Q3 2019
Quarterly Report

Presentation by
Jens E. Andersen, CEO
Michael H. Jeppesen, CFO

31 October 2019

AGENDA

1. Business update and strategic focus areas
2. The results we achieved in Q3 and Q1-Q3 2019
3. Outlook 2019
4. Q & A

BUSINESS UPDATE ON SUSTAINABLE BUSINESS

We keep focusing on energy-efficient solutions to drive the green transition

- Our green and digital approach combined with our TCO mindset underpin a responsible use of resources in all aspects.
- In Norway, our focus on electrification and renewable energy has intensified over the past years. A successful Sun Partner programme has developed into a Climate and Energy Partner programme with a broader assortment.
- In Denmark, we have established a new customer centre in the heart of Copenhagen, which is focused on sustainable solutions for delivery, transport and packaging. The centre serves the growing demand for our Fastbox delivery service.

BUSINESS UPDATE ON OUR STRATEGIC FOCUS AREAS

We expand the number of products and increase efficiency at the same time

Strategic suppliers:

- Without increasing the number of stock-keeping units, we are constantly expanding the number of products we have available, i.e. from our current 215,000 to an anticipated 500,000 over the next one to two years.

Industry focus:

- Our Scandinavian industry business is making good progress. To further strengthen our market position within infrastructure, we have hired a VP Infrastructure Scandinavia with a strong track record from the industry.
- Strategic review of MAG45.

Operational excellence:

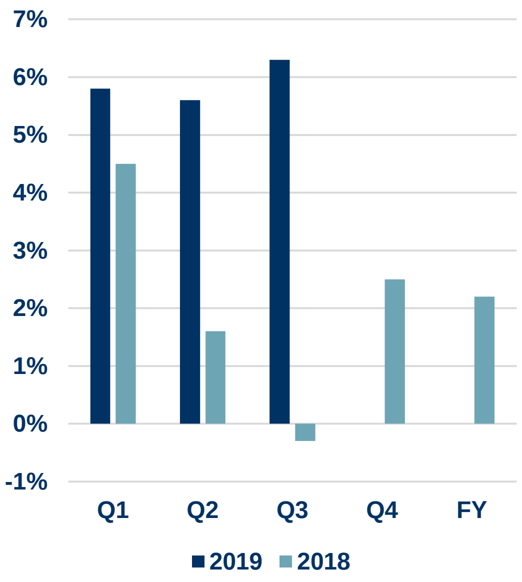
- Successful implementation of SAP eWM at our central warehouse in Örebro in Sweden.
- Initiated implementation of AutoStore in Solar Nederland.

IN Q3, SOLAR AGAIN SAW SOLID GROWTH

Adjusted organic growth increased to 6.3%

- Positive adjusted organic growth across all markets in core business.
- Organic growth in Solar Norge and Solar Nederland was particularly notable.
- Solar Sverige delivered organic growth of 4.6% thereby continuing the positive trend from Q2.
- Disappointing revenue performance in MAG45 with growth of -1.6%

Organic growth, adjusted for no. of working days



Solar Group

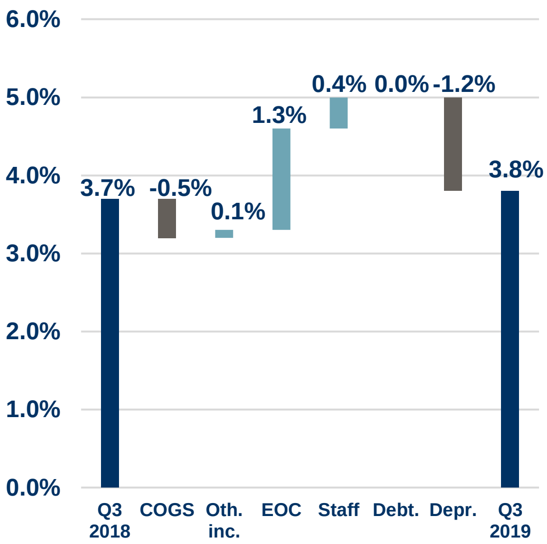
	Q3 2019	Q3 2018
Revenue, DKK m	2,777	2,539
Revenue growth, %	9.4	-2.2
Adj. organic growth, %	6.3	-0.3

IN Q3, EBITA WAS UP BY DKK 12M

Q3 EBITA margin increased to 3.8%

- The EBITA increase was driven by improvements in Solar Norge and Solar Nederland.
- Change in product and customer mix in Solar Nederland affected gross profit margin at group level negatively by 0.4 percentage points.
- Implementation of IFRS 16, Leases had insignificant impact on EBITA level but impacted development in EOC and depreciation compared to Q3 2018.

Q3 EBITA margin development

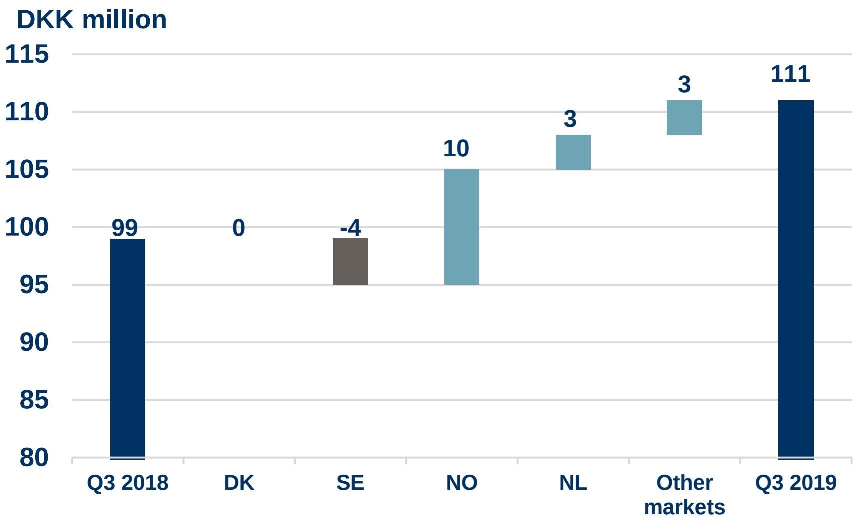


Solar Group

	Q3 2019	Q3 2018
Revenue, DKK m	2,777	2,539
Revenue growth, %	9.4	-2.2
Adj. organic growth, %	6.3	-0.3
Gross profit, DKK m	548	513
Gross profit margin	19.7	20.2
EBITA, DKK m	105	93
EBITA margin	3.8	3.7

IN Q3, CORE BUSINESS INCREASED EBITA TO DKK 111M

Strong development in EBITA, especially in Solar Norge

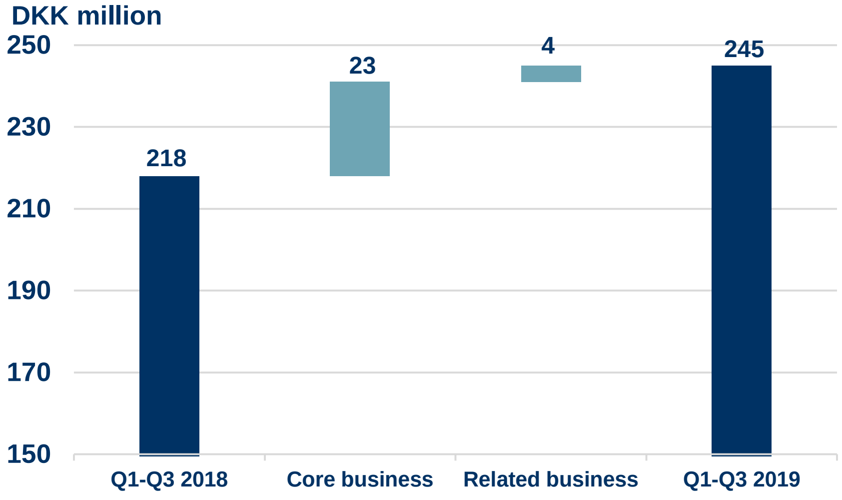


Solar Group

	Core business		Related business	
	Q3 2019	Q3 2018	Q3 2019	Q3 2018
Revenue, DKK m	2,642	2,402	135	137
EBITA, DKK m	111	99	-6	-6
Adj. organic growth, %	6.8	-1.4	-2.9	23.7
EBITA margin	4.2	4.1	-4.4	-4.4

IN Q1-Q3, CORE BUSINESS INCREASED EBITA TO DKK 258M

Improved EBITA in Q1-Q3 for both core and related business

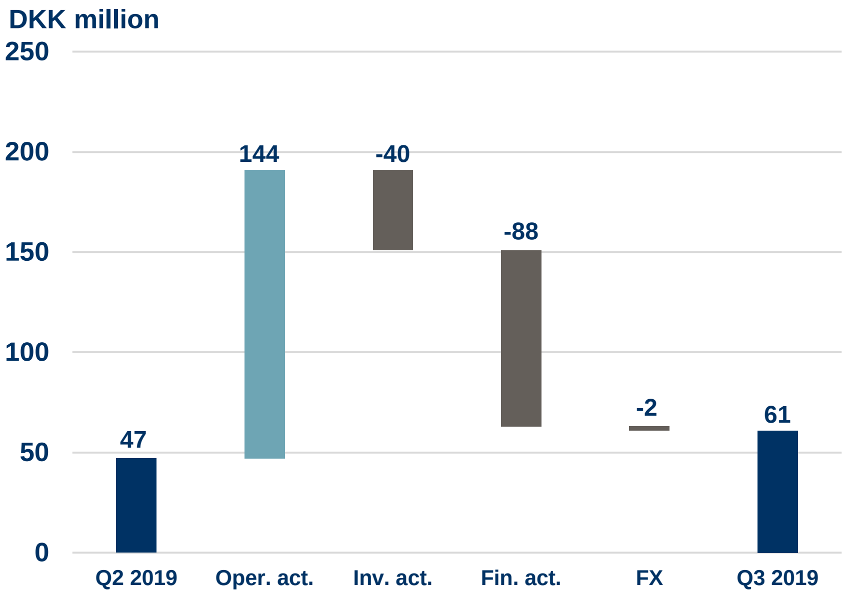


Solar Group

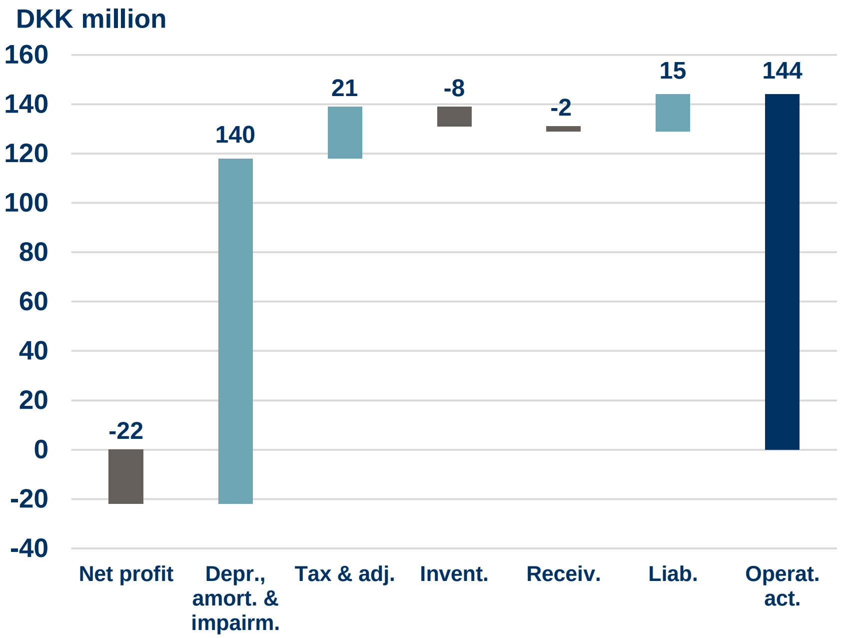
	Core business		Related business	
	Q1-Q3 2019	Q1-Q3 2018	Q1-Q3 2019	Q1-Q3 2018
Revenue, DKK m	8,172	7,678	430	411
EBITA, DKK m	258	235	-13	-17
Adj. organic growth, %	5.9	0.9	3.3	27.4
EBITA margin	3.2	3.1	-3.0	-4.1

IN Q3, TOTAL CASH FLOW AT DKK 16M

Cash flow, total

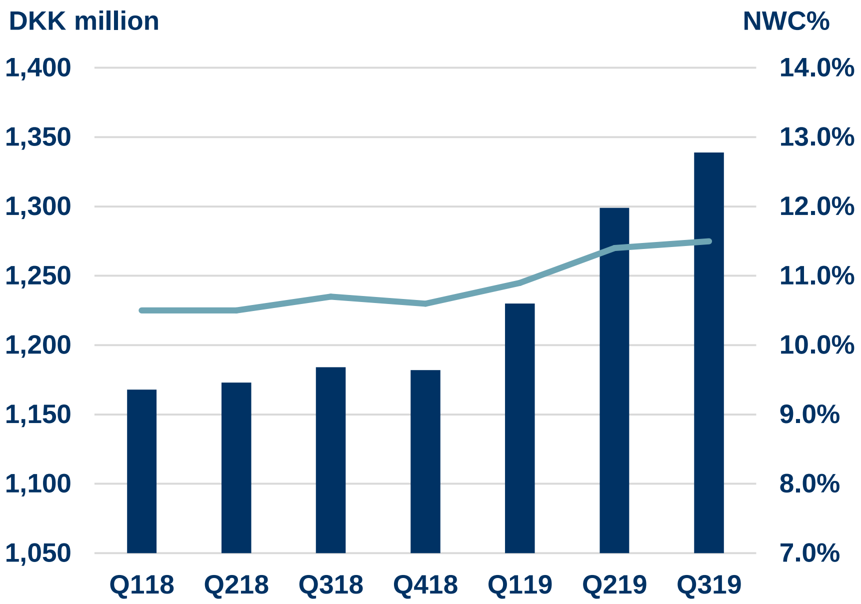


Cash flow, operating activities

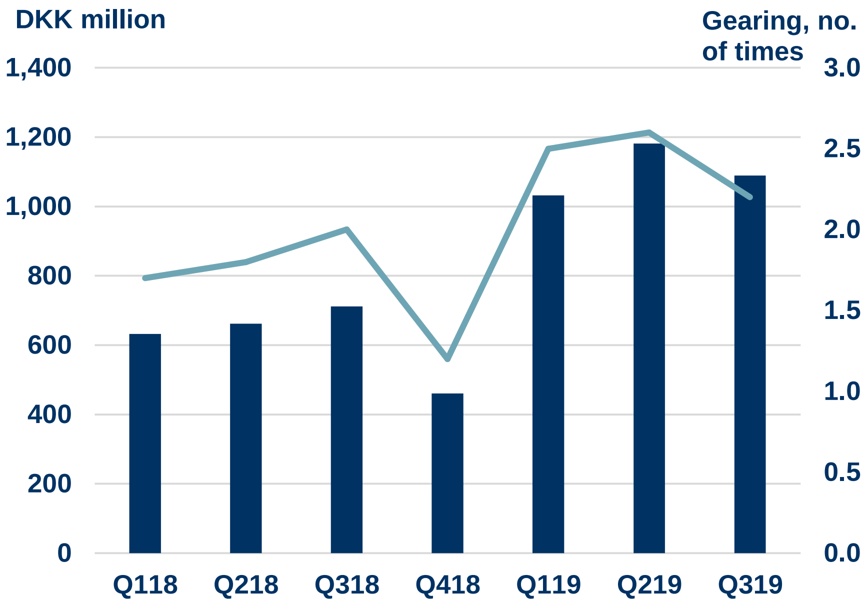


DEVELOPMENT IN NET WORKING CAPITAL (NWC) AND NET INTEREST-BEARING DEBT (NIBD)

The acquisition of business activities impacted NWC negatively by approx. 0.2%



NIBD and gearing impacted by the implementation of IFRS 16, Leases



solar

GUIDANCE 2019

Reconfirmation of 2019 EBITA of DKK 365m

- We reconfirm our market outlook for 2019.
- Our group revenue guidance has been changed from at least DKK 11.6bn to approx. DKK 11.75bn with an organic growth of approx. 5% and we reconfirm our group EBITA guidance of approx. DKK 365m.
- For core business, we increase the revenue guidance from at least DKK 10.95bn to approx. DKK 11.2bn corresponding to organic growth of approx. 5% and we increase the EBITA guidance from approx. DKK 370m to approx. DKK 380m. The increase is mainly driven by a slightly higher growth than expected.
- For related business, we have revised our revenue guidance from DKK 650m to approx. DKK 550m and organic growth around 0%, and we have revised our EBITA guidance from DKK -5m to approx. DKK -15m due to decreasing growth.

Solar Group

DKK million	Core	Related	Group
2017, publ. 12.01.2018	**309**	**-45**	**264**
Divestments AT & BE	31	-	31
2017, continuing op.	**340**	**-45**	**295**
Overhead costs	-10	-	-10
EBITA loss SE & NO	-50	-	-50
Improvements	68	12	80
Divestment STI	-	12	12
2018, continuing op.	**348**	**-21**	**327**
eWM roll-out costs	-10	-	-10
Acquisition SE, net	-10	-	-10
Expected improvements	52	6	58
2019, guidance	**380**	**-15**	**365**

TIME FOR Q&A

Solar is a leading sourcing and services company

Our core business centres on product sourcing, value-adding services and optimisation of our customers’ businesses