Q2 2020
Quarterly Report

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AGENDA

1. Business update
2. Digital update
3. The results we achieved in Q2 & H1 2020
4. Outlook 2020
5. Q & A

BUSINESS UPDATE ON OUR STRATEGIC FOCUS AREAS
WE HAVE A STRONG MARKET POSITION WITHIN INFRASTRUCTURE

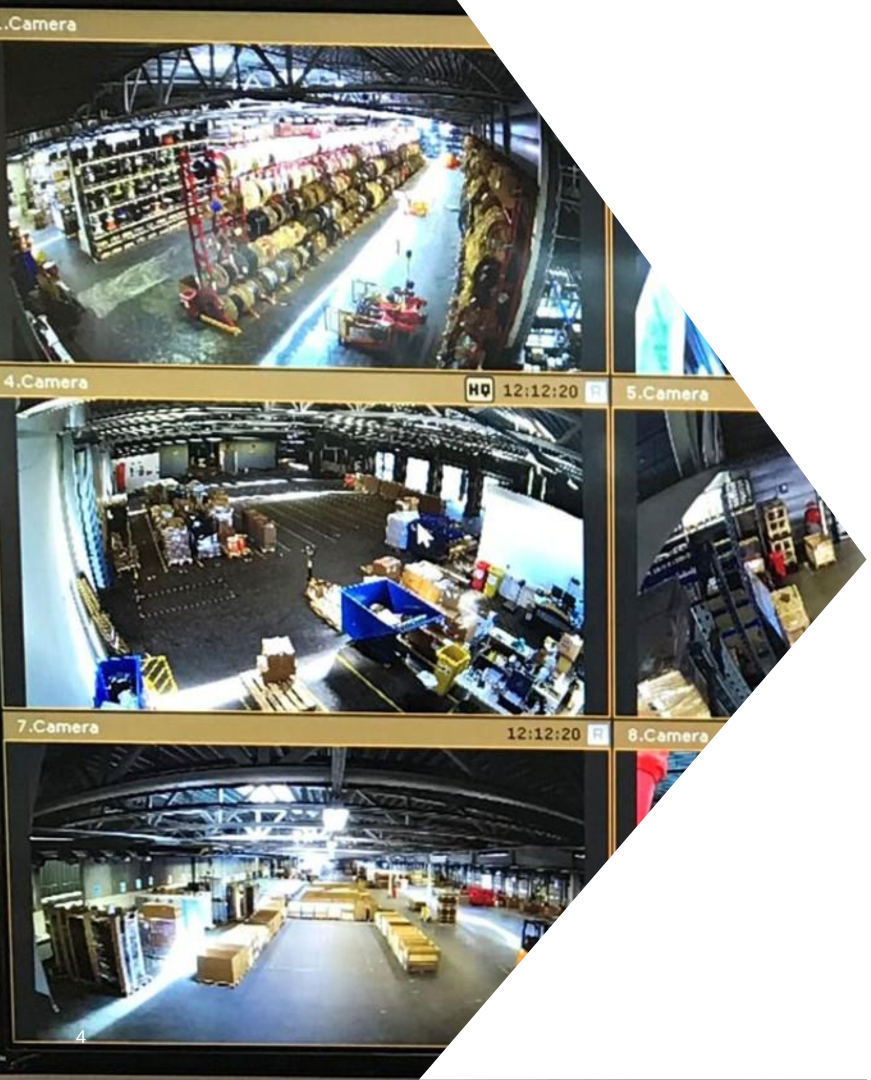
Our agile business model has proved itself during challenging times

Strategic suppliers

- Our strong partnerships with suppliers mean that we have alternatives to both products and production sites, which ensures our ability to supply.
- Even during the COVID-19 pandemic we are able to maintain our delivery performance.

Industry focus

- Infrastructure has performed very well during the COVID-19 crisis, seeing double-digit organic growth rates in Q2.
- In Denmark, we recently extended our agreement with the fibre network company, Fibia.
- During H2 2020, we expect to relaunch the strategic review of MAG45.



BUSINESS UPDATE ON OUR STRATEGIC FOCUS AREAS

Successful remote and digital go-live of SAP eWM in Solar Norge

Operational excellence

- As a digital sourcing and services company we continually invest in digital solutions to optimise customer experience and refine operational excellence.
- Owing to our digital mindset, we even did a remote and digital go-live for the first time with only a limited number of people on site.
- As our final implementation, we expect to implement SAP eWM at our central warehouse in Alkmaar in the Netherlands in Q4.

BUSINESS UPDATE ON ENERGY-EFFICIENT SOLUTIONS
WE COMBINE GREEN INITIATIVES AND PRODUCTIVITY

Green business opportunities

- We focus on business opportunities to drive energy transition, support sustainable business and the displacement of fossil fuels.
- We combine green initiatives and productivity wherever possible.
- In Bergen, Norway, we are now able to deliver Solar Fastbox by electric vehicles as is already the case in Oslo.
- Solar Fastbox is a popular service designed to improve customer productivity. It provides a broad assortment, and our fast green deliveries mean that we can protect the environment at the same time.

DIGITAL UPDATE
DEDICATED FOCUS ON E-BUSINESS

Solar is a leading digital player within our industry and geographical markets

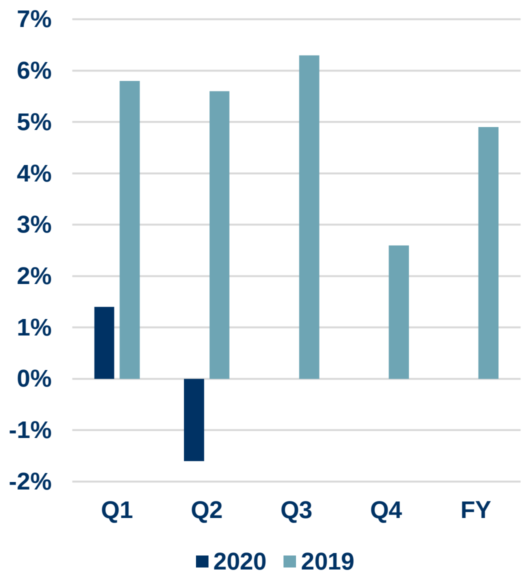
- As more than 60% of Solar's orders are fully digital across our key markets, our web shop and app are a dominant part of our business.
- The Solar Mobile app won two prizes at the Danish Digital Awards in essential categories: Gold in the Commerce category and Silver in the Customer Experience category.
- Being a digital company is more relevant than ever in these times of COVID-19 and social distancing.
- During lockdown and the following period, we saw an increasing interest for online shopping. Thousands of customers downloaded the Solar Mobile app, resulting in an increase of more than 30% in app downloads.

Q2 REVENUE DOWN BY DKK 123M

We saw adjusted organic growth of -1.6%

- Solar is a digital company and during COVID-19 we have seen the advantages of serving our customers through digital channels.
- We saw positive adjusted organic growth in Solar Danmark and Solar Nederland, while Solar Norge, Solar Sverige and Solar Polska saw negative adjusted organic growth.
- Solar's overall adjusted organic growth for Installation amounted to around -4%, and for Industry it was around -3%.
- The trade segment delivered solid positive organic growth driven by Special Sales.

Organic growth, adjusted for number of working days



Solar Group

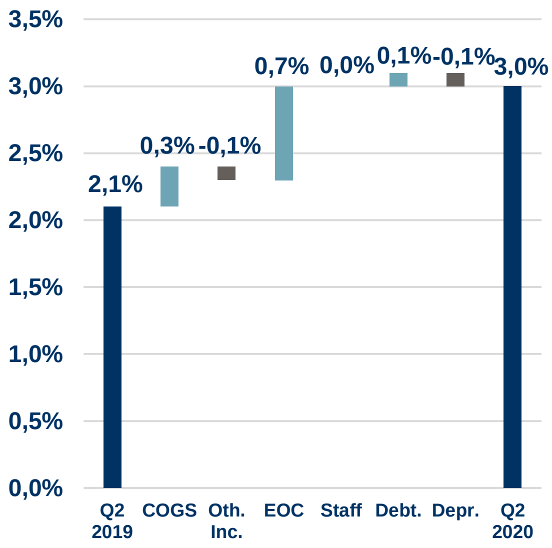
	Q2 2020	Q2 2019
Revenue, DKK m	2,745	2,868
Revenue growth, %	-4.3	4.9
Adj. organic growth, %	-1.6	5.6

EBITA INCREASE OF 35% DUE TO IMPROVEMENT OF GROSS PROFIT MARGIN, EFFICIENCY GAINS AND COST CONTAINMENT

EBITA increased by DKK 21m

- Gross profit decreased by DKK 18m but we saw continuous improvement in the gross profit margin, which increased to 20.5%.
- Due to COVID-19, we launched several cost-saving measures to protect short-term earnings and to deliver cash generation.
- External operating costs and staff costs were down by DKK 42m; FX of DKK 10m, cost savings of DKK 27m, furlough schemes of DKK 12m but SAP eWM costs of DKK 7m.
- Part of the cost savings are temporary savings and are expected to be partly normalised as the impact of COVID-19 diminishes.

Q2 EBITA margin development

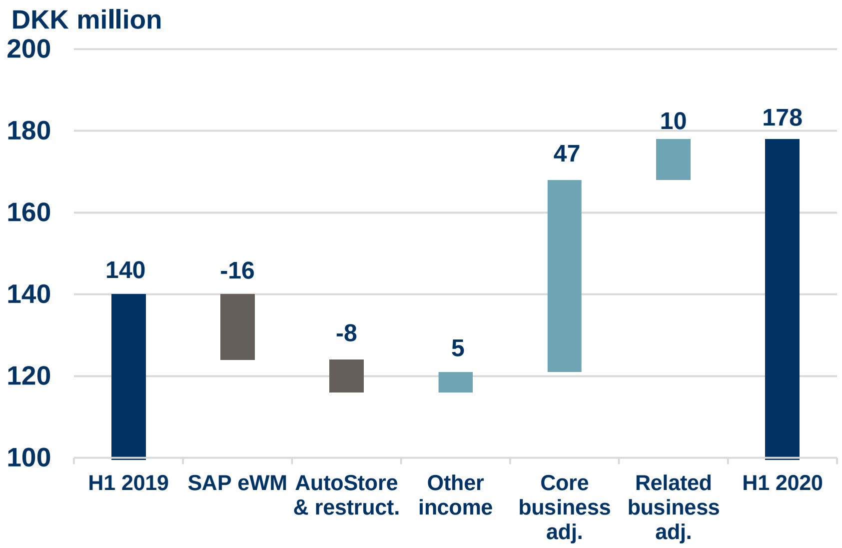


Solar Group

	Q2 2020	Q2 2019
Revenue, DKK m	2,745	2,868
Revenue growth, %	-4.3	4.9
Adj. organic growth, %	-1.6	5.6
Gross profit, DKK m	562	580
Gross profit margin	20.5	20.2
EBITA, DKK m	81	60
EBITA margin	3.0	2.1

IN H1, EBITA INCREASED TO DKK 178M

Improved EBITA in H1 both for core and related business

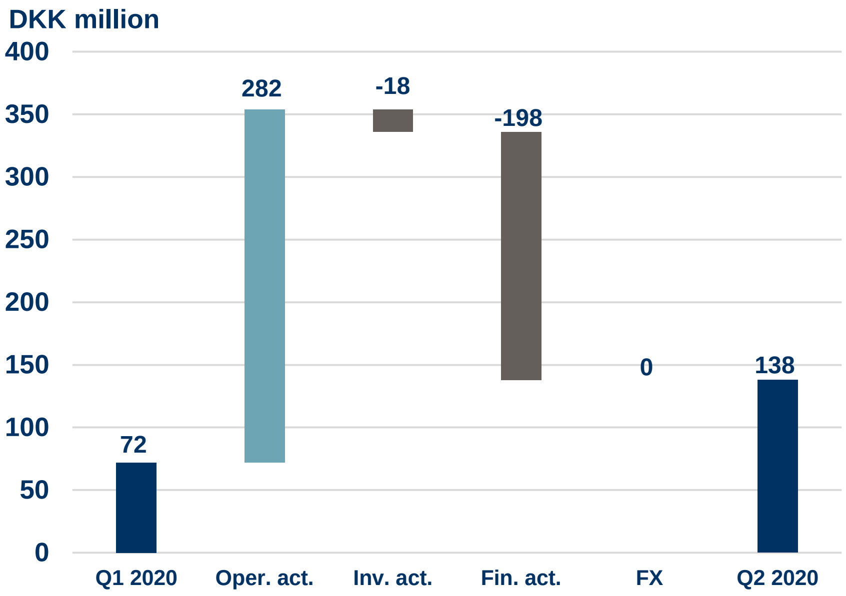


Solar Group

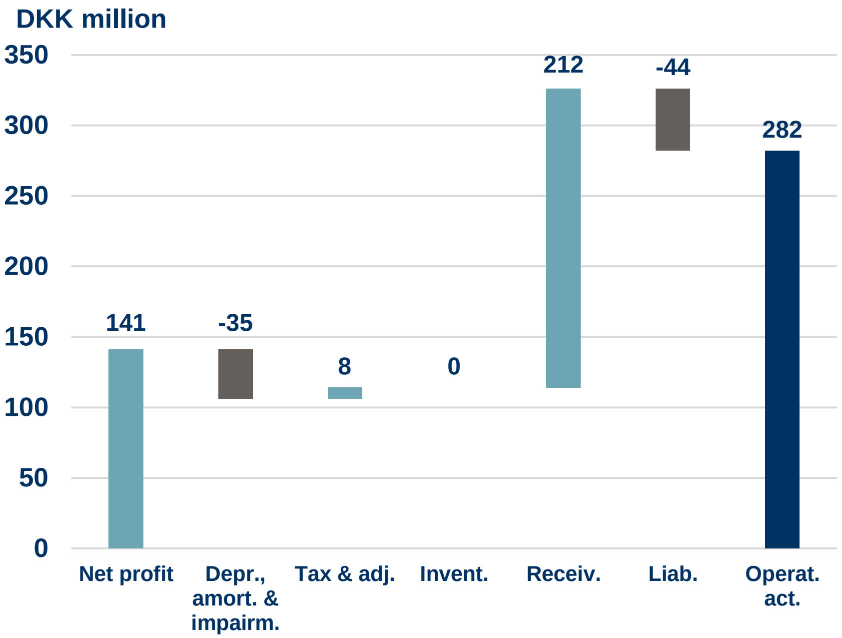
	Core business		Related business	
	H1 2020	H1 2019	H1 2020	H1 2019
Revenue, DKK m	5,502	5,530	288	295
EBITA, DKK m	177	147	1	-7
Adj. organic growth, %	0.0	5.6	-0.7	6.4
EBITA margin	3.2	2.7	0.3	-2.4

TOTAL CASH FLOW OF DKK 66M

Cash flow, total

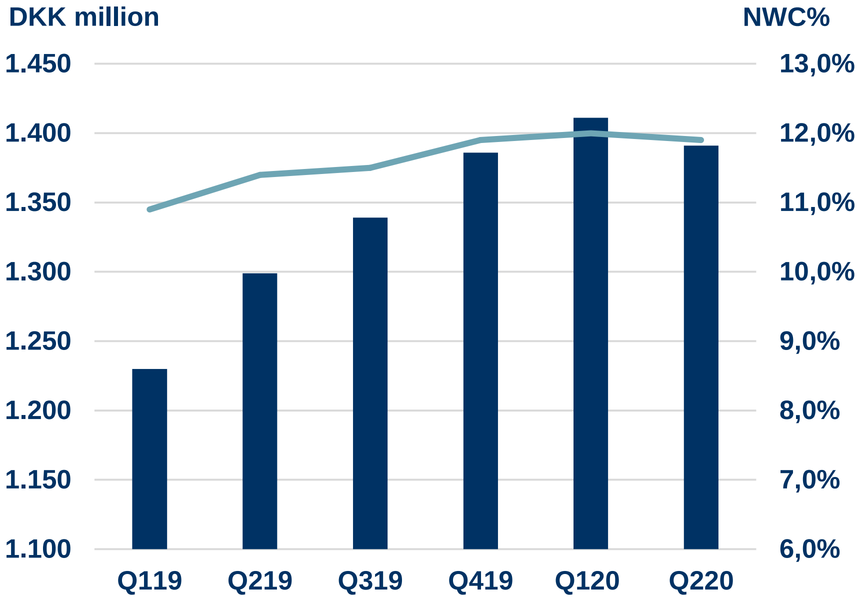


Cash flow, operating activities

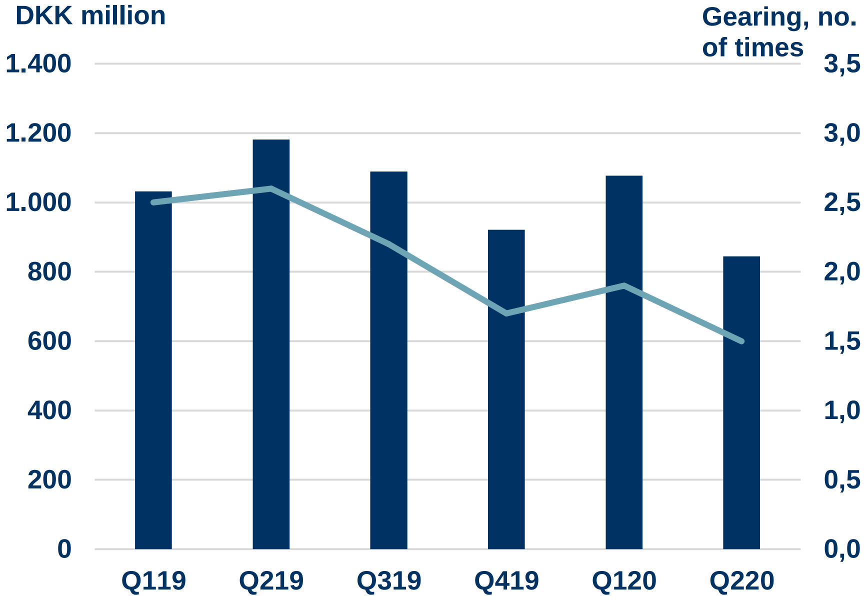


DEVELOPMENT IN NET WORKING CAPITAL (NWC) AND NET INTEREST-BEARING DEBT (NIBD)

One of our focus areas in 2020 is to reduce the inventory level



NIBD and gearing



NEW GUIDANCE 2020 IS REVENUE OF DKK 11.4BN AND REITERATION OF EBITA OF DKK 400M

Increased gross profit margin, efficiency gains and cost containment are to deliver EBITA of DKK 400m

- Due to the COVID-19 pandemic, we see an increased risk in the market outlook for 2020 compared to 2019.
- The new guidance for 2020 is based on the assumptions that:

External factors

- no significant resurgence of COVID-19 resulting in new lockdowns will take place in our markets,

Internal factors

- the steady improvements in the gross profit margin seen in the most recent quarters will continue throughout H2,
- costs are to be partly normalised during H2 - as part of the cost savings seen in Q2 are temporary savings - albeit still at a lower level than H2 2019,
- in H2, we only expect a minor sum from furlough schemes, whereas we were granted DKK 13m in H1,
- no significant restructuring is needed.

Guidance overview

DKK million	New guidance 2020	Withdrawn guidance 2020	Actual 2019
Core business			
Revenue	10,850	11,200	11,116
EBITA	400	400	379
Related business			
Revenue	550	600	563
EBITA	0	0	-19
Solar Group			
Revenue	11,400	11,800	11,679
EBITA	400	400	360

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