
Interim Financial Report for the Period 1 January – 30 June 2015



Brødrene A & O Johansen A/S

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Company Announcement No. 9/2015

The Board of Directors has today approved the Group's interim financial report for the period 1 January – 30 June 2015.

Summary

- Consolidated revenue for the second quarter of 2015 increased by 14.2% or DKK 75.9 million to DKK 610.5 million, compared to DKK 534.6 million for the same period last year. Consolidated revenue for the first half of 2015 was DKK 1,197.4 million against DKK 1,076 million in 2014, equalling a growth of DKK 121.0 million or 11.2%. The increase is attributable to the Danish market.
- Gross margin for the second quarter of 2015 was DKK 166.7 million, which is DKK 11.0 million or 7.1% higher than last year. Gross margin for the first half of 2015 was DKK 327.1 million, which is DKK 11.6 million or 3.7% higher than last year. The gross profit margin came in at 27.3% in both the second quarter and the first half of 2015, which is 2.0 percentage points less than in the first half of last year.
- Operating profit (EBIT) for the second quarter of 2015 was DKK 22.9 million, equalling a profit margin of 3.7%, compared to DKK 19.4 million and 3.6% in 2014. EBIT for the first half of 2015 was DKK 45.6 million, equalling a profit margin of 3.8%, compared to DKK 36.7 million and 3.4% for the same period last year.
- As at 30 June 2015, the Group's total assets amounted to DKK 1,655.6 million, which is DKK 219.6 million more than last year. The increase is attributable to investment in the Albertslund central warehouse as well as a rise in cash and cash equivalents and trade receivables.
- Cash flow from operating activities for the first half of 2015 totalled DKK 61.0 million, which is DKK 2.2 million more than for the same period last year.

Important events

- Brødrene A & O Johansen A/S has acquired Billig VVS ApS. The acquisition has not been recognised in the interim financial statements.
- "Spot On", a new net price concept, has been implemented.
- The high-bay warehouse has been implemented. The logistics warehouse in Horsens is currently being phased out. Leasing is in progress.
- The stores in Køge and Helsingborg have been moved to new and better located premises. The stores in Viborg, Holstebro and Frederiksværk are planned to be relocated in the second half of 2015.

Expectations for the year

- As announced in connection with the disclosure of the acquisition of Billig VVS ApS, pre-tax profit expectations for 2015 are adjusted upwards to approximately DKK 115 million against the previously announced DKK 100 million. In 2014, Brødrene A & O Johansen A/S realised a profit before tax of DKK 97.5 million.

Albertslund, 28 August 2015

Niels A. Johansen
CEO

Henrik T. Krabbe
COO & CFO

Financial highlights for the AO Group

(DKKm)

Key figures	H1 2015	H1 2014	Q2 2015	Q2 2014	Full Year 2014
Consolidated revenue	1,197.4	1,076.4	610.5	534.6	2,258.7
Gross margin	327.1	315.5	166.7	155.7	646.6
Operating profit or loss (EBIT)	45.6	36.7	22.9	19.4	100.3
Financial income and expenses, net	(1.1)	(1.5)	(0.6)	(0.7)	(2.7)
Profit or loss before tax (EBT)	44.5	35.3	22.3	18.7	97.5
Tax on profit or loss for the period	(10.4)	(9.0)	(5.2)	(4.6)	(23.8)
Net profit or loss for the period	34.1	26.3	17.1	14.1	73.8
Non-current assets	898.2	780.7	898.2	780.7	896.7
Current assets	757.4	655.3	757.4	655.3	694.2
Total assets	1,655.6	1,436.0	1,655.6	1,436.0	1,590.9
Share capital	57.0	57.0	57.0	57.0	57.0
Equity	970.7	888.3	970.7	888.3	935.7
Non-current liabilities	203.7	198.8	203.7	198.8	204.5
Current liabilities	481.2	348.9	481.2	348.9	450.7
Average number of employees	590	639	590	639	621
Cash flow from operating activities	61.0	58.7	39.5	10.5	199.9
Cash flow from investing activities	(24.6)	(81.9)	10.1	(58.0)	(197.1)
Of which investments in property, plant and equipment	(17.8)	(73.7)	13.7	(53.6)	(178.7)
Cash flow from financing activities	(16.2)	1.7	(16.1)	1.8	14.8
Cash flow for the period	20.1	(21.5)	33.5	(45.7)	17.5
Financial ratios					
Gross profit margin	27.3%	29.3%	27.3%	29.1%	28.6%
Profit margin	3.8%	3.4%	3.8%	3.6%	4.4%
Return on capital employed	2.8%	2.6%	1.4%	1.4%	6.6%
Return on equity	3.6%	3.0%	1.8%	1.6%	8.2%
Solvency ratio	58.6%	61.9%	58.6%	61.9%	58.8%
Book value	1,703	1,558	1,703	1,558	1,642
Share price at the end of the period	1,747	1,336	1,747	1,336	1,115
Earnings per share (EPS Basic), DKK	69	48	35	26	150
Diluted earnings per share (EPS-D), DKK	68	47	34	26	148

Basic EPS and diluted EPS have been calculated in accordance with IAS. Other financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2010". The financial ratios have been calculated on the basis of the respective periods.

Figures given in brackets are negative results or deductible items.

Management's review

The consolidated financial statements include the financial statements of Brødrene A & O Johansen A/S and the wholly owned subsidiaries AO Invest A/S, AO Sverige AB in Sweden and Vaga Tehnika Eesti OÜ in Estonia.

Activities of the period

Consolidated revenue for the second quarter of 2015 was DKK 610.5 million against DKK 534.6 million for the same period of 2014, equalling a growth of DKK 75.9 million or 14.2%. Consolidated revenue for the first half of 2015 was DKK 1,197.4 million against DKK 1,076.4 million for the same period of 2014, equalling a growth of DKK 121.0 million or 11.2%. The increase is primarily attributable to market share gains in Denmark. International revenue declined by 16.5% in the second quarter of 2015 and by 10.0% in the first half of 2015.

Gross margin for the second quarter of 2015 was DKK 166.7 million against DKK 155.6 million in 2014. The gross profit margin declined by 1.8 percentage points to 27.3%. Gross margin for the first half of 2015 was DKK 327.1 million against DKK 315.5 million in 2014. The gross profit margin of 27.3% was down 2.0 percentage points compared to last year. The increased competition in the market is expected to continue at its present level.

Total operating expenses for the second quarter of 2015 were DKK 143.8 million, which is DKK 7.6 million or 5.6% more than reported for the same period last year. External expenses totalled DKK 51.7 million, an increase of DKK 6.3 million or 13.8%, primarily due to the improvement in revenue. Staff costs totalled DKK 79.5 million, an increase of DKK 1.3 million or 1.7% compared to last year. Depreciation, amortisation and write-downs amounted to DKK 11.6 million, an increase of DKK 0.4 million as a result of depreciation on refurbishment of the central warehouse.

Total operating expenses for the first half of 2015 were DKK 281.5 million, which is DKK 2.7 million or 1.0% more than reported for the same period last year. External expenses totalled DKK 100.8 million, an increase of DKK 3.7 million or 3.8% due to the improvement in revenue counterbalanced by savings in the first quarter of 2015. Staff costs totalled DKK 154.9 million, a decline of DKK 1.7 million due to savings in the first quarter of 2015. Depreciation, amortisation and write-downs amounted to DKK 23.8 million, an increase of DKK 1.5 million as a result of depreciation on refurbishment of the central warehouse. The high-bay warehouse was implemented at the end of the second quarter of 2015, and depreciation will thus commence in the third quarter. The logistics warehouse in Horsens is currently being phased out, and efforts are being made to lease it out to another party.

The item of 'Other operating expenses' includes losses on receivables of DKK 2.0 million, which is DKK 0.8 million less than last year.

Operating profit (EBIT) for the second quarter of 2015 was DKK 22.9 million, which is 3.8% of revenue. Compared to the same period last year, EBIT is DKK 3.5 million higher, and the profit margin is up by 0.3 percentage point. Operating profit (EBIT) for the first half of 2015 was DKK 45.6 million, which is 3.8% of revenue. Compared to the same period last year, EBIT is DKK 8.9 million higher, and the profit margin is up by 0.4 percentage point. The decline in the gross profit margin is thus counterbalanced by a lower expense ratio.

Financial income and expenses, net, for the first half of 2015 were negative at DKK 1.1 million against DKK 1.5 million in 2014. The reduced financial expenses are attributable to the current low level of interest rates.

The Group's profit before tax for the second quarter of 2015 amounted to DKK 22.3 million against DKK 18.7 million for the same period last year. Profit before tax for the first half of 2015 amounted to DKK 44.5 million against DKK 35.3 million for the same period last year.

Tax is in accordance with applicable tax rates in the areas where the Group is operating, equalling an average tax rate of approximately 23.5%.

A post-tax profit of DKK 17.1 million was recorded for the second quarter of 2015, compared to DKK 14.1 million for the same period last year. A post-tax profit of DKK 34.1 million was recorded for the first half of 2015, compared to DKK 26.3 million for the same period last year.

As at 30 June 2015, the Group's total assets amounted to DKK 1,655.6 million, which is DKK 219.6 million more than last year at the same time.

The growth in total assets is attributable to non-current assets which increased by DKK 117.5 million on last year's figures to DKK 898.2 million as a result of the central warehouse investment in Albertslund, whereby the value of land and buildings increased by DKK 62.6 million to DKK 577.8 million, and the value of 'Fixtures and operating equipment' totalling DKK 165.4 million increased by DKK 56.0 million.

When compared to the same period last year, current assets increased by DKK 102.1 million to DKK 757.4 million. Inventories increased by DKK 3.5 million to DKK 323.6 million, whereas trade receivables went up by DKK 35.8 million to DKK 306.4 million due to revenue growth. Cash and cash equivalents increased by DKK 58.5 million to DKK 91.8 million due to liquidity generated from operating activities.

Equity of DKK 970.7 million, equalling a solvency ratio of 58.6%, is DKK 82.4 million higher than at the same time last year.

Trade payables of DKK 408.1 million are DKK 118.9 million higher than at the same time last year due to revenue growth. When compared to the same period last year, other payables increased by DKK 16.3 million to DKK 68.3 million due to the fact that the already allocated final payment for the high-bay warehouse will not fall due until an operational test has been completed successfully. The test was conducted in July.

The Group's cash flow from operating activities totalled DKK 61.0 million, which is DKK 2.2 million more than in the same period last year. Increased funds tied up in trade receivables and inventories are financed by increased trade payables.

Net investments for the period totalled DKK 24.6 million against DKK 81.9 million for the same period last year, mainly as a result of less investment in land and buildings. Investment in software of DKK 6.8 million is DKK 1.4 million less than last year. Investment in fixtures and operating equipment of DKK 14.8 million is attributable to additional investments in the high-bay warehouse.

Cash flow from operating and investing activities for the first half of 2015 was positive at DKK 36.3 million, which is an improvement of DKK 59.5 million compared to the same period last year. DKK 16.2 million was spent on repayments of the Group's credit facilities. At 30 June 2015, total payables to credit institutions amounted to DKK 169.0 million. The Group's cash and cash equivalents for the first half of 2015 increased by DKK 19.1 million and totalled DKK 91.8 million.

Significant risks

As mentioned in the annual report for 2014, under the paragraph 'Internal controls and risk management', the Company assesses on an ongoing basis the most significant risks in connection with the Company's activities. In addition to the risks mentioned in the annual report, the Group is sensitive to the overall development in Danish and Swedish economy as well as business trends in the building industries of these countries.

Incentive programme

The present incentive programme is in accordance with the general guidelines for incentive pay approved by the annual general meeting on 22 March 2012. The guidelines are available in full on the Company's website www.ao.dk.

A total of 16,735 share options have been granted in connection with the existing incentive programme. Of the above-mentioned number of share options, 14,782 matured on 30 June 2015. On 30 June 2015, the Company holds a total of 21,118 treasury shares. No options have been granted or exercised in 2015.

Outlook

Danish economic indicators continue to show signs of improvement, and that also has a positive impact on the market for technical installation materials. Competition in the market is still strong, resulting in gross profit margins that are under pressure.

The completion of the acquisition of Billig VVS ApS took place on 27 August 2015 in continuation of the approval given by the Danish competition authorities on 26 August 2015.

As mentioned in connection with the announcement of the acquisition, the Group's profit before tax for 2015 is expected to be approximately DKK 115 million against the previous expectation of approximately DKK 100 million. In 2014 the Group's profit before tax totalled DKK 97.5 million.

Events after the end of the interim period

In addition to the acquisition of Billig VVS ApS, no significant events have occurred after the end of the reporting period.

Additional information

This interim financial report is available in Danish and English. In case of doubt, the Danish version shall apply.

Financial calendar for 2015

Interim financial report for the first three quarters of 2015 20 November 2015

The financial calendar for 2016 will be released in December of 2015.

Company announcements in 2015

Announcement no. 1	Annual report for 2014	24 February 2015
Announcement no. 2	Notice convening the annual general meeting	24 February 2015
Announcement no. 3	Results of annual general meeting	20 March 2015
Announcement no. 4	Articles of association	20 March 2015
Announcement no. 5	Interim financial report for the first quarter of 2015	26 May 2015
Announcement no. 6	Brødrene A & O Johansen A/S acquires online business Billig VVS ApS	23 June 2015
Announcement no. 7	The Danish competition authorities have approved AO's acquisition of Billig VVS ApS	26 August 2015
Announcement no. 8	Brødrene A & O Johansen A/S has now completed its acquisition of Billig VVS ApS	27 August 2015

Management's statement

Today the Board of Directors and the Executive Board have discussed and approved the interim financial report of Brødrene A & O Johansen A/S for the period 1 January - 30 June 2015.

The interim financial report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Presentation of Interim Financial Statements' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2015 and of the results of the Group's operations and cash flows for the period 1 January – 30 June 2015.

Further, in our opinion the Management's review includes a fair review of the development in the Group's operations and financial matters, the net profit or loss for the period and of the Group's financial position as a whole as well as a description of the most significant risks and elements of uncertainty facing the Group.

Albertslund, 28 August 2015

Executive Board

Niels A. Johansen
CEO

Henrik T. Krabbe
COO & CFO

Board of Directors

Henning Dyremose
Chairman of the Board

Michael Kjær
Deputy Chairman

René Alberg

Erik Holm

Leif Hummel

Carsten Jensen

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Income statement and statement of comprehensive income

<i>(All amounts are in DKK thousands)</i>	Note:	H1 2015	H1 2014	Q2 2015	Q2 2014	Full Year 2014
Revenue		1,197,436	1,076,352	610,472	534,612	2,258,656
Cost of sales		(870,551)	(760,942)	(443,879)	(379,043)	(1,612,179)
Gross profit		326,885	315,410	166,593	155,569	646,476
Other operating income		183	96	118	96	144
Gross margin		327,068	315,506	166,711	155,665	646,621
External expenses		(100,802)	(97,124)	(51,671)	(45,403)	(190,225)
Staff costs		(154,859)	(156,546)	(79,530)	(78,219)	(306,055)
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets		(23,819)	(22,289)	(11,605)	(11,194)	(44,444)
Other operating expenses		(2,002)	(2,835)	(979)	(1,423)	(5,609)
Total operating expenses		(281,482)	(278,794)	(143,785)	(136,239)	(546,331)
Operating profit or loss (EBIT)		45,586	36,712	22,926	19,426	100,289
Financial income		1,277	1,417	566	580	2,642
Financial expenses		(2,340)	(2,872)	(1,183)	(1,288)	(5,390)
Profit or loss before tax (EBT)		44,523	35,257	22,308	18,718	97,542
Tax on profit or loss for the period		(10,425)	(8,955)	(5,225)	(4,644)	(23,785)
Net profit or loss for the period		34,099	26,302	17,083	14,074	73,756
Other comprehensive income						
Items reclassified to the income statement						
Foreign currency translation adjustment relating to foreign entities		899	(997)	(1,408)	(2,394)	(2,153)
Tax on other comprehensive income		0	0	0	0	0
Other comprehensive income after tax		899	(997)	(1,408)	(2,394)	(2,153)
Total comprehensive income		34,998	25,305	15,675	11,680	71,603
Earnings per share						
Earnings per share (EPS)		69	48	35	26	150
Diluted earnings per share (EPS-D)		68	47	34	26	148

Balance sheet as at 30 June

(All amounts are in DKK thousands)

ASSETS	Note:	H1 2015	H1 2014	Full Year 2014
Non-current assets				
Intangible assets				
Goodwill	4	102,347	102,348	102,348
Software		51,891	51,245	53,029
		154,238	153,594	155,377
Property, plant and equipment				
Land and buildings		577,762	515,161	580,482
Leasehold improvements		833	2,530	2,642
Fixtures and operating equipment		165,370	109,373	158,166
		743,966	627,064	741,290
Total non-current assets	5	898,204	780,657	896,666
Current assets				
Inventories	6	323,627	320,123	307,336
Trade receivables	7	306,412	270,617	277,700
Corporation tax receivable		4,466	0	7,746
Other receivables		22,333	21,533	23,933
Prepayments		8,751	9,736	4,798
Cash at bank and in hand		91,792	33,321	72,690
Total current assets		757,382	655,330	694,203
Total assets		1,655,586	1,435,987	1,590,870

Balance sheet as at 30 June

(All amounts are in DKK thousands)

EQUITY AND LIABILITIES	Note:	H1 2015	H1 2014	Full Year 2014
Equity				
Share capital		57,000	57,000	57,000
Other reserves		200,000	200,000	200,000
Reserve for foreign currency translation adjustments		1,610	2,760	1,610
Retained earnings		712,088	628,559	677,090
Proposed dividend		0	0	0
Total equity		970,698	888,320	935,700
Non-current liabilities				
Deferred tax	8	37,000	30,520	37,023
Credit institutions		166,661	168,283	167,483
Total non-current liabilities		203,661	198,803	204,506
Current liabilities				
Credit institutions		2,279	4,863	17,701
Trade payables		408,119	289,195	343,994
Corporation tax		0	241	0
Other payables		68,303	52,038	86,443
Deferred income		2,526	2,526	2,526
Total current liabilities		481,227	348,864	450,664
Total liabilities		684,888	547,667	655,170
Total equity and liabilities		1,655,586	1,435,987	1,590,870

Statement of changes in equity

<i>(All amounts are in DKK thousands)</i>	Share Capital	Other Reserves	Foreign Currency Translation Adjustment	Retained Earnings	Total Equity
Equity at 1 January 2015	57,000	200,000	1,608	677,090	935,698
Net profit or loss for the period	0	0	0	34,099	34,099
Foreign currency translation adjustment relating to foreign entities	0	0	899	0	899
Total comprehensive income	0	0	899	34,099	34,998
Share-based payment	0	0	0	0	0
Dividends paid	0	0	0	0	0
Total transactions with owners	0	0	0	0	0
Equity at 30 June 2015	57,000	200,000	2,508	711,189	970,697
Equity at 1 January 2014	57,000	200,000	3,763	602,252	863,015
Net profit or loss for the period	0	0	0	26,302	26,302
Foreign currency translation adjustment relating to foreign entities	0	0	(997)	0	(997)
Total comprehensive income	0	0	(997)	26,302	25,305
Share-based payment	0	0	0	0	0
Dividends paid	0	0	0	0	0
Total transactions with owners	0	0	0	0	0
Equity at 30 June 2014	57,000	200,000	2,766	628,553	888,320
Equity at 1 January 2014	57,000	200,000	3,763	602,252	863,015
Net profit or loss for the period	0	0	0	73,756	73,756
Foreign currency translation adjustment relating to foreign entities	0	0	(2,153)	15	(2,138)
Total comprehensive income	0	0	(2,153)	73,771	71,618
Share-based payment	0	0	0	1,067	1,067
Dividends paid	0	0	0	0	0
Total transactions with owners	0	0	0	1,067	1,067
Equity at 31 December 2014	57,000	200,000	1,610	677,090	935,700

Consolidated cash flow statement

(All amounts are in DKK thousands)

	H1 2015		H1 2014		Full Year 2014	
Cash flow from operating activities						
Operating profit or loss		45,586		36,712		100,289
Financial income and expenses, net (interest paid)		(1,063)		(1,455)		(2,747)
Profit or loss before tax		44,523		35,257		97,542
Depreciation and amortisation:						
Intangible assets		7,932		8,887		17,230
Property, plant and equipment		15,887	23,819	13,402	22,289	27,214
						44,444
Change in working capital						
Change in trade receivables		(28,712)		18,441		11,358
Change in other receivables		(2,353)		1,146		3,683
Change in inventories		(16,292)		8,855		21,642
Change in trade payables		64,125		(26,293)		28,506
Change in other current liabilities		(18,138)	(1,370)	3,799	5,947	14,453
Corporation tax paid		(6,007)		(4,770)		(21,747)
Cash flow from operating activities		60,966		58,723		199,880
Cash flow from investing activities						
Software		(6,780)		(8,195)		(18,464)
Land and buildings		(3,509)		(64,237)		(135,588)
Leasehold improvements		0		(234)		(688)
Fixtures and operating equipment		(14,800)		(10,001)		(43,252)
Disposal of property, plant and equipment		466		768		854
Cash flow from investing activities		(24,623)		(81,899)		(197,138)
Cash flow from financing activities						
Repayment of debt to/raising of loans with credit institutions, net		(16,245)		1,658		13,696
Acquisition/sale of treasury shares		0		0		1,066
Cash flow from financing activities		(16,245)		1,658		14,763
Cash flow for the period		20,098		(21,518)		17,506
Cash and cash equivalents at beginning of period		72,690		55,082		55,082
Foreign currency translation adjustment		(997)		(244)		102
Cash and cash equivalents at end of period		91,792		33,321		72,690

Notes

1 Accounting policies

The interim financial report has been prepared in accordance with IAS 34 'Preparation of Interim Financial Statements' as adopted by the EU and Danish disclosure requirements for listed companies. Except for the changes mentioned below, the accounting policies are unchanged from the accounting policies applied in the consolidated and company financial statements for 2014. Reference is made to note 1, which contains a full description of the accounting policies.

Changes in accounting policies

With effect from 1 January 2015, the Group has implemented Amendments to IAS 19, certain parts of the Annual Improvements to IFRSs 2010-12 Cycle and Annual Improvements to IFRSs 2011-13 Cycle. None of the new amendments and improvements have had any impact on recognition and measurement.

2 Accounting estimates and judgements

Estimation uncertainty

The preparation of the interim financial statements requires Management to make accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant estimates made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and company financial statements for 2014. For a more detailed description of the estimation uncertainty, reference is made to the consolidated and company financial statements for 2014.

3 Segment information

Group activities relating to the trade in technical installation materials take place in an integrated manner and are dealt with as one segment.

4 Goodwill

The annual impairment test of intangible assets, including goodwill, is performed at 31 December 2015, after the completion of budgets and strategy plans for the coming period. At 30 June 2015, Management is of the opinion that there has been no indication of impairment of the carrying amount of goodwill, and therefore no impairment test of goodwill has been performed at 30 June 2015. For a more detailed description of impairment tests, reference is made to the consolidated and company financial statements for 2014.

Acquisition of enterprise after the balance sheet date

On 27 August 2015 Brødrene A & O Johansen A/S acquired the entire online business of Billig VVS ApS, which is Denmark's leading online supplier of plumbing, heating and sanitary ware products and among the leading online providers of the same products in Sweden and Norway.

Billig VVS ApS continues as an independent subsidiary of the Group focusing on sales to private individuals and minor commercial customers.

AO's main focus is still on the professional market, where it is AO's vision to be the tradesmen's preferred supplier of technical installation materials to the market for repairs, renovations and maintenance and one of the preferred suppliers to the market for new building projects.

With the synergies already existing between Billig VVS A/S and AO with regard to product ranges, warehouse/logistics and AO's existing business, including AO.dk, there is potential for developing both companies significantly over the coming years.

In 2014, Billig VVS ApS' revenue amounted to DKK 203.1 million, and its profit before tax totalled DKK 16.7 million.

The fair value of assets and liabilities acquired in Billig VVS ApS is at present determined as follows (DKKm):

Property, plant and equipment	3.3
Intangible assets	58.2
Inventories	5.3
Trade receivables	9.8
Other receivables	2.8
Cash at bank and in hand	25.4
Deferred tax	(12.8)
Interest-bearing debt	(8.2)
Trade payables	(21.7)
Other payables	(2.4)
Acquired net assets	59.7
Goodwill	197.0
Purchase price	256.7

Of the purchase price the payment of DKK 40 million will depend on the acquired Billig VVS ApS' actual results for 2015. The purchase price will be paid in cash, and it will be financed by existing cash and credit facilities. Costs of purchase are charged to the profit and loss account and are expected to be approximately DKK 0.6 million.

5 Non-current assets

During the reporting period the Group has invested DKK 25.1 million (H1 2014: DKK 82.7 million) in non-current assets.

6 Inventories

No unusual inventory write-downs or reversals of inventory write-downs have been recorded in the period.

7 Trade receivables

An estimate is used to assess the recoverability of receivables according to the same principles as applied in the financial statements for 2014.

8 Deferred tax

At 30 June 2015 deferred tax liabilities were DKK 37.0 million, compared to DKK 30.5 million at 30 June 2014.