

GLX Holding

Third quarter results 2018

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 76.16% 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

[Financial figures for 2017 are Glamox Group financial figures]

- **Order intake** ended at NOK 673m, up 17% from NOK 575m in the third quarter last year.
- **Total revenues** ended at NOK 673m, up 7% from NOK 631m in the third quarter last year.
- **Adjusted EBITDA** ended at NOK 110m. On a comparable basis (excluding NOK 3m in operating cost in GLX Holding AS), the adjusted EBITDA for the Glamox Group ended at NOK 113m, up 9% from NOK 104m in the third quarter last year.
- **Operating cash flow** was NOK 61m, down from NOK 68m in the third quarter last year.

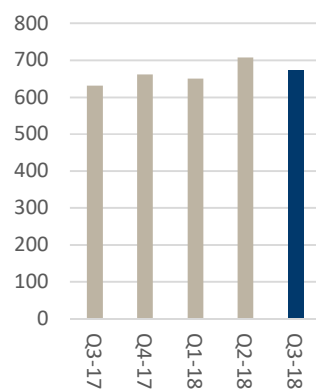
Key figures

	Q3 2018	Q3 2017*	YTD 2018	YTD 2017*	FY 2017*
Orders received	673	575	2 172	1 955	2 653
Total revenues	673	631	2 031	1 953	2 615
EBITDA	110	101	262	280	369
<i>EBITDA margin</i>	<i>16.3 %</i>	<i>16.1 %</i>	<i>12.9 %</i>	<i>14.3 %</i>	<i>14.1 %</i>
Adjusted EBITDA	110	104	305	308	393
<i>Adjusted EBITDA margin</i>	<i>16.4 %</i>	<i>16.5 %</i>	<i>15.0 %</i>	<i>15.8 %</i>	<i>15.0 %</i>
Profit for the period	34	68	64	181	258
Net cash from operations	61	68	116	88	197
Net interest-bearing debt**	(1 340)	(65)	(1 340)	(65)	(29)

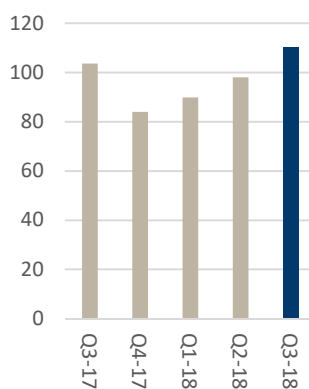
* Glamox Group financial figures only

** Excluding restricted cash

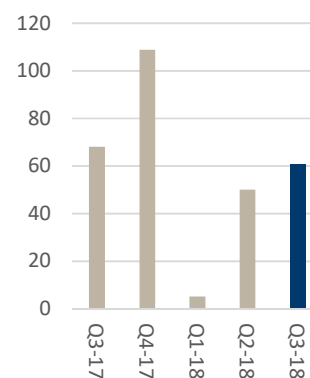
Revenue development*
NOK million



Adjusted EBITDA*
NOK million



CF from operations*
NOK million



*Based on GLX Holding consolidated figures from Q1-2018

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 76.16% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11th December 2017. Below are quarterly comments from Glamox CEO Rune Marthinussen.

Management comments

The Glamox Group continue to deliver strong results although the market is developing cautiously. After another strong quarter in terms of order intake which ended at NOK 673m, 17% above the third quarter last year or 9% on a comparable basis, we are now 5% above last year YTD on a comparable basis.

Total revenues in the third quarter was NOK 673m, 7% above the third quarter last year. The revenue growth is explained by the acquisition of Küttel which was completed in the beginning of the second quarter. On a comparable basis the Group reported total revenue in line with the same period last year. While the GMO business area has continued to see an increase in order stock in the quarter, this is offset by a decrease in the PBS business area leading to a flat order stock development for the Group.

The PBS business areas' geographical markets report mixed results in the third quarter. Most of our core markets are in line or slightly ahead of the third quarter last year, but we also have some markets reporting revenue slightly below the same period last year. The overall momentum in PBS' markets has been slowing this year and we see total demand for lighting solutions for the year in line with last year.

In GMO, our two largest segments, the Commercial Marine segment and the Offshore Energy segment, reports revenue slightly above the third quarter last year. The main driver for the revenue growth compared to last year is the Navy segment and we are pleased to see that we are able to increase GMO's revenue from other market segment in a period when our two largest segments has experienced weak market conditions.

The adjusted EBITDA for the Glamox Group ended at NOK 113m in the third quarter, an improvement from NOK 104m in the same period last year. The PBS business area reports an adjusted EBITDA in line with last year, while the GMO division reports strong adjusted EBITDA growth driven by a favorable product mix and strong growth in the Navy segment.

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 continues 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 673m corresponding to an increase of 17% from NOK 575m in the same period last year. Both business areas reported strong growth in order intake compared to Q3-2017. The Group and PBS business area are positively impacted by the acquisition of Küttel which contributed with 7% of Group order intake. Adjusted for this, the PBS business area had comparable growth in order intake of 7% compared to Q3-2017, while the GMO business area reported a comparable growth in order intake of 16%.

GLX Holding reports total revenue of NOK 673m in Q3-2018, up by 7% from NOK 631m in Q3-2017. On a comparable basis, total revenue is in line with last year.

The adjusted operating profit before depreciations and amortization (adjusted EBITDA) for GLX Holding ended at NOK 110m in Q3-2018 compared to NOK 104m in Q3-2017 for the Glamox Group only. The adjusted EBITDA margin in the quarter is 16.4% compared to 16.5% in Q3-2017. The EBITDA in the quarter is negatively impacted by NOK 3.2m in operating cost in GLX Holding AS. Excluding this and adjusted for non-recurring items (NRIs), the adjusted EBITDA of NOK 113m is 9% higher than the Glamox Group in Q3-2017.

The net profit in Q3-2018 was NOK 34m, down by NOK 34m from a net profit of NOK 68m in Q3-2017. Compared to Glamox Group's Q3-2017 result, increased net financial expenses and amortizations are impacting the net result negatively. 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 equaled NOK 61m in Q3-2018 compared to cash flow from operations of NOK 68m in Q3-2017. Profit before tax adjusted for depreciations and amortizations is NOK 23m lower than last year. The cash effect of lower profit before tax is partly offset by a decrease of working capital in Q3-2018 compared to an increase in the third quarter last year, while other operating changes and taxes paid has a negative effect compared to last year. Other operating changes include provisions for holiday pay, accrued interest not paid and other provisions.

Net cash flow from investing activities in the quarter was NOK 43m negative of which NOK 33m is related to purchase of shares in Glamox AS from minorities and NOK 10m is related to investments in existing business. GLX Holding AS acquired 601,448 shares in Glamox AS in Q3-2018 increasing its ownership from 75.26% to 76.16%. Net cash flow from financing was negative by NOK 28m in Q3-2018 due to interest paid. Total cash flow in Q3-2018 was negative by NOK 11m decreasing the cash balance to NOK 261m.

Financial position

As of 30 September 2018, GLX Holding's equity amounts to NOK 1 933m. The net interest-bearing debt as of 30 September 2018 is NOK 1 340m.

The Groups borrowings consist of long-term senior secured notes of NOK 1 350m and a revolving credit facility (RCF) of NOK 1 000m of which NOK 225m is utilized. In June 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

Professional Building Solutions (PBS)

NOKm	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Order intake	479	410	1 573	1 395	1 866
Total revenues	496	459	1 478	1 393	1 859
Adjusted EBITDA	92	90	261	247	321
Adjusted EBITDA margin	18.5 %	19.7 %	17.6 %	17.8 %	17.3 %

The Professional Building Solutions (PBS) business areas reported total order intake of NOK 479m in Q3-2018, NOK 70m higher than in Q3-2017. Total revenues in the division ended at NOK 496m in Q3-2018, NOK 38m higher than Q3-2017. The acquisition of Küttel in Q2-2018 is an important factor behind the increase in both order intake and revenue. Küttel contributed with NOK 45m in order intake and NOK 47m in revenues in Q3-2018.

The adjusted EBITDA margin in Q3-2018 was 18.5%, lower than 19.7% in Q3-2017. The acquisition of Küttel is the main explanation for the decrease in EBITDA margin in Q3-2018 compared to the same period last year. The margin is lower in Küttel than the average in PBS as Küttel has a large portfolio of traded goods.

Global Marine & Offshore (GMO)

NOKm	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Order intake	194	165	599	561	778
Total revenues	176	167	553	555	738
Adjusted EBITDA	22	14	49	61	72
Adjusted EBITDA margin	12.2 %	8.2 %	8.8 %	11.0 %	9.8 %

The Global Marine & Offshore (GMO) business area reported total order intake of NOK 194m in Q3-2018, NOK 29m higher than Q3-2017. Like previous quarter, Q3-2018 was positively impacted by strong order intake within the Navy segment compared to the same period last year. Total revenues ended at NOK 176m in Q3-2018, NOK 9m higher than Q3-2017. Revenue is in line or slightly above last year for all GMO's segments apart from the Navy segment which reports strong revenue growth in Q3-2018 compared to last year.

The adjusted EBITDA margin in Q3-2018 was 12.2% compared to 8.2% in Q2-2017. A favorable product mix in addition to higher volume in the Navy segment has a positive impact on the EBITDA margin in the quarter.

Outlook

The Glamox Group 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.

Condensed consolidated interim financial statements

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

NOK 1000	Q3		YTD		FY	14.08-
	2018	2017*	2018	2017*	2017*	31.12.2017
Revenue	665 363	615 567	2 003 428	1 918 291	2 559 148	87 320
Other operating income	7 446	15 859	27 671	34 788	55 387	1 812
Total revenues	672 809	631 425	2 031 098	1 953 079	2 614 535	89 132
Raw materials	(313 419)	(286 105)	(931 524)	(900 522)	(1 195 809)	(39 158)
Payroll and related cost	(188 810)	(181 558)	(644 345)	(584 040)	(802 614)	(36 741)
Other operating expenses	(60 809)	(62 318)	(193 007)	(188 806)	(247 567)	(57 545)
EBITDA	109 771	101 443	262 222	279 711	368 544	(44 312)
Depreciation	(13 158)	(10 808)	(38 960)	(32 747)	(43 363)	(2 038)
Amortization	(20 810)	(2 950)	(61 295)	(8 453)	(32 445)	(3 795)
Operating profit / EBIT	75 803	87 686	161 968	238 511	292 736	(50 144)
Net financial items	(30 141)	1 459	(75 661)	(1 245)	10 034	(7 987)
Profit before tax	45 662	89 145	86 307	237 266	302 770	(58 131)
Taxes	(11 439)	(21 227)	(22 082)	(56 218)	(44 581)	1 666
Profit for the period	34 224	67 917	64 225	181 047	258 189	(56 465)
Profit/loss attributable to owners	18 717	67 917	29 664	181 074	258 197	(55 676)
Profit/loss attributable to non-controlling interest	15 507	27	34 561	(0)	55 159	87 320

*Glamox Group financial figures only

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

NOK 1000	Q3		YTD		FY	14.08-
	2018	2017*	2018	2017*	2017*	31.12.2017
Profit for the period	34 224	67 917	64 225	181 047	258 189	(56 465)
<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	1 749	(2 238)	(15 783)	5 941	43 306	-
Net gain/loss on hedge of foreign subsidiaries	(1 112)	2 567	14 750	(5 285)	(36 007)	-
Tax effect from hedge of foreign subsidiaries	256	(616)	(3 392)	1 268	8 642	-
Total items that subsequently may be reclassified to profit or loss	893	(288)	(4 425)	1 925	15 941	-
Other comprehensive income for the period	893	(288)	(4 425)	1 925	20 319	-
Total comprehensive income for the period	35 117	67 630	59 800	182 972	278 508	(56 465)
Total comprehensive income attributable to owners	19 388	67 603	26 335	182 972	278 516	(55 676)
Total comprehensive income attributable to Non-Controlling interest	15 728	27	33 466	(0)	(8)	(789)
Earnings per share attributed to owners						
Earnings per share	19.4		26.3			
Diluted earnings per share	19.4		26.3			

*Glamox Group financial figures only

GLX Holding Group statement of financial position (unaudited)

NOK 1000	30.09.2018	31.12.2017
ASSETS		
Intangible non-current assets	2 860 209	2 854 282
Tangible non-current assets	311 330	309 074
Other non-current assets	18 679	18 773
Total non-current assets	3 190 219	3 182 129
Inventory	433 845	389 128
Receivables	458 721	412 430
Cash and cash equivalents	261 196	307 064
Total current assets	1 153 762	1 108 622
TOTAL ASSETS	4 343 981	4 290 751
EQUITY AND LIABILITIES		
Equity	1 571 001	1 544 671
Non-controlling interests	361 990	374 323
Total equity	1 932 991	1 918 994
Deferred tax liabilities	278 311	332 009
Long-term interest-bearing liabilities	1 552 653	1 439 840
Long-term provision and other liabilities	66 756	64 974
Total non-current liabilities	1 897 720	1 836 822
Trade payables	169 443	176 775
Tax payable	44 479	34 302
Short-term interest-bearing liabilities	-	-
Other short-term liabilities	299 348	323 857
Total current liabilities	513 270	534 935
TOTAL EQUITY AND LIABILITIES	4 343 981	4 290 751

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			29 664	29 664	34 561	64 225
Other comprehensive income (loss)			(3 330)	(3 330)	(1 095)	(4 425)
Total comprehensive income (loss)			26 335	26 335	33 466	59 800
Movement in non-controlling interests					(15 100)	(15 100)
Dividends				-	(30 700)	(30 700)
Balance as of 30 September 2018	1 000	1 599 346	(29 341)	1 571 005	361 989	1 932 993

GLX Holding Group consolidated statement of cash flow (unaudited)

NOK 1000	Q3		YTD		FY	14.08.-
	2018	2017*	2018	2017*	2017*	31.12.2017
Profit before tax	45 662	89 145	86 308	237 266	302 770	(58 131)
Taxes paid	(6 316)	(508)	(67 238)	(98 117)	(103 038)	-
Depreciation and amortization	33 968	13 758	100 254	41 200	75 808	5 833
Changes in working capital	4 982	(16 197)	(75 894)	(126 248)	(95 574)	-
Other operating changes	(17 606)	(18 081)	72 517	34 145	17 224	52 178
Net cash flow from operating activities	60 691	68 117	115 945	88 246	197 190	(120)
Cash flow from (purchase)/sales of shares in subsidiaries	(33 499)	-	(129 915)	-	-	(2 621 376)
Purchase of tangible fixed assets and intangible assets	(10 498)	(9 327)	(39 813)	(27 893)	(46 740)	-
Other cash flow from investments	643	9 582	4 114	10 286	22 606	-
Net cash flow from investing activities	(43 354)	255	(165 614)	(17 607)	(24 134)	(2 621 376)
Down payment	-	(3 364)	-	(10 091)	(120 737)	(109 902)
Proceeds from borrowings	-	-	112 680	2 717	116 620	1 438 116
Dividend paid	-	(279 999)	(30 700)	(375 023)	(375 023)	-
Interest paid	(28 121)	(991)	(77 373)	(1 495)	(3 885)	-
Share capital increase	-	-	-	-	-	1 600 306
Net cash flow from financing activities	(28 121)	(284 353)	4 607	(383 891)	(383 025)	2 928 520
Total cash flow for the period	(10 784)	(215 980)	(45 063)	(313 253)	(209 969)	307 024
Effect of change in exchange rate	(2 403)	1 242	(805)	1 488	329	-
Cash and cash equivalents, beginning of period	274 383	283 049	307 064	380 074	380 074	40
Cash and cash equivalents, end of period	261 196	68 310	261 196	68 310	170 435	307 064

*Glamox Group financial figures only

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 76.16% of Glamox AS. The registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0160 Oslo. The ultimate parent of GLX Holding AS is Triton Fund IV, located at Jersey.

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.

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, oil and gas (offshore and onshore), navy, recreational, cruise and ferry. The customer base of GMO consists of vessel owners, yards, electrical installers, engineering companies and oil companies.

To be able to monitor and follow up the profitability 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. GLX Holding AS functions and cost are not allocated to the operating segments.

Note 3 - Restructuring

The Group recorded non-recurring items (NRIs) of NOK 39m in Q2-2018 and NOK 0.3m in Q3-2018 related to the restructuring in GMO where the Group is discontinuing the metal production and outsourcing the warehouse service in Bremen, Germany. Some product families will be moved from our production facilities in Germany to our factory in China. The focus on LED products and the technical organization will be strengthened in Germany. The restructuring is expected to improve the cost position of the GMO business area and lead to positive scale effects in our factory in China. In addition, it will increase the proximity to the important Asian market for the non-LED product families. We expect further NOK 8-10m to be booked in 2018 related to the restructuring.

Note 4 - Dividend

In June 2018, Glamox AS distributed dividend of total NOK 124.1m (NOK 1.88 per share). Of this, NOK 30.7m was distributed to non-controlling interests, and NOK 93.5m to the parent company GLX Holding AS.

Note 5 – Interest bearing liabilities to financial institutions

The Group holds a bond and a revolving facility. The revolving facility has a credit limit of NOK 1000m and by year end 2017 the utilized amount was NOK 115.6m. In June 2018, the utilized amount was increased by EUR 11.8m and the total utilized amount is NOK 225m by end September.

Note 6 - Acquisition of Küttel

April 3rd 2018 Glamox AS acquired 100% of the shares of O. Küttel AG, which is a leading Swiss provider of lighting for the professional building market. For the financial year 2017, Küttel had a revenue of CHF 21.2m (NOK 176.3m) and EBIT of CHF 0.7m (NOK 5.8m). For 2016 the revenue was CHF 19.4m (NOK 164.1m) and EBIT of CHF 1.2m (NOK 10.2m). Küttel employs 53 man-years.

The total purchase consideration was CHF 14.75m (NOK 119.8m) all paid by cash. Total transaction cost related to the acquisition was NOK 3.2m and is expensed as other operating expenses.

The activities of Küttel are reported as a part of the business areas, Professional Building Solution (PBS) since April 2018. In Q3-2018 Küttel contributed with NOK 47m in revenue.

Note 7 - 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.

GLX Holding AS has agreements with Triton Advisers Limited and West Park Management Services Limited for counseling. During Q3-2018 the company has expensed NOK 3m.

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 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.

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
Comparable growth	Growth adjusted for acquisitions, Non-Recurring Items and currency effects
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
Non-Recurring 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 AS
Kronprinsesse Märthas plass 1
N-0160 Oslo
Norway

ir_glx@glamox.com