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Solar discloses the preliminary results for 2017 and writes down goodwill and customer lists

Solar has decided to disclose the preliminary, unaudited results for 2017 earlier than originally planned, as preliminary EBITA amounts to DKK 264m against the expected approx. DKK 285m.

The deviation in EBITA is primarily attributable to:

- approx. DKK -10m pertaining to related business, including MAG45, Scandinavian Technology Institute (STI) and Solar Polaris.
- approx. DKK -7m in increased non-recurring costs primarily attributable to increased termination costs within the core business.

Furthermore, in connection with the preparations for Annual Report 2017, Solar has carried out a review of goodwill, customer lists and other intangible assets. Based on this review, the company has decided to write down goodwill, customer lists and other intangible assets by DKK 97m.

The write-downs are primarily related to goodwill and customer lists in connection with the company's activities in MAG45, a supply chain specialist, and STI, a training and consultancy company. Furthermore, the earn-out liability concerning STI has been reassessed. This reassessment has resulted in a DKK 15m reversal under financial income and expenses, net.

In addition, the Board of Directors has determined a need for write-down of the associated business BIMobject AB based on the share price development. This means that the value of BIMobject is written down by DKK 59m.

The write-downs affect Solar's Annual Report for 2017. We maintain our expectations for revenue of approx. DKK 11.7bn, corresponding to organic growth of approx. 6 %. We now expect EBITA for 2017 of approx. DKK 264m against previously approx. DKK 285m.

The financial consequences of the write-downs as well as the preliminary, unaudited key figures for 2017 are included in the below tables.

Select key figures for Solar Group, 2017*

DKK million	Prior to write-downs	Effect of write-downs	2017	2016
Revenue	11,769	-	11,769	11,072
EBITA	**264**	**-**	**264**	**278**
Amortisation	-72	-97	-169	-56
EBIT	**192**	**-97**	**95**	**222**
Net profit of associates	-11	-	-11	-
Impairment related to associates	0	-59	-59	-
Net profit before financial income and expenses	**181**	**-156**	**25**	**222**
Financial income and expenses, net	53	15	68	-34
Net profit before tax	**234**	**-141**	**93**	**188**

Q1-Q4 DKK million	Revenue 2017	Revenue 2016	EBITA 2017	EBITA 2016
Core business	11,313	10,748	309	290
Related business	456	324	-45	-12
Solar Group	**11,769**	**11,072**	**264**	**278**

Q4 DKK million	Revenue 2017	Revenue 2016	EBITA** 2017	EBITA 2016
Core business	3,015	2,916	94	107
Related business	124	94	-16	-5
Solar Group	**3,139**	**3,010**	**78**	**102**

* The stated figures are preliminary and subject to the finalisation of audit.
** Q4 2017 was affected by restructuring costs of approx. DKK 20m within the core business and approx. DKK 2m within related business. In Q4 2016, non-recurring costs relating to the core business amounted to DKK 5m., net.

Write-downs 2017

DKK million	Write-down
Core business	10
Related business	87
Digital, construction & services	59
Total	**156**

Annual Report 2017 will be published on 9 February 2018 in accordance with the financial calendar.

Yours sincerely,
Solar A/S

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Facts about Solar

Solar Group is a leading sourcing and services company. 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 11.1bn in 2016 and has more than 3,000 employees. Solar is listed on Nasdaq Copenhagen and operates under the short designation SOLAR B. For more information, please visit www.solar.eu.

Disclaimer

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