

14 March 2025

Annual general meeting

2025

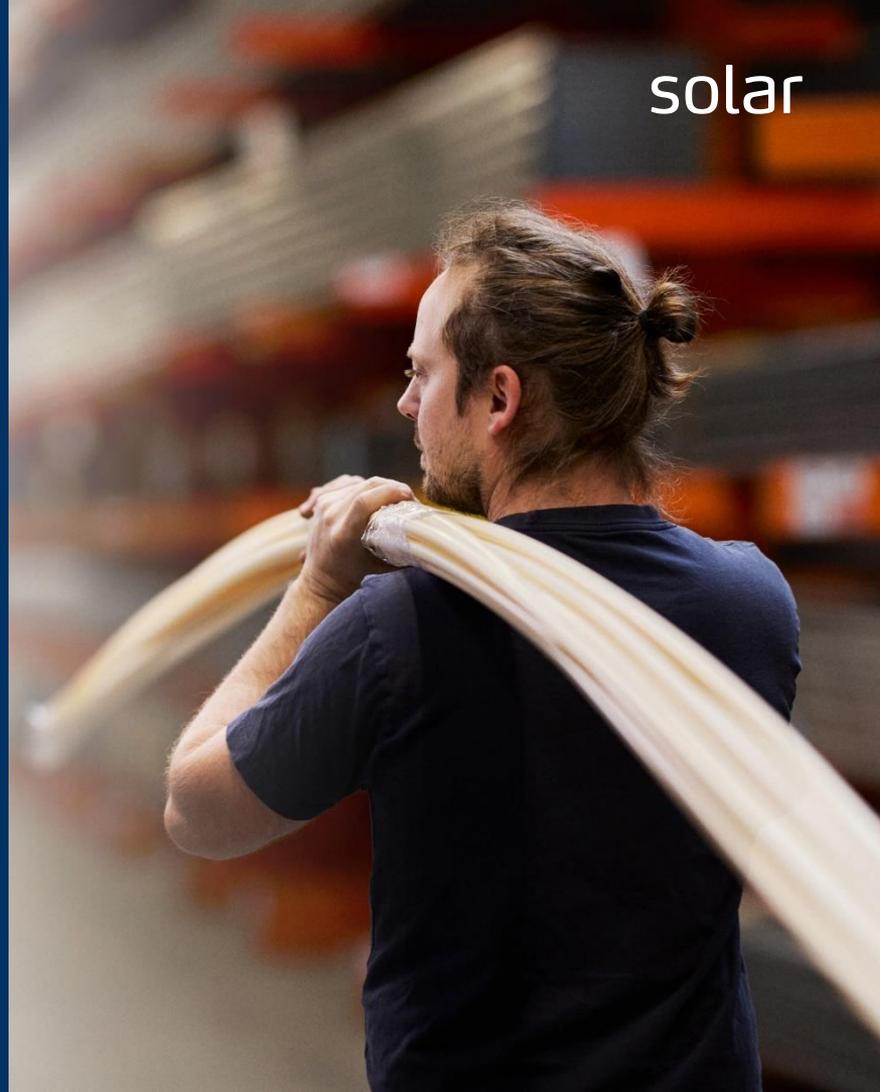
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# Agenda

- 1 The Board of Directors' report
- 2 Approval of the annual report
- 3 Allocation of profits
- 4 Indicative vote on approval of the remuneration report
- 5 Approval of remuneration to members of the Board of Directors
- 6 Election of members to the Board of Directors
- 7 Election of auditor
- 8 The Board of Directors' proposals
- 9 Shareholders' proposals
- 10 Authorisation to the chair of the meeting
- 11 Any other business

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# The Board of Directors' report

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**Michael Troensegaard Andersen**

Chair of the Board of Directors



# Solar delivered a higher EBITDA than expected

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2024

Revenue

DKK million

12,223

EBITDA

DKK million

646

EBITDA

Margin

5.3

2023

Revenue

DKK million

13,031

EBITDA

DKK million

871

EBITDA

Margin

6.7

# Looking back at 2024

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## Stronger than expected

- Sales of the warehouse in Örebro, Sweden
- Cost-saving initiatives



## As expected

- Improved delivery performance



## Less than expected

- Revenue
- Gross profit

## Giving back to nature

- Planted 360,000 trees in Latvia
- Ambition to afforest another 470 hectares during the next three years.



## Status on CO<sub>2</sub> targets

- Scope 1 and 2 emission reduced by 50% compared to 2020
- Target is to become CO<sub>2</sub> neutral in 2030.



# The plan to reach our CO<sub>2</sub>e reduction targets

## Solar's business, scope 1 & 2

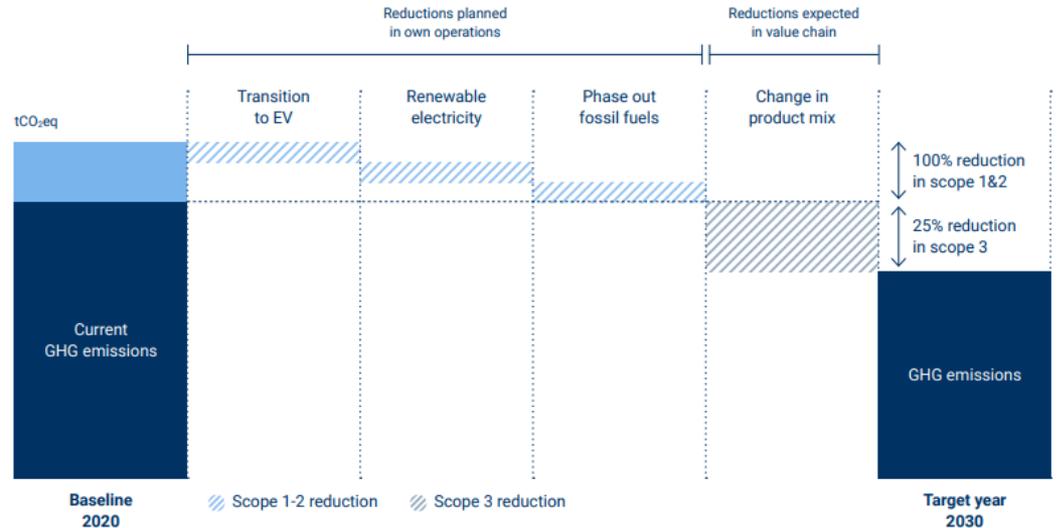
- Transition to electric cars
- Apply renewable energy
- Phase out fossil fuels

## Solar's value chain, scope 3

- Change the product mix

## Transition plan towards 2030 for scope 1, 2, and 3 GHG emissions

E1-4 Targets related to climate change mitigation and adaptation



# In five years invested over DKK 1bn in the business

## Warehouses expanded and consolidated - AutoStore implemented

- Solar Norge
- Solar Nederland
- Solar Danmark

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## New logistics centre is being built in

- Kumla, Sweden

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## Digitalisation

- SAP eWM and SAP 4/HANA upgrade
- Cyber security
- AI



# 2024: Paid out DKK 219m in dividends to our shareholders, corresponding to DKK 30 per share

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2024 We paid out DKK 30.00 in ordinary dividends per share, corresponding to DKK 219m and a payout ratio of 63%.

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2025 Proposal for the annual general meeting to pay out DKK 15.00 in dividend per share, corresponding to a total of DKK 110m and a payout ratio of 72%.



Solar's ambition is to pay out an attractive dividend to our shareholders.

# 75%

Over five years, Solar's share has provided a total return to the shareholders of 75%.

# Report

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**Jens E. Andersen**  
CEO

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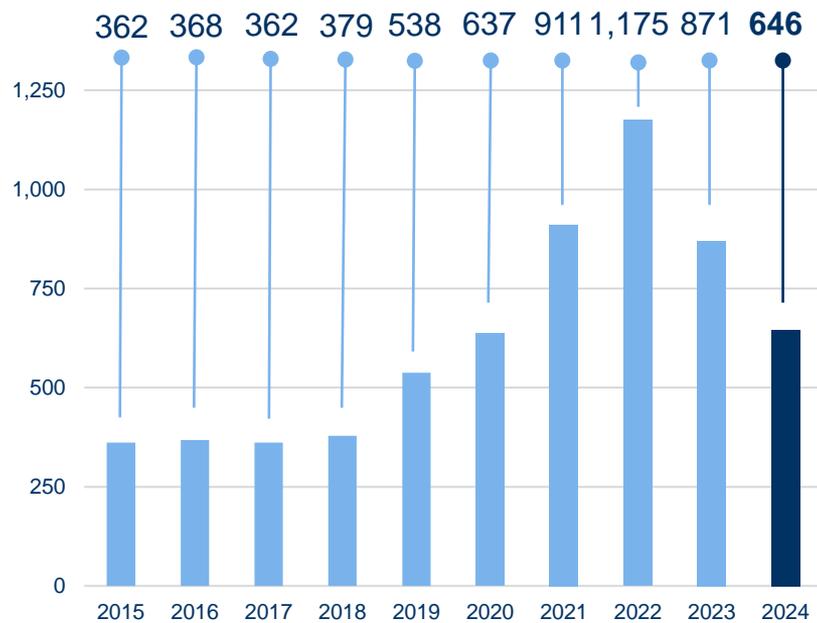


# Seen over 10 years, 2024 EBITDA is above average

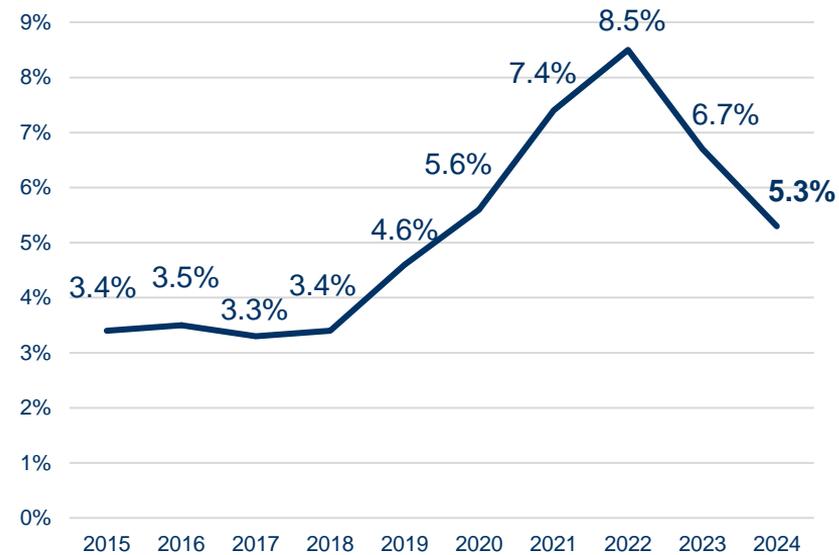
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## EBITDA 2015-2024

DKK million



## EBITDA margin 2015-2024



# Sweden is a strategic market for Solar

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## We prepare for growth

- New logistics centre in Kumla
- Site 234,000 m<sup>2</sup>, buildings approx. 48,000 m<sup>2</sup>
- Sustainable building, BREEAM Excellent
- Automation and focus on working environment
- Expected ready by the end of 2026
- Sale of warehouses in Örebro and Halmstad
- Investment of DKK 400m net

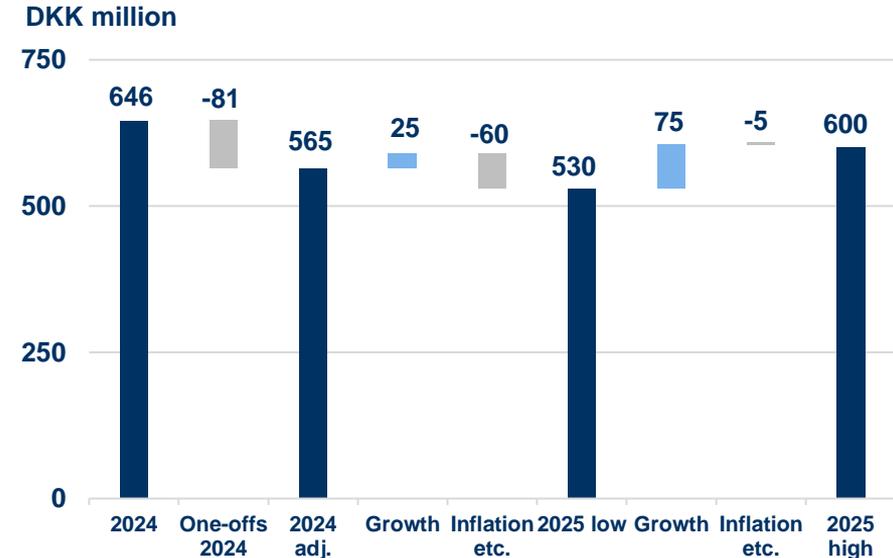


# Expectations for 2025: Revenue of DKK 12.3-12.8bn and EBITDA of DKK 530-600m

## Expectations for growth in 2025

- We expect a recovery of the macroeconomic situation in 2025.
- Even though we expect to see recovery in all our markets, the timing and strength of the recovery are unpredictable.
- We expect overall growth across all segments in 2025.
- We expect a bit lower gross profit in 2025, primarily as a result of continued price pressure combined with low price increases.
- Wage inflation is expected to continue to have an effect into 2025, partly due to transferred effects and partly due to collective agreements.
- We have implemented – and will continue to implement – mitigation measures, including cost containment, process improvements and staff reductions where necessary.

## Overall EBITDA development



# Lowering our financial ambitions for 2026

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## Assumptions

2026 are assumed to be characterised by:

- Average annual GDP growth of at least 1.5%
- Low cost and salary inflation
- Pick-up in industry and building activities
- Continued governmental support for the green transition.

## Financial ambitions

EBITDA margin

>5.0

by 2026

Gearing

1.0-3.0<sub>x</sub>

## Strategic focus areas



Climate & energy

>10%

Share of revenue



Concept strength

>0.5 Percentage points

Gross profit margin improvement



Solution sales

>20%

Share of revenue

## Sustainability



Climate impact

65%

Scope 1 & 2 emission:  
Reduction compared to base year 2020



Sustainable supply chain

>95%

Spend covered by Code of Conduct



Diversity and inclusion

>25%

Women in senior management\*

# Financial statements 2024

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**Michael H. Jeppesen**  
CFO

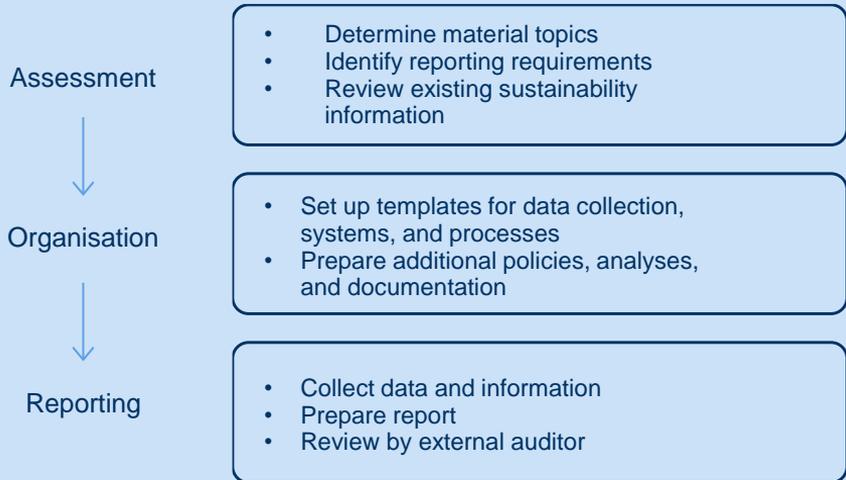
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# Sustainability reporting now integrated in annual report

- From 2024, requirements for reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD).
- The annual report is expanded with approx. 60 pages on sustainability.
- CSRD reporting includes extensive requirements for descriptions and data points.
- The basis is a double materiality analysis (DMA), which for Solar reduced the number of data points from 1,144 to 420.
- Requirement for an auditor's statement with limited assurance.
- Solar's sustainability auditor, Deloitte, has issued a limited assurance opinion with no comments on the 2024 sustainability reporting.
- Upcoming changes to reporting requirements will not affect Solar's sustainability reporting.

## Process for CSRD preparation

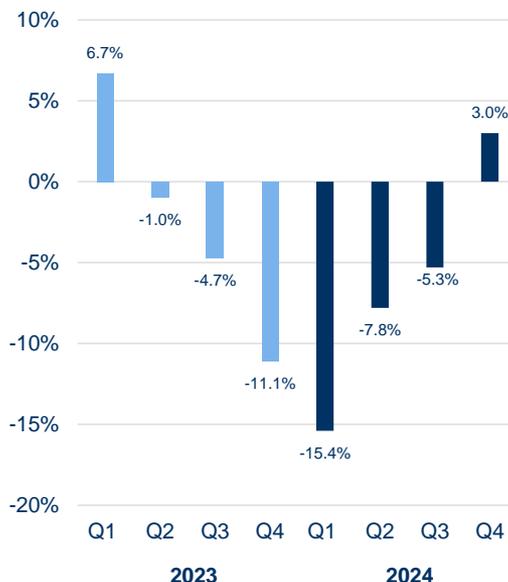


# Revenue amounted to DKK 12.2bn. Our assessment is that we have maintained our market share.

## Adjusted organic growth amounted to -6.4%

- As expected, we saw negative growth in 2024, but the expected recovery came later and was less robust. Organic growth in Q4 was largely impacted by Solar Polaris' deliveries to a major solar project.
- Installation: Adjusted organic growth amounted to -8% (-4.9%). Solar Polska saw positive growth, while all other main markets had negative growth.
- Industry: Adjusted organic growth amounted to -4% (2%). MAG45 saw solid growth, as did Solar Norway.
- Trade: Adjusted organic growth amounted to -6.3% (-4.6%), positively impacted by Solar Polaris.

## Organic growth adjusted for number of working days



## Solar Group

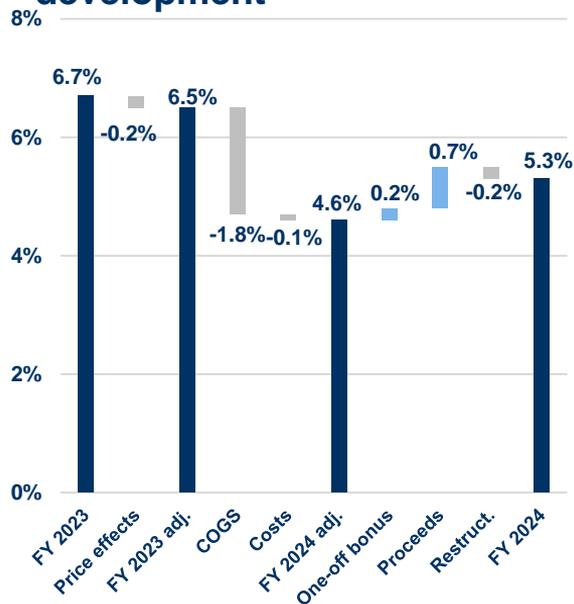
	2024	2023
Revenue, DKK million	12,223	13,031
Revenue growth, %	-6.2	-6.0
Adj. organic growth, %	-6.4	-2.6

# EBITDA of DKK 646m was better than we expected

## EBITDA impacted by one-off income of DKK 81m net

- When adjusted for one-off income, underlying EBITDA amounted to DKK 565 million (DKK 841 million), corresponding to an underlying EBITDA margin of 4.6% (6.5%).
- Gross profit amounted to 20.6% (22.5%). Continued focus on concept sales did not deliver the expected improvements, while we saw a general decline in gross margins across all product categories.
- Due to actions initiated and despite restructuring costs of DKK 27 million and inflation, other external costs and staff costs were reduced to DKK 1.9bn.

## EBITDA margin development



## Solar Group

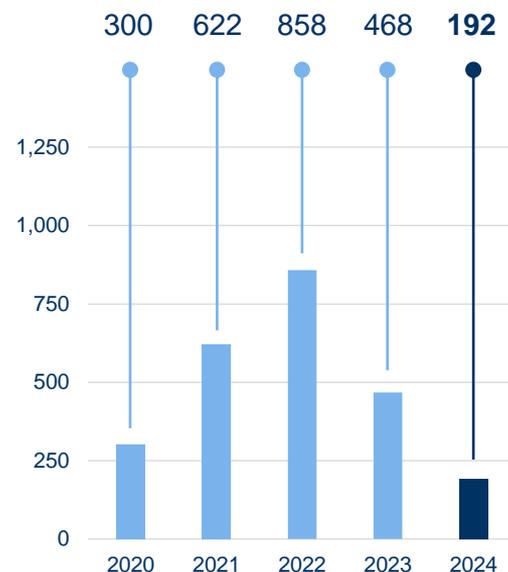
	2024	2023
Revenue, DKK million	12,223	13,031
Revenue growth, %	-6.2	-6.0
Adj. Organic growth, %	-6.4	-2.6
Gross profit, DKK million	2,521	2,930
Gross profit, %	20.6	22.5
EBITDA, DKK million	646	871
EBITDA margin	5.3	6.7

# Earnings before tax amounted to DKK 192m

## Earnings before tax (EBT)

- EBT was reduced by DKK 276 million.
- Reduced revenue and gross profit had a negative impact.
- EBT was reduced because of impairment of goodwill in Thermonova of DKK 47 million.
- Relative to revenue, EBT thus accounted for 1.6% (3.6%).

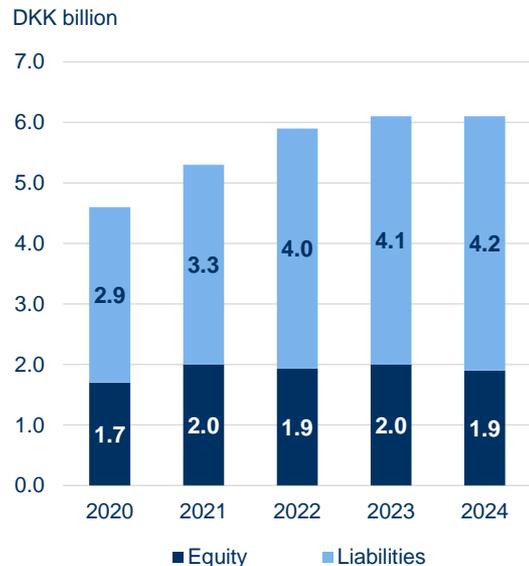
## EBT DKK million



## Solar Group

	2024	2023
EBITDA, DKK million	646	871
EBITDA margin	5.3	6.7
EBIT, DKK million	278	558
EBIT margin	2.3	4.3
EBT, DKK million	192	468
EBT margin	1.6	3.6
PAT, DKK million	148	348
PAT margin	1.2	2.7

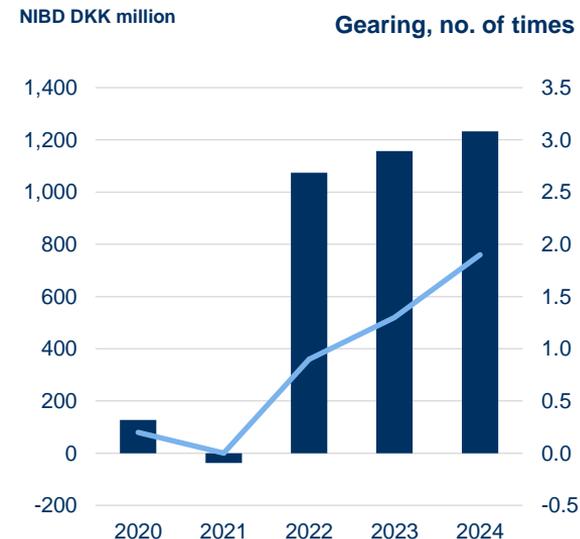
## Balance sheet total largely unchanged



## Balance sheet total unchanged but gearing increased

- The balance sheet total amounted to DKK 6.1bn.
- Equity ratio of 30%.
- At the end of 2024, interest-bearing debt, DKK 1,232m net.
- At the end of 2024, working capital was reduced to 13.9% from 14.6%.
- Gearing of 1.9 times EBITDA.

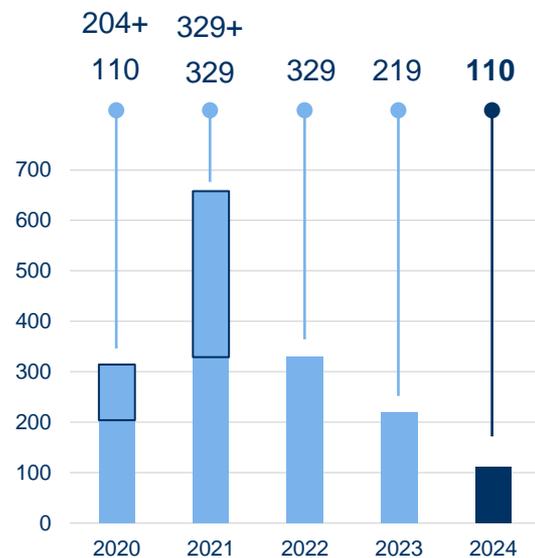
## Gearing increased to 1.9 times EBITDA



# Allocation of profits. Proposed dividend of DKK 110m.

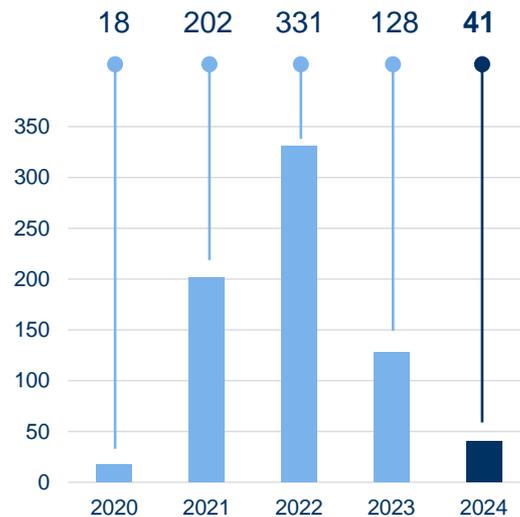
## Dividend

DKK million



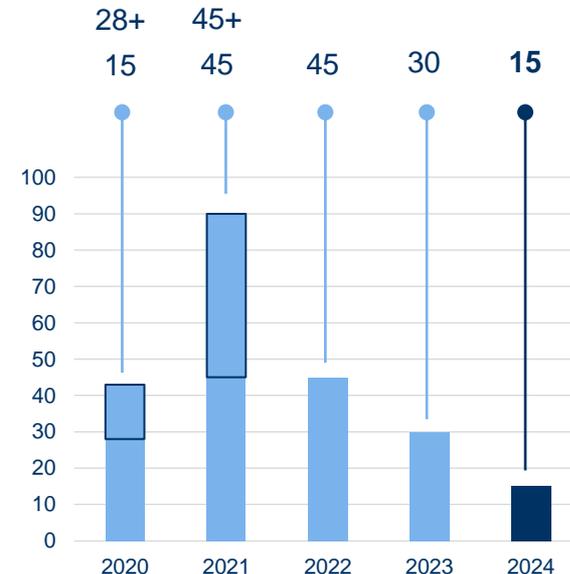
## Retained earnings

DKK million



## Dividend per share

DKK



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# Other items on the agenda

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**Bo Hulse**

Chair of the meeting



## Indicative vote on approval of the remuneration report

Indicative vote on the remuneration report prepared by the Board of Directors concerning remuneration of members of the Board of Directors and the Executive Board in 2024.





# Board of Directors’ remuneration

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## Approval of remuneration to members of the Board of Directors

- The Board of Directors proposes that the fixed fee for the Board of Directors in 2025 remains at DKK 200,000.
- 
- The chair of the Board of Directors will receive triple remuneration, while the vice chair of the Board of Directors and the chair of the Audit Committee will receive 1½ times the remuneration covering their extended duties.
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- In accordance with the framework set out in the remuneration policy, it is also proposed that that members of the Board of Directors in addition to the fixed fee receive DKK 15,000 for each physical board meeting or committee meeting that they attend, and DKK 7,500 for each virtual board meeting or committee meeting that they attend.
- 
- The chair of the Board of Directors will receive double the meeting fee, while the vice chair of the Board of Directors will receive 1½ times the meeting fee for each ordinary Board of Directors’ meeting they attend.

# The Nomination Committee proposes

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



Michael T. Andersen



Jesper Dalsgaard



Louise Knauer



Peter Bang



Morten Chrono



Katrine Borum

## One shareholder has announced his candidacy for the Board of Directors

- In addition, one shareholder, René Juul, has announced his candidacy for the Board of Directors.
- 
- The Board of Directors does not want to propose an expansion of the board and does not support the candidacy.
- 
- René Juul withdrew his candidacy before the annual general meeting.

## Election of auditor

**In line with the Audit Committee's recommendation, the Board of Directors proposes that Deloitte, Statsautoriseret Revisionspartnerselskab, be re-elected as company auditor and that Deloitte, Statsautoriseret Revisionspartnerselskab, also be re-elected as sustainability auditor.**

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

The Deloitte logo is centered within a large, light gray circle. The logo consists of the word "Deloitte" in a bold, black, sans-serif font, followed by a small green dot.

# Authorisations to the Board of Directors

## Distribution of extraordinary dividend

- The Board of Directors proposes that the company's Board of Directors be authorised in the period up until the next Annual General Meeting to resolve to distribute extraordinary dividend of up to DKK 50.00 per share.

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## Acquisition of own 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 own shares for consideration. It is proposed that the authorisation be granted for the acquisition of up to 10% of the share capital, and in such a manner that the consideration does not deviate by more than 10% from the latest quoted market price for the company's class B shares at the time of acquisition.



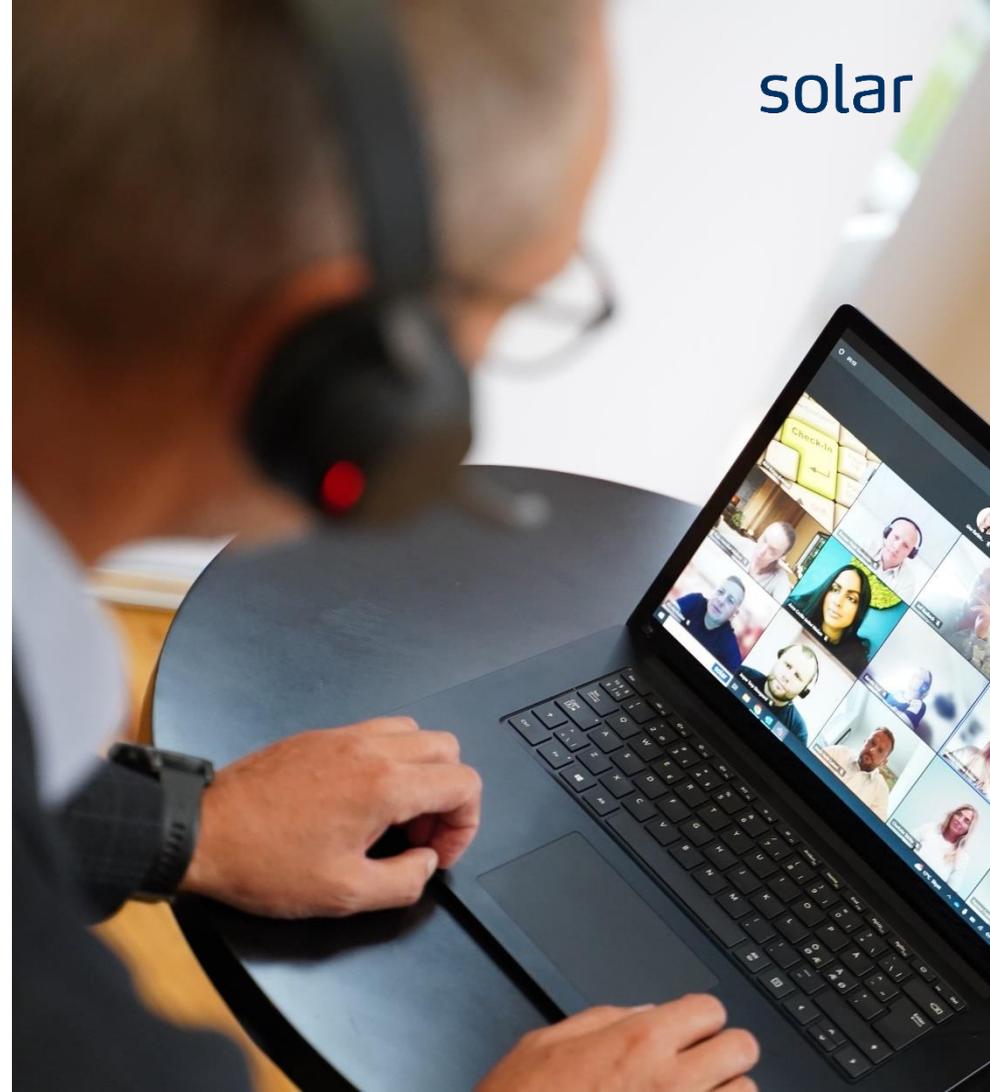
## Shareholders' proposals

- A shareholder has proposed that the company's shares be divided into shares of DKK 50 each, so that each share of DKK 100 gives two shares of DKK 50 each. The proposal aims to attract new financially strong investors. The proposal will entail changes to articles 3.1 and 5.1 of the Articles of Association.
- 
- The shareholder has also proposed that profits resulting from the share split should be used for dividend distribution in the financial year 2025.
- 
- The Board of Directors does not support any of the shareholder's proposals.

## Authorisation to the chair of the meeting

The Board of Directors proposes that the general meeting authorises the chair (with a right of substitution) to register with the Danish Business Authority the reportable resolutions adopted by the general meeting and to make such amendments to the documents prepared in connection with these resolutions as may be required by the Danish Business Authority in order to register these resolutions.

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# Any other business

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**Bo Holse**

Chair of the meeting

