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SOLAR A/S

Q4 2015

QUARTERLY INFORMATION

This quarterly information has neither been audited nor reviewed

Disclaimer

The quarterly information 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.



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QUARTERLY FIGURES

	Q1		Q2		Q3		Q4	
Income statement (DKK million)	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	2,645	2,585	2,674	2,476	2,449	2,418	2,819	2,773
Earnings before interest, tax, depreciation and amortisation (EBITDA)	77	59	64	19	104	103	117	46
Earnings before interest, tax and amortisation (EBITA)	60	38	48	0	89	82	99	-3
Earnings before interest and tax (EBIT)	48	21	37	-13	77	69	87	-150
Financials, net	-8	-10	-7	-11	-12	-12	-21	-16
Earnings before tax (EBT)	40	11	30	-24	65	57	66	-166
Net profit for the quarter	62	-11	23	-35	48	35	34	-223

Balance sheet (DKK million)

Non-current assets	1,322	1,792	1,310	1,734	1,281	1,724	1,250	1,324
Current assets	3,365	3,279	3,358	3,107	3,201	3,317	3,421	3,250
Balance sheet total	4,687	5,071	4,668	4,841	4,482	5,041	4,671	4,574
Equity	1,754	2,120	1,798	1,974	1,812	2,012	1,831	1,732
Non-current liabilities	649	749	644	729	623	717	592	655
Current liabilities	2,284	2,202	2,226	2,138	2,047	2,312	2,248	2,187
Interest-bearing liabilities, net	240	495	221	700	294	604	-184	302
Invested capital	2,101	2,732	2,133	2,823	2,219	2,760	1,662	2,172
Net working capital, year-end	1,308	1,450	1,307	1,547	1,403	1,482	989	1,111
Net working capital, average	1,362	1,490	1,302	1,461	1,282	1,448	1,252	1,267

Cash flow (DKK million)

Cash flow from operating activities, continuing operations	-183	-172	58	-75	-68	128	524	306
Cash flow from investing activities, continuing operations	22	-20	-10	-21	-17	-11	-19	-6
Cash flow from financing activities, continuing operations	-14	-18	-69	-108	-12	-13	-30	-12
Net investments in intangible assets	-6	-4	-10	-6	-10	-4	-10	-4
Net investments in property, plant and equipment	-4	-16	-5	-15	-7	-8	-9	-2
Acquisitions and divestments of subsidiaries, net	32	0	5	0	0	1	0	0

QUARTERLY FIGURES (continued)

	Q1		Q2		Q3		Q4	
Financial ratios (% unless otherwise stated)	2015	2014	2015	2014	2015	2014	2015	2014
Revenue growth	2.3	0.4	8.0	-6.0	1.3	-2.8	1.6	0.3
Organic growth	4.6	3.8	9.4	-3.4	3.8	-0.8	3.2	2.2
Organic growth adjusted for number of working days	5.8	2.1	10.1	-2.3	3.8	-0.8	1.5	1.2
Gross profit	21.2	21.5	20.5	21.1	20.8	20.9	20.5	21.1
EBITDA margin	2.9	2.3	2.4	0.8	4.2	4.3	4.2	1.7
EBITA margin	2.3	1.5	1.8	0.0	3.6	3.4	3.5	-0.1
EBIT margin	1.8	0.8	1.4	-0.5	3.1	2.9	3.1	-5.4
Net working capital (year-end NWC)/revenue (LTM)	12.7	12.2	12.4	13.3	13.3	12.7	9.3	10.8
Net working capital (average NWC)/revenue (LTM)	12.4	12.5	12.0	12.4	12.2	12.4	11.8	12.4
Gearing (interest-bearing liabilities, net/EBITDA (LTM)), no. of times	1.0	1.0	0.8	1.7	1.0	1.4	-0.5	1.3
Return on equity (ROE)	-9.2	2.9	-5.8	1.8	-5.0	2.1	9.2	-12.5
Return on equity (ROE) excl. amortisation	1.4	6.0	4.5	4.8	5.1	5.0	11.7	-2.3
Return on invested capital (ROIC)	-3.3	6.0	0.5	4.9	2.0	5.1	8.5	-4.3
Return on invested capital (ROIC) excl. amortisation	1.7	8.5	3.9	7.4	4.1	7.5	10.1	0.7
Adjusted enterprise value/earnings before interest, tax and amortisation (EV/EBITA)	19.4	12.7	16.2	16.4	17.8	11.4	10.6	21.7
Equity ratio	37.4	41.8	38.5	40.8	40.4	39.9	39.2	37.9

Share ratios (DKK unless otherwise stated)

Earnings per share per share outstanding (EPS)	7.89	-1.40	2.93	-4.46	6.11	4.46	4.33	-28.39
Earnings per share per share outstanding (EPS) excl. amortisation	9.42	0.76	4.33	-2.80	7.64	6.11	5.86	-9.67
Intrinsic value per share outstanding	223.28	269.88	229.03	251.45	230.81	256.29	234.43	220.62
Share price	318	405	363	429	409	293	432	288
Share price/intrinsic value	1.43	1.49	1.59	1.70	1.77	1.14	1.84	1.30

QUARTERLY FIGURES (continued)

	Q1		Q2		Q3		Q4	
Employees	2015	2014	2015	2014	2015	2014	2015	2014
Average number of employees (FTEs), continuing operations	2,892	2,912	2,886	2,910	2,840	2,885	2,864	2,893

Definitions

Organic growth	Revenue growth adjusted for enterprises acquired and sold off 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 less tax calculated using the effective tax rate.

Overall, financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios 2015". Generally speaking, the EBITDA figure covers the last 12 months when EBITDA is part of the calculation of a financial ratio.

In general, restatements have been made of income statements, cash flows and key ratios for the discontinuing activities in Solar Deutschland GmbH 2013 and 2014 and for 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 Annual Report 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. 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 does not affect earnings before tax, net profit for the period or earnings per share.

STATEMENT OF COMPREHENSIVE INCOME

Consolidated – Income statement

DKK million	Q4 2015	Q4 2014
Revenue	2,819	2,773
Cost of sales	-2,240	-2,188
Gross profit	579	585
Other operating income	0	0
External operating costs	-99	-115
Staff costs	-362	-417
Loss on trade receivables	-1	-7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	117	46
Depreciation and write-down on property, plant and equipment	-18	-49
Earnings before interest, tax and amortisation (EBITA)	99	-3
Amortisation of intangible assets	-12	-147
Earnings before interest and tax (EBIT)	87	-150
Financial income	4	13
Financial expenses	-25	-29
Earnings before tax (EBT)	66	-166
Income tax	-29	-45
Profit or loss of continuing operations	37	-211
Profit or loss of discontinued operations	-3	-12
Net profit for the period	34	-223

Earnings per share for the period in DKK per share outstanding (EPS)	4.33	-28.39
Diluted earnings per share for the period in DKK per share outstanding (EPS-D)	4.32	-28.39
Earnings per share for the period in DKK per share outstanding (EPS) for continuing operations	4.72	-26.86
Diluted earnings per share for the period in DKK per share outstanding (EPS-D) for continuing operations	4.70	-26.86

Other comprehensive income

DKK million	Q4 2015	Q4 2014
Net profit for the period	34	-223
Other income and costs recognised:		
Items that cannot be reclassified for the income statement		
Actuarial gains / losses on defined benefit plans	-13	-8
Tax	0	-1
Items that can be reclassified for the income statement		
Foreign currency translation adjustments of foreign subsidiaries	5	-42
Value adjustments of hedging instruments before tax	16	-15
Tax on value adjustments of hedging instruments	-4	3
Other income and costs recognised after tax	4	-63
Total comprehensive income for the period	38	-286

BALANCE SHEET Q4 2015

Consolidated

DKK million	2015	2014
ASSETS		
Intangible assets	333	339
Property, plant and equipment	882	937
Deferred tax asset	28	43
Other non-current assets	7	5
Non-current assets	1,250	1,324
Inventories	1,302	1,240
Trade receivables	1,295	1,303
Income tax receivable	4	10
Other receivables	10	49
Prepayments	23	25
Cash at bank and in hand	699	248
Assets held for sale	88	375
Current assets	3,421	3,250
Total assets	4,671	4,574

DKK million	2015	2014
EQUITY AND LIABILITIES		
Share capital	792	792
Reserves	-143	-162
Retained earnings	1,104	1,047
Proposed dividends for the financial year	78	55
Equity	1,831	1,732
Interest-bearing liabilities	430	501
Provision for pension obligations	15	19
Provision for deferred tax	128	122
Other provisions	19	13
Non-current liabilities	592	655
Interest-bearing liabilities	60	81
Trade payables	1,608	1,432
Income tax payable	11	18
Other payables	516	503
Prepayments	0	4
Other provisions	28	77
Equity and liabilities held for sale	25	72
Current liabilities	2,248	2,187
Liabilities	2,840	2,842
Total equity and liabilities	4,671	4,574

CASH FLOW STATEMENT

Consolidated

DKK million	Q4 2015	Q4 2014
Net profit or loss for the period from continuing operations	37	-211
Depreciation, write-down and amortisation	30	196
Changes to provisions and other adjustments	-27	75
Financials, net	21	16
Income tax	29	45
Financial income, received	0	3
Financial expenses, settled	-12	-9
Income tax, settled	-23	-22
Cash flow before working capital changes	55	93
Working capital changes		
Inventory changes	-7	37
Receivables changes	229	222
Non-interest-bearing liabilities changes	247	-46
Cash flow from operating activities, continuing operations	524	306
Cash flow from operating activities, discontinued operations	-3	-3
Cash flow from operating activities	521	303
Investing activities		
Purchase of intangible assets	-10	-4
Purchase of property, plant and equipment	-11	-7
Disposal of property, plant and equipment	2	5
Cash flow from investing activities, continuing operations	-19	-6
Cash flow from investing activities, discontinued operations	0	0
Cash flow from investing activities	-19	-6

DKK million	Q4 2015	Q4 2014
Financing activities		
Repayment of non-current interest-bearing debt	-11	-12
Treasury share purchases and sales	-19	0
Cash flow from financing activities, continuing operations	-30	-12
Cash flow from financing activities, discontinued operations	0	0
Cash flow from financing activities	-30	-12
Total cash flow	472	285
Cash at bank and in hand at the beginning of the period	167	-111
Foreign currency translation adjustments	0	-7
Cash at bank and in hand at the end of the period	639	167
Cash at bank and in hand at the end of the period		
Cash at bank and in hand	699	248
Current interest-bearing liabilities	-60	-81
Cash at bank and in hand at the end of the period	639	167

SEGMENT INFORMATION

The business segments include Installation, Industry and Others 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, and utility and infrastructure. Others covers other small areas. The three main segments have been identified without aggregation of operating segments. Segment income and costs include any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment. Non-allocated costs refer to income and costs related to shared group functions. Assets and liabilities are not included in segment reporting.

DKK million	Installation	Industry	Others	Total
Q4 - 2015				
Revenue	1,969	664	186	2,819
Cost of sales	-1,562	-508	-170	-2,240
Gross profit	407	156	16	579
Direct costs	-77	-23	-3	-103
Earnings before indirect costs	330	133	13	476
Indirect costs	-143	-37	-13	-193
Segment profit or loss	187	96	0	283
Non-allocated costs ¹				-166
Earnings before interest, tax, depreciation and amortisation (EBITDA)				117
Depreciation and amortisation				-30
Earnings before interest and tax (EBIT)				87
Financials, net				-21
Earnings before tax (EBT)				66

DKK million	Installation	Industry	Others	Total
Q4 - 2014				
Revenue	1,887	690	196	2,773
Cost of sales	-1,505	-524	-159	-2,188
Gross profit	382	166	37	585
Direct costs	-72	-20	-6	-98
Earnings before indirect costs	310	146	31	487
Indirect costs	-130	-36	-14	-180
Segment profit or loss	180	110	17	307
Non-allocated costs ¹				-261
Earnings before interest, tax, depreciation and amortisation (EBITDA)				46
Depreciation and amortisation				-196
Earnings before interest and tax (EBIT)				-150
Financials, net				-16
Earnings before tax (EBT)				-166

1) Allocated costs cover costs directly or indirectly attributable to a specific sale, which facilitates profitability measurements for the respective segment. Non-allocated costs covers costs for administrative staff and various costs for joint expenses that cannot be attributed to any specific sale.

In Q3 2015, we made a more detailed classification of all customers onto our business segments. This led to changes between the various segments, and the effect of this is shown in the appendix to Quarterly Report Q3 2015. The appendix includes previously published information, changes to this and updated information per quarter for 2014 and for the first half-year of 2015.

SEGMENT INFORMATION (continued)

Geographical information

Solar A/S operates primarily on the Danish, Swedish, Norwegian and Benelux markets. In the below table, Others covers the remaining markets, detailed in the group structure on page 19 in Annual Report 2015. The below allocation has been made based on the products' place of sale.

DKK million	Revenue	Organic growth	Non-current assets
Q4 - 2015			
Denmark	732	1.4	1,746
Sweden	687	12.0	283
Norway	468	0.1	138
Benelux	725	-2.7	321
Other markets and eliminations	207	16.6	-1,238
Total	2,819	3.2	1,250

DKK million	Revenue	Organic growth	Non-current assets
Q4 - 2014			
Denmark	721	4.1	1,831
Sweden	616	-1.4	278
Norway	508	1.4	156
Benelux	741	3.3	339
Other markets and eliminations	187	4.1	-1,280
Total	2,773	2.2	1,324

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