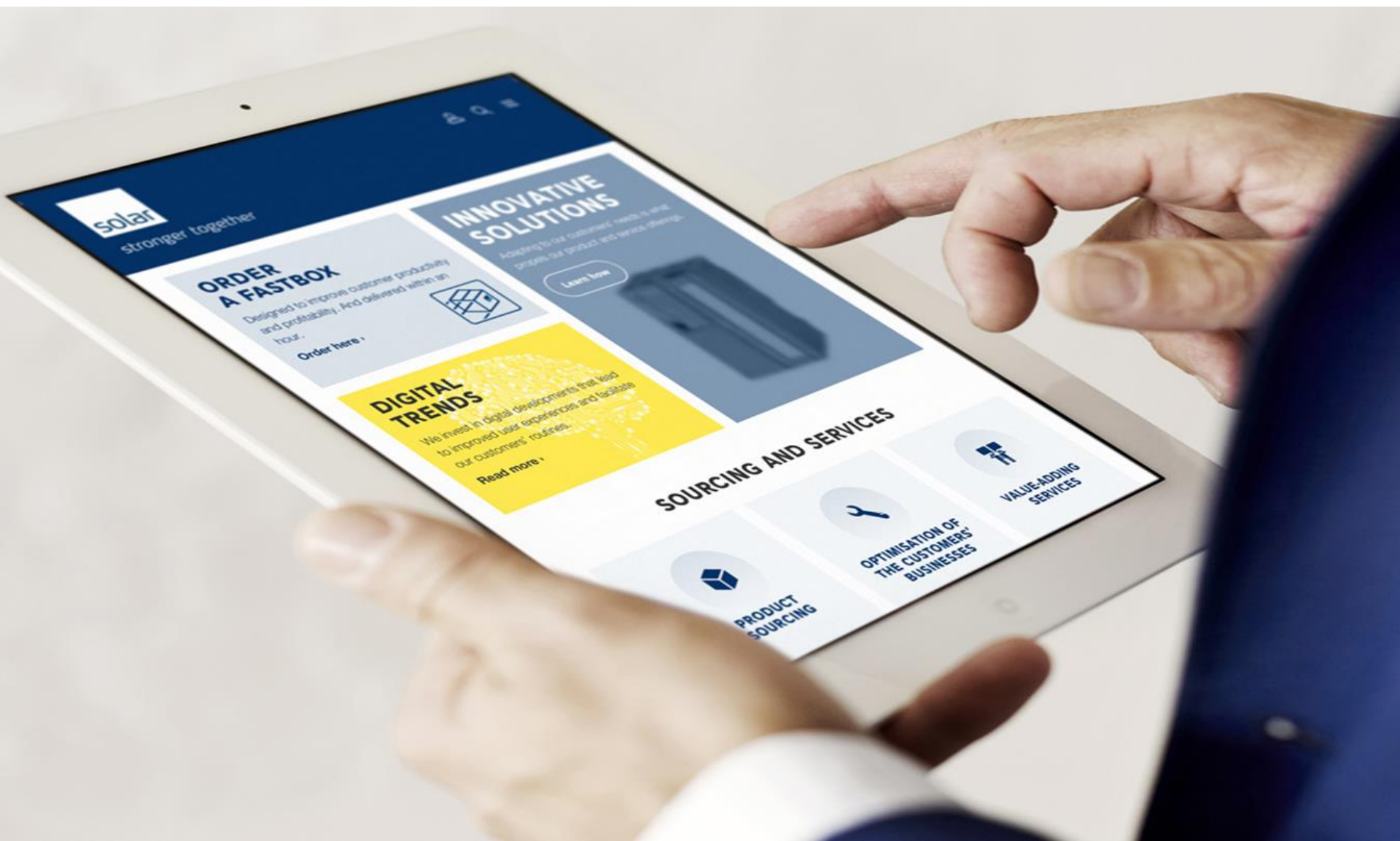


Solar Equity Story

Our three value drivers are growth, EBITA margin and net working capital



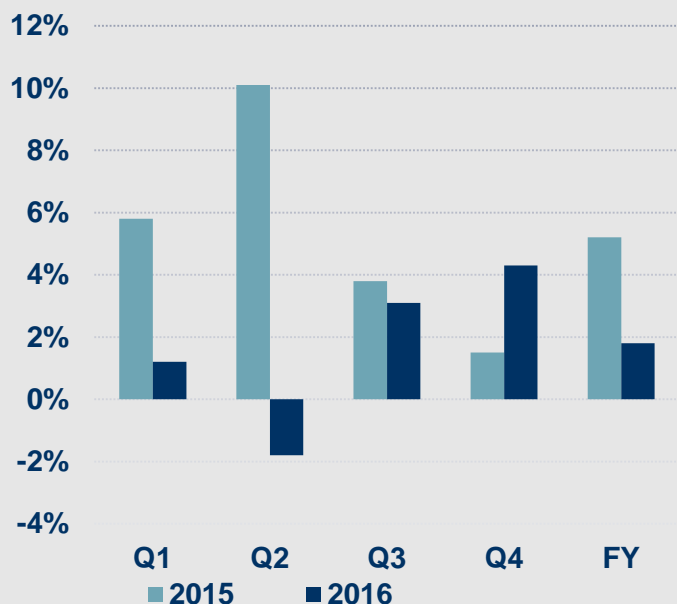


Agenda

- 1. The results we achieved in Q4 2016 and FY 2016**
- 2. Outlook 2017 and dividends distribution**
- 3. CEO update - 2017 priorities**
- 4. Appendix – facts about Solar**

Organic growth adjusted for number of working days was 4.3% vs. 1.5% in Q4 2015

Organic growth, adjusted for number of working days



	Q4 2016	Q4 2015
Revenue, DKK million	3,010	2,819
Revenue growth, %	6.8	1.6
Adj. organic growth, %	4.3	1.5

Positive growth in all main markets and at group level

Update on the installation segment:

- We saw a good year-end performance in both Denmark, Norway and the Netherlands.
- Performance in Other markets was hurt by low market activity in especially Poland.
- Solar Nederland continued to focus on improving profitability. This led to lower sales of certain products and to some customers, but we more than compensated for this by growth in other areas.

Update on the industry segment:

- We saw moderate industrial activity in our markets, resulting in modest organic growth in 2016, but increasing growth in Q4 especially in Norway and Sweden.
- Performance in the Netherlands was negatively affected by loss of panel builder business.

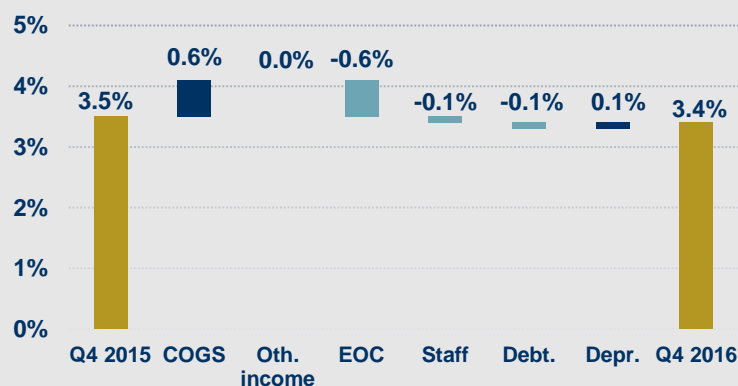
Update on others segment:

- Moderate growth, mainly driven by lower gross profit margin business opportunities in Denmark.

DKK million	Q4 2016 Revenue	Q4 2016 Adj. org. growth
Installation	1,995	Approx. 4%
Industry	805	Approx. 5%
Others	210	Approx. 3%
Total	3,010	4.3%
Denmark	822	10.6%
Sweden	677	1.9%
Norway	532	9.3%
Benelux	718	0.8%
Other markets	281	-6.4%
Eliminations	-20	
Group	3,010	4.3%

EBITA amounted to DKK 102m in Q4 2016 vs. DKK 99m in Q4 2015

EBITA margin

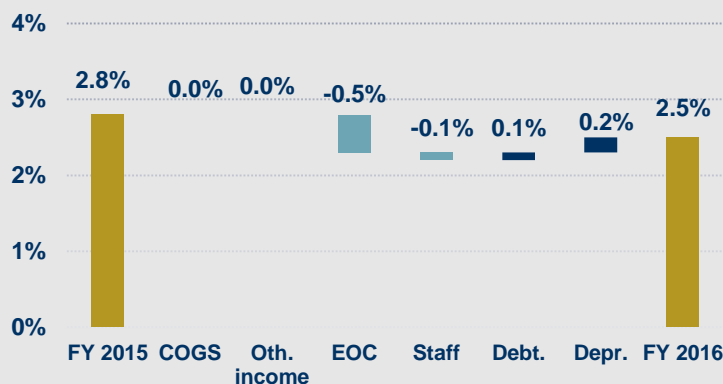


Increase in EOC and staff costs was related to the acquisitions of MAG45 and EBS and also to costs from innovation and development and non-recurring costs.

	Q4 2016	Q4 2015
Revenue, DKK million	3,010	2,819
Revenue growth, %	6.8	1.6
Adj. organic growth, %	4.3	1.5
Gross profit, DKK million	634	579
Gross profit margin	21.1	20.5
EBITA, DKK million	102	99
EBITA margin	3.4	3.5

EBITA was on par with our expectations but impacted by costs from innovation and development and non-recurring costs

EBITA margin



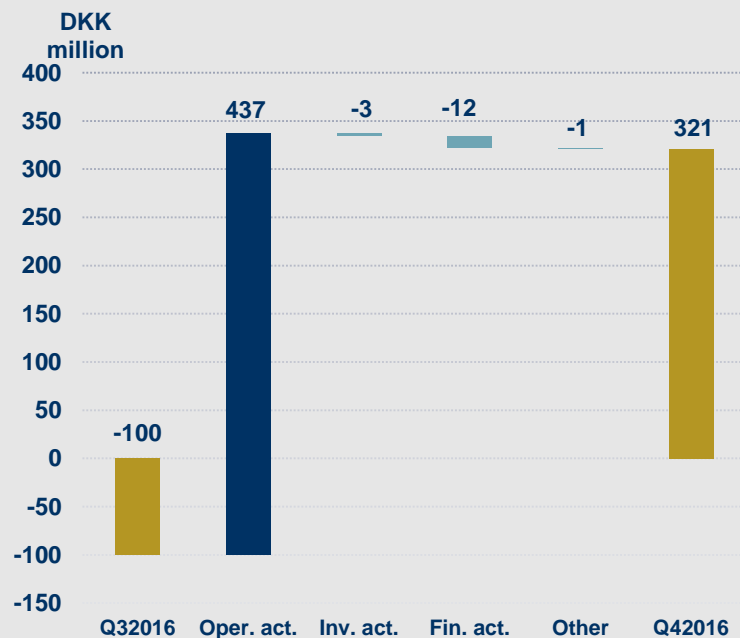
Operational EBITA DKK 302m (2.7%), as EBITA was impacted by:

- Costs related to innovation and business development DKK 20m (-0.2%)
- Non-recurring costs DKK 15m (-0.1%)
- Positive one-offs DKK 11m (0.1%)

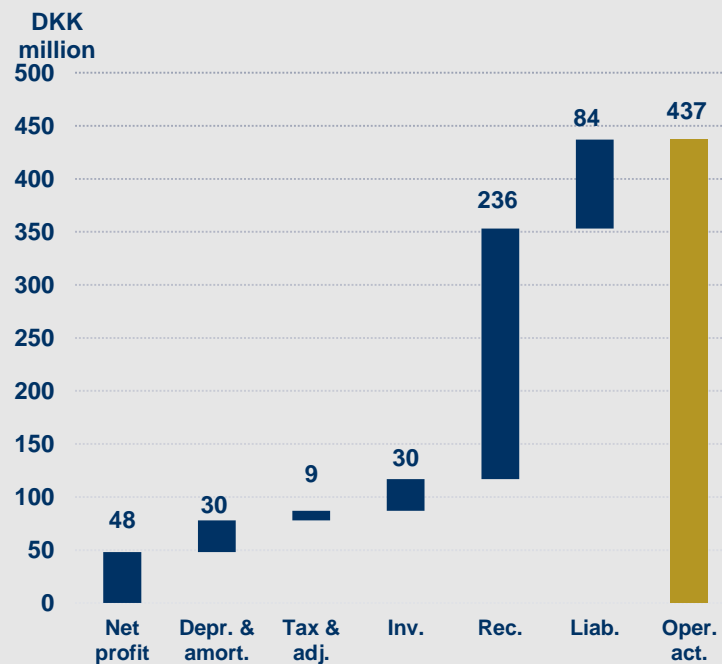
	FY 2016	FY 2015
Revenue, DKK million	11,072	10,587
Revenue growth, %	4.6	3.3
Adj. organic growth, %	1.8	5.2
Gross profit, DKK million	2,308	2,199
Gross profit margin	20.8	20.8
EBITA, DKK million	278	296
EBITA margin	2.5	2.8

Cash flow at DKK 321m in Q4 impacted by the positive development in net working capital

Cash flow

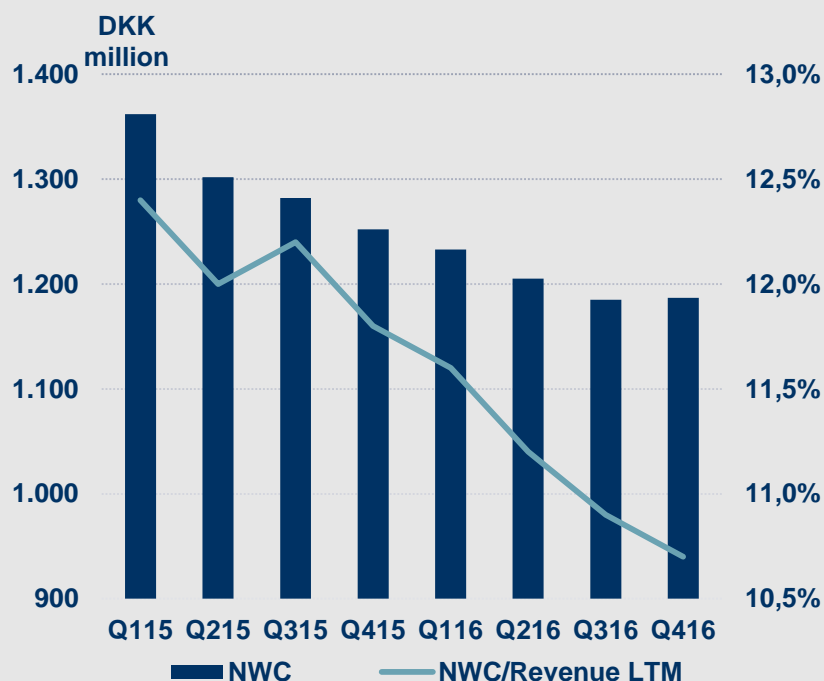


Cash flow, operating activities

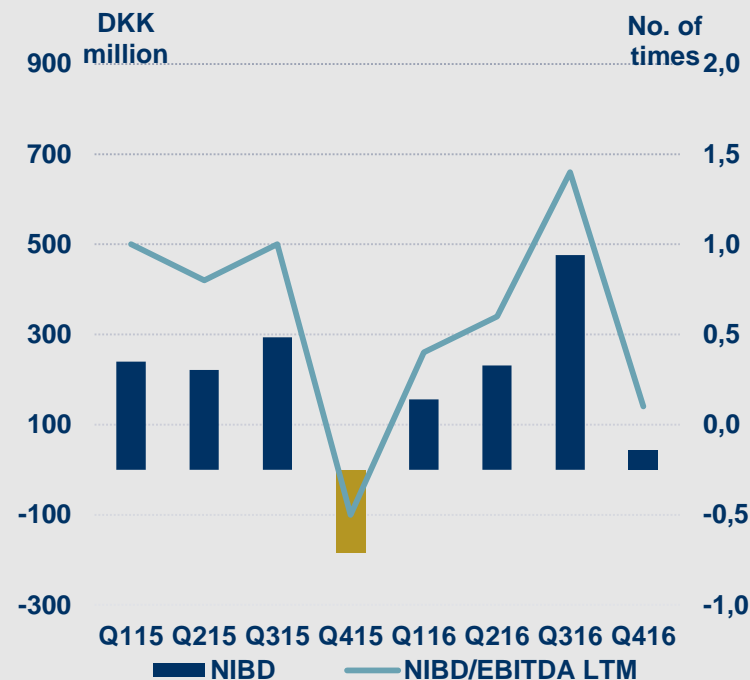


Continued improvement of net working capital Gearing at 0.1 at year-end

Net working capital average (NWC)




Net interest-bearing debt (NIBD)














We expect **moderate market growth in 2017**

Installation
2016 2017E

H1	H2	
		
		
		
		
		
		

Industry
2016 2017E

H1	H2	
		
		
		
		
		
		
		



MAG45

In general, we expect moderate growth in 2017

- We expect revenue of approximately DKK 11.4bn, equal to an organic growth of approximately 3%.
- We expect an operational EBITA of DKK 345m.
- Growth initiatives and structural improvements are expected to have an impact of approx. DKK 25m and approx. DKK 20m, respectively.
- Consequently, we expect EBITA of approximately DKK 300m.
- The return from investments made in BIMobject, Viva Labs, Minuba and GenieBelt will be reported separately.
- The Board of Directors will propose 2016 dividends distribution of DKK 12 per share at the annual general meeting, equal to a payout ratio of 70%.

DKK million	Guidance 2017	Actual 2016
Operational EBITA	345	302
Innovation and business development	-25	-20
Non-recurring costs	-20	-15
Positive one-offs	0	11
EBITA	300	278

2016 priorities and final review

- Maintain focus on short-term strategy; profitable growth
- Strengthen digital front-end - investing in digital start-ups
- Strengthen industrial offer - MAG45 growth plan
- Continue transformational process (sourcing and services)
- Pursue growth opportunities inside and outside current business scope
- networked development

2017 priorities

- Maintain focus on short-term strategy; profitable growth
 - Pursue opportunities for further operational improvements
 - Strengthen sales team performance
- Continue to strengthen our digital leadership
- Strengthen industrial business, incl. MAG45 growth plan
- Pursue growth opportunities inside and outside current business scope
 - networked development

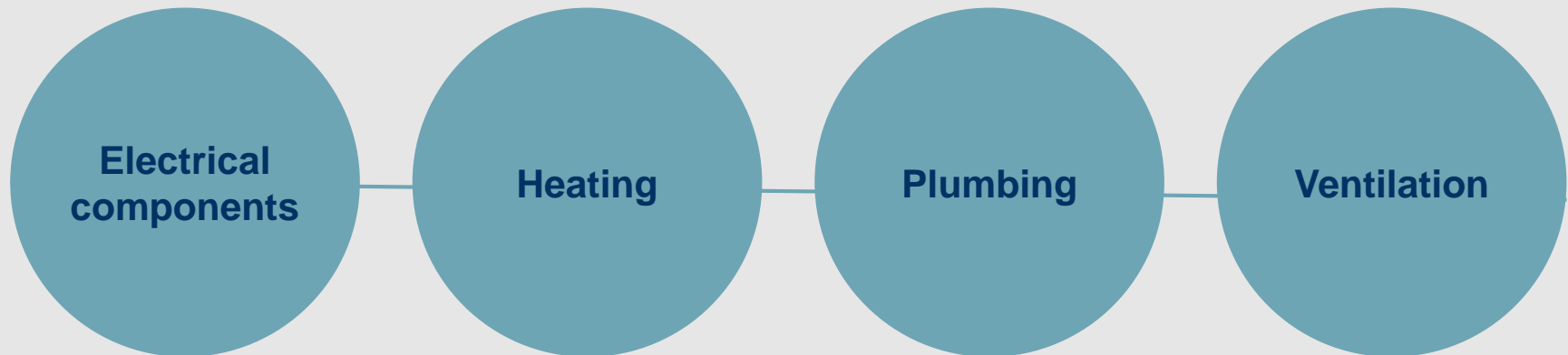


Our identity

We strive to improve our customers' business



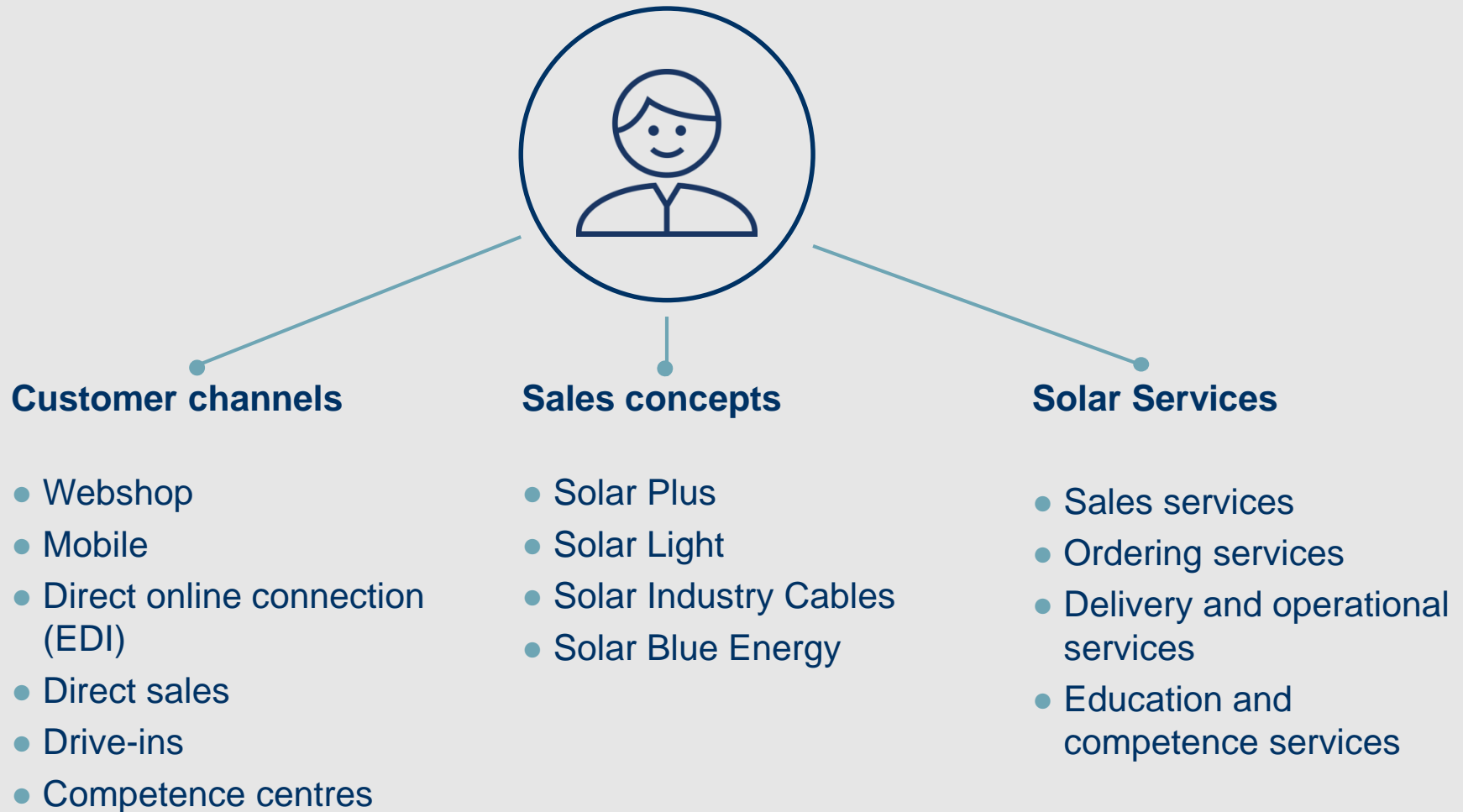
**A leading European sourcing and services company
mainly within:**



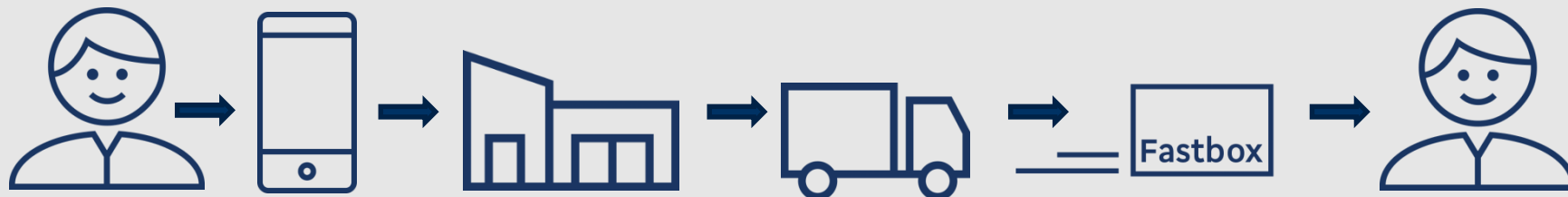
We work with our customers

- to bundle their spend and improve their sourcing.
- to create the best offer and to proactively develop alternatives.
- to optimise their productivity, to optimise transportation cost and to minimise required inventory.
- to improve their employees' skills and efficiency.





Solar Fastbox concept
At work site within an hour



- With Solar Fastbox
 - We make life easier for our customers
 - Increase productivity
 - Save time and transportation costs
 - Solar Fastbox at customer work site within an hour

We offer a flexible distribution setup

- Day delivery
- Night delivery
- Delivery on worksite
- Delivery at company address
- Pick-up
- Fastbox*

We work while you sleep

- Order via e-business before 6 PM and receive before 7 AM
- We have a 97% delivery success rate
- We perform extensive quality control in our operation

* Electrical, heating and plumbing components

Solar Group at a glance

We draw on nearly 100 years of experience and knowhow



1919

Founded in 1919

1953

Listed on the stock exchange since 1953

DKK 11.1bn

DKK 11.1bn in revenue and EBITA of DKK 278m in 2016

Customers

A lot of close customer relationships in our markets



>50%

E-business share

Warehouses

Strategically placed central warehouses

215,000

Approximately 215,000 articles in stock

3,000

Approximately 3,000 people

Solar is listed on Nasdaq Copenhagen and has a majority of long term investors



Distribution of share capital and votes as at 31 December 2016 in percent

Holdings of 5% or more of share capital	Share capital	Votes
The Fund of 20 December, Vejen, Denmark	15.6%	57.5%
Chr. Augustinus Fabrikker A/S, Copenhagen, Denmark	10.3%	5.1%
RWC Asset Management LLP,* London, England	10.0%	4.9%
Nordea Funds Oy, Danish Branch, Copenhagen, Denmark	9.8%	4.9%
Solar A/S, Vejen, Denmark	7.9%	3.9%

* Figures from 13 January 2017, cf. company announcement no. 1 2017.

Solar's business areas:

Electrical, heating and plumbing, and ventilation technologies



Installation



Cables



**Marine &
Offshore**



Lighting



Industry



Communication



Security



Ventilation



**Heating, Water
& Sanitation**



**Renewable
energy**

Solar delivers products and solutions within:



**Residential and
Commercial buildings**



Industry



**Marine &
Offshore**



**Utility
and
infrastructure**



Public sector