

Solar A/S Annual General Meeting

18 March 2022



AGENDA

1. Election of chair of the meeting
2. The Board of Directors' report
3. Approval of Annual Report
4. Allocation of profits
5. Proposals from the Board of Directors
6. Approval of Remuneration Report
7. Proposal for the Board of Directors' remuneration
8. Election of members to the Board of Directors
9. Election of auditor
10. Authorisation to the chair of the meeting
11. Any other business



The Board of Directors' report

JENS BORUM, CHAIRMAN OF THE BOARD



The Board of Directors' report

Strong EBITDA performance – EBITDA margin increased to 7.4%

2021

Revenue
DKK million

12,354

EBITDA
DKK million

911

EBITDA
Margin

7.4

2020

Revenue
DKK million

11,465

EBITDA
DKK million

637

EBITDA
Margin

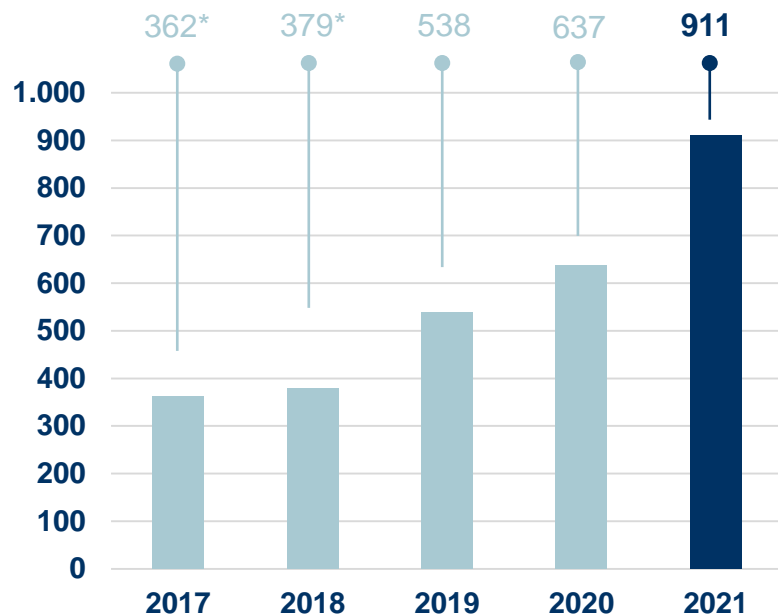
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THE BOARD OF DIRECTORS' REPORT

FROM 2017-2021, EBITDA INCREASED BY DKK 549M

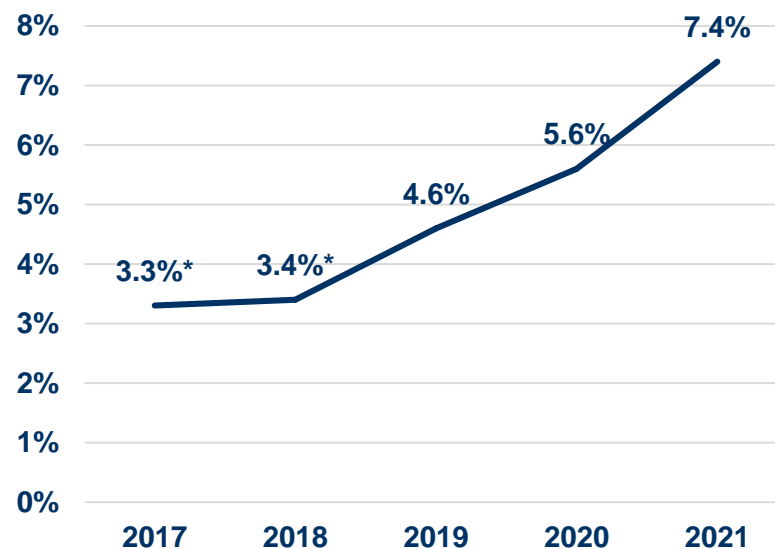
EBITDA 2017-2021

DKK million



EBITDA margin 2017-2021

DKK million



THE BOARD OF DIRECTORS' REPORT

FOLLOW-UP ON 2021

Continued digitalisation

- Big data project making us able to recommend alternative products during shortage of goods due to COVID-19
- Implementation of our new webshop was finalised
- Robotics for transport, deliveries and internal processes



Green expansion in Vejen

- 11,000 sqm. expansion
- AutoStore, 125 robots and 108,000 bins
- Improve working environment, reduce energy consumption, and support biodiversity

Better than expected

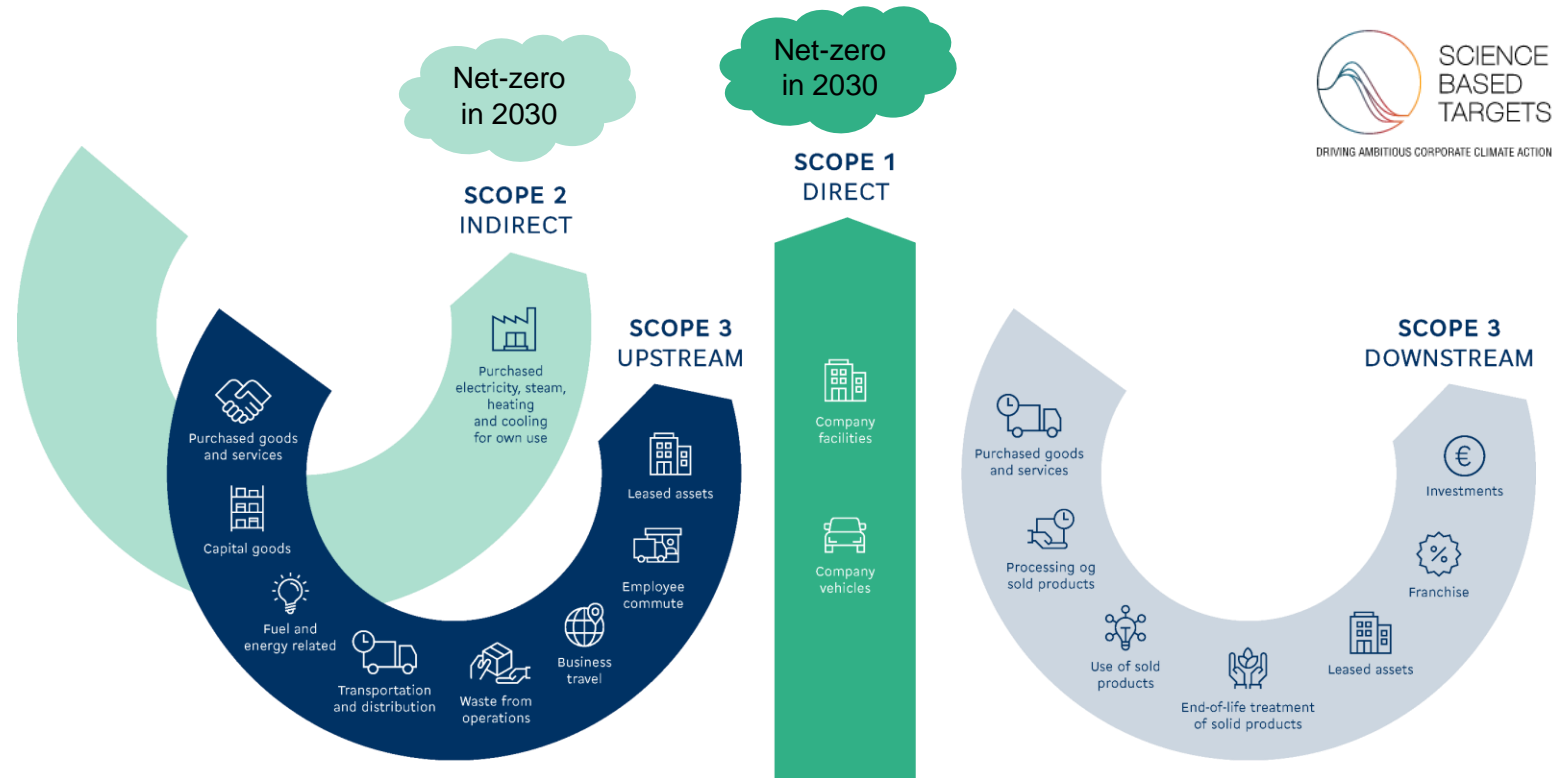
- Strong growth rates in Installation, Industry and Trade
- Increased concept share
- Extraordinary price increases of approx. DKK 115m.

As expected

- Better Business effects
- Implementation of SAP eWM finalised
- Operational excellence

THE BOARD OF DIRECTORS' REPORT

SET AN AMBITION OF NET-ZERO IN 2030 FOR SCOPE 1 & 2



THE BOARD OF DIRECTORS' REPORT

SHAREHOLDER RETURN OF 133%

- In 2021, we distributed dividends of DKK 28.00 in ordinary dividend per share, corresponding to a total of DKK 204m.
- In addition, we distributed DKK 15.00 in extraordinary dividend per share, corresponding to a total of DKK 110m.
- In 2021, Solar delivered a total shareholder return inclusive dividend of approx. 133%.
- In 2022, a dividend distribution of DKK 45.00 per share, corresponding to a total of DKK 329m, is proposed to the Annual General Meeting.
- Solar's ambition is to distribute an attractive dividend to our shareholders.

Solar's share price increased from 360 to 795 in 2021



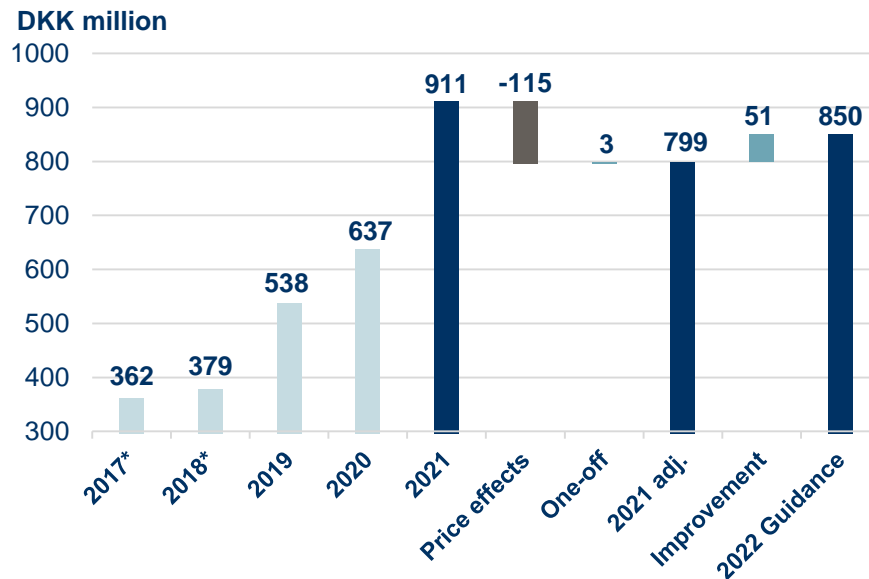
THE BOARD OF DIRECTORS' REPORT

2022 EBITDA OF DKK 850M AND REVENUE OF DKK 12,750M

Guidance 2022

- Revenue guidance of approx. DKK 12.75bn, corresponding to an organic growth of approx. 3%.
- The Better Business project is expected to reduce revenue by approx. DKK 200m. Adjusted for this, we expect an underlying organic growth of approx. 5%.
- EBITDA guidance of approx. DKK 850m.
- Real EBITDA improvement of DKK 51m when adjusted for price effects and other one-off income.

EBITDA



* Not adjusted for impact of IFRS16

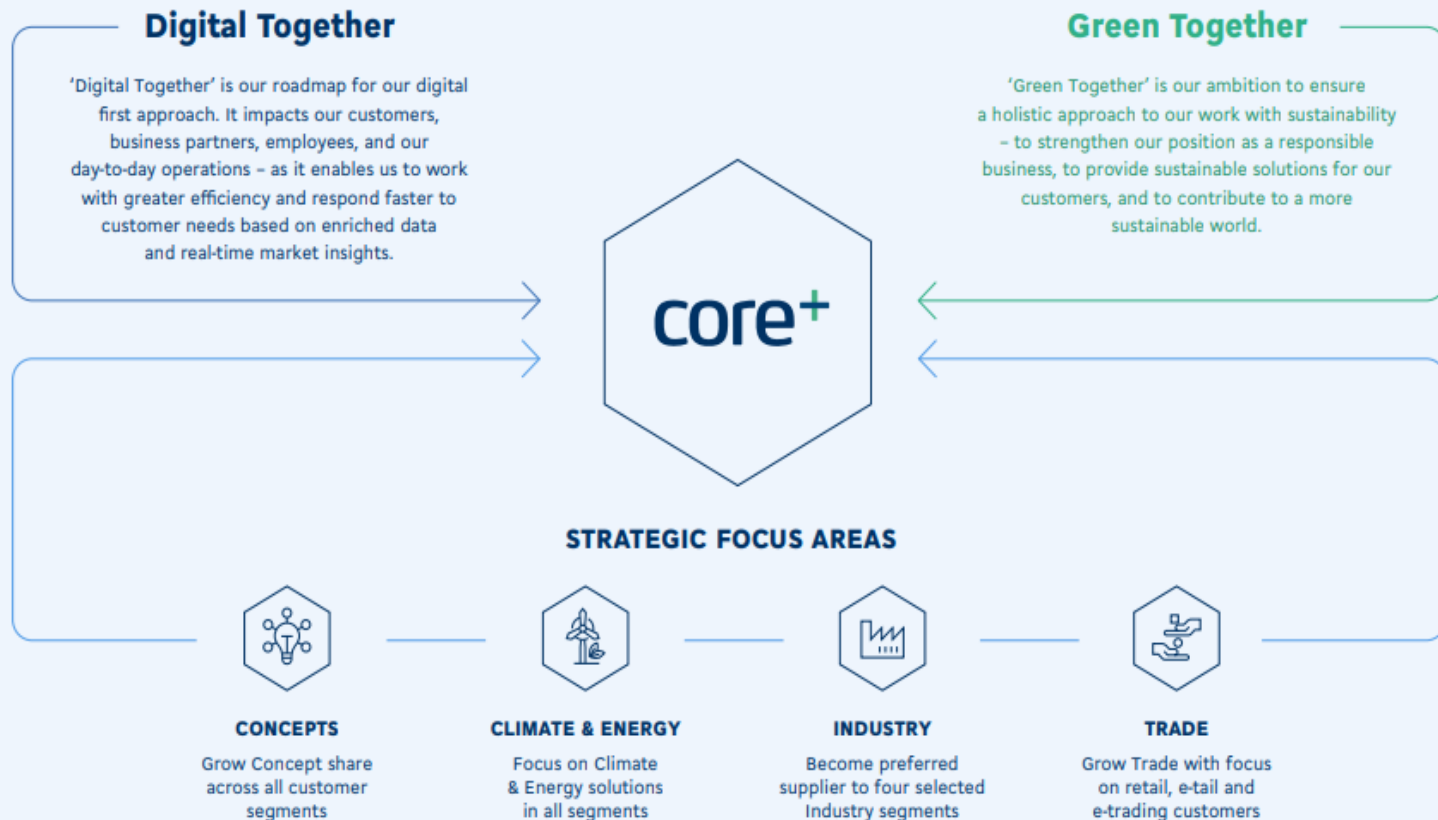
We increased our ambitions

JENS ANDERSEN, CEO



THE BOARD OF DIRECTORS' REPORT

SOLAR'S STRATEGY 2021-2023: CORE+



THE BOARD OF DIRECTORS' REPORT

SOLAR'S UPDATED AMBITIONS

FINANCIAL & NON-FINANCIAL TARGETS

EBITDA MARGIN

>6.5%

ROIC AFTER TAX

20%

GEARING

1.5-3.0x
(NIBD/EBITDA)

E-BUSINESS SHARE

70%

PARTICIPANTS

2,000

participants to complete training in renewable solutions at Solar School

CORE+ STRATEGIC FOCUS AREAS



CONCEPTS

>25%

share of revenue incl. MAG45



CLIMATE & ENERGY

>5%

CAGR for the strategic period



INDUSTRY

35%

share of revenue incl. MAG45



TRADE

>7.5%

CAGR for the strategic period

ENVIRONMENT, SOCIAL & GOVERNANCE

SBTI COMMITMENT*

* Net-zero in scope 1&2 in 2030

ALL ELECTRICITY WILL BE FROM RENEWABLE SOURCES

INSTALL PV EQUIPMENT AT ALL SOLAR-OWNED SITES AND EV CHARGERS AT ALL MAJOR SOLAR SITES

INCREASE GENDER DIVERSITY AT MANAGEMENT LEVEL

Financial statements 2021

MICHAEL H. JEPPESEN, CFO

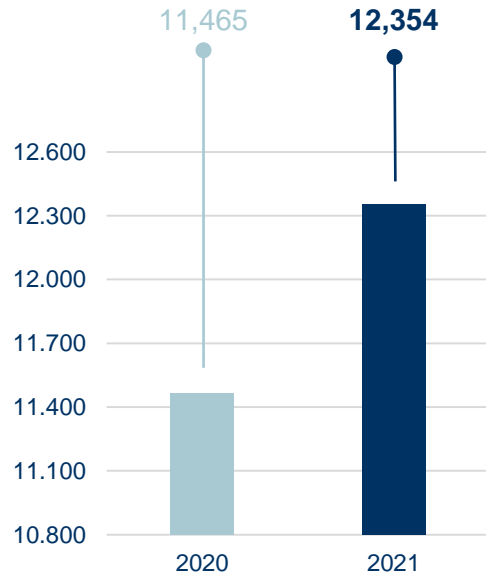


FINANCIAL STATEMENTS 2021

EBITDA INCREASE

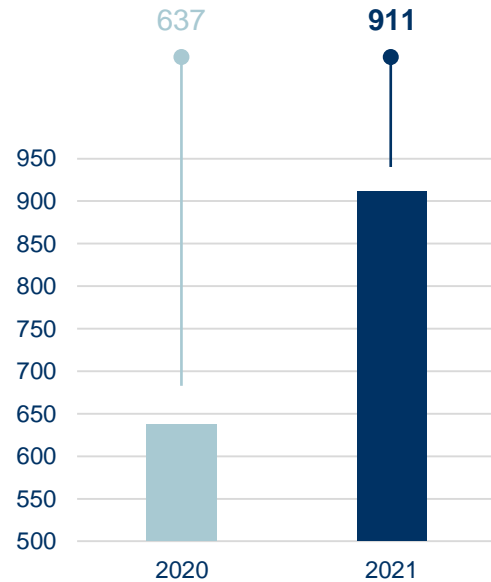
Revenue

DKK million



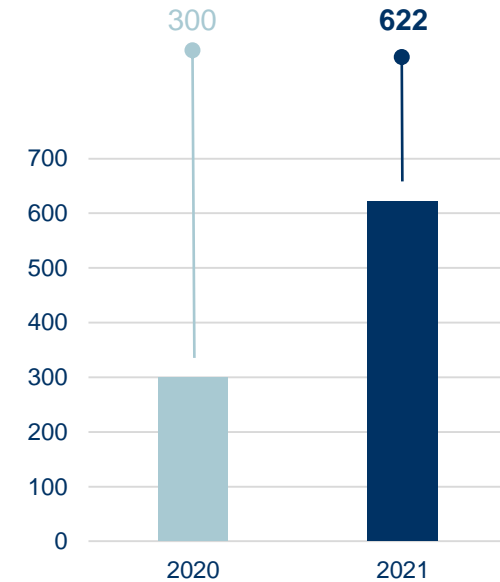
EBITDA

DKK million



EBT

DKK million



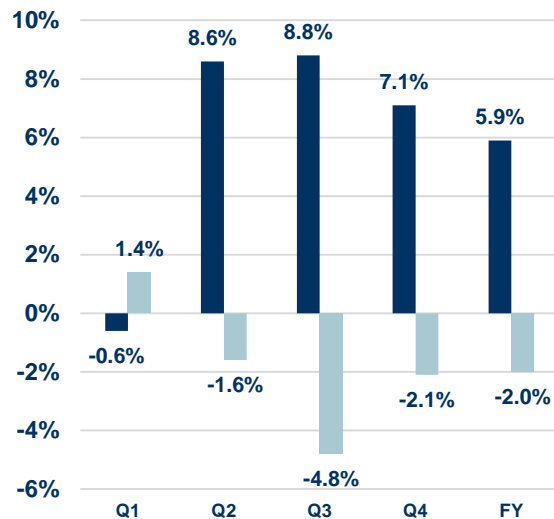
FINANCIAL STATEMENTS 2021

REVENUE INCREASED BY DKK 889M TO DKK 12.4BN

Organic growth increased to 5.9%

- Adjusted organic growth for Installation amounted to around 3% driven by Solar Danmark and Solar Polska.
- All entities saw positive growth in the Industry segment, primarily within MRO and OEM. Overall adjusted organic growth in Industry amounted to around 9%.
- The Trade segment delivered double-digit growth rates, and we saw positive adjusted organic growth in all entities.

Organic growth adjusted for number of working days



Solar Group

	2021	2020
Revenue, DKK million	12,354	11,465
Revenue growth, %	7.8	-1.8
Adj. organic growth, %	5.9	-2.0

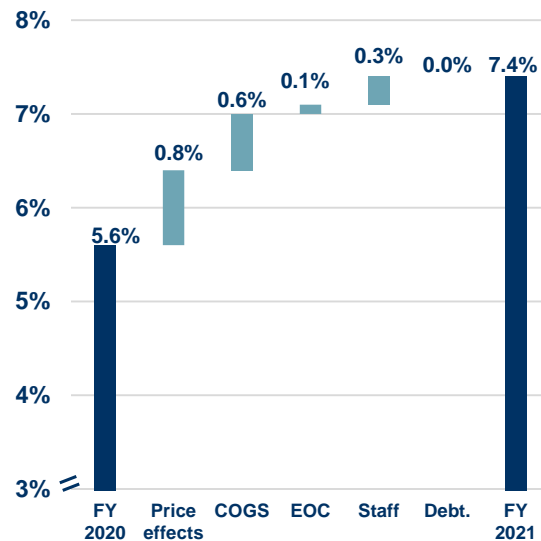
FINANCIAL STATEMENTS 2021

43% EBITDA INCREASE CORRESPONDING TO DKK 274M

EBITDA margin increased to 7.4%

- The improvement of EBITDA was supported by our four strategic focus areas Concepts, Industry, Climate & Energy and Trade, as well as by positive one-off price effects combined with a solid growth level.
- One-off price effects impacted the gross profit positively by around DKK 115m compared to DKK 18m in 2020.
- All entities saw substantial improvements in EBITDA in 2021.

Development in EBITDA margin



Solar Group

	2021	2020
Revenue, DKK million	12,354	11,465
Revenue growth, %	7.8	-1.8
Adj. organic growth, %	5.9	-2.0
Gross profit, DKK million	2,773	2,405
Gross profit margin	22.4	21.0
EBITDA, DKK million	911	637
EBITDA margin	7.4	5.6

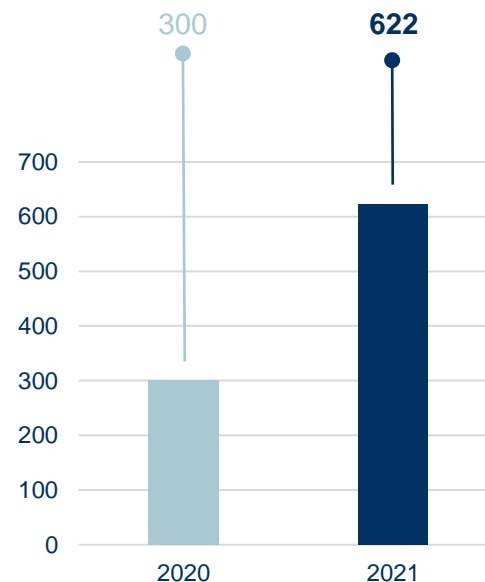
FINANCIAL STATEMENTS 2021

EBT INCREASED BY DKK 322M

EBT

- EBT increased by DKK 322m.
- As ratio of revenue, EBT amounted to 5.0% against 2.6% in 2020.
- In 2020, EBT was affected by special items, which had a DKK -35m impact.

EBT



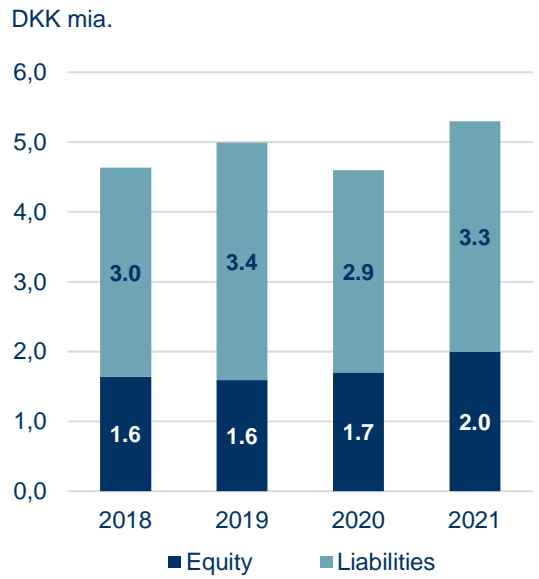
Solar Group

	2021	2020
EBITDA, DKK million	911	637
EBITDA margin	7.4	5.6
EBIT, DKK million	672	248
EBIT margin	5.4	2.2
EBT, DKK million	622	300
EBT margin	5.0	2.6
PAT, DKK million	531	222
PAT margin	4.3	1.9

FINANCIAL STATEMENTS 2021

BALANCE SHEET TOTAL INCREASED E.G. DUE TO INCREASED NWC

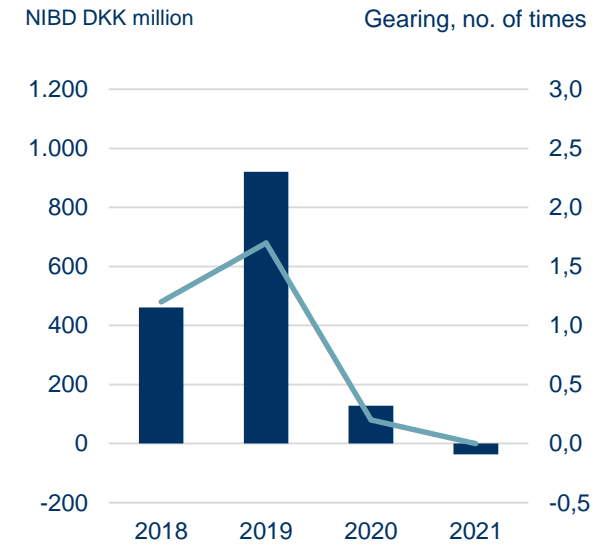
Balance sheet total increased by DKK 698m



Balance sheet total increased and gearing reduced

- Balance sheet total amounted to DKK 5.3bn
- Equity ratio of 37%
- At the end of 2021, net interest-bearing debt amounted to DKK -37m
- At the end of 2021, net working capital increased to 10.2% from 9.7%
- Inventory increased to avoid shortage on goods due to COVID-19
- Gearing of 0.0 times EBITDA

Gearing reduced by 0.2 times EBITDA

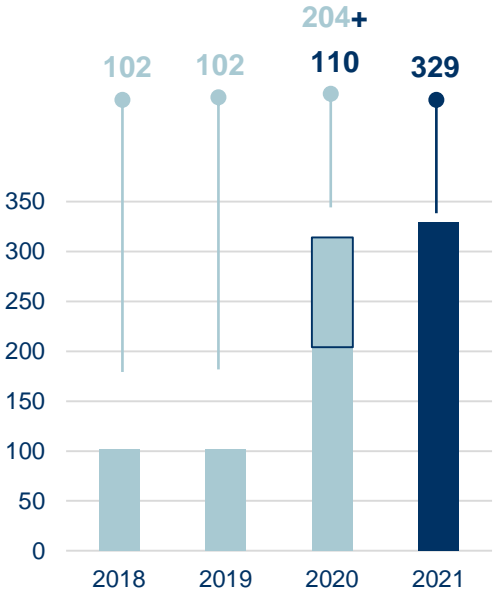


FINANCIAL STATEMENTS 2021

ALLOCATION OF PROFITS. PROPOSED DIVIDEND OF DKK 329M

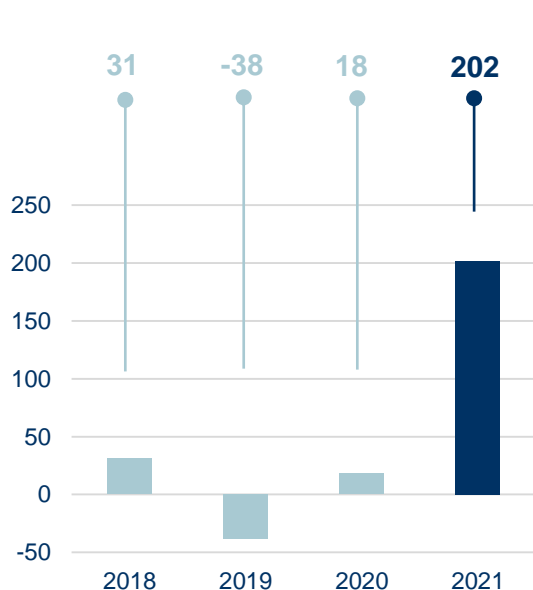
Dividend

DKK million.



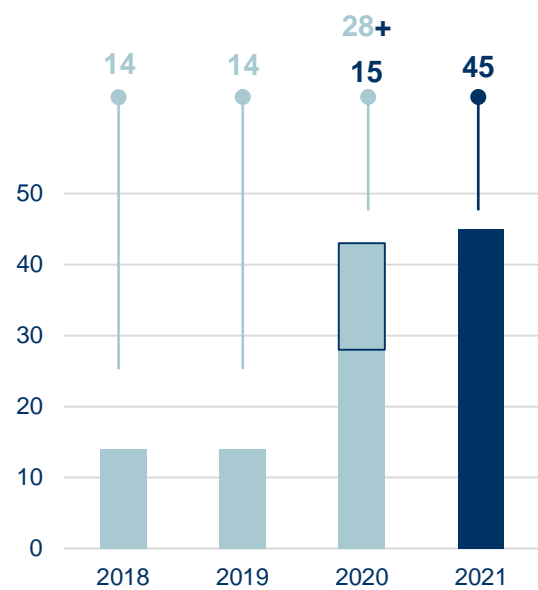
Retained earnings

DKK million



Dividend per share

DKK



Proposals from the Board of Directors

BO HOLSE, CHAIR OF THE MEETING



PROPOSALS FROM THE BOARD OF DIRECTORS

AUTHORISATIONS TO THE BOARD OF DIRECTORS

Extraordinary dividend

- The Board of Directors proposes that the company's Board of Directors be authorised in the period until the next annual general meeting to decide to distribute extraordinary dividend of up to DKK 50.00 per share.

Acquire own shares

- Furthermore, the Board of Directors proposes that the company's Board of Directors be authorised in the period until the next annual general meeting to allow the company to acquire own shares for consideration. It is proposed that the authorisation be granted to acquire up to 10% of the share capital, and so that the consideration must be the current market price plus/minus 10%.

APPROVAL OF REMUNERATION REPORT

Approval of the company's Remuneration Report 2020

- Indicative vote on the Remuneration Report regarding remuneration of the Board of Directors and the Executive Board in 2020.



PROPOSAL FOR THE BOARD OF DIRECTORS' REMUNERATION

Proposal for the Board of Directors' remuneration

- The Board of Directors proposes that the fee for members of the Board of Directors in 2022 be unchanged DKK 200,000.
- The chairman of the Board of Directors will receive triple remuneration, and the vice chairman of the Board of Directors and the chairman of the audit committee will receive one and a half times the remuneration to cover their extended duties.

ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

THE NOMINATION COMMITTEE PROPOSES

New election of Katrine Borum (born 1981)

- Fourth generation of the founding family and grew up with Solar being an important part of the family's history and activities. She always took an interest and wanted to engage herself in Solar.
- Graduated as a resident doctor at the University of Copenhagen in 2010 and graduated as a medical specialist in orthopaedic surgery in 2021. She currently works as a senior registrar at Nordsjællands Hospital and has experience with managing many professions at the same time, developing an educational environment and getting all professions to pull together.
- Furthermore, committed to promote education of orthopaedic specialist registrars on national level as a member of Danish Orthopaedic Society's education committee and was previously a member of the board of Young Orthopaedic Surgeons in Denmark for five years.
- With a different approach to the business world, she can contribute to a broad understanding of the core of the problems and at the same time create anchoring to Solar's history. In preparation for her membership of the Board of Directors she has also completed Børsen and CBS's board training programme in the spring of 2021.



ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

THE NOMINATION COMMITTEE PROPOSES

Re-election of the current members of the Board of Directors



Michael T. Andersen



Morten Chronø



Peter Bang



Louise Knauer



Jesper Dalsgaard

ELECTION OF AUDITOR

The Board of Directors proposes re-election of Deloitte, Statsautoriseret Revisionspartnerselskab as new auditor for the company in accordance with the recommendation from the audit committee.

- The audit committee has not been influenced by third parties and is not subject to any agreements with third parties that restrict the general meeting's election of certain auditors or audit firms.

PROPOSALS FROM THE BOARD OF DIRECTORS

CHAIR OF THE MEETING

Authorisation to the chair of the meeting

- The Board of Directors proposes that the general meeting authorises the chair of the general meeting (with a right of substitution) to file and register the adopted resolutions with the Danish Business Authority and to make such amendments to the documents filed with the Danish Business Authority as the Danish Business Authority may request or find appropriate in connection with the registration of the adopted resolutions.

ANY OTHER BUSINESS

ANY OTHER BUSINESS

WELCOME TO THE NEW EMPLOYEE REPRESENTATIVES



Rune Jesper Nielsen



Denise Goldby



Michael Kærgaard Ravn

ANY OTHER BUSINESS CHAIRMAN RESIGNS

Jens Borum

- 1982 - Member of the Board of Directors
- 1990 – Chairman of the Board of Directors

