

Quarterly report Q1 2017

to shareholders in Glamox AS

Highlights

- The increase in order intake was 9.7% and in turnover 9.9% in the 1st quarter compared with last year.
- Operating profit for the quarter was NOK 73.7 mill (11.2%), NOK 60.8 mill (10.1%) for last year.
- Good operating profit and cash flow for the quarter.
- Signed framework agreement with Statoil for supply of all lighting for the Johan Castberg project.

Main figures for Glamox Group

Results	1st quarter		01.01.-31.12.
	2017	2016	2016
(Figures in NOK mill)			
Order intake	691.2	630.2	2 623.3
Revenues	660.0	600.4	2 508.6
Operating profit	73.7	60.8	263.1
Operating profit margin	11.2%	10.1%	10.5%
Profit before taxes	73.2	58.2	251.5
Profit after taxes	55.5	42.9	191.1
Cash flow from operations 1)	57.1	(11.7)	308.1
Earnings per share (in NOK)	0.84	0.65	2.90
Balance sheet	31.03.2017	31.03.2016	31.12.2016
(Figures in NOK mill)			
ASSETS			
Fixed assets	354	283	366
Current assets	1 140	1 009	1 080
TOTAL ASSETS	1 493	1 292	1 446
EQUITY AND LIABILITIES			
Equity	654	560	600
Non-current liabilities	241	268	248
Current liabilities	598	464	598
TOTAL EQUITY AND LIABILITIES	1 493	1 292	1 446

1) Net income before taxes plus net depreciation and amortisation of goodwill, plus/minus changes in working capital, minus investments in tangible fixed assets.

Order Intake and Revenues

The Group's order intake for the quarter totalled NOK 691.2 mill (NOK 630.2 mill), an increase of 9.7%. The increase for comparable activities and adjusted for currency exchange rates was 12.1%.

The quarterly turnover was NOK 660.0 mill (NOK 600.4 mill), an increase of 9.9%. The increase in turnover for comparable activities and adjusted for currency exchange rates was 12.9%.

Professional Building Solutions (PBS)

The PBS division provides complete lighting solutions to the professional building market. The most important markets served by this division are Central and Northern Europe. The level of activity in the new construction, restoration and professional building modernisation sectors drives developments in the individual markets.

PBS is currently experiencing stable demand for lighting solutions. The increase in sales of lighting featuring LED technology is responsible for the growth in the market to a considerable extent. However, there continues to be significant price pressure on LED products.

PBS experienced growth in both its order intake and turnover during the first quarter. Orders and turnover were especially good in Norway, Sweden, Denmark, the UK, German and the Netherlands compared to the same quarter last year. Efforts to reinforce the sales team and product portfolio continue.

Order intake at PBS during the first quarter totalled NOK 485.1 mill, compared to NOK 429.9 mill during the same period last year. This is an increase of 12.8%.

Turnover during the first quarter totalled NOK 463.2 mill, compared to NOK 401.8 mill during the same period last year. This is an increase of 15.3 %.

Global Marine & Offshore (GMO)

The GMO division delivers professional lighting solutions to the global marine and offshore markets. The activity level within new-build, rebuilding and refurbishment of all types of maritime vessels and offshore installations controls market growth for this division.

The global market within the Cruise & Ferry and Navy segments continues to grow, but there continues to be low investment within the Offshore segment and few orders for new merchant and supply ships. The division is currently focusing on special ships with high value lighting packages, and is experiencing good demand from several yards in Europe and in Asia. There is a growing proportion of LED products in such projects. GMO has also won several orders for offshore wind projects in Europe during the first quarter.

The division signed a framework agreement during the quarter with Statoil for the supply of all lighting for the Johan Castberg project, which will generate orders and deliveries in 2018.

Incoming orders at GMO during the first quarter totalled NOK 203.7 mill, compared to NOK 198.5 mill during the same period last year. This is an increase of 2.6 %.

Turnover during the first quarter totalled NOK 195.7 mill, compared to NOK 198.7 mill during the same period last year. This is a drop of 1.5%.

Group Profit

The Group had an operating profit in the quarter of NOK 73.7 mill (NOK 60.8 mill). This gave an operating margin of 11.2% (10.1%).

Profit before tax for the quarter was NOK 73.2 mill, compared to NOK 58.2 mill last year.

Profit after tax for the quarter was NOK 55.5 mill, compared to NOK 42.9 mill last year.

The improvement in profit is primarily due to higher turnover. The trend in turnover for the quarter benefitted from Easter falling in the second quarter, in contrast to last year when it fell in the first quarter.

Cash flow, liquidity and capital situation,

Cash flow from operations after investment was NOK 57.1 mill, compared to minus NOK 11.7 mill for the same quarter last year. The improvement in cash flow from operations is due to profit in the first quarter being higher than last year, and that there was lower accumulation of working capital in the first quarter compared to last year.

Quarterly investments amount to NOK 7.1 mill, compared to NOK 5.8 mill.

The liquidity reserve at the end of the year was NOK 685.4 mill (NOK 444.1 mill).

The Group had equity of NOK 654 mill (43.8%) as of 31/03/2017. At the start of the year, it was NOK 600 mill (41.5%).

The Group's net interest-bearing deposits as of 31/03/2017 were NOK 266 mill. At the same point last year, the Group's net interest-bearing debt amounted to NOK 89 mill.

Outlook

Demand for lighting solutions on PBS' main markets is expected to be somewhat better than in 2016. We expect a slight downturn in our main markets for GMO in 2017.

For the year as a whole, the group expects a somewhat better result than in 2016.

Oslo, 15. May 2017

Bjørn Arnestad
Chairman of the Board (signature)

Rune E. Marthinussen
CEO (signature)