

1 April 2016, Vejen, Denmark  
*Annual general meeting*



1. Election of chairman of the general meeting
2. Report of the Board of Directors
3. Approval of the annual report
4. Allocation of profits
5. Proposals of the Board of Directors
6. Proposed remuneration of the Board of Directors
7. Election of members to the Board of Directors
8. Election of auditor
9. Authorisation to the chairman of the general meeting
10. Any other business

## Report of the Board of Directors

*Jens Borum, chairman of the Board of Directors*

solar



**EBITA improved by DKK 179m**

**2015**

Organic growth  
(adjust.)  
5.2%

EBITA  
DKK 296m

Interest-bearing  
liabilities  
DKK -184m

**2014**

Organic growth  
(adjust.)  
0.1%

EBITA  
DKK 117m

Interest-bearing  
liabilities  
DKK 302m

## Revenue and normalised EBITA

DKK million	2015	2014
Revenue	10,587	10,252
EBITA	296	117
Effect of divestment of Aurora	-2	3
Change to pension plans in NL	-9	-
Restructuring costs	0	86
Solar 8000 costs	0	13
Write-downs at fair value	0	31
Normalised EBITA	285	250
Normalised EBITA margin in %	2.7	2.4

## The German business was **sold** **Trends** - installation and industry

- Divestment of the German business, Solar Deutschland.
- **Installation:** Still low building activity levels in certain markets and decreasing growth in Denmark and Benelux from Q3. Positive trends in Sweden.
- **Industry:** Reasonable trends but, however, with decreasing growth from Q2.
- The price decrease on oil had a significant negative impact in Norway, where offshore is an important area to Solar.

## MAG45 **acquired** Group headquarters in Kolding **sold**

- Acquisition of the Dutch supply chain specialist MAG45.
- Sale of the former group headquarters in Kolding.

## Focus areas 2016

- Continue to develop Solar's identity as a sourcing and services company.
- Focus on generating profitable growth.
- Increase collaboration with customers on joint value creation.
- Focus on developing digital solutions for our customers.
- Continue the pursuit of possible acquisitions that can expand, develop and improve our business base.



### Focus areas 2016

Create profitable growth above market level

Invest in our digital platforms to improve the customer experience

Expand, develop and improve our business base

### Guidance 2016

Neither market growth nor organic revenue growth

EBITA at same level as 2015 less the realised one-offs in 2015

The impact of MAG45 is expected to be DKK 310m on revenue but limited on EBITA

### **Dividends for the shareholders and authorisations for the Board of Directors**

- Proposed dividends of DKK 10.00 per share
- To avoid the need for an extraordinary general meeting, the Board of Directors proposes that it be authorised to potentially
  - distribute extraordinary dividends
  - perform share buy-backs
  - implement capital increase

**Solar – a sourcing and services company**  
*Anders Wilhjelm, CEO*



Oh my God...

*Change and the rapidity of change is a challenge for all of us*



2005



Oh my God...

*Change and the rapidity of change is a challenge for all of us*



solar

2013



Oh my God...

*Change and the rapidity of change is a challenge for all of us*



Hjem Om

Seq på Twitter

2016



TWEETS  
749

FØLGER  
8

FØLGERE  
8,89 mio

**Pope Francis** ✓

@Pontifex

Welcome to the official Twitter page of His Holiness Pope Francis

Vatican City

news.va

Tilmeldt februar 2012

Billeder og videoer

Tweets

Tweets & svar

Billeder & videoer



**Pope Francis** @Pontifex · 1 t.

I am beginning a new journey, on Instagram, to walk with you along the path of mercy and the tenderness of God.



3,9 td



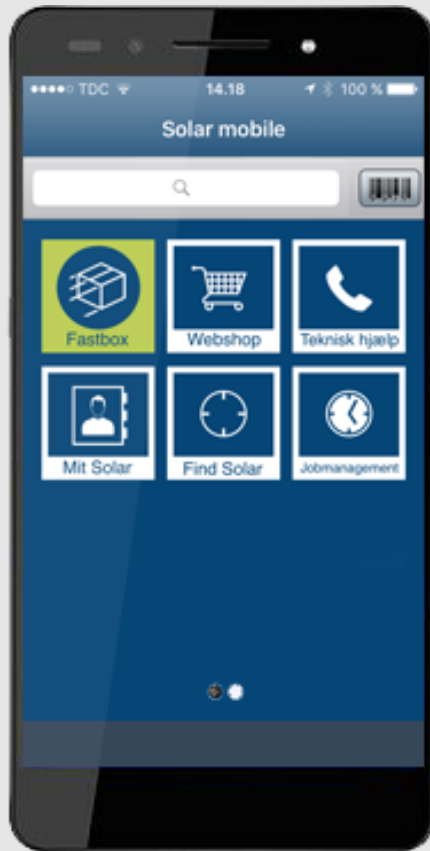
8,5 td



**Pope Francis** @Pontifex · 18. mar.

The greater the sin, the greater the love that must be shown by the Church to those who repent.

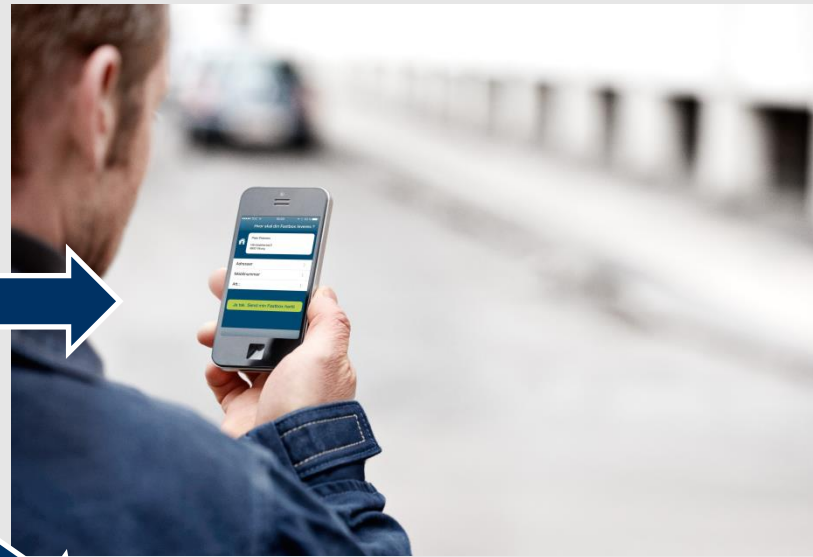
## 46% of our revenue is now **digital** - web, app and EDI



- Digital disruption is not a new topic in Solar.
- It is essential to have momentum and to dare to challenge.
- It opens up opportunities as well as induces risks.
- The rapidity of change leaves no room for hesitation.

Change creates a new reality in all trades

*The need for knowledge, transactions and relations is not met the same way as before*





**Solar is moving in the right direction**

*Continued internal change is, thus, a requirement and a necessity*



## The transformation into a sourcing and services company is a **fundamental change** in Solar

- The course has been charted, the journey is off to a good start, and there is no turning back.
- Investment in employee development.
- Replacement of people who are not willing to embark on the journey with us.
- Consciously wide recruitment to mix new and old.



**We want to make our customers even better**  
*Profitable customers are good customers*



## Solely focusing on product price will not necessarily provide the **lowest total cost**

- We focus on making our customers even better.
- A productive customer makes money which is basic to us having a profitable business.
- Not all money-making customers are profitable for Solar.
- We focus on the customers who understand that the better we work together to reduce costs, inventory levels and waste, the more value there is to share.



A sourcing and services company in real life  
*The most productive customers do business with Solar*



This is how we improve **customer productivity**

**Fastbox**  
from Danish to  
international  
phenomenon



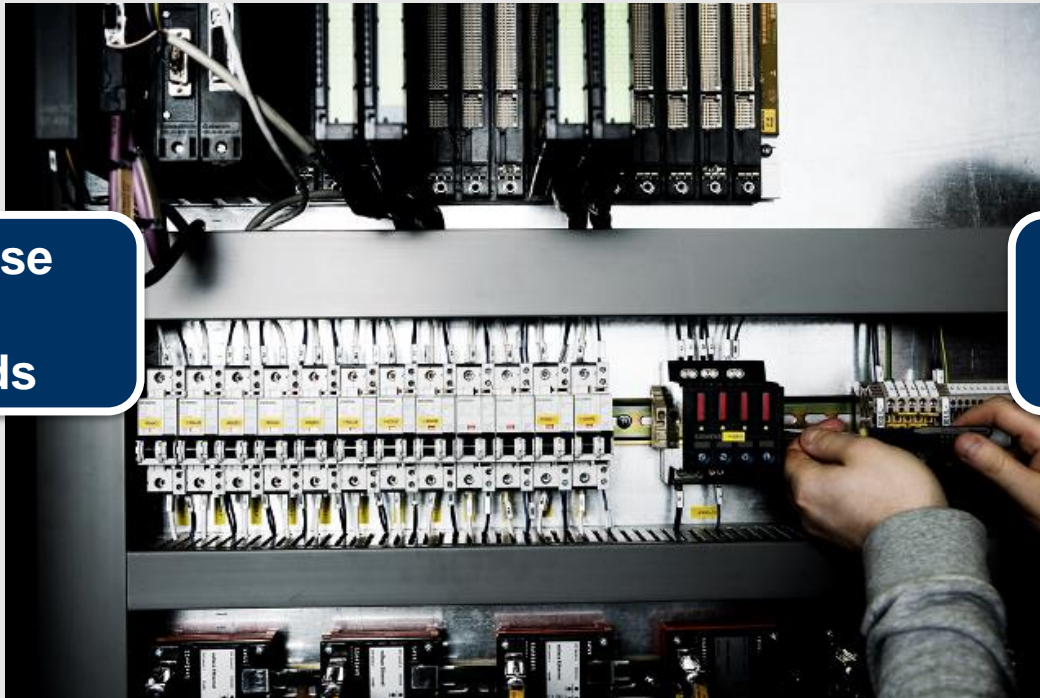
**Digital Fastbox**  
easy to order  
via mobile,  
tablet or  
computer



A sourcing and services company in real life  
*We make our customers' lives easier*



This is how we make our customers' **lives easier**



Industry case  
from the  
Netherlands

Focus on total costs  
(TCO)



A sourcing and services company in real life  
We take on a joint responsibility for the green transformation



This is how we ensure **energy savings**



Installation case  
from Denmark



Replacing oil-fired  
boilers with heat  
pumps

A sourcing and services company in real life  
*We rely on innovative and committed employees*



This is how we ensure a flow of **new ideas**

**Innovation  
competition**

**SOLAR'S GREAT  
INNOVATION  
COMPETITION**

**We want  
continuous  
development of  
Solar**



## Expanded business model

*We know what we're looking for*



We are interested in business activities where we can **expand the business**, but **exploit competences across**

We focus on acquisition of two types of business activities:

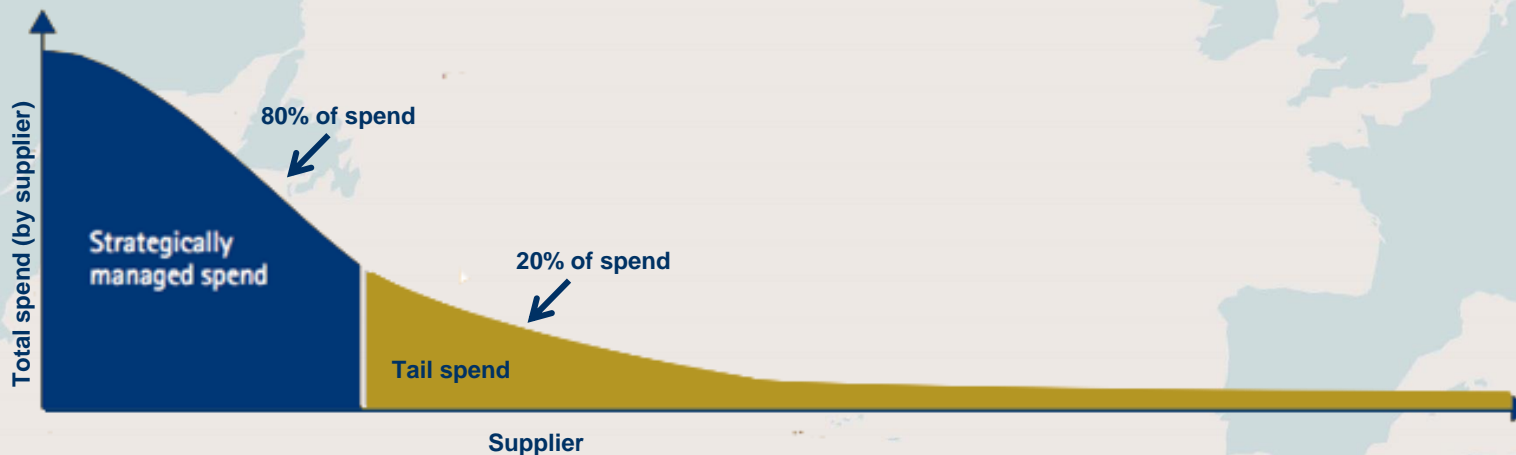
- Activities that service other customer segments but where Solar can benefit from the existing competences to support both activities.
- Activities that provide Solar with an opportunity to offer existing customers something more than the products and services we offer today.

## Acquisition of MAG45

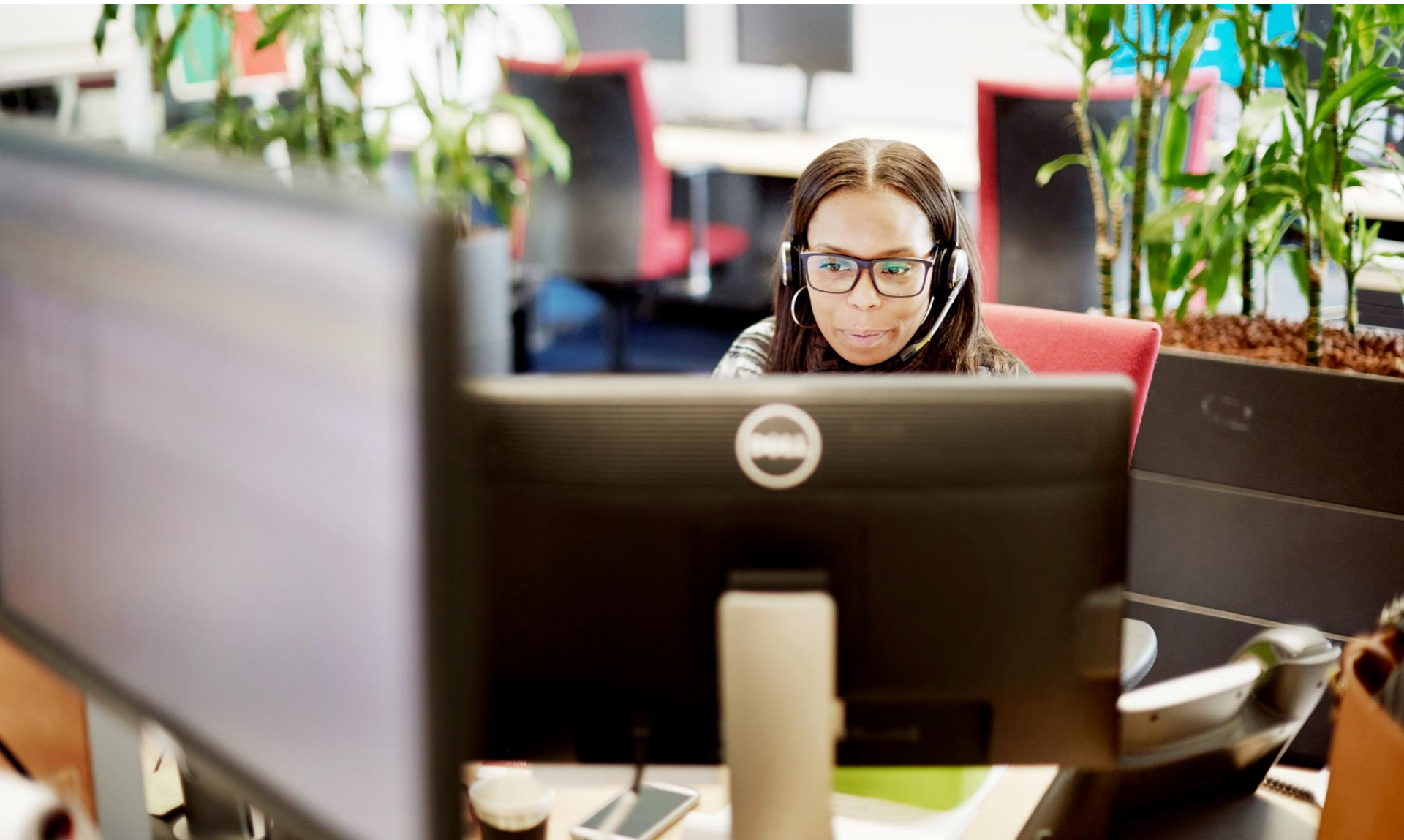
*First new business activity*

### MAG45 is a **strategically** great match

- The Dutch supply chain specialist MAG45 is a great strategic match.
- It is a great match both in terms of our focus on sourcing and services and in relation to our interest in increased exposure with the industry segment.







## EBITA matched expectations for 2015

### Expected 2015

Revenue  
DKK 10.5-10.8bn

EBITA  
DKK 240-290m

### Realised 2015

Revenue  
DKK 10.6bn

EBITA  
DKK 296m

## Solar Deutschland was **sold** in 2015 and presented as **discontinued operations** in Annual Report 2015

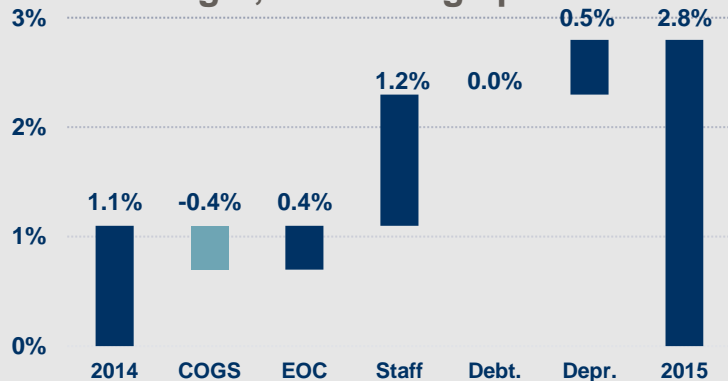
- In February of 2015, Solar entered into an agreement with Sonepar concerning the sale of the assets in Solar Deutschland GmbH.
- The sale was finalised on 16 March 2015.
- Thus, Solar Deutschland is presented as discontinued operations in Annual Report 2015.
- In general, restatements have been made of income statements, cash flows and key ratios for the discontinued operations in Solar Deutschland.

## Organic growth of 5.2% and EBITA improved by DKK 179m

DKK million	2015	2014
Revenue	10,587	10,252
<b>Gross profit</b>	<b>2,199</b>	<b>2,169</b>
Costs	-1,837	-1,942
<b>EBITDA</b>	<b>362</b>	<b>227</b>
Depreciation and write-down	-66	-110
<b>EBITA</b>	<b>296</b>	<b>117</b>
Amortisation	-47	-190
<b>EBIT</b>	<b>249</b>	<b>-73</b>
<b>EBT, continuing operations</b>	<b>201</b>	<b>-122</b>
<b>Net profit for the year</b>	<b>167</b>	<b>-234</b>

**Normalised EBITA increased to DKK 285m and normalised EBITA margin increased to 2.7%**

EBITA margin, continuing operations

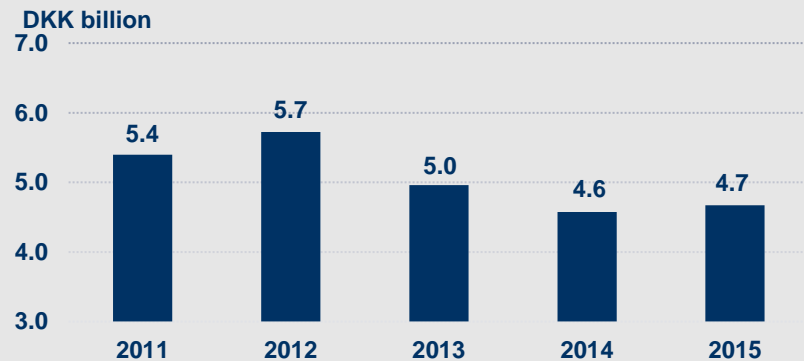


- 2015 impacted by:
  - DKK 2m from sale of Aurora and
  - DKK 9m from change of pension plans in the Netherlands.
- 2014 impacted by:
  - DKK -3m from sale of Aurora,
  - DKK -86m from restructuring costs,
  - DKK -13m from Solar 8000 costs and
  - DKK -31m from write-down of buildings.

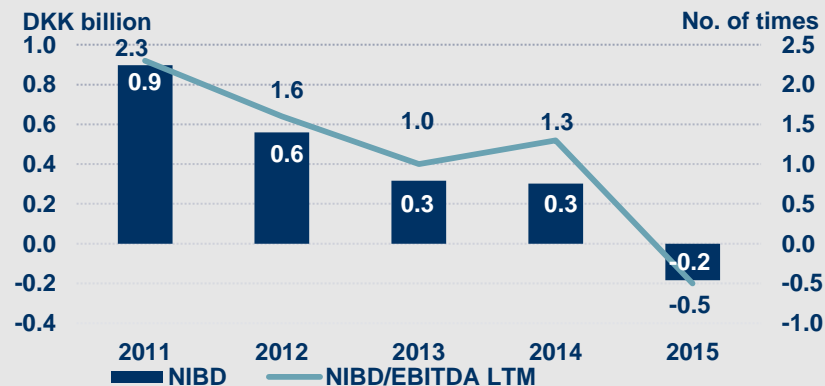
	2015	2014
Revenue, DKK million	10,587	10,252
Revenue growth, %	3.3	-2.0
Organic growth, %	5.2	0.4
Gross profit, DKK million	2,199	2,169
Gross profit margin	20.8	21.2
EBITA, DKK million	296	117
EBITA margin	2.8	1.1
Norm. EBITA, DKK million	285	250
Norm. EBITA margin	2.7	2.4

**Over the course of 5 years, balance sheet total reduced by DKK 727m and net interest-bearing debt reduced by 1.1bn**

**Balance sheet total**



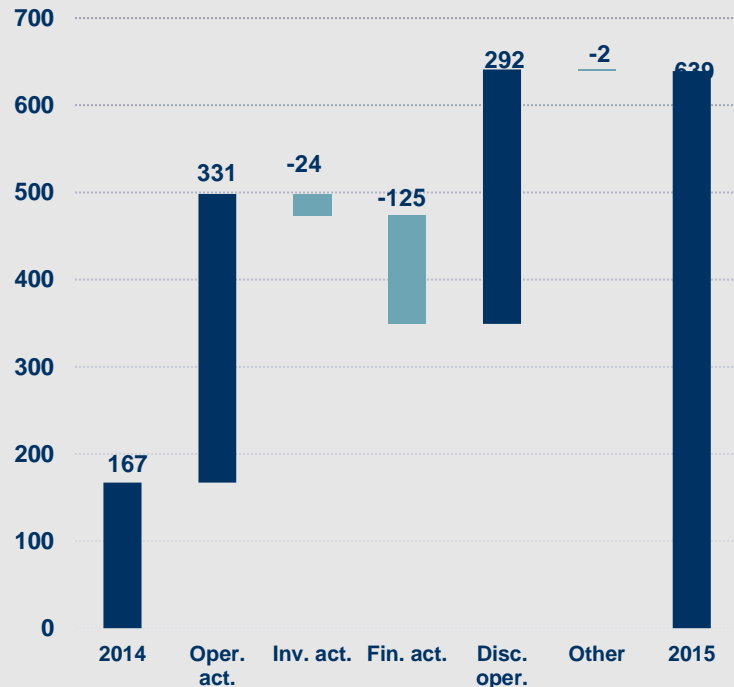
**Gearing and net interest-bearing debt**



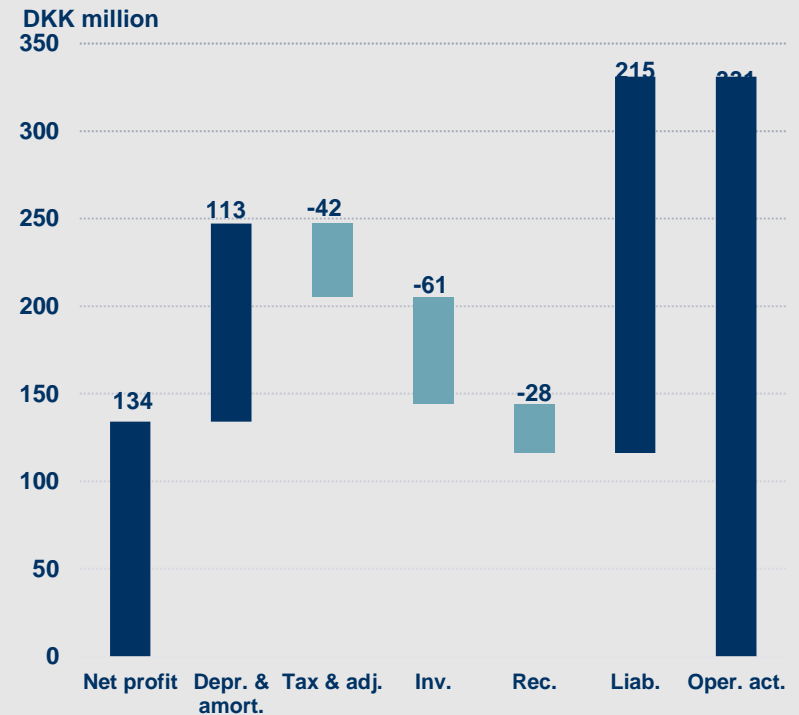
- The balance sheet total was DKK 4.7bn
- Equity ratio of 39% is still within the group's target of 35-40%
- Average net working capital was 11.8%, down from 12.4% in 2014
- At the end of 2015, net interest-bearing debt was DKK -184m
- Gearing of -0.5 times EBITDA

## Cash flow from operating activities contributed DKK 331m and the divestment of Solar Deutschland contributed DKK 345m

Cash flows  
DKK million



Cash flow, operating activities



**Proposal to distribute DKK 78m as dividends to shareholders**

**2015**

Dividends to  
shareholders  
DKK 78m

Retained earnings  
DKK 89m

Dividends per share  
DKK 10.00

Share buy-back  
DKK 70m

**2014**

Dividends to  
shareholders  
DKK 55m

Retained earnings  
DKK -289m

Dividends per share  
DKK 7.00



**Proposals of the Board of Directors**  
*Bo Hulse, chairman of the general meeting*



## Authorisation to distribute extraordinary dividends

- The Board of Directors proposes that the company's Board of Directors be authorised in the period until the next annual general meeting to pass a resolution to distribute extraordinary dividends of up to DKK 15.00 per share.

## **Authorisation to acquire treasury shares**

- 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 treasury shares for payment. It is proposed that authorisation be granted to acquire up to 10% of the share capital with the price set at the current listed price +/- 10%.

## Digitalisation of A shares and change of B shares to registered shares

- **a)** The following be added to article 4.1 of the articles of association: that registration of A shares must be made in the company's register of shareholders.
- **b)** B shares are changed to registered shares. Article 4.2 of the articles of association is altered to the effect that B shares are issued in the name of the holder and registered in the name of the holder in the company's register of shareholders.
- **c)** A shares are digitalised and dividends distributed via VP Securities A/S. As a result, existing articles 7.1, 7.2, 7.3 and 7.4 are deleted, and new articles 4.4 and 7.1 are inserted concerning the registration and administration of A and B shares via VP Securities A/S.

## **Authorisation to the Board of Directors to increase share capital**

- **d)** New articles 9.1, 9.2, 9.3 and 9.4 are inserted. The Board of Directors is authorised to increase share capital by up to DKK 70,206,000 through one or more new issues of B shares with and without pre-emption rights for existing shareholders until 1 April 2019.

## **Alterations relating to the annual general meeting; notice, voting rights, time limit on proxies and majority requirement**

- **e)** Article 9.4 is altered. In future, notice of annual general meetings will only be given on the company's website and no earlier than five weeks before the annual general meeting.
- **f)** Article 11.2 is altered. Specification of the fact that shareholders may exercise their voting rights for the number of shares which the company is notified that the shareholder owns on the date of registration. The date of registration is one week prior to the date of the annual general meeting.
- **g)** Article 11.3 is altered. This is further specified, and the time limit for proxies is repealed.
- **h)** Article 12.3 is further specified. The majority requirement for approval by an annual general meeting as set out in Article 12.3, 2nd paragraph, is specified as the same majority requirement as for the first general meeting.

## **Language of reporting will be changed to English**

- A new article 19.1 is inserted. This states that the company's interim reports, annual reports and any external presentations of the company will be prepared in English.

## Approval of the company's remuneration policy for the Board of Directors and Executive Board

- In addition to a number of minor changes and the possibility of awarding extraordinary incentives, the Board of Directors proposes that the remuneration policy be extended to the effect that non-share-based incentives can be awarded to optimise the Executive Board's long-term incentive, and that share-based incentives in addition to share options may also include free shares, phantom shares or similar instruments. The total value of the non-share-based incentives awarded and the share-based incentives awarded, respectively, may for any given year not exceed the annual fixed base salary of the respective member of the Executive Board.



## **Approval of the company's general guidelines for incentive-based remuneration of the Executive Board**

- In addition to a number of minor changes and the possibility of awarding extraordinary incentives, the Board of Directors proposes that the general guidelines be extended to the effect that non-share-based incentives can be awarded in order to optimise the Executive Board's long-term incentive, and that share-based incentives in addition to share options may also include free shares, phantom shares or similar instruments. The total value of the non-share-based incentives awarded and the share-based incentives awarded, respectively, may for any given year not exceed the annual fixed base salary of the member of the Executive Board. In accordance with the Danish Companies Act, only the Executive Board – and not the other members of Solar Group Management – will be covered by these general guidelines in future.

## **Proposal for the Board of Directors' remuneration in 2016**

- The Board of Directors proposes that remuneration for the Board of Directors for 2016 amounts to DKK 175,000.
- 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 as compensation for their extended duties.

## **The Fund of 20th December proposes re-election of the present members of the Board of Directors elected by the general meeting:**

- Jens Borum
- Niels Borum
- Ulf Gundemark
- Agnete Raaschou-Nielsen
- Jens Peter Toft
- Steen Weirsøe

## **The Board of Directors proposes re-election of auditor**

- PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab.

## **Authorisation to the chairman of the general meeting**

- The Board of Directors proposes that the general meeting authorises the chairman of the general meeting (with power of delegation) to register the resolutions approved by the general meeting with the Danish Business Authority and to make any such alterations and additions as may be required by the Danish Business Authority in order to register the resolutions passed.

**Any other business**



**Any other business**