

GLX Holding

First quarter results 2020

General information GLX Holding AS (parent company)

GLX Holding AS is a special purpose vehicle incorporated 14th August 2017 by Triton to acquire Glamox AS which is the parent company of the Glamox Group. GLX Holding holds 76.17% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11th December 2017.



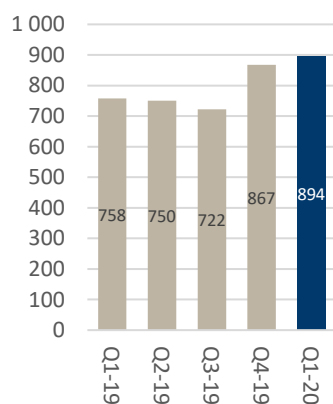
Highlights 1st quarter 2020

- **Order intake** ended at NOK 952m, up 19% from NOK 798m in the first quarter last year, down 4% on a comparable basis
- **Total revenue** ended at NOK 894m, up 18% from NOK 758m in the first quarter last year, down 4% on a comparable basis
- **Adjusted EBITDA** was NOK 123m, in line with NOK 123m in the first quarter last year
- **Operating cash flow** was NOK 25m, down from NOK 69m in the first quarter last year

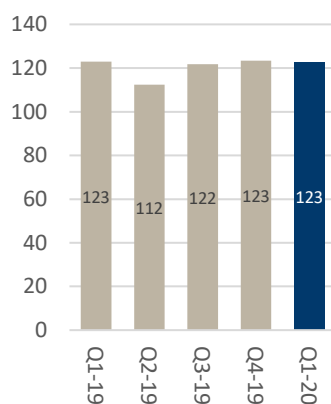
Key figures

	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Orders received	952	798	952	798	3,100
Total revenue	894	758	894	758	3,098
EBITDA	106	116	106	116	408
<i>EBITDA margin (%)</i>	<i>11.9 %</i>	<i>15.2 %</i>	<i>11.9 %</i>	<i>15.2 %</i>	<i>13.2 %</i>
EBIT	48	74	48	74	226
<i>EBIT margin (%)</i>	<i>5.4 %</i>	<i>9.8 %</i>	<i>5.4 %</i>	<i>9.8 %</i>	<i>7.3 %</i>
Adjusted EBITDA	123	123	123	123	480
<i>Adjusted EBITDA margin (%)</i>	<i>13.7 %</i>	<i>16.2 %</i>	<i>13.7 %</i>	<i>16.2 %</i>	<i>15.7 %</i>
Adjusted EBIT	65	82	65	82	298
<i>Adjusted EBIT margin (%)</i>	<i>7.3 %</i>	<i>10.8 %</i>	<i>7.3 %</i>	<i>10.8 %</i>	<i>9.8 %</i>
Profit for the period, after tax	(12)	28	(12)	28	79
Net cash from operations	25	69	25	69	212
Net interest-bearing debt ¹	1,708	1,255	1,708	1,255	1,655

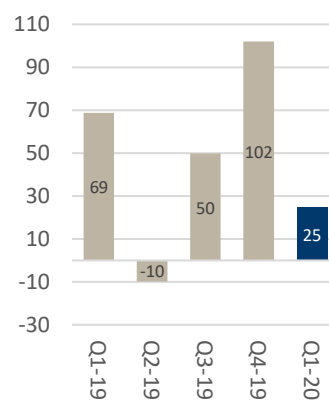
Revenue development NOK million



Adjusted EBITDA NOK million



CF from operations NOK million



¹ Excluding IFRS 16 effects and restricted cash

General information GLX Holding AS (parent company)

GLX Holding AS is a special purpose vehicle incorporated 14th August 2017 by Triton to acquire Glamox AS which is the parent company of the Glamox Group. GLX Holding holds 76.17% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11th December 2017.

Management comments

The Glamox Group's results in the first quarter was strong despite the market disruptions caused by Covid-19 towards the end of the quarter. The Group reported strong growth in both order intake and revenue compared to last year, driven by the acquisition of ES-System. The underlying results in the PBS business area are below the first quarter last year mainly due to weaker results in the Nordics and the UK, while the underlying results in the GMO business area show strong improvement compared to the first quarter last year.

The Group's order intake in the first quarter 2020 ended at NOK 952m, representing an increase of 19% from NOK 798m in the first quarter last year. Total revenue in the quarter was NOK 894m, an increase of 18% from NOK 758m in the first quarter last year. On a comparable basis, adjusted for acquisitions and currency effect, both order intake and revenue were 4% behind the corresponding quarter last year.

Adjusted EBITDA amounted to NOK 123m in the quarter, in line with the first quarter last year. Weaker results in the PBS business area is offset by strong growth in the GMO business area compared to the same period last year. The adjusted EBITDA margin ended at 13.7% in the first quarter 2019, down from 16.2% in the first quarter 2019.

There is considerable uncertainty regarding the near-term market conditions due to the Covid-19 situation. Our top priority in this situation is to protect the health and safety of our employees. Although the financial impact of the Covid-19 disruption on our first quarter 2020 results was limited, we do expect to see stronger negative impact on demand in the next quarters. The Group has taken actions to reduce costs including temporarily lay-offs and updated contingency plans to safeguard that operations run efficiently, that we continue to support our customers and that prioritized activities are continuing. Our production facilities have been operating during the whole period and we have managed to serve our customers under these challenging conditions.

During the first quarter 2020 we have started activities to fully integrate Luxonic and ES-System into the Group. This will remain a high priority in 2020 and is expected to generate valuable synergies and further strengthen the long-term competitiveness of the Glamox Group.

The Glamox Group's financial position is strong with solid equity and liquidity. Further, efficient operations and diversified customer segments sets the Group in a good position facing the current market uncertainty. The long-term prospects are positive with increased global focus on energy efficiency, digitalization and new opportunities within the development of Light Management Systems.

Rune Marthinussen

President & CEO Glamox AS

Financial review

Group results

Quarter and year to date

The order intake in Q1-2020 ended at NOK 952m, an increase of 19% from NOK 798m in Q1-2019. The PBS business area reports higher order intake, partly offset by slightly lower order intake in the GMO business area. Adjusted for acquisitions and currency effects, the Group had a comparable year-on-year decline in order intake of 4% in the first quarter 2020.

The Group had total revenue of NOK 894m in Q1-2020, up 18% from NOK 758m in Q1-2019. Both business areas report higher revenue than Q1-2019. Total revenue in the first quarter is positively impacted by the acquisitions of ES-System and Luxonic. On a comparable basis, total revenue decreased by 4% year-on-year in Q1-2020.

The adjusted EBITDA for GLX Holding ended at NOK 123m in Q1-2020, in line with NOK 123m in Q1-2019. The adjusted EBITDA margin in the quarter was 13.7%, below 16.2% in the same period last year. Higher sales volumes are offset by a slightly lower gross margin. ES-System has a negative impact on the adjusted EBITDA margin in the quarter compared to last year. Special items with a negative EBITDA effect of NOK 17m was reported in the quarter.

In Q1-2020 the Group reports a net loss after tax of NOK 12m, down from a net profit after tax of NOK 28m in Q1-2019. The quarter is negatively impacted by NOK 18m in fair value change on the interest rate swap due to a lower NOK interest rate. In addition, higher depreciation and amortization mainly as a result of acquisitions has a negative impact on the net result in the quarter compared to last year.

Cash flow

Quarter and year to date

Cash flow from operations equaled NOK 25m in Q1-2020 compared to cash flow from operations of NOK 69m in Q1-2019. Lower cash flow from operations is mainly explained by lower profit before tax, negative working capital effects and higher taxes paid, partly offset by other operating changes. Other operating changes include provisions for holiday pay, net financial items and other provisions.

Net cash flow from investing activities in the quarter equaled NOK -47m. Investments in existing business was NOK -13m, NOK -38m is related to an earn-out payment in connection with the acquisition of Luxonic Lighting which was completed in Q2-2019, and NOK 3m is related to other cash flow from investing activities.

Net cash flow from financing was NOK 309m in Q1-2020. This includes a NOK 350m drawdown of new debt on the existing revolving credit facility (RCF), interest paid of NOK -32m, lease payments of NOK -12m, and other cash flow from financing of NOK 3m. Total cash flow for the period was NOK 287m increasing the cash balance to NOK 673m.

Financial position

As of 31 March 2020, GLX Holding's equity amounts to NOK 2,004m. The equity ratio as of 31 March 2020 was 35%. Net interest-bearing debt as of 31 March 2020 is NOK 1,708m (adjusted for the IFRS 16 effect), which is up from NOK 1,655m as at 31 December 2019. Increased net interest-bearing debt is mainly explained by low operating cash flow and the Luxonic Lighting earn-out payment.

The Groups borrowings consist of long-term senior secured notes of NOK 1,350m and a revolving credit facility (RCF) of NOK 1,400m. As of 31 March 2020, the total liquidity reserve is NOK 1,033m.

In June 2018 GLX Holding entered into a 3-year floating-to-fixed interest rate swap for the nominal amount of NOK 1,350 in order to remove interest rate risk on the senior secured notes.

Segments

ES-System is currently reporting as a separate segment. In Q1-2020 ES-System contributed with NOK 125m in order intake, NOK 98m in total revenue and EBITDA of NOK 1m (excluding IFRS16).

Professional Building Solutions (PBS)

NOKm	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Order intake	584	552	584	552
Adjusted Total revenue	560	551	560	551
Adjusted EBITDA ¹	82	98	82	98
Adjusted EBITDA margin ¹	14.6 %	17.7 %	14.6 %	17.7 %

¹Excluding IFRS 16 effects

Quarter and year to date

The Professional Building Solutions (PBS) business area reports total order intake of NOK 584m in Q1-2020, an increase of 6% from NOK 552m in Q1-2019. Total revenue ended at NOK 560m in Q1-2020, an increase of 2% from NOK 551m in Q1-2019. The order intake and revenue are positively impacted by the acquisition of Luxonic Lighting and currency effects. The comparable year-on-year order intake is down 4%, while comparable revenue fell by 9%. The lower comparable order intake and revenue is mainly explained by lower order intake and sales volumes in the Nordics and the UK.

The adjusted EBITDA in Q1-2020 was NOK 82m, a reduction of 17% from NOK 98m in Q1-2019. The adjusted EBITDA margin ended at 14.6%, down from 17.7% in Q1-2019. Lower EBITDA is due to both lower comparable volumes and slightly lower gross margin.

Global Marine & Offshore (GMO)

NOKm	Q1 2020	Q1 2019	YTD 2020	YTD 2019
Order intake	243	246	243	246
Adjusted Total revenue	236	207	236	207
Adjusted EBITDA ¹	29	18	29	18
Adjusted EBITDA margin ¹	12.4 %	7.3 %	12.4 %	7.3 %

¹Excluding IFRS 16 effects

Quarter and year to date

The Global Marine & Offshore (GMO) business area reports total order intake of NOK 243m in Q1-2020, down 1% from NOK 246m in Q1-2019. Total revenue ended at NOK 236m in Q1-2020, 14% above NOK 207m in Q1-2019. The year-on-year increase in total revenue is mainly explained by a strong quarter for the Offshore Energy segment.

The adjusted EBITDA was NOK 29m, 61% above NOK 18m in Q1-2019. The adjusted EBITDA margin in Q1-2020 was 12.4% compared to 7.3% in Q1-2019. Higher EBITDA is mainly due to an increase in volumes.

Outlook

The Glamox Group's fundamental long-term growth prospects are positive. The growth is supported by increased global focus on energy efficiency and digitalization. The transfer to LED technology and the developments in Light Management Systems create new opportunities for the lighting industry.

Despite strong long-term prospects, there is considerable uncertainty regarding the near-term market development due to the disruptions caused by the Covid-19 pandemic. Although the financial impact of the Covid-19 disruption has been limited in Q1-2020, we do expect it to negatively impact demand in both business areas in the next quarters.

Condensed consolidated interim financial statements

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

NOK 1000	Q1		YTD		FY
	2020	2019	2020	2019	2019
Revenue	880 518	745 579	880 518	745 579	3 005 333
Other operating income	13 956	12 041	13 956	12 041	92 312
Total revenues	894 474	757 620	894 474	757 620	3 097 644
Raw materials	(411 370)	(348 454)	(411 370)	(348 454)	(1 427 347)
Payroll and related cost	(289 917)	(227 248)	(289 917)	(227 248)	(930 208)
Other operating expenses	(87 133)	(66 414)	(87 133)	(66 414)	(332 264)
EBITDA	106 054	115 504	106 054	115 504	407 825
Depreciation	(32 085)	(20 211)	(32 085)	(20 211)	(91 225)
Amortization	(25 506)	(21 170)	(25 506)	(21 170)	(90 558)
Operating profit / EBIT	48 464	74 123	48 464	74 123	226 043
Net financial items	(55 148)	(28 637)	(55 148)	(28 637)	(92 538)
Profit before tax	(6 685)	45 486	(6 685)	45 486	133 504
Taxes	(5 757)	(17 266)	(5 757)	(17 266)	(54 203)
Profit for the period	(12 442)	28 220	(12 442)	28 220	79 301
Profit/loss attributable to owners	(19 932)	15 598	(19 932)	15 598	36 300
Profit/loss attributable to non-controlling interest	7 490	12 622	7 490	12 622	43 001

GLX Holding Group consolidated statement of other comprehensive income (unaudited)

NOK 1000	Q1		YTD		FY
	2020	2019	2020	2019	2019
Profit for the period	(12 442)	28 220	(12 442)	28 220	79 301
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>					
Gain/loss from re-measurement on defined benefit plans	-	-	-	-	(6 348)
Tax effect on re-measurements on defined benefit plans	-	-	-	-	718
Total items that subsequently will not be reclassified to profit or loss	-	-	-	-	(5 629)
<i>Other comprehensive income that may be reclassified to profit or loss:</i>					
Currency translation differences	29 920	(19 864)	29 920	(19 864)	(952)
Net gain/loss on hedge of foreign subsidiaries	(27 399)	20 241	(27 399)	20 241	4 272
Tax effect from hedge of foreign subsidiaries	6 028	4 655	6 028	4 655	(940)
Total items that subsequently may be reclassified to profit or loss	8 548	5 033	8 548	5 033	2 380
Other comprehensive income for the period	8 548	5 033	8 548	5 033	(3 249)
Total comprehensive income for the period	(3 894)	33 252	(3 894)	33 252	76 052
Total comprehensive income attributable to owners	(13 421)	19 431	(13 421)	19 431	33 825
Total comprehensive income attributable to Non-Controlling interest	9 527	13 821	9 527	13 821	42 227

GLX Holding Group statement of financial position (unaudited)

NOK 1000	31.03.2020	31.03.2019	31.12.2019
ASSETS			
Intangible non-current assets	3 009 415	2 911 814	3 024 346
Tangible non-current assets	616 255	426 533	624 480
Other non-current assets	60 789	50 943	62 992
Total non-current assets	3 686 459	3 389 290	3 711 817
Inventory	615 508	452 242	587 244
Receivables	682 175	483 504	639 212
Cash and cash equivalents	673 152	345 507	382 299
Total current assets	1 970 835	1 281 253	1 608 754
TOTAL ASSETS	5 657 294	4 670 544	5 320 572
EQUITY AND LIABILITIES			
Equity	1 593 623	1 592 649	1 607 044
Non-controlling interests	410 711	406 407	401 184
Total equity	2 004 334	1 999 056	2 008 228
Deferred tax liabilities	350 302	338 180	353 785
Long-term interest-bearing liabilities	2 336 263	1 563 610	1 970 421
Long-term lease liabilities	129 384	83 720	133 167
Long-term provision and other liabilities	124 980	82 705	101 452
Total non-current liabilities	2 940 929	2 068 215	2 558 825
Short-term interest-bearing liabilities	23 547	-	22 770
Trade payables	288 341	204 648	284 656
Tax payable	(1 157)	40 830	13 777
Short-term lease liabilities	47 228	28 740	46 744
Other short-term liabilities	354 071	329 055	385 572
Total current liabilities	712 031	603 272	753 519
TOTAL EQUITY AND LIABILITIES	5 657 294	4 670 544	5 320 572

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 2019	1 000	1 599 346	6 700	1 607 046	401 184	2 008 228
Current period profit and loss			(19 932)	(19 932)	7 490	(12 442)
Other comprehensive income (loss)			6 511	6 511	2 037	8 548
Total comprehensive income (loss)			(13 421)	(13 421)	9 527	(3 894)
Dividends						
Balance as of 31 March 2020	1 000	1 599 346	(6 721)	1 593 623	410 711	2 004 334

GLX Holding Group consolidated statement of cash flow (unaudited)

NOK 1000	Q1		YTD		FY
	2020	2019	2020	2019	2019
Profit before tax	(6 685)	45 486	(6 685)	45 486	133 504
Taxes paid	(27 362)	(16 872)	(27 362)	(16 872)	(83 833)
Depreciation and amortization	57 591	41 381	57 591	41 381	181 783
Profit from sale of assets	-	-	-	-	(36 783)
Changes in working capital	(53 239)	(28 886)	(53 239)	(28 886)	(9 961)
Other operating changes	54 433	27 679	54 433	27 679	27 503
Net cash flow from operating activities	24 738	68 788	24 738	68 788	212 213
Purchase of tangible fixed assets and intangible assets	(12 655)	(13 455)	(12 655)	(13 455)	(81 554)
Proceeds from sale of tangible fixed assets	-	-	-	-	61 504
Acquisition of subsidiary, net of cash acquired	(37 865)	-	(37 865)	-	(355 369)
Other cash flow from investments	3 408	2 755	3 408	2 755	11 691
Net cash flow from investing activities	(47 113)	(10 700)	(47 113)	(10 700)	(363 727)
Down payment	-	-	-	-	(12 166)
Lease payment	(12 268)	(7 644)	(12 268)	(7 644)	(35 861)
Proceeds from borrowings	350 000	-	350 000	-	405 137
Dividend paid	-	-	-	-	(33 622)
Interest paid	(31 615)	(27 038)	(31 615)	(27 038)	(116 153)
Other cash flow from financing activities	3 058	-	3 058	-	1 970
Net cash flow from financing activities	309 175	(34 681)	309 175	(34 681)	209 305
Total cash flow for the period	286 800	23 406	286 800	23 406	57 790
Effect of change in exchange rate	4 053	3 755	4 053	3 755	6 162
Cash and cash equivalents, beginning of period	382 299	318 346	382 299	318 346	318 346
Cash and cash equivalents, end of period	673 152	345 507	673 152	345 507	382 299

Notes to the condensed consolidated interim financial statements

Note 1 - General information and accounting principles

GLX Holding AS is a company incorporated and domiciled in Norway. GLX Holding AS is a holding company and has no other activities or investments, than the ownership of 76,17% of Glamox AS. The registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0161 OSLO. The ultimate parent of GLX Holding AS is Triton Fund IV.

GLX Holding AS has applied the same accounting policies as in the IFRS consolidated financial statement for 2019. The interim financial statements do not include all the information required for a full financial report and should therefore be read in conjunction with the IFRS consolidated financial statement for 2019. The quarterly report has not been audited.

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates and judgements made by management in preparing these condensed consolidated interim financial statements, in applying the Group's accounting policies and key sources of estimation of uncertainty, were based on the same underlying principles as those applied to the IFRS consolidated financial statement for 2019.

Note 2 - Operating segments

The Group operates with two different business areas, Professional Building Solution (PBS) and Global Marine & Offshore (GMO). These two business areas have to a large extent different products and solutions they provide to their markets. Further they operate in strategically different markets and therefore have different sales channels, marketing strategies and risk. PBS offers products to office, industry, health, education, retail, hotels and restaurants mainly in Europe. Their main sales channels are direct to customer and wholesalers. GMO offers its products in the global market within commercial marine, energy (offshore and onshore), navy, recreational, cruise and ferry. The customer base of GMO consists of vessel owners, yards, electrical installers, engineering companies and energy companies.

To be able to monitor and follow up the profitability of the complete value chain of these two business areas, the Group has an operating segment reporting where PBS and GMO each represents a complete value chain. Glamox Group functions are distributed between the two operation segments based on allocation keys. ES-System, IFRS-16 Leasing effects and GLX Holding AS functions and cost are not allocated to the operating segments.

	PBS	GMO	Other	Group
	Q1-2020	Q1-2020	Q1-2020	Q1-2020
Revenues	560	236	98	894
EBITDA	75	23	7	106
in %	13.4%	9.9%		11.9%

	PBS	GMO	Other	Group
	YTD-2020	YTD-2020	YTD-2020	YTD-2020
Revenues	560	236	98	894
EBITDA	75	23	7	106
in %	13.4%	9.9%		11.9%

Note 3 - Items affecting comparability

In Q1-2020 the Group recorded special items of NOK 17m. NOK 8m is related to integration cost and NOK 7m is related to restructuring. Further NOK 2m related to ERP upgrade and other items.

In Q1-2019 the Group recorded special items of NOK 7m. NOK 2m is related to the cancellation of orders to Russia and Iran. Due to the sanction regime against Russia and Iran requiring severe compliance procedures on deliveries and banks not forwarding payments from US sanctioned parties, the Group decided to withdraw from

these two markets. NOK 4m is related to restructuring in GMO and the remaining NOK 1m is related to focused activities within procurement and logistics including a restructuring of the organization.

Note 4 – Interest bearing liabilities to financial institutions

The Group holds a bond and a revolving facility. The revolving facility has a credit limit of 1,400 million and by year end 2019 the utilized amount was NOK 630m. During Q1-2020 the utilized amount was increased by NOK 350m. As of March 31, 2020, the utilized amount is NOK 992m. The liquidity reserve is NOK 1,033m as of March 31, 2020.

Net interest-bearing debt is NOK 1,881m. Adjusted for the IFRS 16 effect of NOK 171m, net interest-bearing debt is NOK 1,709m as of March 31, 2020.

Note 5 – Derivatives

GLX Holding AS holds a floating-to-fixed interest rate swap for the nominal amount of NOK 1,350 million in order to remove interest rate risk on the bond. The change in fair value of the interest rate swap for the period ended 31 March 2020 is NOK 18m and is booked as net financial items.

Note 6 - 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 in the principle of arm's length.

GLX Holding AS has agreements with Triton Advisers Limited and West Park Management Services Limited for counselling. For the period ended 31 March 2020, the company has expensed NOK 1m.

Note 7 – Subsequent events

On 24 April 2020, the Board of Glamox AS decided to distribute a dividend for 2019 of NOK 2.138 per share, total NOK 141m. GLX Holding AS will receive NOK 107m and non-controlling interests will receive NOK 34m.

Note 8 - Significant risk and uncertainties

For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2019. 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. The recent developments around the COVID-19 virus and lower oil prices is expected to have a negative impact on our business activities in 2020.

Note 9 - 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.

Definitions

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.

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
Adjusted total revenue	Revenue and other operating income net of commissions, other sales reductions and non-recurring items
Comparable growth	Growth adjusted for acquisitions, non-recurring Items and currency effects
EBITDA	Earnings before net financial items, tax, depreciation, amortization
Adjusted EBITDA	Earnings before net financial items, tax, depreciation, amortization and non-recurring items
EBITDA-margin	EBITDA as a percentage of total revenue
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of total adjusted revenue
Net financial items	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
Special 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
MRO	Maintenance, repair and operations



GLX Holding AS
Kronprinsesse Märthas plass 1
N-0160 Oslo
Norway

ir_glx@glamox.com