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### Quarterly Report Q2 2015

As a consequence of the divestment of the assets in Solar Deutschland GmbH, the stated figures for 2014 and 2015 in this announcement relate to the continuing operations.

*The Solar Group's Q2 2015 revenue and EBITA were better than expected.  
We raise our expectations for both revenue and EBITA for the full year.*

#### CEO Anders Wilhjelm says:

"Solar saw growth in all markets in the second quarter. We are pleased about our business' continued momentum and raise our expectations for 2015. At the same time, we work determinedly on increasing our profitability and strengthening our customers' businesses – we want to make our customers winners. In the Netherlands, we have now completed a business consolidation, so that all customers have the benefit of full access to Solar's products and services as well as one comprehensive network of branches. At the same time, the entire integration in the Netherlands is a really great example of how we have succeeded to reduce internal complexity."

Select key figures (DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Revenue	2,674	2,476	5,319	5,061
EBITA	48	0	108	38
Earnings before tax	30	-24	70	-13
Cash flow from operating activities	58	-75	-125	-247
Select key ratios (%)				
Organic growth	9.4	-3.4	7.0	0.1
EBITA margin	1.8	0.0	2.0	0.8
Period-end net working capital/revenue (LTM)	12.4	13.3	12.4	13.3
Average net working capital/revenue (LTM)*	12.0	12.4	12.0	12.4

\* Calculated as an average of the last four quarters' inventories, debtors and creditors.

#### Q2 2015 revenue

- The group's revenue exceeded our expectations.
- Organic growth amounted to 9.4% against -3.4% in Q2 2014. Adjusted for the number of working days, organic growth amounted to 10.1% against -2.3% in Q2 2014.

#### Q2 2015 EBITA

- EBITA for the group exceeded our expectations.
- Q2 2014 EBITA was affected by restructuring costs of DKK 10m and Solar 8000 costs of DKK 8m.

**Expectations for 2015**

- We raise our expectations for 2015, for which we now expect revenue between DKK 10.5-10.8bn against the previous DKK 10.0-10.3bn and EBITA between DKK 240-290m against the previous DKK 200-250m.
- For Solar in total we expect organic growth between approximately 4% and 7% in 2015.

**Q2 presentation – audio webcast and teleconference today**

The presentation of Quarterly Report Q2 2015 will be transmitted online on Tuesday 11 August 2015 at 11:00 CET. The presentation will be transmitted as audio webcast and will be accessible via [www.solar.eu](http://www.solar.eu). It will be possible to make comments and ask questions via teleconference.

Teleconference numbers:

DK: tel. +45 354 455 83  
UK: tel. +44 203 194 0544  
US: tel. +1 855 269 2604

Yours faithfully  
Solar A/S

Anders Wilhjelm

Appendix: Quarterly Report Q2 2015 pages 1-23

**Facts about Solar**

Solar A/S is a listed company and one of Northern Europe's leading sourcing and services companies, mainly within electrical, heating, plumbing and ventilation technologies. Solar offers products, knowledge and solutions.

The Solar Group, which is based in Denmark, had revenue of approximately DKK 10.3bn in 2014 and currently employs around 3,000 employees. Solar is listed on Nasdaq Copenhagen with the short designation SOLAR B and has been listed since 1953. For more information, please visit: [www.solar.eu](http://www.solar.eu).

**Disclaimer**

This announcement was published in Danish and English today via Nasdaq Copenhagen. In case of any discrepancy between the two versions, the Danish version shall prevail.

# Solar A/S Quarterly Report Q2 2015

CVR no. 15908416



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## Statement on the future

This quarterly report contains statements concerning the future, including financial expectations for 2015. These statements are in their nature affiliated with risks and uncertainties that Solar cannot influence. These uncertainties may entail that the actual development and realised results may vary from the expectations described in this quarterly report.

The quarterly report was published in Danish and English on 11 August 2015 via Nasdaq Copenhagen. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

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# Financial highlights

## Consolidated

Financial and operating data (DKK million)	Q2		H1		Year
	2015	2014	2015	2014	2014
Revenue	2,674	2,476	5,319	5,061	10,252
Earnings before interest, tax, depreciation and amortisation (EBITDA)	64	19	141	78	227
Earnings before interest, tax and amortisation (EBITA)	48	0	108	38	117
Earnings before interest and tax (EBIT)	37	-13	85	8	-73
Earnings before tax (EBT)	30	-24	70	-13	-122
Net profit or loss for the period	23	-35	85	-46	-234
Balance sheet total	4,668	4,841	4,668	4,841	4,574
Equity	1,798	1,974	1,798	1,974	1,732
Interest-bearing liabilities, net	221	700	221	700	302
Cash flow from operating activities, continuing operations	58	-75	-125	-247	187
Net investments in property, plant and equipment	-5	-15	-9	-31	-41
<b>Financial ratios (% , unless otherwise stated)</b>					
Organic growth	9.4	-3.4	7.0	0.1	0.4
Organic growth adjusted for number of working days	10.1	-2.3	7.9	-0.3	0.1
Gross profit	20.5	21.1	20.9	21.3	21.2
EBITDA margin	2.4	0.8	2.7	1.5	2.2
EBITA margin	1.8	0.0	2.0	0.8	1.1
Net working capital (NWC at end of period)/revenue (LTM)	12.4	13.3	12.4	13.3	10.8
Gearing (net interest-bearing liabilities/EBITDA), no. of times	0.8	1.7	0.8	1.7	1.3
Return on equity (ROE) excl. amortisation	4.5	4.8	4.5	4.8	-2.3
Return on invested capital (ROIC) excl. amortisation	3.9	7.4	3.9	7.4	0.7
Equity ratio	38.5	40.8	38.5	40.8	37.9
<b>Share ratios (DKK million)</b>					
Earnings per share outstanding (EPS)	2.93	-4.46	10.82	-5.86	-29.79
Earnings excl. amortisation per share outstanding (EPS)	4.33	-2.80	13.76	-2.04	-5.60
<b>Employees</b>					
Average number of employees (FTE), continuing operations	2,886	2,910	2,889	2,910	2,898

In general, financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2015". In general, when EBITDA is included in the calculation of financial ratios, EBITDA for the last 12 months is included.

In general, restatements have been made of income statements, cash flows and key ratios concerning the discontinued operations in Solar Deutschland GmbH for 2014. In accordance with IFRS, the balance sheet has not been restated. The key ratio interest-bearing liabilities, net, has been adjusted for interest-bearing receivables relating to the divestment of Aurora Group Danmark A/S up until the settlement in Q1 2015.

Effective from the presentation of the annual report for 2014, Solar has changed its presentation currency from EUR to DKK. Balance sheet items as at 1 January 2014 have been translated at a price of 746.030, while the 2014 income statement has been translated at a price of 745.879. Apart from this, the change will not affect earnings before tax, net profit or loss for the period or earnings per share.

## Segments

# Development – installation and industry

### Segment reporting

The segment reporting is divided into the three business segments: Installation, Industry and Other.

The business segments are based on the customers' affiliation. Installation covers the installation of electrical and heating and plumbing products. Industry primarily covers industry, marine and offshore, utility and infrastructure. Other covers a number of small areas.

The installation and industry segments have different delivery requirements and different dynamics.

Installation is very dependent on construction activities, whereas Industry is more affected by general financial growth, export and the development within oil and energy.

Within the individual segments, customers across countries are more alike than installation and industry customers. While installation customers are typically local customers, industry customers are often international customers.

### Development within Installation in Q2

In general, the installation area still suffers under the low construction activity in a number of our markets.

Solar, however, experienced growth in all key markets with total organic growth of approximately 8% within the installation area. We assess that we as a minimum have maintained our market share.

The Norwegian as well as the Dutch market developed better than expected in Q2. This was also the case with the Danish market, even though we still see significant competition.

### Development within Industry in Q2

We have seen a slightly positive development within the industry segment on Solar's markets driven by general economic growth in Northern Europe and increasing export.

The offshore industry in the North Sea is, however, challenged by the price fall on energy, which has affected the activity level in this sector negatively. In the meantime, we assess that this will have a certain positive effect on other parts of the industry.

Solar experienced group-wide growth – led by Denmark, the Netherlands and Poland. Solar's organic growth within the industry segment was approximately 13% in Q2.



*Installation is very dependent on the construction activities, whereas Industry is more affected by general financial growth, export and the development within oil and energy.*

## Expectations 2015

# Solar raises expectations

### Market expectations

H1 developed positively for Solar. Compared to our previous expectations, we are more optimistic in terms of market development. We are, however, currently still unsure about the market development, especially in Norway and partly also in Denmark.

In 2015, the **Danish** market is still expected to be at the same low level as last year. New construction is still at a very low level. The reestablishment of the housing subsidy scheme 'boligjobordningen' is expected to have a positive, however delayed, effect on renovation activities. In spite of the less negative signals surrounding Danish construction, we still expect 2015 to be a challenging year within Installation. We still expect a slightly positive development in areas outside the building sector.

The **Swedish** installation market is expected to show moderate growth in 2015. We also expect a positive development in areas outside the building sector.

The development in the **Norwegian** market is still subject to uncertainties out of the ordinary. Especially offshore investments are still expected to drop - with a potential negative spillover effect in other areas due to the offshore industry's significance for the Norwegian economy. It is, however, uncertain if the positive development within industry will compensate for the negative development within offshore. In spite of the risk of a negative spillover effect, we now expect a slightly positive development within Installation.

We expect a slightly positive market development in the **Dutch** market in 2015. In the installation market we still see a mixed picture. There are still many available commercial leases, which - combined with a negative development in building permits for industrial construction - can be expected to have a negative effect. On the other hand, there is a continued increase in the sales of houses and building permits for housing construction, which may have a positive effect. Overall, we expect a slightly positive development.

For the **Polish** market, we expect positive growth, while the remaining markets are expected to show total market growth around nil.

### Expectations for Solar's business areas

We expect a positive development within the installation segment.

We expect a positive development within the industry area.

For Solar in total we expect organic growth between approximately 4% and 7% in 2015.

### Financial expectations

We raise our expectations for 2015, for which we now expect revenue between DKK 10.5-10.8bn against the previous DKK 10.0-10.3bn and EBITA between DKK 240-290m against the previous DKK 200-250m.

## Financial review

# Q2 results are better than expected

In H1, Solar saw organic growth of 7.0%. Compared to H1 2014, gross profit dropped by 0.4 percentage points, while EBITA improved by DKK 70m totalling DKK 108m. Revenue and EBITA exceeded our expectations for Q2.

The integration of Conelgro and Solar Nederland in the Netherlands is now finalised. The purpose of the integration is to consider the customers that now all have full access to Solar's products and services as well as one comprehensive network of branches. At the same time, branches have been closed down or merged in line with Solar's strategy and digital mindset. Finally, we have centralised all back-office functions.

The divestment of the assets in Solar Deutschland was finalised in Q1, cf. company announcement no. 6 2015. The DKK 50m profit from the divestment is included under profit or loss from discontinued operations.

As in Annual Report 2014, Solar Deutschland is presented as discontinued operations and, unless otherwise stated, this report is about the continuing operations.

### Q2 2015 Revenue

Solar saw growth in all markets in Q2. Revenue amounted to DKK 2,674m, up from DKK 2,476m in Q2 2014, and organic growth amounted to 9.4% against -3.4% in Q2 2014. Adjusted for the number of working days, organic growth amounted to 10.1% against -2.3% in Q2 2014.

Q2 revenue exceeded our expectations.

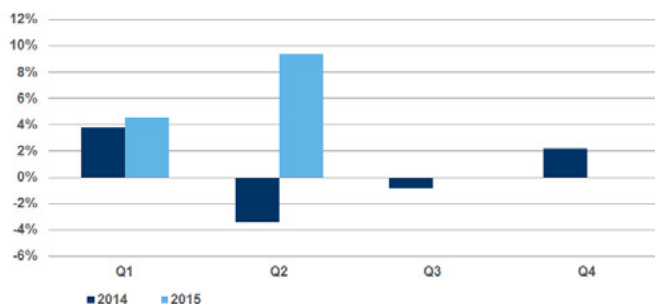
### EBITA

EBITA increased to DKK 48m or 1.8% of revenue against DKK 0m in Q2 2014.

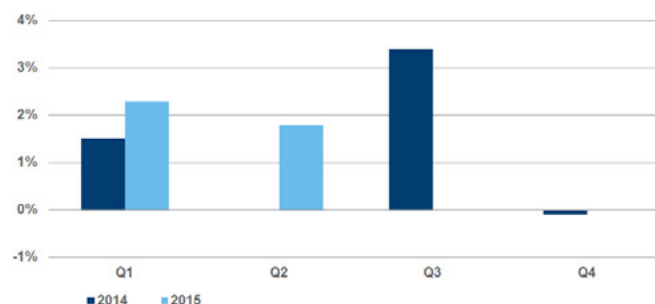
Gross profit dropped to 20.5%, down from 21.1% in Q2 2014. Part of this drop can be attributed to one-off sales of products with low profit in Solar Sverige. Furthermore, profitability is generally affected by the competitive situation in certain markets.

Loss on bad debts was positively affected by payments of previously provided claims and thereby amounted to only 0.1% against 0.3% of revenue in Q2 2014.

### Organic growth in %



### EBITA in % of revenue



### Normalised EBITA

DKK million	Q2		H1	
	2015	2014	2015	2014
EBITA	48	0	108	38
Effect of divestment of Aurora	-	-	-2	3
Restructuring costs	-	10	-	10
Solar 8000 costs	-	8	-	13
Normalised EBITA	48	18	106	64
Normalised EBITA margin in %	1.8	0.7	2.0	1.3





In Q2 2014, EBITA was affected by restructuring costs of DKK 10m and Solar 8000 costs of DKK 8m.

Q2 EBITA exceeded our expectations.

#### **Net profit or loss for the period**

Profit or loss from continuing operations increased to DKK 23m, up from DKK -19m in Q2 2014. Total net profit or loss for the period amounted to DKK 23m against DKK -35m in Q2 2014.

#### **H1 2015**

##### **Revenue**

Revenue increased to DKK 5,319m, up from DKK 5,061m in H1 2014, and organic growth amounted to 7.0% against 0.1% in H1 2014. Adjusted for the number of working days, organic growth amounted to 7.9% against -0.3% in H1 2014.

##### **EBITA**

EBITA increased to DKK 108m or 2.0% of revenue compared to DKK 38m or 0.8% of revenue in H1 2014.

Gross profit dropped to 20.9% compared to 21.3% in H1 2014. Part of this drop is attributable to one-off sales of products with low profit in Solar Sverige and Solar Danmark.

Part of the selling price from the divestment of Aurora Group in 2013 was variable. In H1 2015, an adjustment was made of the variable part of the selling price of DKK 2m, while an adjustment of DKK -3m was made in H1 2014. The amounts are included under other operating income and costs. Furthermore, H1 2014 EBITA was affected by restructuring and Solar 8000 costs of DKK 10m and DKK 13m, respectively.

#### **Net profit or loss for the period**

Net profit or loss increased to DKK 52m, up from DKK -12m in H1 2014. Profit or loss from discontinued operations of DKK 33m in H1 2015 contain DKK 50m in profit from the divestment of the assets in Solar Deutschland. Thus, total net profit or loss for the period amounted to DKK 85m against DKK -46m in H1 2014.

#### **Cash flows**

Calculated as an average of four quarters, net working capital dropped to 12.0% of revenue, down from 12.4% in H1 2014. Net working capital at the end of the period dropped to 12.4% of revenue against 13.3% in H1 2014.

Cash flow from operating activities amounted to DKK -125m against DKK -247m in H1 2014. In H1 2015, Solar received the last instalments of the fixed and variable parts of the transfer price from the divestment of Aurora Group in 2013. The amount was DKK 37m, which affected cash flow from investing activities positively. Thus, cash flow from investing activities amounted to DKK 12m against DKK -41m in H1 2014.

Cash flow from financing activities amounted to DKK -83m against DKK -126m in H1 2014. Of this, DKK 55m was paid as dividends to the company's shareholders against DKK 94m in H1 2014.

In connection with the divestment of the assets in Solar Deutschland, the company settled its trade payables. This had a significant impact on cash flow from operating activities from discontinued operations, which amounted to DKK -53m against DKK -6m in H1 2014. The total consideration from the divestment of the assets is included under cash flow from investing activities from discontinued operations, which amounted to DKK 340m against DKK 0m in H1 2014.

Thus, total cash flow amounted to DKK 91m against DKK -420m in H1 2014.

Compared to H1 2014, net interest-bearing debt was reduced by DKK 479m to DKK 221m. Gearing amounted to 0.8 against 1.7 times EBITDA in H1 2014.

As at 30 June 2015, Solar had unutilised credit facilities worth DKK 845m. Solar's agreement with its main banker is not subject to any covenants.

#### Remuneration of Executive Board and management team

In March 2015, Solar's Executive Board and management team were granted 38,372 share options to be exercised 10 banking days after the publication of the annual reports in 2018 or 2019, see company announcement no. 5 2015 and the note concerning share option plans.

The share option plans are in line with Solar's overall guidelines for incentive programmes adopted by the annual general meeting on 5 April 2013. The guidelines are available at Solar's website under [www.solar.eu/menu/investor/downloads/policies](http://www.solar.eu/menu/investor/downloads/policies).

#### Strategy – developing our business model

We continue to work on complementing our existing activities and thereby expand our business and utilise synergies. We focus on expanding where it makes sense.

#### Key risks

Solar's Annual Report 2014 details the commercial and financial risks related to our activities. The key risks remain that Solar, like other international companies, is affected by both global trends and local conditions in the markets where the group operates.

## Shareholder information

#### Solar's shares

Solar's share capital is divided into nominally DKK 90 million A shares and nominally DKK 702 million B shares.

The A shares are not listed. The B shares are listed on Nasdaq Copenhagen under the ID code DK0010274844 with the short designation SOLAR B and form part of the MidCap index and MidCap on Nasdaq Nordic.

Share capital includes 900,000 A shares and 7,020,607 B shares. Solar's portfolio of treasury shares totals 65,173 B shares.

A shares have 10 votes per share amount of DKK 100, while B shares have 1 vote for each share amount of DKK 100.

#### Shareholders with 5% or more of the share capital

As at 30.06.2015	Share capital in %	Votes in %
The Fund of 20 <sup>th</sup> December, Kolding, Denmark	15.6	57.5
Nordea Funds Oy, Danish Branch, Copenhagen, Denmark	11.8	5.8
Chr. Augustinus Fabrikker A/S, Copenhagen, Denmark	10.3	5.1
RWC Asset Management LLP, London, England	8.6	4.2

#### Financial calendar 2015

10 October - 5 November	IR quiet period
5 November	Quarterly Report Q3 2015





# Financial statements Q2 2015



# Quarterly figures

## Consolidated

	Q1		Q2		Q3		Q4	
	2015	2014	2015	2014	2014	2013	2014	2013
<b>Income statement (DKK million)</b>								
Revenue	2,645	2,585	2,674	2,476	2,418	2,487	2,773	2,766
Earnings before interest, tax, depreciation and amortisation (EBITDA)	77	59	64	19	103	102	46	136
Earnings before interest, tax and amortisation (EBITA)	60	38	48	0	82	81	-3	116
Earnings before interest and tax (EBIT)	48	21	37	-13	69	65	-150	100
Financials, net	-8	-10	-7	-11	-12	-12	-16	-13
Earnings before tax (EBT)	40	11	30	-24	57	53	-166	87
Net profit or loss for the quarter	62	-11	23	-35	35	30	-223	52
<b>Balance sheet (DKK million)</b>								
Non-current assets	1,322	1,792	1,310	1,734	1,724	1,875	1,324	1,814
Current assets	3,365	3,279	3,358	3,107	3,317	3,263	3,250	3,147
Balance sheet total	4,687	5,071	4,668	4,841	5,041	5,138	4,574	4,961
Equity	1,754	2,120	1,798	1,974	2,012	2,108	1,732	2,138
Non-current liabilities	649	749	644	729	717	840	655	771
Current liabilities	2,284	2,202	2,226	2,138	2,312	2,190	2,187	2,052
Interest-bearing liabilities, net	240	495	221	700	604	593	302	316
Invested capital	2,101	2,732	2,133	2,823	2,760	2,851	2,172	2,637
Net working capital, end of period	1,308	1,450	1,307	1,547	1,482	1,535	1,111	1,318
Net working capital, average	1,362	1,490	1,302	1,461	1,448	1,668	1,267	1,538
<b>Cash flows (DKK million)</b>								
Cash flow from operating activities, continuing operations	-183	-172	58	-75	128	187	306	278
Cash flow from investing activities, continuing operations	22	-20	-10	-21	-11	-21	-6	-23
Cash flow from financing activities, continuing operations	-14	-18	-69	-108	-13	-189	-12	-16
Net investments in intangible assets	-6	-4	-10	-6	-4	-1	-4	-4
Net investments in property, plant and equipment	-4	-16	-5	-15	-8	-20	-2	-19
Acquisitions and disposals of subsidiaries, net	32	0	5	0	1	0	0	0
<b>Financial ratios (% , unless otherwise stated)</b>								
Revenue growth	2.3	0.4	8.0	-6.0	-2.8	-4.6	0.3	-7.5
Organic growth	4.6	3.8	9.4	-3.4	-0.8	-2.7	2.2	-5.2
Organic growth adjusted for the number of working days	5.8	2.1	10.1	-2.3	-0.8	-4.2	1.2	-4.9
Gross profit margin	21.2	21.5	20.5	21.1	20.9	21.6	21.1	22.3
EBITDA margin	2.9	2.3	2.4	0.8	4.3	4.1	1.7	4.9
EBITA margin	2.3	1.5	1.8	0.0	3.4	3.3	-0.1	4.2
EBIT margin	1.8	0.8	1.4	-0.5	2.9	2.6	-5.4	3.6
Net working capital (NWC end of period)/revenue (LTM)	12.7	12.2	12.4	13.3	12.7	12.5	10.8	10.7
Net working capital (NWC average)/revenue (LTM)	12.4	12.5	12.0	12.4	12.4	13.4	12.4	13.2
Gearing (net interest-bearing liabilities/EBITDA), no. of times	1.0	1.0	0.8	1.7	1.4	2.0	1.3	1.0
Return on equity (ROE)	-9.2	2.9	-5.8	1.8	2.1	1.0	-12.5	1.0
Return on equity (ROE) excl. amortisation	1.4	6.0	4.5	4.8	5.0	4.0	-2.3	4.1
Return on invested capital (ROIC)	-3.3	6.0	0.5	4.9	5.1	4.1	-4.3	4.5
Return on invested capital (ROIC) excl. amortisation	1.7	8.5	3.9	7.4	7.5	6.4	0.7	6.9
Adjusted market capitalisation/earnings before interest, tax and amortisation (EV/EBITA)	19.4	12.7	16.2	16.4	11.4	13.9	21.7	12.8
Equity ratio	37.4	41.8	38.5	40.8	39.9	41.0	37.9	43.1

## Quarterly figures - continued

### Consolidated

	Q1		Q2		Q3		Q4	
	2015	2014	2015	2014	2014	2013	2014	2013
<b>Share ratios (% , unless otherwise stated)</b>								
Earnings in DKK per share outstanding (EPS)	7.89	-1.40	2.93	-4.46	4.46	3.82	-28.39	6.62
Earnings excl. amortisation in DKK per share outstanding (EPS)	9.42	0.76	4.33	-2.80	6.11	5.86	-9.67	8.67
Intrinsic value in DKK per share outstanding	223.28	269.88	229.03	251.45	256.29	268.51	220.62	272.34
Share price in DKK	318	405	363	429	293	301	288	336
Share price/intrinsic value	1.43	1.49	1.59	1.70	1.14	1.12	1.30	1.23
<b>Employees</b>								
Average number of employees, continuing operations (FTE)	2,892	2,912	2,886	2,910	2,885	2,911	2,893	2,902

#### Definitions

Organic growth	Revenue growth adjusted for enterprises acquired and disposed of and any exchange rate changes. No adjustments have been made for number of working days.
Net working capital	Inventories and trade receivables less trade payables.
Gearing	Interest-bearing liabilities, net, relative to EBITDA.
ROIC	Return on invested capital calculated on the basis of operating profit or loss before special items less calculated tax.

In general, financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2015". In general, when EBITDA is included in the calculation of financial ratios, EBITDA for the last 12 months is included.

In general, restatements have been made of income statements, cash flows and key ratios concerning the discontinued operations in Solar Deutschland GmbH for 2013 and 2014 and concerning the divestment of Aurora Group Danmark A/S for 2013. In accordance with IFRS, the balance sheet has not been restated. The key ratio interest-bearing liabilities, net, has been adjusted for interest-bearing receivables relating to the divestment of Aurora Group Danmark A/S up until the settlement in Q1 2015.

Effective from the presentation of the annual report for 2014, Solar has changed its presentation currency from EUR to DKK. Balance sheet items as at 1 January 2013 have been translated at a price of 746.040, while the 2013 income statement has been translated at a price of 745.794. Similarly, balance sheet items as at 1 January 2014 have been translated at a price of 746.030, while the 2014 income statement has been translated at a price of 745.879. Apart from this, the change will not affect earnings before tax, net profit or loss for the period or earnings per share.



# Statement of comprehensive income

## Consolidated

### Income statement

DKK million	Q2		H1		Year
	2015	2014	2015	2014	2014
<b>Revenue</b>	<b>2,674</b>	<b>2,476</b>	<b>5,319</b>	<b>5,061</b>	<b>10,252</b>
Cost of sales	-2,126	-1,954	-4,209	-3,983	-8,083
<b>Gross profit</b>	<b>548</b>	<b>522</b>	<b>1,110</b>	<b>1,078</b>	<b>2,169</b>
Other operating income and costs	0	0	2	-3	-3
External operating costs	-112	-113	-228	-234	-446
Staff costs	-370	-382	-729	-749	-1,470
Loss on trade receivables	-2	-8	-14	-14	-23
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>64</b>	<b>19</b>	<b>141</b>	<b>78</b>	<b>227</b>
Write-down and depreciation on property, plant and equipment	-16	-19	-33	-40	-110
<b>Earnings before interest, tax and amortisation (EBITA)</b>	<b>48</b>	<b>0</b>	<b>108</b>	<b>38</b>	<b>117</b>
Amortisation of intangible assets	-11	-13	-23	-30	-190
<b>Earnings before interest and tax (EBIT)</b>	<b>37</b>	<b>-13</b>	<b>85</b>	<b>8</b>	<b>-73</b>
Financial income	4	4	16	9	29
Financial costs	-11	-15	-31	-30	-78
<b>Earnings before tax (EBT)</b>	<b>30</b>	<b>-24</b>	<b>70</b>	<b>-13</b>	<b>-122</b>
Income tax	-7	5	-18	1	-58
<b>Profit or loss from continuing operations</b>	<b>23</b>	<b>-19</b>	<b>52</b>	<b>-12</b>	<b>-180</b>
Profit or loss from discontinued operations	0	-16	33	-34	-54
<b>Net profit or loss for the period</b>	<b>23</b>	<b>-35</b>	<b>85</b>	<b>-46</b>	<b>-234</b>
Earnings in DKK per share outstanding (EPS)	2.93	-4.46	10.82	-5.86	-29.79
Diluted earnings in DKK per share outstanding (EPS-D)	2.93	-4.46	10.82	-5.86	-29.79
Earnings in DKK per share outstanding (EPS) from continuing operations	2.93	-2.42	6.62	-1.53	-22.91
Diluted earnings in DKK per share outstanding (EPS-D) from continuing operations	2.93	-2.42	6.62	-1.53	-22.91

### Other comprehensive income

<b>Net profit or loss for the period</b>	<b>23</b>	<b>-35</b>	<b>85</b>	<b>-46</b>	<b>-234</b>
<b>Other income and costs recognised:</b>					
<b>Items that cannot be reclassified for the income statement</b>					
Actuarial gains / losses on defined benefit plans	0	0	0	0	-8
Tax	0	0	0	0	-1
<b>Items that can be reclassified for the income statement</b>					
Foreign currency translation adjustment of foreign subsidiaries	-4	-14	20	-12	-36
Value adjustment of hedging instruments before tax	34	-5	22	-16	-43
Tax on value adjustments of hedging instruments	-9	-2	-6	4	10
<b>Other income and costs recognised after tax</b>	<b>21</b>	<b>-17</b>	<b>36</b>	<b>-24</b>	<b>-78</b>
<b>Total comprehensive income for the period</b>	<b>44</b>	<b>-52</b>	<b>121</b>	<b>-70</b>	<b>-312</b>

# Balance sheet

## Consolidated

DKK million	30.06		31.12
	2015	2014	2014
<b>Assets</b>			
Intangible assets	338	494	339
Property, plant and equipment	923	1,165	937
Deferred tax asset	43	69	43
Other non-current assets	6	6	5
<b>Non-current assets</b>	<b>1,310</b>	<b>1,734</b>	<b>1,324</b>
Inventories	1,255	1,291	1,240
Trade receivables	1,587	1,613	1,303
Income tax receivable	29	56	10
Other receivables	25	52	49
Prepayments	41	53	25
Cash at bank and in hand	344	42	248
Assets held for sale	77	0	375
<b>Current assets</b>	<b>3,358</b>	<b>3,107</b>	<b>3,250</b>
<b>Total assets</b>	<b>4,668</b>	<b>4,841</b>	<b>4,574</b>
<b>Equity and liabilities</b>			
Share capital	792	792	792
Reserves	-126	-117	-162
Retained earnings	1,132	1,299	1,047
Proposed dividend for the year	0	0	55
<b>Equity</b>	<b>1,798</b>	<b>1,974</b>	<b>1,732</b>
Interest-bearing liabilities	481	536	501
Provision for pension obligations	19	21	19
Provision for deferred tax	128	150	122
Other provisions	16	22	13
<b>Non-current liabilities</b>	<b>644</b>	<b>729</b>	<b>655</b>
Interest-bearing liabilities	84	238	81
Trade payables	1,535	1,357	1,432
Income tax payable	29	10	18
Other payables	519	510	503
Prepayments	3	3	4
Other provisions	56	20	77
Liabilities held for sale	0	0	72
<b>Current liabilities</b>	<b>2,226</b>	<b>2,138</b>	<b>2,187</b>
<b>Liabilities</b>	<b>2,870</b>	<b>2,867</b>	<b>2,842</b>
<b>Total equity and liabilities</b>	<b>4,668</b>	<b>4,841</b>	<b>4,574</b>

# Cash flow statement

## Consolidated

DKK million	Q2		H1		Year
	2015	2014	2015	2014	2014
<b>Net profit or loss for the period from continuing operations</b>	<b>23</b>	<b>-19</b>	<b>52</b>	<b>-12</b>	<b>-180</b>
Write-down, depreciation and amortisation	27	32	56	70	300
Changes to provisions and other adjustments	-16	4	-17	-5	67
Financials, net	7	11	15	21	49
Income tax	7	-5	18	-1	58
Financial income, received	2	1	4	3	10
Financial expenses, settled	-10	-10	-21	-23	-47
Income tax, settled	-6	-14	-26	-29	-31
<b>Cash flow before change in working capital</b>	<b>34</b>	<b>0</b>	<b>81</b>	<b>24</b>	<b>226</b>
Change in inventories	25	36	1	-2	-75
Change in receivables	-41	42	-323	-180	-5
Change in non-interest-bearing liabilities	40	-153	116	-89	41
<b>Cash flow from operating activities, continuing operations</b>	<b>58</b>	<b>-75</b>	<b>-125</b>	<b>-247</b>	<b>187</b>
Cash flow from operating activities, discontinued operations	15	-17	-53	-6	-29
<b>Cash flow from operating activities</b>	<b>73</b>	<b>-92</b>	<b>-178</b>	<b>-253</b>	<b>158</b>
Purchase of intangible assets	-10	-6	-16	-10	-18
Purchase of property, plant and equipment	-5	-15	-9	-32	-47
Disposal of property, plant and equipment	0	0	0	1	6
Divestment of subsidiaries <sup>1</sup>	5	0	37	0	1
<b>Cash flow from investing activities, continuing operations</b>	<b>-10</b>	<b>-21</b>	<b>12</b>	<b>-41</b>	<b>-58</b>
Cash flow from investing activities, discontinued operations	12	0	340	0	-1
<b>Cash flow from investing activities</b>	<b>2</b>	<b>-21</b>	<b>352</b>	<b>-41</b>	<b>-59</b>
Repayment of non-current, interest-bearing debt	-14	-14	-28	-32	-57
Dividend distributed	-55	-94	-55	-94	-94
<b>Cash flow from financing activities, continuing operations</b>	<b>-69</b>	<b>-108</b>	<b>-83</b>	<b>-126</b>	<b>-151</b>
Cash flow from financing activities, discontinued operations	0	0	0	0	0
<b>Cash flow from financing activities</b>	<b>-69</b>	<b>-108</b>	<b>-83</b>	<b>-126</b>	<b>-151</b>
<b>Total cash flow</b>	<b>6</b>	<b>-221</b>	<b>91</b>	<b>-420</b>	<b>-52</b>
Cash at bank and in hand at the beginning of period	254	28	167	226	226
Foreign currency translation adjustments	0	-3	2	-2	-7
<b>Cash at bank and in hand at the end of period</b>	<b>260</b>	<b>-196</b>	<b>260</b>	<b>-196</b>	<b>167</b>
<b>Cash at bank and in hand at the end of period</b>					
Cash at bank and in hand	344	42	344	42	248
Current interest-bearing liabilities	-84	-238	-84	-238	-81
<b>Cash at bank and in hand at the end of period</b>	<b>260</b>	<b>-196</b>	<b>260</b>	<b>-196</b>	<b>167</b>

<sup>1</sup> Instalments of the variable and fixed part of the selling price of Aurora Group Danmark A/S.

# Statement of changes in equity

## Consolidated

DKK million	Share capital	Reserves for hedging transactions	Reserves for foreign currency translation adjustments	Retained earnings	Proposed dividends	Total
<b>2015</b>						
<b>Equity as at 01.01</b>	<b>792</b>	<b>-105</b>	<b>-57</b>	<b>1,047</b>	<b>55</b>	<b>1,732</b>
Foreign currency translation adjustment of foreign subsidiaries			20			20
Value adjustment of hedging instruments before tax		22				22
Tax on value adjustments		-6				-6
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	16	20	0	0	36
Net profit or loss for the period				85		85
<b>Comprehensive income</b>	<b>0</b>	<b>16</b>	<b>20</b>	<b>85</b>	<b>0</b>	<b>121</b>
Dividend distribution					-55	-55
<b>Other movements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-55</b>	<b>-55</b>
<b>Equity as at 30.06</b>	<b>792</b>	<b>-89</b>	<b>-37</b>	<b>1,132</b>	<b>0</b>	<b>1,798</b>
<b>2014</b>						
<b>Equity as at 01.01</b>	<b>792</b>	<b>-72</b>	<b>-21</b>	<b>1,345</b>	<b>94</b>	<b>2,138</b>
Foreign currency translation adjustment of foreign subsidiaries			-12			-12
Value adjustment of hedging instruments before tax		-16				-16
Tax on value adjustments		4				4
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	-12	-12	0	0	-24
Net profit or loss for the period				-46		-46
<b>Comprehensive income</b>	<b>0</b>	<b>-12</b>	<b>-12</b>	<b>-46</b>	<b>0</b>	<b>-70</b>
Dividend distribution					-94	-94
<b>Other movements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-94</b>	<b>-94</b>
<b>Equity as at 30.06</b>	<b>792</b>	<b>-84</b>	<b>-33</b>	<b>1,299</b>	<b>0</b>	<b>1,974</b>

# Notes

## Segment information

In Q4 2014, Solar implemented a change in the segment reporting from geographical segmentation to business segmentation. The business segments include Installation, Industry and Other and are based on the customers' affiliation with the segments. Installation covers installation of electrical and heating and plumbing products,

while Industry covers industry, offshore and marine as well as utility and infrastructure. Other covers other small areas. We are in the process of implementing a more detailed classification of all customers in relation to our segments.

DKK million	Installation	Industry	Other	Total
<b>Q2 2015</b>				
Revenue	1,868	660	146	2,674
Cost of sales	-1,492	-496	-138	-2,126
<b>Gross profit</b>	<b>376</b>	<b>164</b>	<b>8</b>	<b>548</b>
Direct costs	-73	-24	-2	-99
<b>Earnings before indirect costs</b>	<b>303</b>	<b>140</b>	<b>6</b>	<b>449</b>
Indirect costs	-145	-32	-10	-187
<b>Segment earnings</b>	<b>158</b>	<b>108</b>	<b>-4</b>	<b>262</b>
Non-allocated costs <sup>1</sup>				-198
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>64</b>
Depreciation and amortisation				-27
<b>Earnings before interest and tax (EBIT)</b>				<b>37</b>
Financials, net				-7
<b>Earnings before tax (EBT)</b>				<b>30</b>

DKK million	Installation	Industry	Other	Total
<b>Q2 2014</b>				
Revenue	1,735	592	149	2,476
Cost of sales	-1,378	-443	-133	-1,954
<b>Gross profit</b>	<b>357</b>	<b>149</b>	<b>16</b>	<b>522</b>
Direct costs	-79	-22	-2	-103
<b>Earnings before indirect costs</b>	<b>278</b>	<b>127</b>	<b>14</b>	<b>419</b>
Indirect costs	-128	-32	-10	-170
<b>Segment earnings</b>	<b>150</b>	<b>95</b>	<b>4</b>	<b>249</b>
Non-allocated costs <sup>1</sup>				-230
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>19</b>
Depreciation and amortisation				-32
<b>Earnings before interest and tax (EBIT)</b>				<b>-13</b>
Financials, net				-11
<b>Earnings before tax (EBT)</b>				<b>-24</b>

<sup>1</sup> Non-allocated costs constitute costs for administrative staff and various costs for common expenses.



# Notes

## Segment information - continued

DKK million	Installation	Industry	Other	Total
<b>H1 2015</b>				
Revenue	3,750	1,289	280	5,319
Cost of sales	-2,986	-976	-247	-4,209
<b>Gross profit</b>	<b>764</b>	<b>313</b>	<b>33</b>	<b>1,110</b>
Direct costs	-154	-46	-4	-204
<b>Earnings before indirect costs</b>	<b>610</b>	<b>267</b>	<b>29</b>	<b>906</b>
Indirect costs	-287	-64	-18	-369
<b>Segment earnings</b>	<b>323</b>	<b>203</b>	<b>11</b>	<b>537</b>
Non-allocated costs <sup>1</sup>				-396
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>141</b>
Depreciation and amortisation				-56
<b>Earnings before interest and tax (EBIT)</b>				<b>85</b>
Financials, net				-15
<b>Earnings before tax (EBT)</b>				<b>70</b>

DKK million	Installation	Industry	Other	Total
<b>H1 2014</b>				
Revenue	3,571	1,189	301	5,061
Cost of sales	-2,824	-891	-268	-3,983
<b>Gross profit</b>	<b>747</b>	<b>298</b>	<b>33</b>	<b>1,078</b>
Direct costs	-160	-45	-4	-209
<b>Earnings before indirect costs</b>	<b>587</b>	<b>253</b>	<b>29</b>	<b>869</b>
Indirect costs	-266	-65	-17	-348
<b>Segment earnings</b>	<b>321</b>	<b>188</b>	<b>12</b>	<b>521</b>
Non-allocated costs <sup>1</sup>				-443
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>				<b>78</b>
Depreciation and amortisation				-70
<b>Earnings before interest and tax (EBIT)</b>				<b>8</b>
Financials, net				-21
<b>Earnings before tax (EBT)</b>				<b>-13</b>

<sup>1</sup> Non-allocated costs constitute costs for administrative staff and various costs for common expenses.

# Notes

## Segment information - continued

### Geographical information

Solar operates primarily on the Danish, Swedish, Norwegian and Benelux markets. In the below table, other markets covers the remaining markets, which can be seen in the group structure on page

17 of Annual Report 2014. The below allocation has been made based on the products' place of sale.

DKK million	Q2		H1		Non-current assets
	Revenue	Organic growth	Revenue	Organic growth	
<b>H1 2015</b>					
Denmark	670	8.1	1,375	7.7	1,818
Sweden	636	11.4	1,217	6.9	284
Norway	464	2.6	955	2.7	158
Benelux	709	10.7	1,425	7.0	346
Other markets	206	17.5	373	14.3	31
Eliminations	-11	-	-26	-	-1,327
<b>Total</b>	<b>2,674</b>	<b>9.4</b>	<b>5,319</b>	<b>7.0</b>	<b>1,310</b>
<b>H1 2014</b>					
Denmark	620	-9.7	1,276	-6.8	2,296
Sweden	586	1.4	1,187	3.7	289
Norway	472	-7.3	972	4.2	167
Benelux	637	-0.8	1,332	-1.1	599
Other markets	180	7.9	325	8.2	139
Eliminations	-19	-	-31	-	-1,756
<b>Total</b>	<b>2,476</b>	<b>-3.4</b>	<b>5,061</b>	<b>0.1</b>	<b>1,734</b>

# Notes

## Share option plans

Description and specification of Solar's share option plans are stated in Annual Report 2014 and at [www.solar.eu/menu/investor/downloads/policies](http://www.solar.eu/menu/investor/downloads/policies).

In March 2015, Solar granted 38,372 additional share options (March 2014: 24,092 share options) to the Executive Board and senior management employees. Furthermore, 14,623 share options from the 2011 granting have expired. Hereafter, outstanding share options total 121,843.

### 2015 granting

	<b>Number of share options</b>
Executive board	7,383
Others	30,989
<b>Total</b>	<b>38,372</b>

### Exercise period:

10 banking days following publication of the annual report in	2018/2019
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### DKK million

Market value estimated at the time of granting using the Black-Scholes model	2
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Conditions applying to the statement of market value at the time of granting using the Black-Scholes model:

Average share price	335.26
Exercise price	335.26
Expected volatility	29%
Expected dividend in proportion to market value	2%
Risk-free interest rate	2%

Average share price is calculated based on the average price on Nasdaq Copenhagen the first 10 business days following publication of Annual Report 2014.

# Notes

## Discontinued operations and assets held for sale

As at 16 March 2015, Solar A/S finalised the divestment of assets in Solar Deutschland GmbH to Sonepar Group with an accounting gain of DKK 50 million.

The discontinued operations have affected the income statement as follows:

DKK million	Q2		H1		Year
	2015	2014	2015	2014	2014
Revenue	0	220	185	458	932
Cost of sales	0	-186	-160	-391	-792
<b>Gross profit</b>	<b>0</b>	<b>34</b>	<b>25</b>	<b>67</b>	<b>140</b>
Costs and other operating income	0	-49	8	-100	-192
<b>Earnings before interest and tax (EBIT)</b>	<b>0</b>	<b>-15</b>	<b>33</b>	<b>-33</b>	<b>-52</b>
Financials	0	-1	0	-1	-2
<b>Earnings before tax (EBT)</b>	<b>0</b>	<b>-16</b>	<b>33</b>	<b>-34</b>	<b>-54</b>
Tax of net profit or loss for the period	0	0	0	0	0
<b>Net profit or loss for the period</b>	<b>0</b>	<b>-16</b>	<b>33</b>	<b>-34</b>	<b>-54</b>
Earnings of discontinued operations in DKK per share outstanding (EPS)	0.0	-2.04	4.20	-4.33	-6.87
Diluted earnings of discontinued operations in DKK per share outstanding (EPS-D)	0.0	-2.04	4.20	-4.33	-6.87
Cash flow from operating activities	15	-17	-53	-6	-29
Cash flow from investing activities	12	0	340	0	-1
Cash flow from financing activities	0	0	0	0	0
<b>Total cash flow</b>	<b>27</b>	<b>-17</b>	<b>287</b>	<b>-6</b>	<b>-30</b>

Divestment of the discontinued operation may be specified as follows:

Accounting gain of net assets	298
Gain of divestment	50
<b>Total consideration</b>	<b>348</b>

### Assets held for sale

DKK million	30.06.2015
<b>Property, plant and equipment</b>	<b>77</b>

Assets held for sale consist of buildings in Solar Nederland and Solar Deutschland of DKK 61m and DKK 16m, respectively.

# Accounting policies

## Consolidated

### Accounting policies

The quarterly report for Solar A/S has been prepared in accordance with IAS 34 "Presentation of interim reports" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

Apart from the effect of new IAS/IFRS standards implemented during the period, accounting policies remain unchanged from Annual Report 2014, which holds a full description of these on pages 44-49.

Key items in the accounts are based on annual contracts etc. A prudent assessment of the current year's activities was undertaken during the preparation of the quarterly report.

In the quarterly report, income tax has been calculated on the basis of pre-tax profits at the expected average tax rate. No calculations of taxable income for the period have been made.

### New accounting standards implemented during the period

On 1 January 2015, Solar implemented IAS 19 on employee benefits and third party contributions to pension plans.

Also, we have implemented new interpretations on existing standards. These changes have no impact on Solar

### New accounting standards to be implemented in coming accounting periods

For information on new accounting standards, reference is made to note 31 on page 82 in Annual Report 2014. No new or amended standards have been issued in 2015 other than those stated in the annual report.

### On audit

The quarterly report has not been audited or reviewed.



## Management's statement

Today, the group's Board of Directors and Executive Board have discussed and approved the Q2 2015 quarterly report of Solar A/S.

The quarterly report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

In our opinion, the quarterly report gives a fair presentation of the group's assets, equity and liabilities and financial position as at 30 June 2015 as well as of the results of the group's activities and cash flow for Q2 2015.

Further, in our opinion, the management's review gives a true and fair statement of the development of the group's activities and financial situation, net profit or loss for the period and of the group's overall financial position and describes the most significant risks and uncertainties that the group faces.

Vejen, 11 August 2015

### EXECUTIVE BOARD

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**Anders Wilhjelm**  
CEO

**Michael H. Jeppesen**  
CFO

### BOARD OF DIRECTORS

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**Jens Borum**  
Chairman

**Agnete Raaschou-Nielsen**  
Vice chairman

**Lars Lange Andersen**

**Niels Borum**

**Ulrik Damgaard**

**Bent H. Frisk**

**Ulf Gundemark**

**Jens Peter Toft**

**Steen Weirsøe**

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<http://www.linkedin.com/company/solar-as>

Thanks to the employees, whose portraits we have been allowed to decorate this quarterly report with.



*stronger together*