350-5,500 million), an EBITDA in the range of DKK 400-430 million (from DKK 435-465 million) and an EBT of DKK 260-290 million (from DKK 300-330 million).

While declining demand reduces expectations for 2023, there are no changes in AO's ambitions to achieve year-on-year market share gains and an EBITDA margin of 10%.

The company's interim report for the third quarter of 2023 will be published on 26 October 2023 as planned.

Kind regards

BRØDRENE A & O JOHANSEN A/S

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