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**Contacts:**

CEO Anders Wilhjelm – tel. +45 79 30 02 01

CFO Michael H. Jeppesen – tel. +45 79 30 02 62

Director, Stakeholder Relations Charlotte Risskov Kræfting – tel. +45 40 34 29 08

**Solar A/S**

Executive Board

Industrivej Vest 43

DK – 6600 Vejen

Denmark

Tel. + 45 79 30 00 00

[www.solar.eu](http://www.solar.eu)

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**Solar A/S acquires MAG45, a Dutch integrated supply company, and announces preliminary results for 2015 and expectations for 2016**

- *Solar A/S has made an agreement for the acquisition of MAG45. MAG45 generated revenue of approximately DKK 330m in 2015.*
- *EBITA for Solar was DKK 296m and group revenue was DKK 10,587m in 2015, respectively, which in terms of EBITA was slightly better than expected.*
- *Expectations for 2016 performance match 2015 levels.*
- *Teleconference on Tuesday 2 February 2016 at 11:00 CET.*

**Acquisition of MAG45**

Solar A/S has made an agreement with Varova Investments for the acquisition of MAG45, an integrated supply company headquartered in Eindhoven, the Netherlands.

MAG45 will be handled as a complementary business, and sourcing and logistics opportunities across Solar Group will be pursued. The business will continue to use its MAG45 brand, and the current management will remain fully responsible.

**CEO Anders Wilhjelm says:**

“An important part of Solar’s strategy to grow the business profitably is to expand our business footprint, so we are pleased about the acquisition of MAG45 and see it as a first step. Strategically, MAG45 fits well with both our sourcing and services focus and with our interest in increasing our industrial exposure. The key rationale behind the acquisition of MAG45 is growth.”

**Background information on MAG45**

MAG45’s integrated supply solutions let companies work with MAG45 and strategically manage sourcing, logistics and inventory of tail-spend material in partnership. MAG45 has the size, resources and competences that enable each customer to better manage and optimise spend. MAG45 offers several different customer solutions depending on the individual customer’s needs and preferences.

MAG45 is a well-known European integrated supply company, headquartered in Eindhoven, the Netherlands, and currently present in 9 countries with a staff of approximately 160. The business generated revenue of DKK 330m in 2015. MAG45 was established as an internal, integrated supply activity at the Dutch Philips business in 1948, but carved out in 2004. MAG45 has a strong industrial heritage with many blue-chip industrial customers, but it is especially well known in the high-tech and food/pharma areas. For more information, please see [www.mag45.com](http://www.mag45.com).

### Financial consequences of the acquisition

- The acquisition price of 100% of the shares of MAG45 on a net debt-free basis is made up of a fixed amount of DKK 60m and a variable amount (earn out) which will total DKK 160m at the most.
- The earn-out amount depends on the results in 2016, 2017 and 2018.
- The expected total price, including earn-out, will be approximately DKK 100m on a net debt-free basis of which DKK 80m will be paid at closing.
- The acquisition is financed via withdrawals from Solar's cash resources.
- Expected full-year 2016 EBITDA is DKK 8m-10m, when normalised for acquisition and integration costs. This is based on expected revenue of approximately DKK 340m.

### Preliminary result for 2015

The Solar Group's total revenue and EBITA were in line with expectations. EBITA was in the top end of the announced range, whereas revenue was in the lower end of the range.

The pension scheme in Conelgro (defined benefit) was closed and employees transferred to a Solar pension scheme (defined contribution) due to the integration of Conelgro B.V. with Solar Nederland B.V. This affected the result positively by DKK 9m.

### Financial highlights for the Solar Group (continuing operations), 2015\*

Financial highlights (DKK million)	Q4 2015	FY 2015
Revenue	2,819	10,587
EBITA	99	296
Equity	1,831	1,831
NIBD	-184	-184
<b>Financial ratios (%)</b>		
Organic growth**	1.5	5.2
EBITA margin	3.5	2.8
NWC***/revenue (LTM)	9.3	9.3

\* Figures listed are subject to audit finalisation. Annual Report 2015 will be published on 24 February 2016.

\*\* Adjusted for the number of working days.

\*\*\* NWC at the end of 2015.

### Expectations for 2016

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

We do not expect market growth or organic revenue growth in 2016, and we expect EBITA to remain at 2015 levels less the positive one-off we saw in 2015.

Therefore, overall, we do not see any major changes in the market conditions from what was reported in Quarterly Report Q3 2015.

Markets	Sales development H2 2015		Market expectations 2016	
	Installation	Industry	Installation	Industry
Denmark	-	-	-	-
Sweden	+	+	+	+
Norway	+	÷	-	÷
Benelux	÷	+	-	-
Other markets	+	+	+	+

+ = Growth

- = Low or no growth

÷ = Negative growth

As previously announced, we expect to invest in our digital platform to strengthen the customer experience. This will have a negative impact on 2016 profitability but has been included in our expectations.

#### Teleconference on 2 February 2016 at 11:00 CET

We will hold a teleconference on Tuesday 2 February 2016 at 11:00 CET when CEO Anders Wilhjelm and CFO Michael H. Jeppesen will answer questions related to this stock exchange announcement.

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

#### Facts about Solar

Solar Group is a leading European sourcing and services company, operating primarily within the electrical, heating and plumbing, and ventilation technology sectors. Our core business centres on product sourcing, value-adding services and optimisation of our customers' businesses.

Being a sourcing and services company, we focus on each individual customer. We always strive to understand our customers' unique and genuine needs in order to provide relevant, personal and value-adding services, turning our customers into winners.

Solar Group is headquartered in Denmark, generated revenue of approximately DKK 10.6bn in 2015 and has some 3,000 employees. Solar has been listed on Nasdaq Copenhagen since 1953, and operates under the short designation SOLAR B.

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 the event of any inconsistency between the two versions, the Danish version shall prevail.