



Q1 2021 Quarterly Report

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

6 May 2021

solar

stronger together

AGENDA

1. Highlights
2. Guidance revised upwards
3. Core+, Industry deep dive
4. The results we achieved in Q1 2021
5. Outlook 2021
6. Q & A

Q1 REPORT 2021

OFF TO A STRONG START

Q1 2021 highlights

Q1 2021 results compared to Q1 2020

- EBITDA increased by 44% to DKK 204m
- EBITDA margin was 6.8%, which is an increase of 2.1%-points

Better than expected

- Installation in Denmark has shown strong performance
- Gross profit increase across all markets
 - Concept share continues its growth
 - The Better Business project continues to deliver results
- Continued focus on cost containment

Dividend

- The Board of Directors has decided to distribute an extraordinary dividend of DKK 15 per share



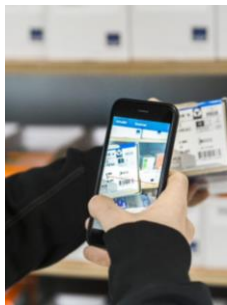
Q1 REPORT 2021

GUIDANCE REVISED UPWARDS

- Revenue and EBITDA increased by DKK 200m and DKK 75m to DKK 11,750m and DKK 725m, respectively
- The Core+ strategy has shown its first effect
- Concept share continues to grow in all markets
- Cost containment and Better Business project continue to show good results – cost are, however, expected to partly normalise to pre-COVID-19 levels, albeit at a lower level than originally anticipated
- Extraordinary price increases on certain products due to increasing commodity prices. These price increases will result in a one-off impact, which will impact our margins positively to a lesser extent.



Original Equipment Manufacturer



Customers – Panel and Machine Builders

Services

- High delivery performance
- Standardising
- Technology platforms

Maintenance, Repair & Operations



Customers – Manufacturers

Services

- Assortment of products and components
- Inventory solutions
- Continuity of supply
- Sourcing based on customer requirements



Customers – Telecom & Fibre businesses, Energy Utility & Distribution, and Rail & Road

Services

- Best-in-class products
- Logistical solutions
- Storage and management of products and materials

Infrastructure



Customers – Wind, Oil & Gas, Ship owners, Harbour and Aqua industry

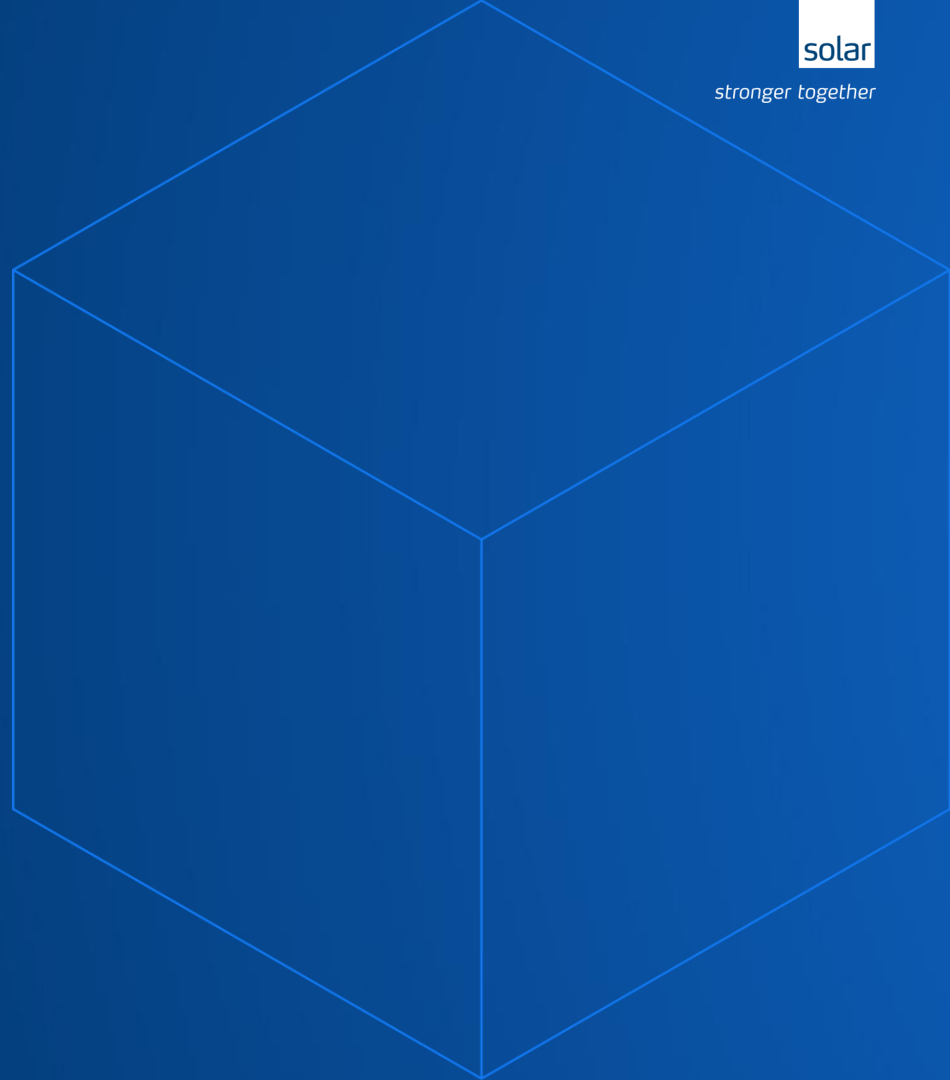
Services

- Wide range of products within electrical, automation, pneumatics and tool categories
- Customised distribution system and warehouse structure

Marine & Offshore



Q1 2021 FINANCIAL HIGHLIGHTS

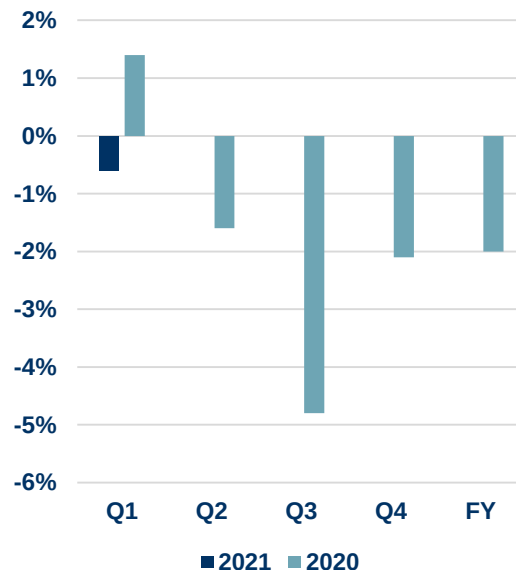


Q1 REVENUE UNCHANGED AT DKK 3.0BN

We saw adjusted organic growth of -0.6%

- Solar's overall adjusted organic growth from the Installation segment amounted to around 0%, whereas Solar Danmark and Solar Polska saw positive growth.
- All entities, except Solar Norge, saw positive growth in the Industry segment. Overall, organic growth within the Industry segment amounted to around 1%.
- The Trade segment delivered negative organic growth in Q1, mainly due to the Better Business project.

Organic growth, adjusted for number of working days



Solar Group

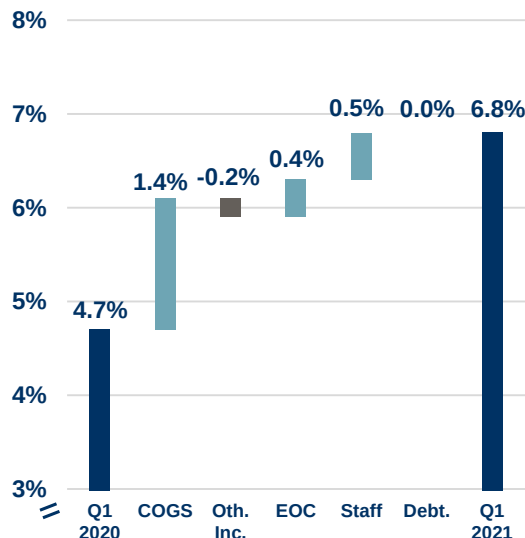
	Q1 2021	Q1 2020
Revenue, DKK m	3,004	3,045
Revenue growth, %	-1.3	3.0
Adj. organic growth, %	-0.6	1.4

EBITDA INCREASED BY DKK 62M TO DKK 204M EXCEEDING OUR ORIGINAL EXPECTATIONS

EBITDA increased by 44%

- The Better Business project and ongoing developments in concept sales contributed to a gross profit margin of 21.9%. The gross profit margin increase attributes to all markets.
- External operating costs and staff costs were reduced by DKK 32m to DKK 451m despite a negative FX impact of DKK 4m.
- Q1 cost savings amounted to DKK 19m while Q1 2020 included roll-out costs for SAP eWM of approx. DKK 9m as well as restructuring and AutoStore implementation costs totalling approx. DKK 8m.

Q1 EBITDA margin



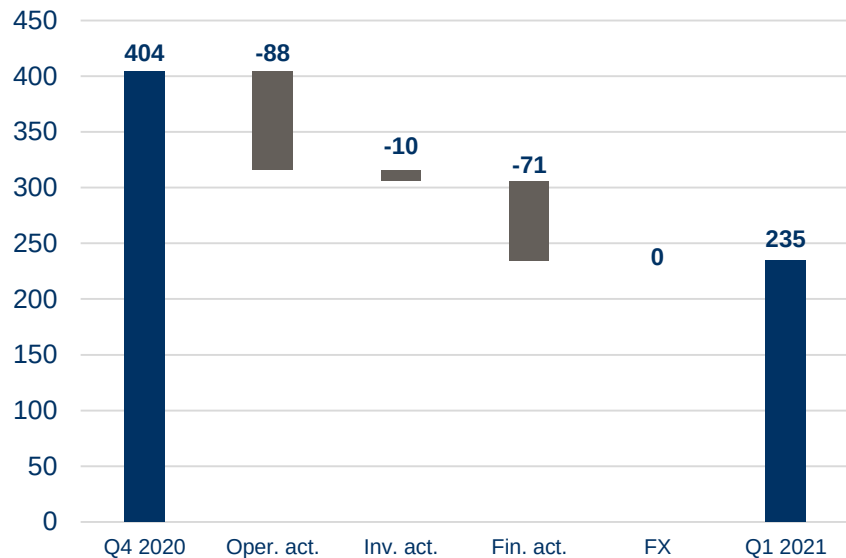
Solar Group

	Q1 2021	Q1 2020
Revenue, DKK m	3,004	3,045
Revenue growth, %	-1.3	3.0
Adj. organic growth, %	-0.6	1.4
Gross profit, DKK m	658	623
Gross profit margin	21.9	20.5
EBITDA, DKK m	204	142
EBITDA margin	6.8	4.7

TOTAL CASH FLOW IN Q1 OF DKK -169M AFFECTED BY DIVIDEND DISTRIBUTION OF DKK 204M

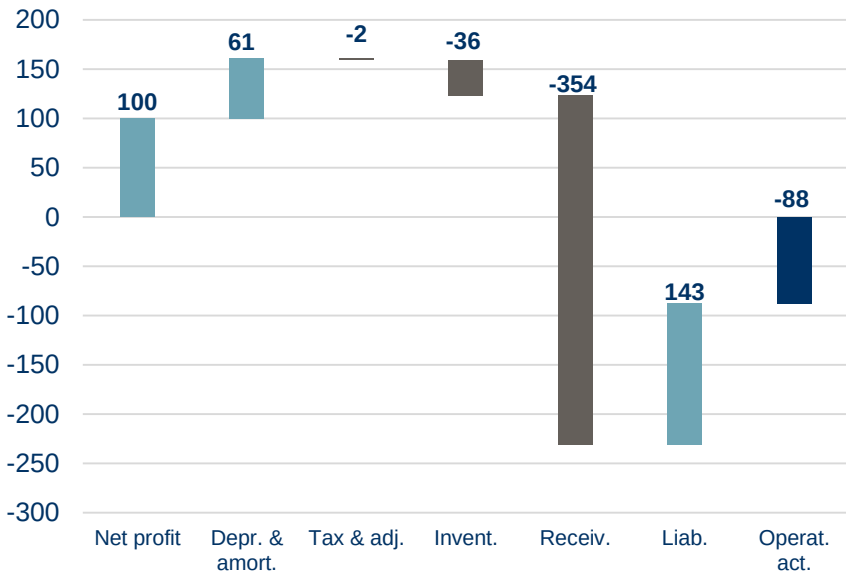
Cash flow, total

DKK million



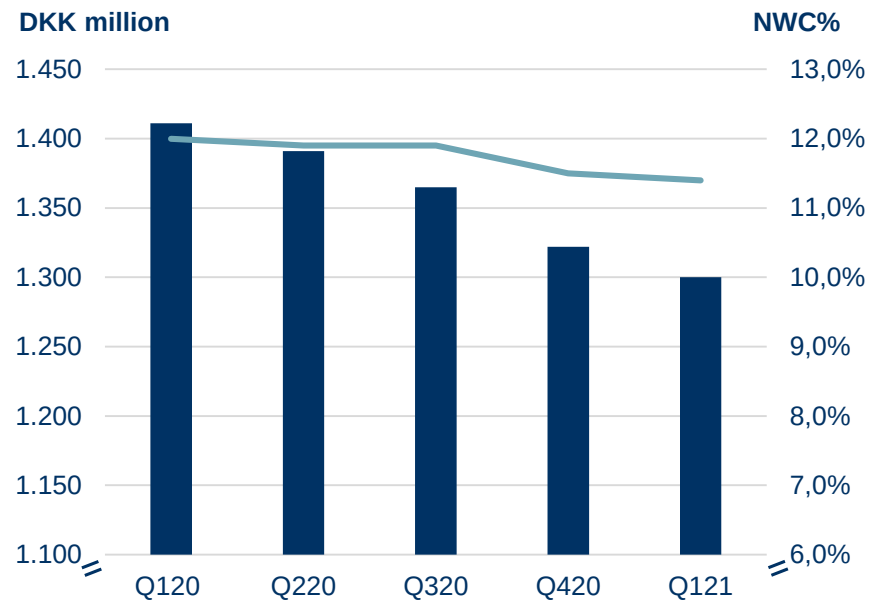
Cash flow, operating activities

DKK million

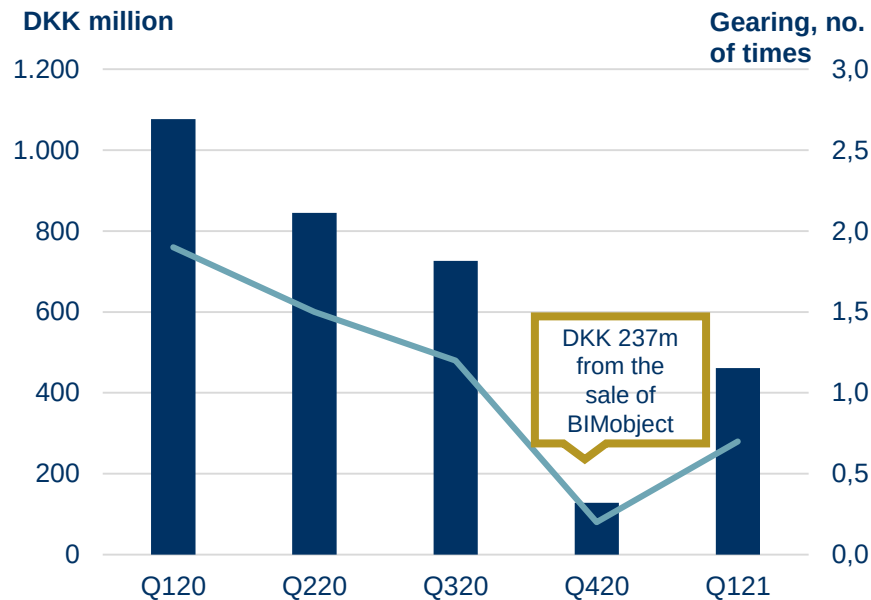


DEVELOPMENT IN NIBD LEAVES ROOM FOR EXTRAORDINARY DIVIDEND DESPITE ONGOING INVESTMENTS

Still focus on reducing net working capital



NIBD and gearing



GUIDANCE 2021 REVISED UPWARDS TO EBITDA AT DKK 725M AND REVENUE TO TOTAL DKK 11,750M

In April, guidance was upgraded by DKK 200m on revenue and DKK 75m on EBITDA

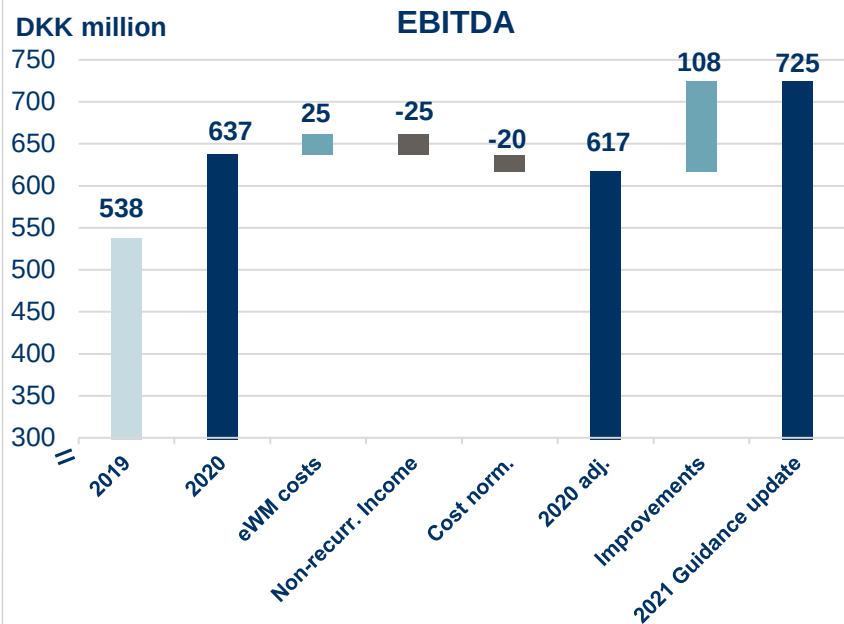
- The updated guidance for 2021 is based on the assumptions that:

Internal factors

- The Core+ strategy continues to affect gross profit positively.
- Cost containment measures continue to deliver as expected.

External factors

- COVID-19 will neither result in new significant lockdowns in our markets nor other COVID-19 related knock-on 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

