

Q3 2021 Quarterly Report

Presented by
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4 November 2021



AGENDA

1. Highlights

2. Core+, Climate & Energy deep dive

3. The results we achieved in Q3 and Q1-Q3 2021

4. Outlook 2021

5. Q & A

Q3 REPORT 2021

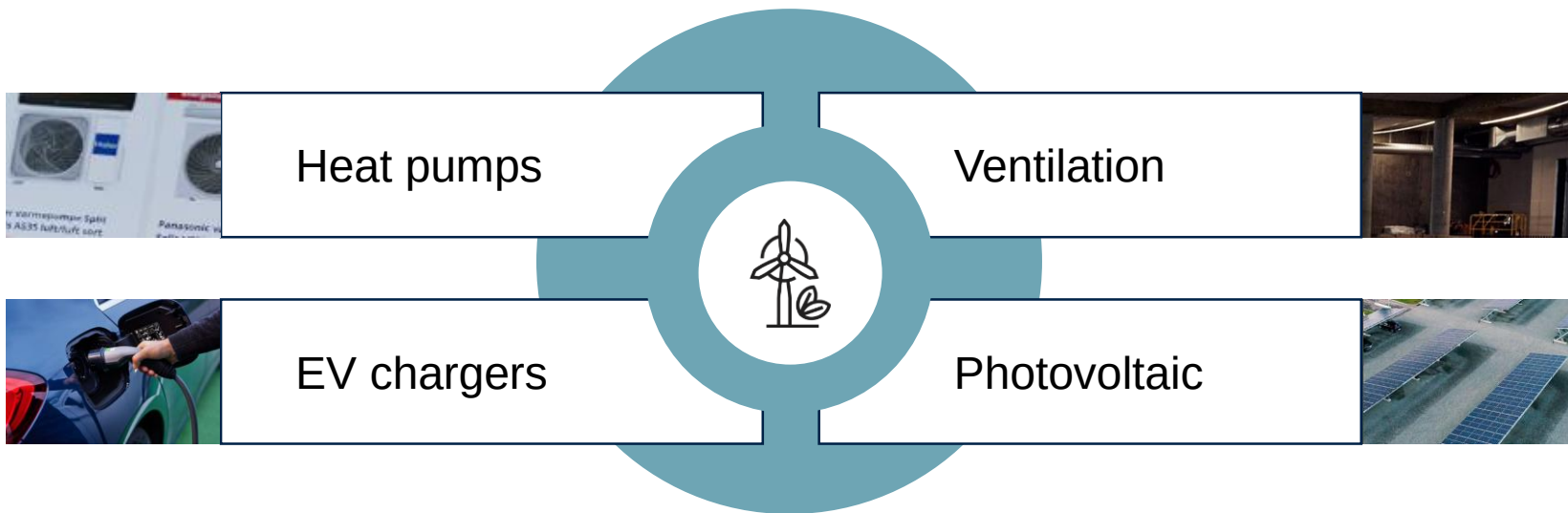
GROWTH ACROSS SEGMENTS

EBITDA reached an all time high with an increase of 34%

- **All segments delivered growth**
 - Installation delivered an adjusted organic growth of approx. 4%, driven by Denmark, Sweden, Norway and Poland
 - Industry grew approx. 13% organically, driven by MRO & OEM
 - Trade delivered double digit growth rates
- **Gross profit margin increased to 23%**
 - Positive development in market demand
 - Impacted by one-off price effects (1.4 percentage points)
- **Upward revision of 2021 guidance**
 - Revenue and EBITDA increased by DKK 200m and DKK 75m, respectively, to DKK 12,300m and DKK 900m, respectively

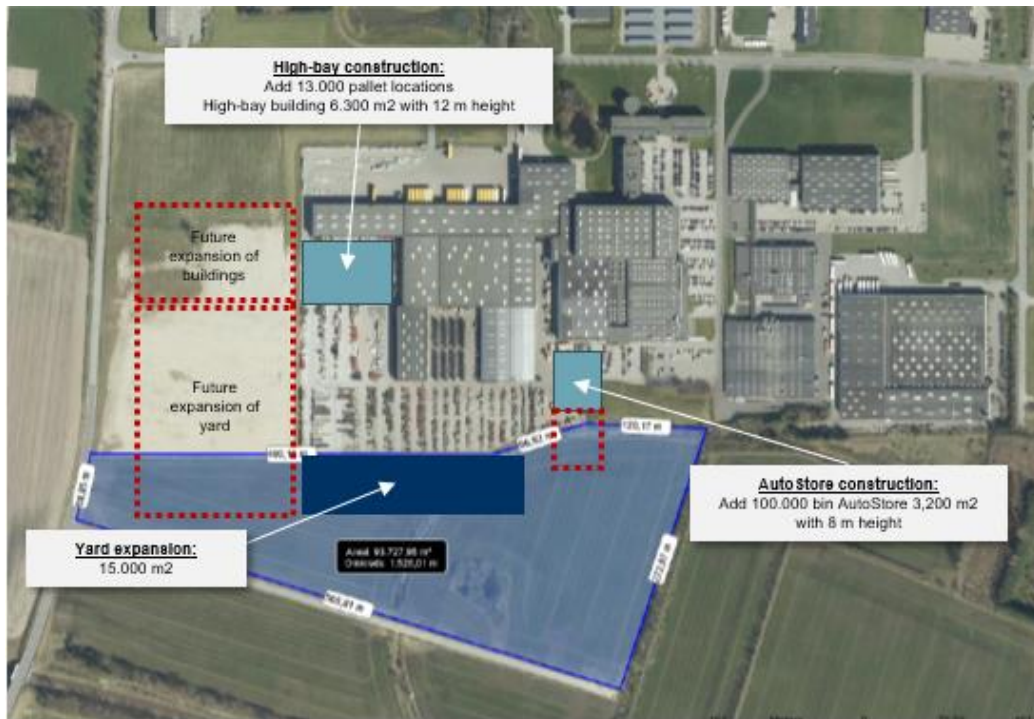


CLIMATE & ENERGY – REDUCING THE ENVIRONMENTAL FOOTPRINT



SHORT UPDATE ON WAREHOUSE EXPANSION

Overview of Warehouse Vejen



Status

- Both foundations and the floor of the AutoStore building have been cast.
- Elements for the AutoStore and high bay buildings will soon start to be erected.
- The AutoStore building will be ready for installation of the picking system and conveyors in the beginning of 2022.
- The high bay building will be ready for mounting of shelves during Q2 2022.
- We still expect to keep to the overall schedule.

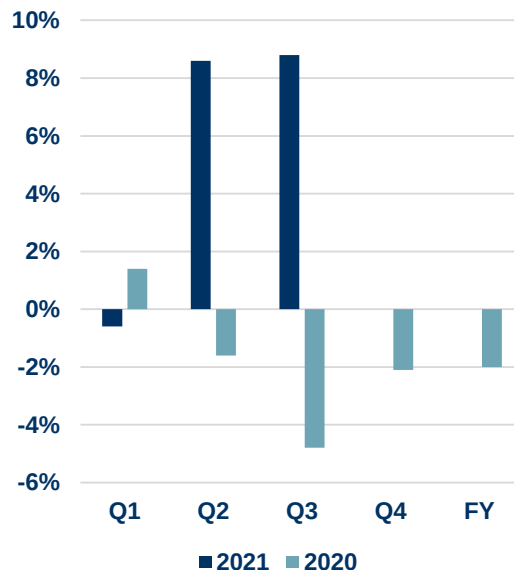
Q3 AND Q1-Q3 2021 FINANCIAL HIGHLIGHTS

Q3 REVENUE INCREASED BY DKK 254M TO DKK 2.9BN

We saw adjusted organic growth of 8.8%

- Solar's overall adjusted organic growth for Installation amounted to around 4% driven by Solar Danmark, Solar Norge, Solar Sverige and Solar Polska.
- All entities saw positive growth in the industry segment, primarily within MRO and OEM. Overall, organic growth within this segment amounted to around 13%.
- The trade segment also delivered two-digit growth rates in Q3.

Organic growth, adjusted for number of working days



Solar Group

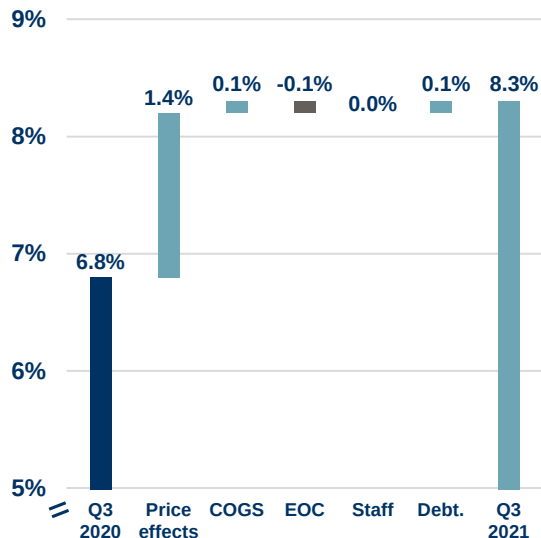
	Q3 2021	Q3 2020
Revenue, DKK m	2,872	2,618
Revenue growth, %	9.7	-5.7
Adj. organic growth, %	8.8	-4.8

Q3 EBITDA INCREASED BY DKK 60M TO DKK 237M, EXCEEDING OUR EXPECTATIONS

Q3 EBITDA increased by 34%

- The main drivers of the DKK 60m EBITDA increase are a combination of a high Q3 growth level – supported by our four strategic focus areas Concepts, Industry, Climate & Energy and Trade – and positive one-off price effects.
- One-off price effects resulted in a positive impact of approx. DKK 50m on the gross profit compared to DKK 10m in Q3 2020. The net impact corresponded to a gross profit margin improvement of approx. 1.4 percentage points.

Q3 EBITDA margin



Solar Group

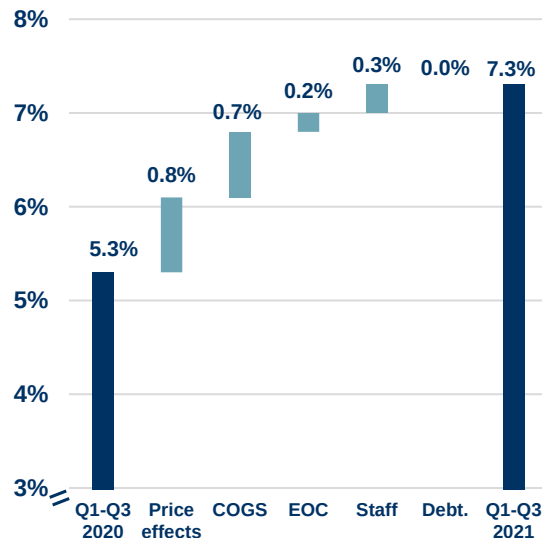
	Q3 2021	Q3 2020
Revenue, DKK m	2,872	2,618
Revenue growth, %	9.7	-5.7
Adj. organic growth, %	8.8	-4.8
Gross profit, DKK m	660	563
Gross profit margin	23.0	21.5
EBITDA, DKK m	237	177
EBITDA margin	8.3	6.8

Q1-Q3 EBITDA INCREASED BY DKK 206M TO DKK 652M

Q1-Q3 EBITDA increased by 46%

- The EBITDA improvement was driven by revenue growth and gross profit margin increases.
- One-off price effects resulted in a positive impact of approx. DKK 80m on the gross profit compared to DKK 10m in Q1-Q3 2020.
- Other non-recurring income of DKK 7m mainly includes profit from the disposal of a property in Denmark and a one-off compensation.
- All entities saw substantial improvements in EBITDA.

Q1-Q3 EBITDA margin



Solar Group

	Q1-Q3 2021	Q1-Q3 2020
Revenue, DKK m	8,974	8,408
Adj. organic growth, %	5.4	-0.8
Gross profit, DKK m	1,999	1,748
Gross profit margin	22.3	20.8
EBITDA, DKK m	652	446
EBITDA margin	7.3	5.3

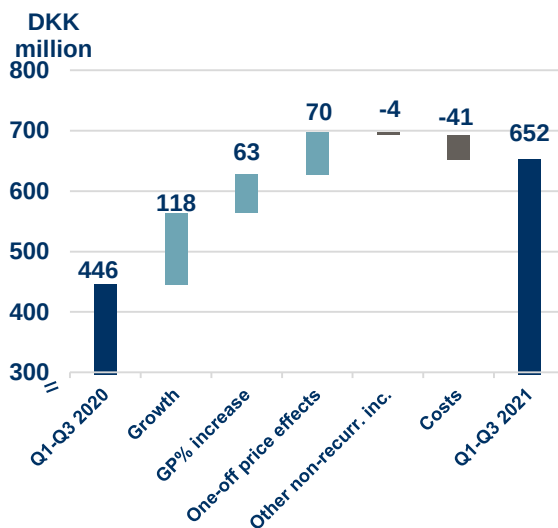
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Q1-Q3 EBITDA

(FX adj. not taken into consideration)

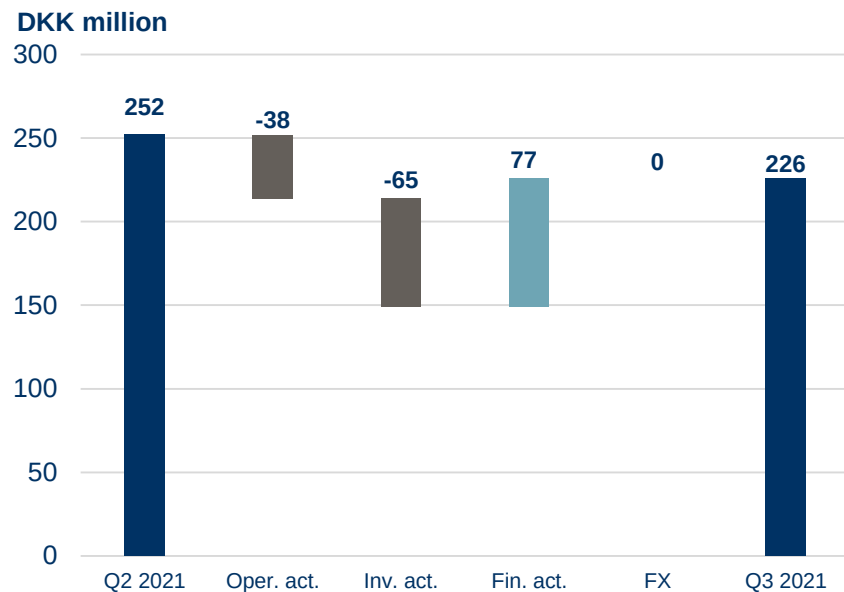


Solar Group

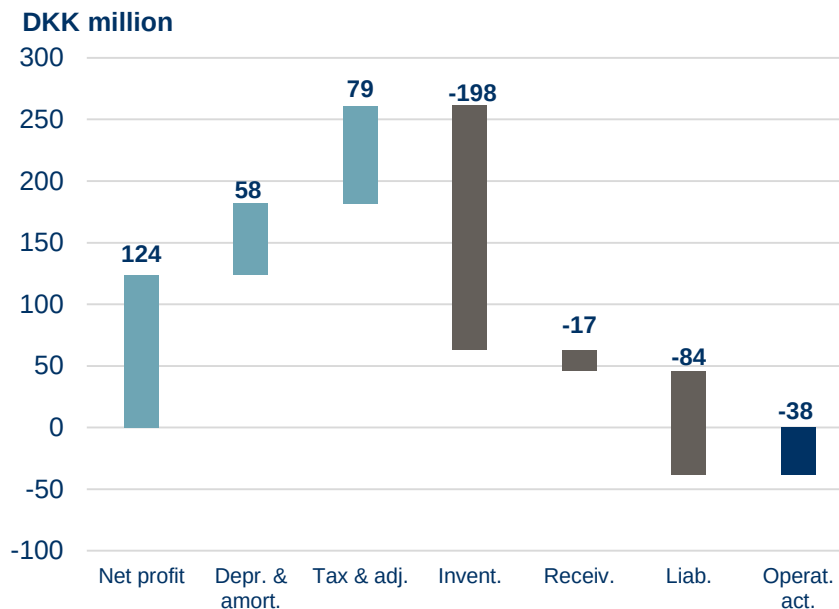
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INCREASED INVENTORY DRIVEN BY THE DECISION TO ENSURE PRODUCT AVAILABILITY COMBINED WITH PRICE EFFECTS

Q3 cash flow, total

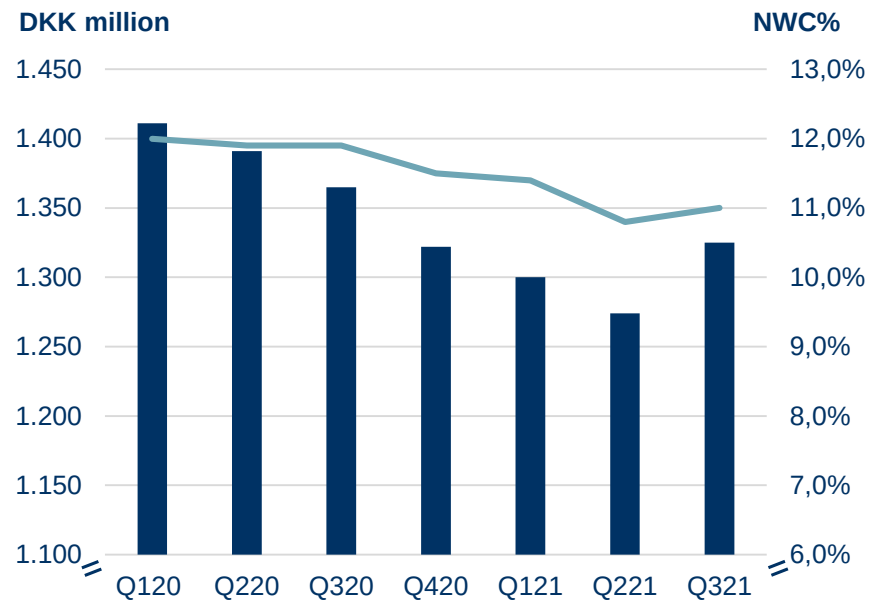


Q3 cash flow, operating activities

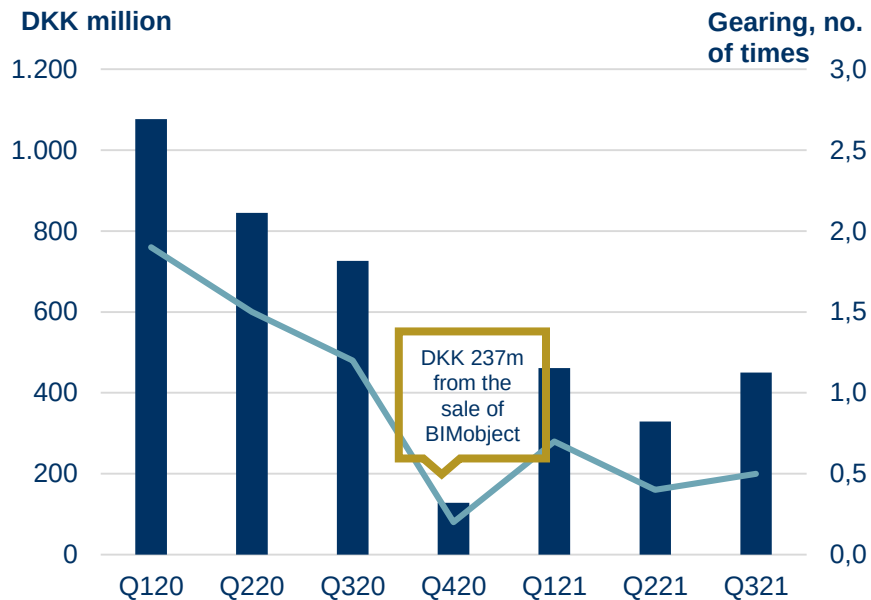


INVESTMENT IN WAREHOUSE VEJEN OF DKK 250M IS PROGRESSING ACCORDING TO PLAN

Product availability is a priority leading to increased net working capital



NIBD and gearing

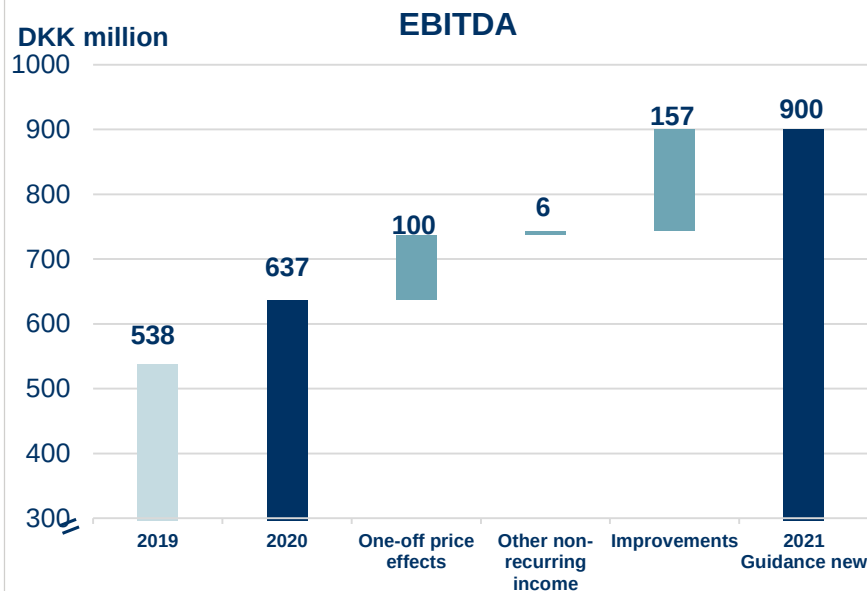


GUIDANCE 2021 REVISED UPWARDS TO EBITDA OF DKK 900M AND REVENUE TO TOTAL DKK 12.3BN

In October, we revised our 2021 guidance upwards. Revenue was revised upward by DKK 200m and EBITDA by DKK 75m

Now we expect:

- **Revenue** of DKK 12.3bn, corresponding to organic growth of approx. 6%. The Better Business project is an integral part of the Core+ strategy and is expected to reduce revenue by DKK 200m compared to 2020. Adjusted for this, we expect organic growth of approx. 8%.
- **EBITDA** of DKK 900m to be achieved by our strategic focus delivering continuous improvements in earnings, combined with approx. DKK 100m from positive one-off price effects.



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

