

GLX Holding

First quarter results 2018

General information GLX Holding AS (parent company)

GLX Holding AS is a special purpose vehicle incorporated 14th August 2017 in Norway by Triton to acquire Glamox AS being the parent company of the Glamox Group. GLX Holding holds 75.25% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11th December 2017.



Highlights in the quarter

- **Order intake & total revenues** ended at NOK 684m and NOK 651m respectively. This is slightly below first quarter last year partly explained by the Easter holiday being in March this year vs. April last year.
- **Adjusted EBITDA** ended at NOK 90m, 14.6% below first quarter last year. The main reason for the decrease is somewhat lower revenue and lower margin in the GMO division compared to first quarter last year.
- **Operating cash flow** was NOK 5m compared to NOK 48m last year. Lower profit and higher paid taxes related to a dividend payment from the subsidiary in Estonia explains the main deviation.
- **Subsequent event:** On 3 April Glamox AS successfully completed the acquisition of 100% of the shares in O. Küttel AG from Regent Beleuchtungskörper AG.

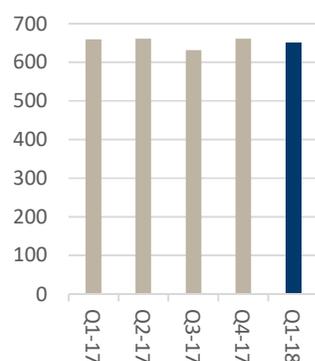
Key figures

	Q1 2018	Q1 2017*	YTD 2018	YTD 2017*	FY 2017*
Order intake	683.8	691.2	683.8	691.2	2 653.1
Total revenues	650.5	660.0	650.5	660.0	2 614.5
EBITDA	90.0	88.4	90.0	88.4	368.5
<i>EBITDA margin</i>	<i>13.8 %</i>	<i>13.4 %</i>	<i>13.8 %</i>	<i>13.4 %</i>	<i>14.1 %</i>
Adjusted EBITDA	90.0	105.4	90.0	105.4	392.8
<i>Adjusted EBITDA margin</i>	<i>13.8 %</i>	<i>16.2 %</i>	<i>13.8 %</i>	<i>16.2 %</i>	<i>15.0 %</i>
Net result	32.0	62.8	32.0	62.8	258.2
Net cash from operations	5.2	47.6	5.2	47.6	197.2
Net interest-bearing debt**	1 189	(285)	1 189	(285)	(29)

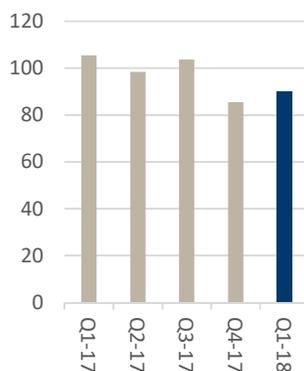
* Glamox Group financial figures only

** Excluding restricted cash

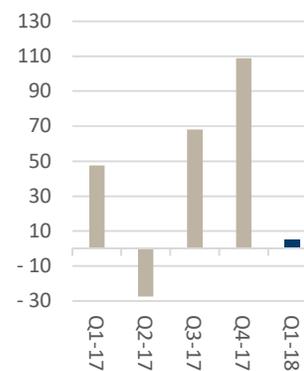
Revenue development*
NOK million



Adjusted EBITDA*
NOK million



CF from operations*
NOK million



*Based on GLX Holding consolidated figures from Q1-2018

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Management comments

The Glamox Group reports a mixed first quarter. The Professional Building Solutions (PBS) business area showing order intake growth compared to last year, while the Global Marine & Offshore business area continues to experience weak markets especially in the Offshore Energy segment. Group order intake and revenues in the first quarter 2018 of NOK 684m and NOK 651m respectively are both slightly behind first quarter 2017. While we have experienced some tailwind from a weakening NOK, the first quarter was negatively impacted compared to last year by the Easter holiday being in March this year vs. April last year.

Most geographical markets in PBS reported Q1-2018 revenue in line or slightly behind Q1-2017 due to the mentioned Easter holiday effect. In GMO, we continue to experience weak markets in the Offshore Energy segment with falling sales figures, but we have managed to partly compensate by increasing sales in other segments, particularly the Navy segment. Challenging market conditions are impacting the margins in GMO which is an important reason for the decrease in operating profit in Q1-2018 compared to Q1-2017.

The adjusted EBITDA for the Group ended at NOK 90m in the first quarter 2018, NOK 15m below the first quarter 2017 due to somewhat lower revenues for both GMO and PBS and lower margins in GMO.

We are continuously working on activities to optimize our supply chain and production facilities. In Q1-2018, we have been taking steps to move some non-LED product families within the GMO business area from Europe to our factory in China to take advantage of the cost position and the proximity to the important Asian markets. This action will also increase production volume in China leading to positive scale effects.

We are very pleased with the acquisition of O. Küttel AG (“Küttel”) which was successfully completed on 3 April. Küttel is a leading provider of lighting for the professional building market in Switzerland, and we are excited about increasing our product offering to the Swiss market. The acquisition is an important step in our growth plan for PBS.

The lighting industry continues to go through changes as a result of changes in LED technology and Light Management Systems (LMS). The Glamox Group has developed a healthy position in the lighting market over the years and will continue to strengthen and improve this position. The Glamox Group’s long-term strategy continue to focus on growth and financial strength.

Rune Marthinussen

President & CEO Glamox AS

Financial review

Group results

The order intake in the quarter ended at NOK 684m corresponding to a decrease of 1.1% from NOK 691m in Q1-2017. While the PBS business area had higher order intake, GMO experienced a fall in order intake compared to Q1-2017.

GLX Holding reports total revenue of NOK 651m in Q1-2018, down by 1.4% from NOK 660m in Q1-2017. For both divisions, a weaker NOK vs. EUR (and USD) impacted order intake and total revenues positively compared to Q1-2017. Price pressure continues to have a negative impact. The Easter holiday, in March this year and April last year, also impacted both order intake and total revenues negatively compared to Q1-2017. In Norway, the largest market for the Group, we see limited activity during Easter.

The adjusted operating profit before depreciations and amortization (adjusted EBITDA) ended at NOK 90m in Q1-2018 compared to NOK 105m in Q1-2017. The reduction of 14.6% from last year is mainly due to somewhat lower revenues in the Group and lower margins in GMO with challenging market conditions in the two largest market segments Commercial Marine and Offshore Energy.

The net result ended at NOK 32m in Q1-2018, down by NOK 31m from NOK 63m in Q1-2017. Increased net financial expenses and amortizations are the main explanations for the reduced net result compared to Glamox Group's Q1-2017 net result. The increased net financial expense is related to the Bond issued in Q4-2017, while increased amortization cost is an effect of GLX Holding AS' acquisition of Glamox AS.

Cash flow

Cash flow from operations was NOK 5m in Q1-2018 compared to NOK 48m in Q1-2017. Profit before tax adjusted for depreciations and amortizations is NOK 19m lower than last year. Cash flow from operations is also negatively impacted by a larger tax payment of NOK 52m in the quarter, compared to NOK 16m in Q1-2017, of which approximately half was related to previously untaxed profit being taxed in connection with a dividend payment from the subsidiary in Estonia. The increase in working capital and other operating changes is lower in Q1-2018 than in Q1-2017 with a negative effect on cash flow from operations of NOK 13m compared to NOK 26m last year. The working capital in the Group is impacted by seasonality where we normally see a build-up of working capital in the first half of the year.

Total investments in the quarter amounted to NOK 13m while cash flow from financing was negative by NOK 24m related to interest payments. In addition, the cash flow was affected negatively with NOK 3m due to GLX Holding increasing its investment in Glamox AS from 75.16% to 75.25%. Total cash flow in Q1-2018 was negative by NOK 32m, decreasing the cash balance from NOK 307m to NOK 274m.

Financial position

As of 31 March 2018, GLX Holding's equity amounts to NOK 1 942m. The Groups borrowings consist of long-term senior secured notes of NOK 1 350m and a revolving credit facility (RCF) of NOK 800m of which NOK 109m is drawn upon. The net interest-bearing debt is NOK 1 189m.

Segments

Professional Building Solutions (PBS)

NOKm	Q1 2018	Q1 2017	YTD 2018	YTD 2017	FY 2017
Order intake	498.9	485.1	498.9	485.1	1866.0
Total revenues	455.5	463.2	455.5	463.2	1 859.0
Adjusted EBITDA	75.3	76.1	75.3	76.1	320.8
Adjusted EBITDA margin	16.5 %	16.4 %	16.5 %	16.4 %	17.3%

The Professional Building Solutions (PBS) business areas reported total order intake of NOK 499m in Q1-2018, which is NOK 14m higher than in Q1-2017. Total revenues in the division ended at NOK 456m in Q1-2018, NOK 8m lower than Q1-2017. While a weaker NOK versus EUR had a positive effect on both order intake and revenue in the quarter compared to the first quarter last year, PBS continues to experience price pressure on its products.

The Easter holiday also impacted order intake and revenue negatively compared to last year as it was in March this year vs. April last year.

The adjusted EBITDA margin in Q1-2018 was 16.5% in line with 16.4% in Q1-2017. Improved product mix in the quarter contributes positively.

Global Marine & Offshore (GMO)

NOKm	Q1 2018	Q1 2017	YTD 2018	YTD 2017	FY2017
Order intake	178.2	203.7	178.2	203.7	778.1
Total revenues	192.2	195.7	192.2	195.7	737.8
Adjusted EBITDA	15.3	29.3	15.3	29.3	72.0
Adjusted EBITDA margin	7.9 %	14.9 %	7.9 %	14.9 %	9.8%

The Global Marine & Offshore (GMO) business area reported total order intake of NOK 178m in Q1-2018, down NOK 26m compare to Q1-2017. The order intake was negatively impacted by some large expected orders, which slipped into Q2-2018. In addition, Q1-2017 included several large orders received by GMO. Total revenues ended at NOK 192m in Q1-2018, which is NOK 3m lower than Q1-2017. While revenue has increased in several market segments compared to Q1-2017, the Offshore Energy segment has seen a sharp decrease in revenue.

The adjusted EBITDA margin in Q1-2018 was 7.9% compared to 14.9% in Q1-2017 and 9.8% for FY 2017. In Q1-2017 GMO delivered several high margin projects in Asia in the Commercial Marine segment, while it in Q1-2018 delivered a couple of low margin projects in the Norwegian market. Challenging market conditions in both the Commercial Marine and Offshore Energy segment has a negative impact on margins in Q1-2018 compared to Q1-2017.

Outlook

The demand for lighting solutions in PBS' markets is expected to remain on the same level in 2018 as in 2017. PBS is continuing its investments in new products and systems, as well as increasing the capacity and competence in the organisation in order to make Glamox lighting solutions even more competitive.

For GMO we expect our main markets to improve towards the end of 2018. We have seen the global number of new-building ordering in the commercial marine segment increase in 2017 while the activity in the offshore segment is still cautious. The positive development in the commercial marine segment could lead to improved demand towards the end of 2018 for GMO.

Related party transactions

Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries. All transactions within the Group or with other related parties are based on the principle of arm's length. The Group is under the controlling influence of Glace HoldCo AS which is under the controlling influence of Glace MidCo S.á.r.l. There have been no material transactions with companies in which Glace MidCo S.á.r.l. has significant controlling influence.

Forward-looking statements / Legal disclaimer

Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, fluctuations in exchange rates and interest rates and political risks.

30 May 2018

Gustaf Backemar

(sign)

Chairman

Joachim Espen

(sign)

Board member

Carl Johan Renvall

(sign)

Board member

Condensed consolidated interim financial statements

GLX Holding Group consolidated statement of profit and loss (unaudited)

NOK 1000	Q1		YTD		FY
	2018	2017*	2018	2017*	2017*
Revenue	641 846	650 558	641 846	650 558	2 559 148
Other operating income	8 669	9 487	8 669	9 487	55 387
Total revenues	650 515	660 044	650 515	660 044	2 614 535
Raw materials	(291 662)	(307 270)	(291 662)	(307 270)	(1 195 809)
Payroll and related cost	(48 050)	(201 991)	(48 050)	(201 991)	(802 614)
Other operating expenses	(220 800)	(62 424)	(220 800)	(62 424)	(247 567)
EBITDA	90 003	88 360	90 003	88 360	368 544
Depreciation	(12 616)	(10 676)	(12 616)	(10 676)	(43 363)
Amortization	(20 111)	(2 592)	(20 111)	(2 592)	(32 445)
Operating profit / EBIT	57 276	75 091	57 276	75 091	292 736
Net financial items	(19 403)	1 246	(19 403)	1 246	10 034
Profit before tax	37 873	76 337	37 873	76 337	302 770
Taxes	(5 878)	(18 056)	(5 878)	(18 056)	(44 581)
Profit for the period	31 995	58 281	31 995	58 281	258 189
Profit/loss attributable to owners	18 370	58 295	18 370	58 295	258 197

*Glamox Group financial figures only

GLX Holding Group consolidated statement of comprehensive income (unaudited)

NOK 1000	Q1		YTD		FY
	2018	2017*	2018	2017*	2017*
Profit for the period	31 995	58 281	31 995	58 281	258 189
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>					
Gain/loss from re-measurement on defined benefit plans	-	-	-	-	(5 766)
Tax effect on re-measurements on defined benefit plans	-	-	-	-	(1 389)
Total items that subsequently will not be reclassified to profit or loss	-	-	-	-	4 377
<i>Other comprehensive income that may be reclassified to profit or loss:</i>					
Currency translation differences	(20 504)	(20 032)	(20 504)	(20 032)	43 306
Net gain/loss on hedge of foreign subsidiaries	16 964	19 027	16 964	19 027	(36 007)
Tax effect from hedge of foreign subsidiaries	(4 071)	(4 567)	(4 071)	(4 567)	8 642
Total items that subsequently may be reclassified to profit or loss	(7 611)	(5 571)	(7 611)	(5 571)	15 941
Other comprehensive income for the period	(7 611)	(5 571)	(7 611)	(5 571)	20 319
Total comprehensive income for the period	24 384	52 710	24 384	52 710	278 508
Total comprehensive income attributable to owners	12 643	52 724	12 643	52 724	278 516
Total comprehensive income attributable to Non-Controlling interest	11 741	(14)	11 741	(14)	(8)

*Glamox Group financial figures only

GLX Holding Group statement of financial position (unaudited)

NOK 1000	31.03.2018	31.03.2017*	31.12.2017
ASSETS			
Intangible non-current assets	2 840 206	95 893	2 854 282
Tangible non-current assets	298 176	250 402	309 074
Other non-current assets	18 050	19 244	18 773
Total non-current assets	3 156 431	365 539	3 182 129
Inventory	393 758	376 703	389 128
Receivables	402 359	348 213	412 430
Cash and cash equivalents	274 273	414 935	307 064
Total current assets	1 070 390	1 139 851	1 108 622
TOTAL ASSETS	4 226 821	1 505 391	4 290 751
EQUITY AND LIABILITIES			
Equity	1 557 312	755 058	1 544 671
Non-controlling interests	384 706	139	374 323
Total equity	1 942 019	755 197	1 918 994
Deferred tax liabilities	296 082	47 862	332 009
Long-term interest-bearing liabilities	1 438 377	95 286	1 439 840
Long-term provision and other liabilities	64 188	90 203	64 974
Total non-current liabilities	1 798 647	233 351	1 836 822
Trade payables	151 294	147 097	176 775
Tax payable	22 376	107 120	34 302
Short-term interest-bearing liabilities	-	-	-
Other short-term liabilities	312 485	262 626	323 857
Total current liabilities	486 155	516 843	534 935
TOTAL EQUITY AND LIABILITIES	4 226 821	1 505 391	4 290 751

*Glamox Group financial figures only

GLX Holding Group consolidated statement of cash flow (unaudited)

NOK 1000	Q1		YTD		FY
	2018	2017*	2018	2017*	2017*
Profit before tax	37 873	76 337	37 873	76 337	302 770
Taxes paid	(52 121)	(15 666)	(52 121)	(15 666)	(103 038)
Depreciation and amortization	32 727	13 268	32 727	13 268	75 808
Changes in working capital	(28 106)	(63 031)	(28 106)	(63 031)	(95 574)
Other operating changes	14 803	36 727	14 803	36 727	17 224
Net cash flow from operating activities	5 176	47 636	5 176	47 636	197 190
Cash flow from (purchase)/sales of shares in subsidiaries	(3 376)		(3 376)		
Purchase of tangible fixed assets and intangible assets	(12 882)	(7 405)	(12 882)	(7 405)	(46 740)
Other cash flow from investments	2 884	358	2 884	358	22 606
Net cash flow from investing activities	(13 374)	(7 048)	(13 374)	(7 048)	(24 134)
Down payment		(4 019)		(4 019)	(120 737)
Bank fee related to bond issue					
Proceeds from borrowings					116 620
Dividend paid					(375 023)
Share capital increase					
Interest paid	(23 756)	(92)	(23 756)	(92)	(3 885)
Net cash flow from financing activities	(23 756)	(4 112)	(23 756)	(4 112)	(383 025)
Total cash flow for the period	(31 955)	36 477	(31 955)	36 477	229 630
Effect of change in exchange rate	(837)	(1 617)	(837)	(1 617)	329
Cash and cash equivalents, beginning of period	307 064	380 074	307 064	380 074	380 074
Cash and cash equivalents, end of period	274 273	414 935	274 273	414 935	170 433

*Glamox Group financial figures only

GLX Holding Group consolidated statement of changes in equity (unaudited)

NOK 1000	Share capital	Share premium reserve	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance as of 31 December 2017	1 000	1 599 346	-55 676	1 544 670	374 323	1 918 993
Current period profit and loss			18 370	18 370	13 624	31 995
Other comprehensive income (loss)			-5 727	-5 727	-1 884	-7 611
Total comprehensive income (loss)			12 643	12 643	11 741	24 384
Movement in non-controlling interests					-1 358	-1 358
Dividends						
Balance as of 31 March 2018	1 000	1 599 346	-43 033	1 557 313	384 706	1 942 019

GLX Holding AS (parent company) statement of profit and loss (unaudited)

NOK 1000	Q1		YTD		FY
	2018	2017	2018	2017	2017
Revenue	-	-	-	-	
Other operating income	-	-	-	-	
Total revenues	-	-	-	-	
Raw materials	-	-	-	-	
Payroll and related cost	-	-	-	-	
Other operating expenses	(596)	-	(596)	-	(48 871)
EBITDA	(596)	-	(596)	-	(48 871)
Depreciation and amortization	-	-	-	-	-
Operating profit / EBIT	(596)	-	(596)	-	(48 871)
Net financial items	(22 457)	-	(22 457)	-	(4 417)
Profit before tax	(23 053)	-	(23 053)	-	(53 288)
Taxes	-	-	-	-	
Profit for the period	(23 053)	-	(23 053)	-	(53 288)

GLX Holding AS (parent company) statement of financial position (unaudited)

NOK 1000	31.03.2018	31.03.2017	31.12.2017
Intangible non-current assets	-	-	
Tangible non-current assets	-	-	
Other non-current assets	2 795 185	-	2 791 809
Total non-current assets	2 795 185	-	2 791 809
Inventory	-	-	-
Receivables	-	-	-
Cash and cash equivalents	112 659	-	136 631
Total current assets	112 659	-	136 631
TOTAL ASSETS	2 907 845	-	2 928 440
Equity	1 524 597	-	1 547 058
Non-controlling interests	-	-	-
Total equity	1 524 597	-	1 547 058
Deferred tax liabilities	-	-	-
Long-term interest-bearing liabilities	1 329 129	-	1 328 215
Long-term provision and other liabilities	-	-	-
Total non-current liabilities	1 329 129	-	1 328 215
Trade payables	-	-	-
Tax payable	-	-	-
Short-term interest-bearing liabilities	-	-	-
Other short-term liabilities	54 119	-	53 167
Total current liabilities	54 119	-	53 167
TOTAL EQUITY AND LIABILITIES	2 907 845	-	2 928 440

GLX Holding AS (parent company) statement of cash flow (unaudited)

NOK 1000	Q1		YTD		FY
	2018	2017	2018	2017	2017
Profit before tax	(23 053)	-	(23 053)	-	(53 288)
Taxes paid					
Depreciation and amortization					
Changes in working capital					
Other operating changes	22 812	-	22 812	-	53 167
Net cash flow from operating activities	(240)	-	(240)	-	(120)
Cash flow from (purchase)/sales of shares in subsidiaries	(3 376)	-	(3 376)	-	(2 791 809)
Purchase of tangible fixed assets and intangible assets					
Other cash flow from investments					
Net cash flow from investing activities	(3 376)	-	(3 376)	-	(2 791 809)
Down payment					
Bank fee related to bond issue					
Proceeds from borrowings					1 328 215
Dividend paid					
Share capital increase					1 600 306
Interest paid	(20 355)		(20 355)		
Net cash flow from financing activities					2 928 521
Total cash flow for the period	(23 972)	-	(23 972)	-	136 591
Effect of change in exchange rate					
Cash and cash equivalents, beginning of period	136 631	-	136 631	-	40
Cash and cash equivalents, end of period	112 659	-	112 659	-	136 631

Notes to the condensed consolidated interim financial statements

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Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. Further, the financial statements are prepared based on the going concern assumptions.

Significant risk and uncertainties

For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2017. The company does not consider that there have been any material changes during the reporting period in the risks and uncertainty factors presented in the annual report.

Subsequent events

On 3 April Glamox AS successfully completed the acquisition of 100% of the shares in O. Küttel AG from Regent Beleuchtungskörper AG. O. Küttel AG is a leading Swiss provider of lighting for the professional building market.

Definitions

Order intake	Orders received measured at gross value before deduction of commissions and other sales reductions
Total revenue	Revenue and other operating income net of commissions and other sales reductions
EBITDA	Earnings before interest, tax, depreciation and amortization
Adjusted EBITDA	Earnings before interest, tax, depreciation, amortization and exceptional items
EBITDA-margin	EBITDA as a percentage of total revenue
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of total revenue
Net financial expenses	Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities
Net debt	Interest-bearing debt minus cash and cash equivalents
Exceptional items	Any items (positive or negative) of a one off, non-recurring, unusual, non-operational or exceptional nature including restructuring expenses
LED	Light-emitting diode
LMS	Light Management Systems

GLX Holding presents certain financial performance measures that are not defined in the interim report in accordance with IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. GLX Holding believe that these measures provide useful supplemental information to investors and the company's management when they allow evaluations of trends and the performance of the company. As companies calculate the performance measures differently, these are not always comparable to similar titled measures used by other companies.

This report has not been subject to audit.



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