



# FY 2021 Annual Report

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

1 March 2022

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# AGENDA

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## FULL YEAR 2021

### ALL-TIME HIGH EBITDA

#### FY 2021 highlights

##### 2021 results

- Revenue of DKK 12.4bn and EBITDA of DKK 911m exceeded our initial full-year guidance by DKK 804m and DKK 261m, respectively.
- EBITDA margin reached 7.4% and we saw a return on invested capital after tax of almost 25%.

##### Better than expected FY2021

- Strong growth rates within Installation, Industry and Trade delivering an organic growth of 5.9%.
- Revenue and margin from concept sales are picking up in all markets.
- One-off price effects had an impact of approx. DKK 115m corresponding to an improvement in the gross profit margin of approx. 0.8 percentage points.

##### Suggested dividend

- Proposal of DKK 45 per share corresponding to a payout ratio of 62%.



## TICKETS TO GROW

Country	Actions	Additional capacity
Under construction		
Denmark	11,000 sqm additional warehouse AutoStore with 108,000 bins and 125 robots	25%
Approved		
Netherlands	Closing of Duiven 7,600 sqm additional warehouse AutoStore expansion with 20,000 bins and 4 robots	25%
To be evaluated		
Norway	Evaluating opportunities for further expansion	n/a
Sweden	Evaluating opportunities for further expansion	n/a



# OUR AMBITIONS

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## 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

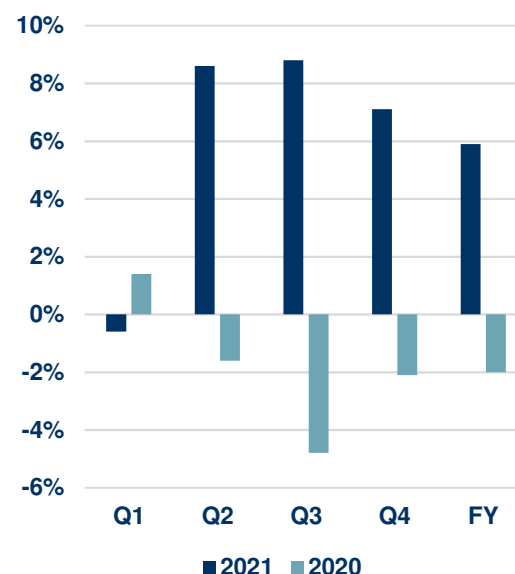
# FINANCIAL HIGHLIGHTS 2021

## Q4 REVENUE INCREASED BY DKK 323M TO DKK 3.4BN

### We saw adjusted organic growth of 7.1%

- Solar's overall adjusted organic growth for Installation amounted to around 3% driven by Solar Danmark, 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 10%.
- The trade segment also delivered double-digit growth rates in Q4.

### Organic growth, adjusted for number of working days



### Solar Group

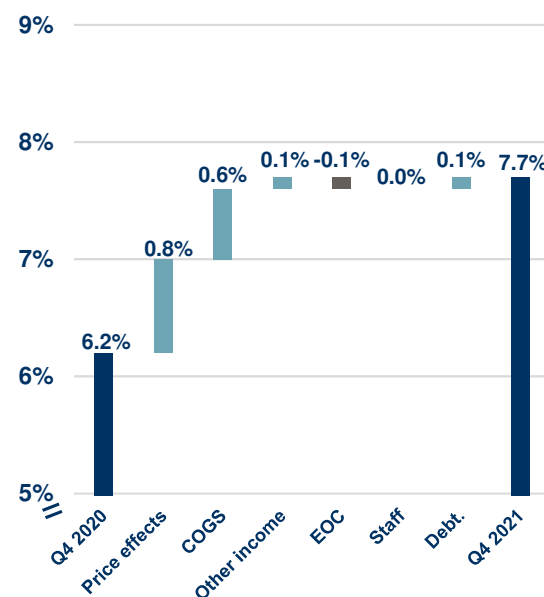
	Q4 2021	Q4 2020
Revenue, DKK m	3,380	3,057
Revenue growth, %	10.6	-0.6
Adj. organic growth, %	7.1	-2.1

# Q4 EBITDA INCREASED BY DKK 68M TO DKK 259M, SLIGHTLY EXCEEDING OUR EXPECTATIONS

## Q4 EBITDA increased by 36%

- The main drivers of the DKK 68m EBITDA increase were our four strategic focus areas Concepts, Industry, Climate & Energy and Trade, supported by positive one-off price effects combined with a solid growth level.
- One-off price effects resulted in a positive impact of approx. DKK 35m (DKK 8m) on gross profit. The net impact of price effects corresponded to a gross profit margin improvement of approx. 0.8 percentage points.
- EBITDA was negatively affected by DKK 10m in restructuring costs related to Solar Nederland's planned closure of the operation in Duiven and the relocation of activities to Alkmaar.

## Q4 EBITDA margin



## Solar Group

	Q4 2021	Q4 2020
Revenue, DKK m	3,380	3,057
Revenue growth, %	10.6	-0.6
Adj. organic growth, %	7.1	-2.1
Gross profit, DKK m	774	657
Gross profit margin	22.9	21.5
EBITDA, DKK m	259	191
EBITDA margin	7.7	6.2

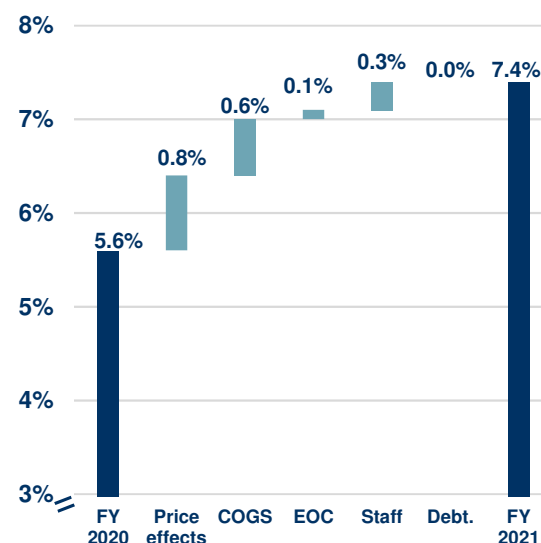


## 2021 EBITDA INCREASED BY DKK 274M TO DKK 911M

### FY EBITDA increased by 43%

- The EBITDA improvement was supported by our four strategic focus areas Concepts, Industry, Climate & Energy and Trade, and by positive one-off price effects combined with a solid growth level.
- One-off price effects resulted in a positive impact of approx. DKK 115m on the gross profit compared to approx. DKK 18m in 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.

### 2021 EBITDA margin



### Solar Group

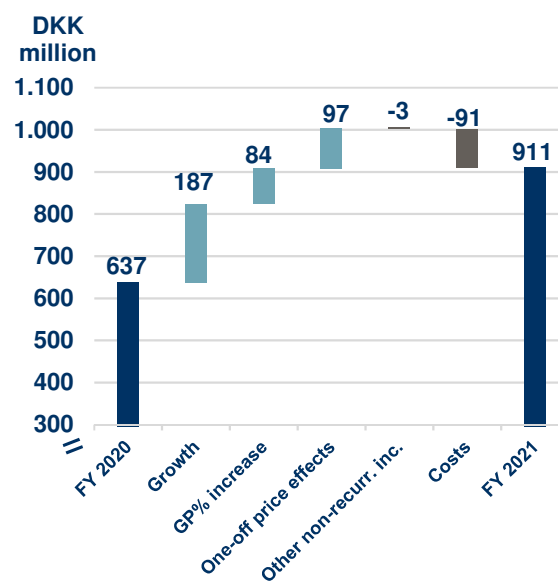
	FY 2021	FY 2020
Revenue, DKK m	12,354	11,465
Adj. organic growth %	5.9	-2.0
Gross profit, DKK m	2,773	2,405
Gross profit margin	22.4	21.0
EBITDA, DKK m	911	637
EBITDA margin	7.4	5.6

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### 2021 EBITDA margin

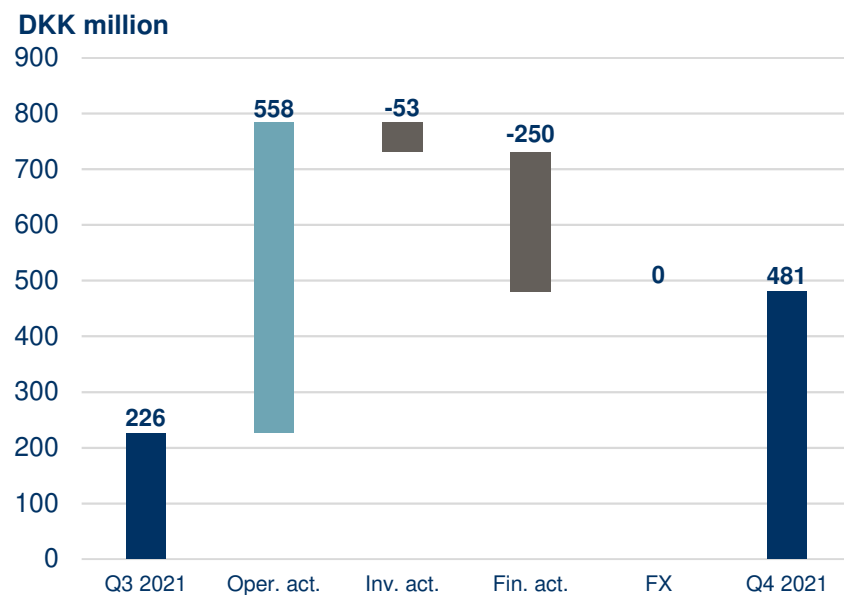


### Solar Group

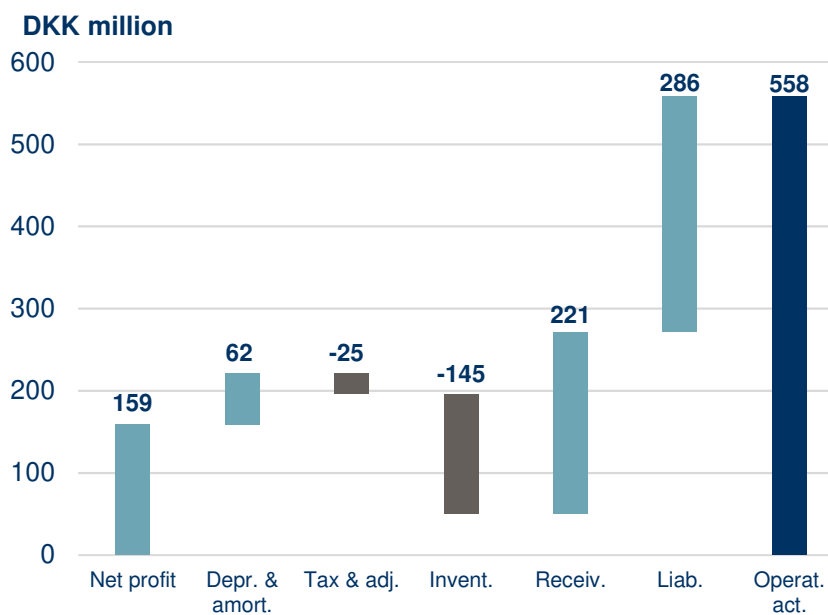
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## RECEIVABLES AFFECTED BY INCREASED GROWTH LEVEL

### Q4 cash flow, total

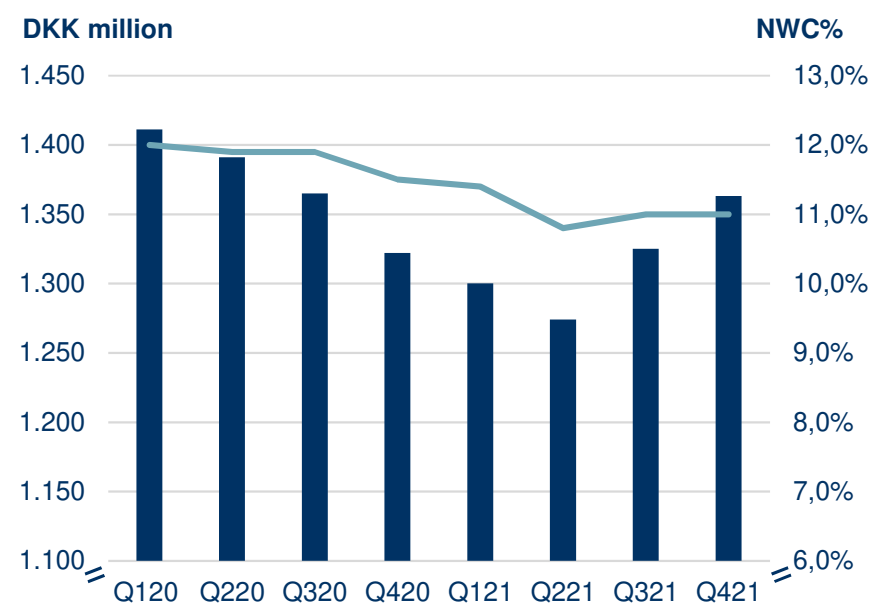


### Q4 cash flow, operating activities

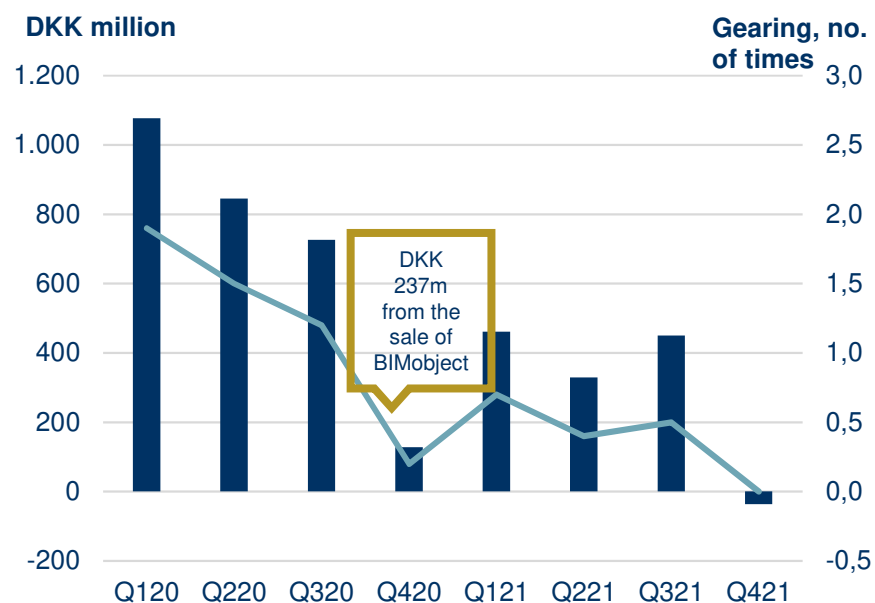


## THE BOARD OF DIRECTORS TO PROPOSE DIVIDEND OF DKK 45 PER SHARE OF DKK 100 TOTALLING PAYMENT OF DKK 329M

### Product availability remains a priority leading to increased net working capital



### NIBD and gearing



## GUIDANCE 2022

### EBITDA AT DKK 850M AND REVENUE TO TOTAL DKK 12,750M

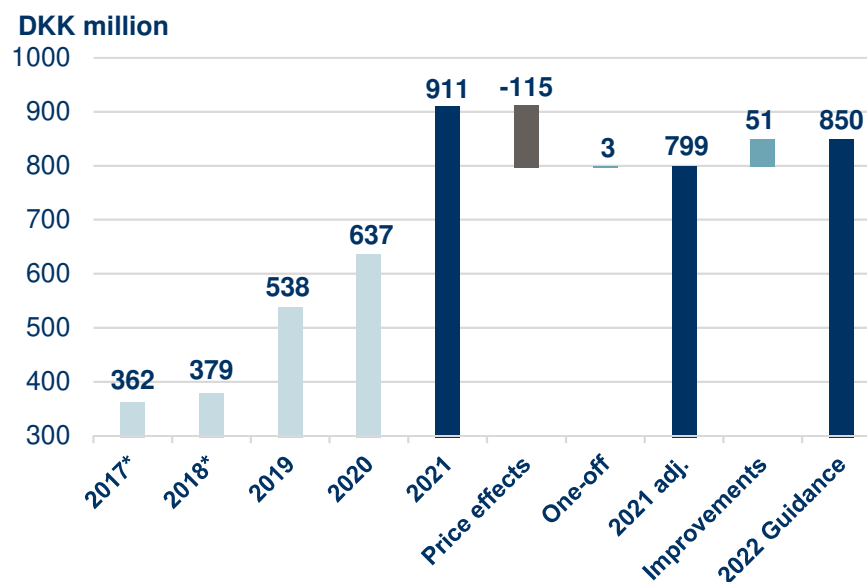
#### Assumptions for guidance 2022

##### External factors

- No significant COVID-19-related knock-on effects.
- Markets to show modest growth rates in 2022.
- Availability of stock materials, the situation will not deteriorate further.
- Normalisation of price increases.
- Loss on trade receivables at same level as in 2021.

##### Internal factors

- Core+ strategy including several strategic drivers are expected to affect gross profit margin positively.
- The Better Business project is expected to reduce revenue by approx. DKK 200m.



\* Not adjusted for IFRS16 impact



# TIME FOR Q&A

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Solar is a leading sourcing and services company

Our core business centres on product sourcing,  
value-adding services and optimisation of our customers'  
businesses

