



glaston



Glaston January-December 2016

10 February 2017



Q4 in brief

Orders received:
EUR 33.6 million, +39%

Net sales:
EUR 35.1 million, +8%

Comparable EBIT:
EUR 2.7 million, +384%

Order book:
EUR 45.6 million, +18%

- In the final quarter of the year, a clear pick-up took place in the operating environment
- Machine orders increased 68% compared to the previous year
- Some 35% of the whole year's upgrade and modernisation orders were received during the final quarter
- Increased net sales and cost-saving measures contributed to the improvement in the operating result
- Cash flow from operating activities was strong

2016 in brief

Orders received:
EUR 112.9 million, +5%

Net sales:
EUR 107.1 million, -13%

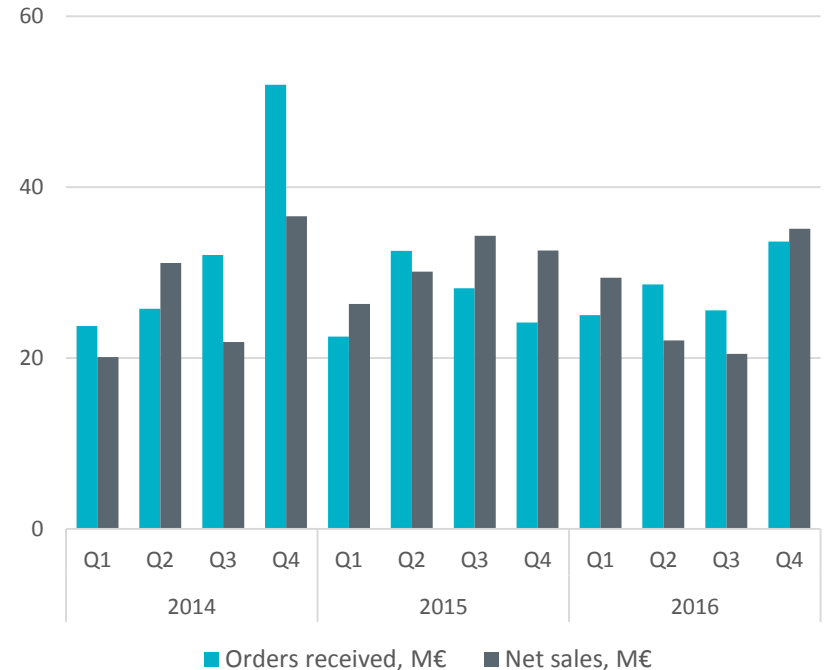
Comparable EBIT:
EUR 2.8 million, -55%

Order book:
EUR 45.6 million, +18%

- Broad uncertainty in the markets
 - Clear pick-up in the final quarter
- Net sales fell short of the previous year; comparable operating result was adversely affected by lower net sales and challenges associated with some customer projects
- Cost-saving measures especially in Brazil, China and Finland
 - Total impact of more than EUR 1.5 million on the 2017 result
- New strategy for 2016–2018
- Glaston invests in emerging technologies; the Board of Directors proposes that no return of capital be distributed

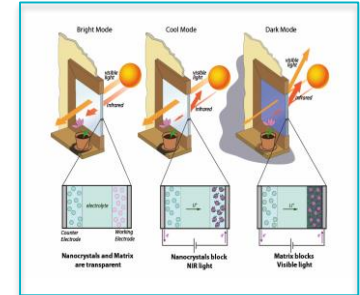
Operating environment

- North America and the EMEA area remained the largest markets
 - In the EMEA area, the number of new orders grew by 53% compared with the previous quarter
 - In the North American market, customers' decision-making slowed in the latter part of the year
- In South America, the market continued to be quiet
 - Outside Brazil a slight pick-up was seen towards the end of the year
- In the Asian market area, development varied from country to country
 - In Australia and New Zealand, good development continued
 - The Southeast Asia machine market was quiet, with the exception of Vietnam
 - The Chinese market continued to be subdued



Emerging Technologies

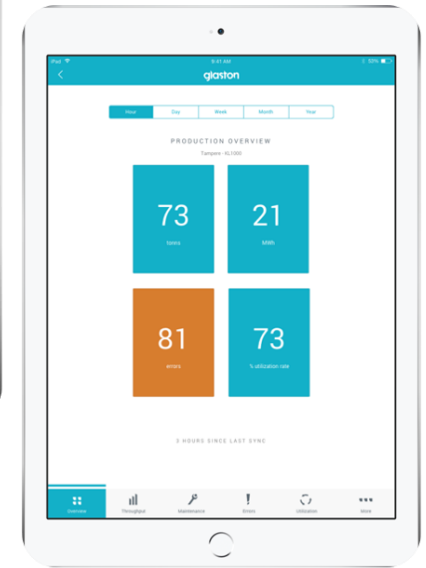
- In the beginning of 2017 Glaston established the Glaston Emerging Technologies unit
- The unit offers consulting and planning services for smart glass and energy glass production as well as solar energy applications. The unit will also sell, supply and service the machines and equipment required for production
- In the Californian nanotechnology project Glaston is acting as the product developer, designer, manufacturer and seller of production lines. The prototype line was completed during the end of year 2016
- As the technology leader in its industry Glaston is engaged in discussions with several potential partners on the development of new glass technologies



Digitalisation and IoT

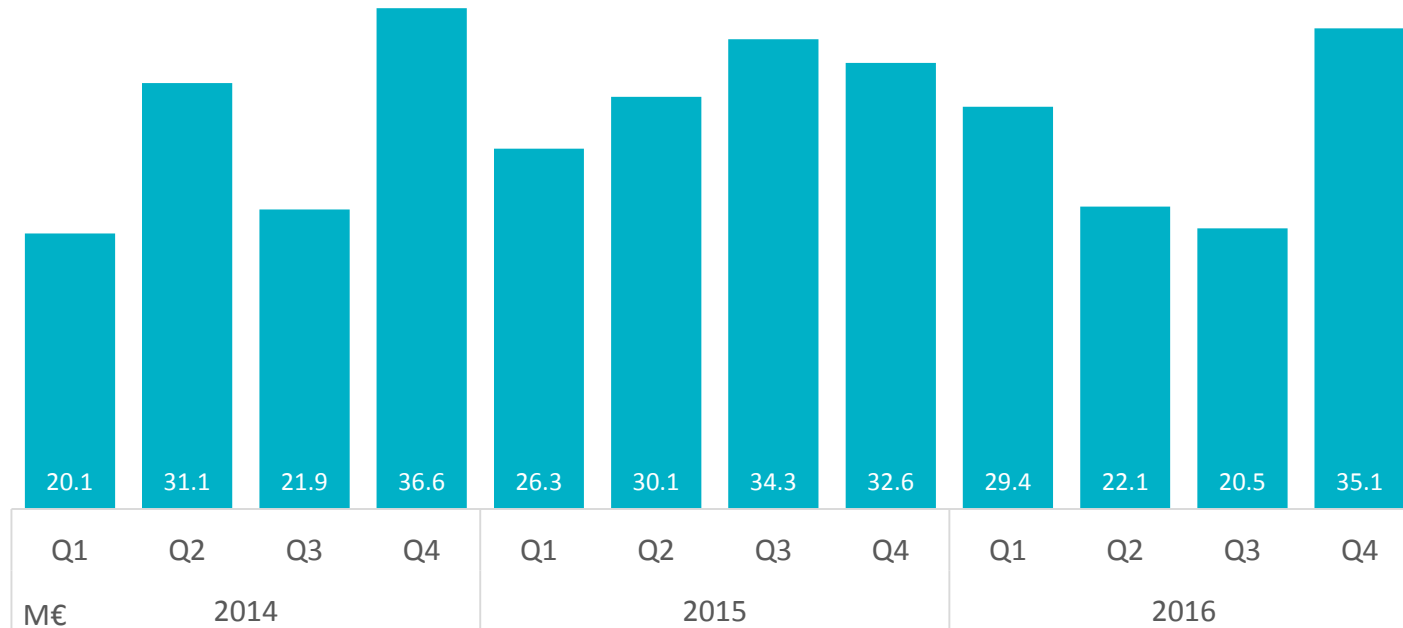
Glaston Insight

- In autumn, Glaston launched as the first in its field a service, which enables remote real-time monitoring of production. The service works on a mobile device as well as with an online connection
- Glaston Insight provides information on, among other things, energy consumption, utilisation rate, quality, and maintenance needs
- The service is available for all machines that have an iControl system



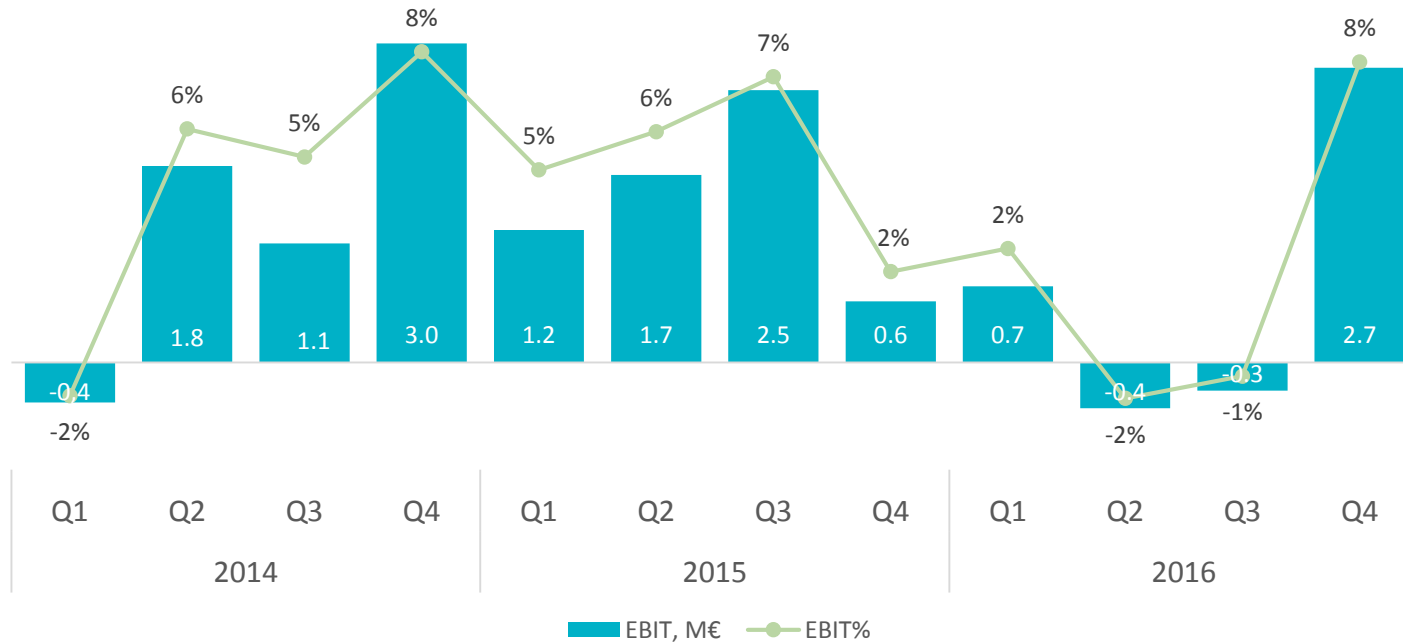
Q4 net sales

Up +8% compared to last year



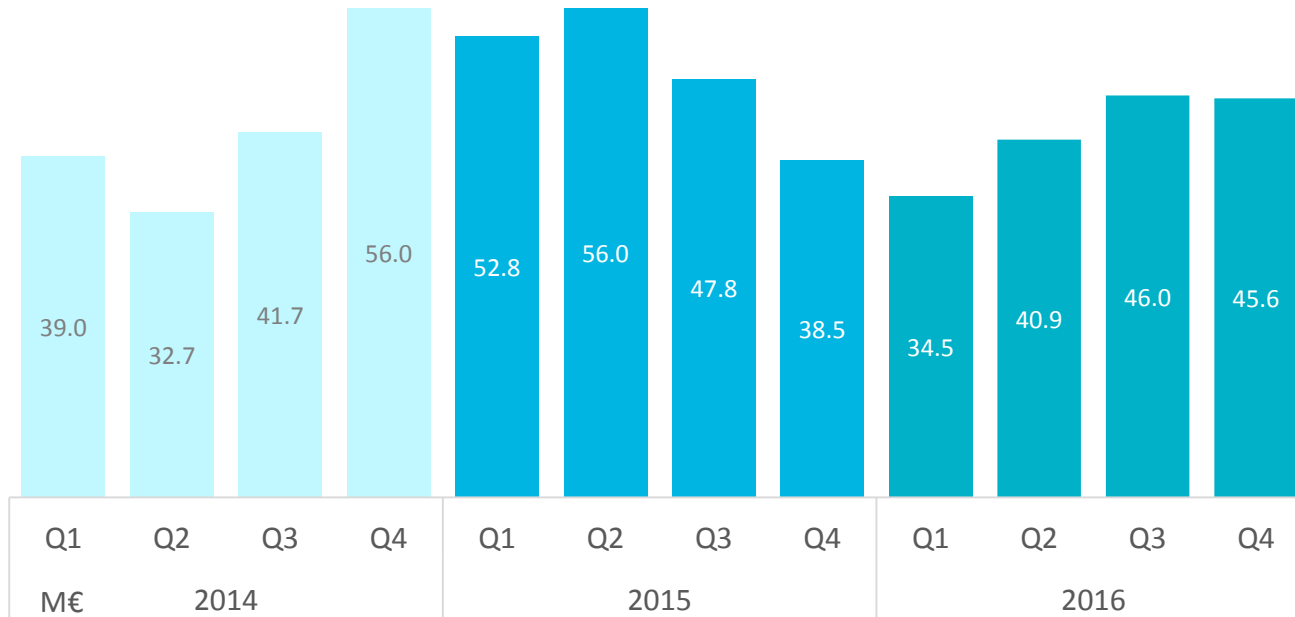
Q4 comparable EBIT

Due to large number of deliveries good earnings development



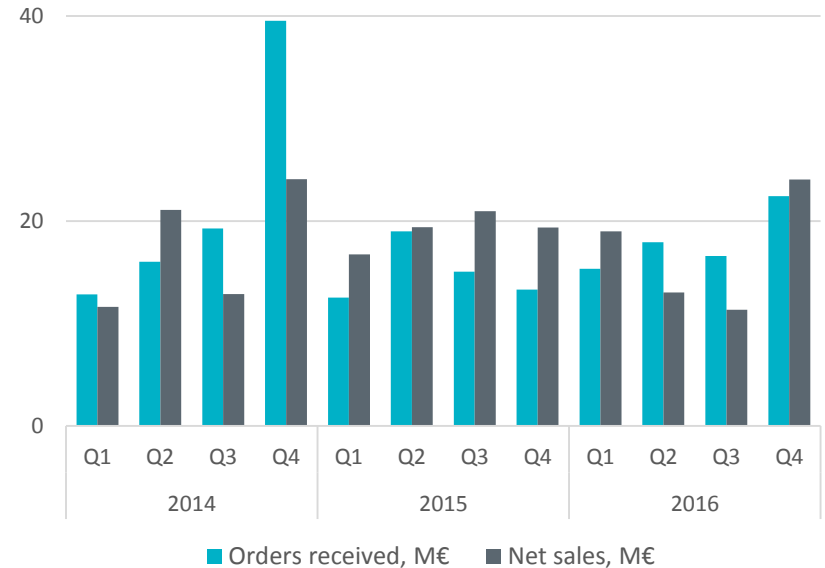
Order book

18% higher than previous year



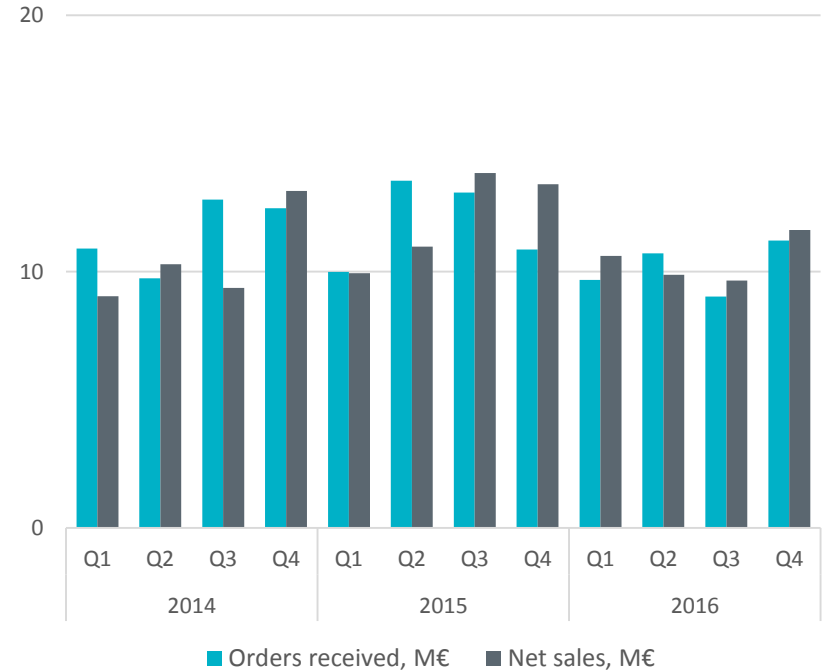
Machines Q4

- Markets picking up
- Strong order intake: EUR 22.4 million
- Net sales grew 24% to EUR 24.1 million
- Efficiency measures completed
 - Factory in Brazil closed
- Glaston strengthened its market position due to the new FC™ and RC™ flat tempering lines



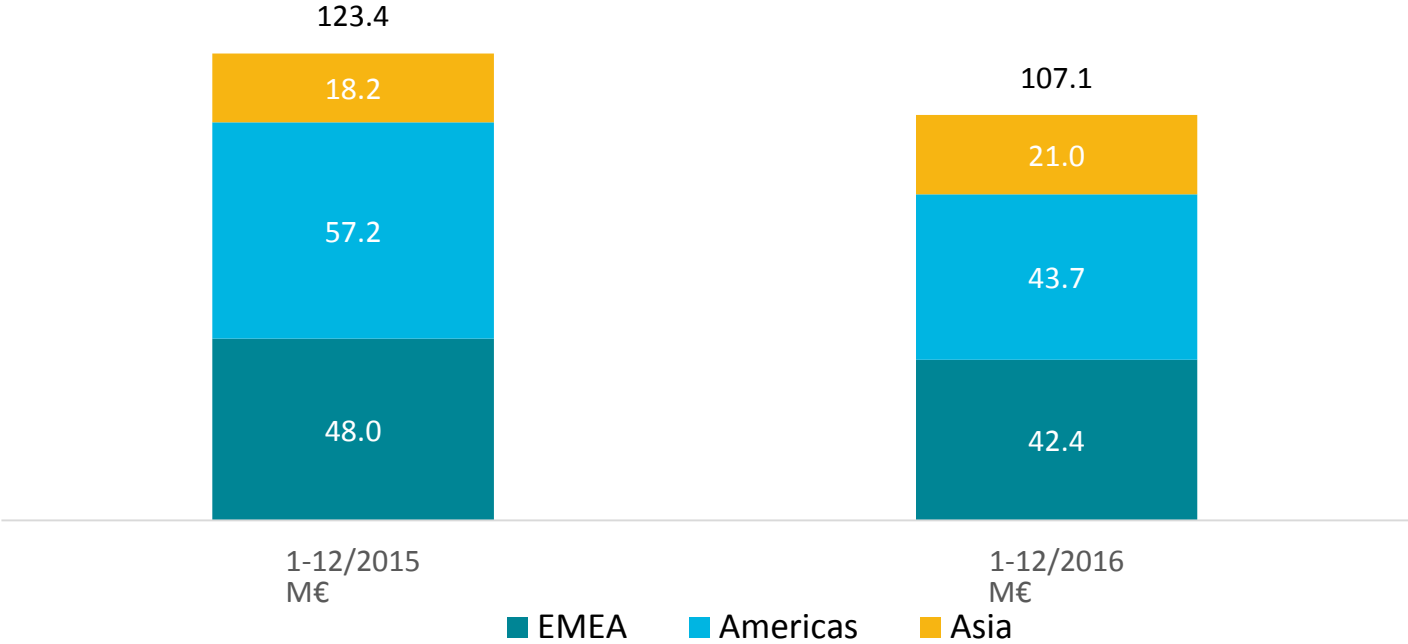
Services Q4

- Services' markets picked up in the final quarter
- Good order intake; some 35% of the whole year's upgrade and modernisation orders were received during the final quarter
- The order book grew by 57% compared to the previous year
- Net sales down 13%
 - Net sales were adversely affected by low deliveries of modernisation products and pre-processing machines



Net sales by region

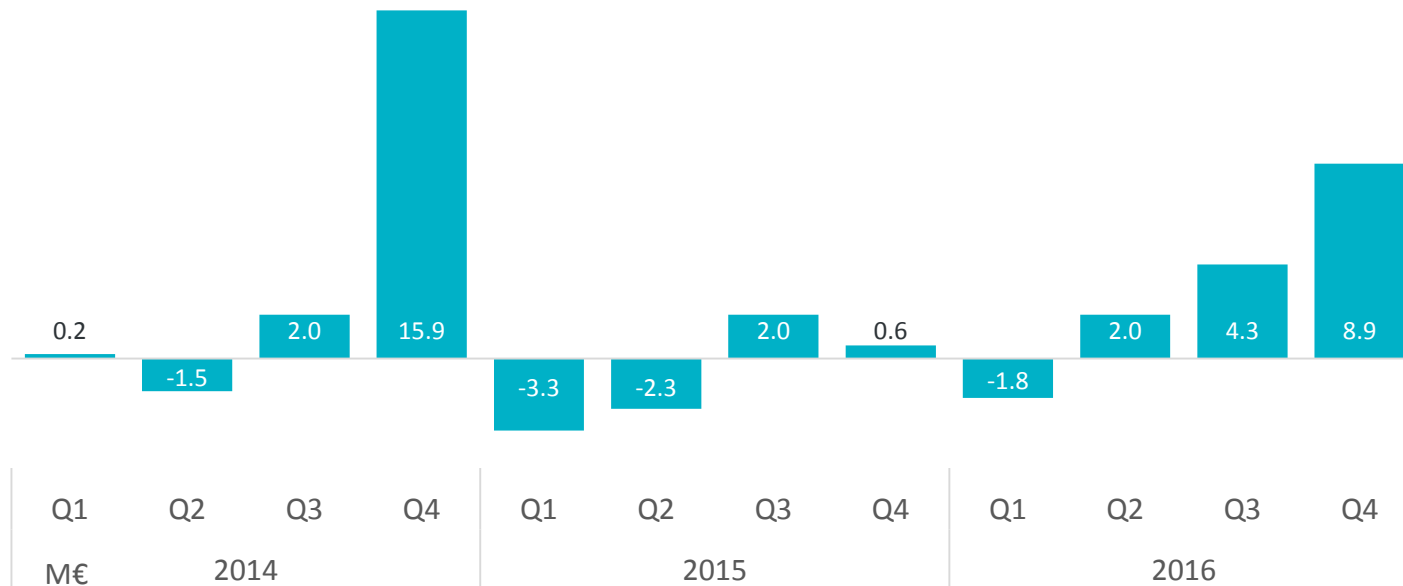
Asia growing throughout the year, EMEA turned to positive in Q4



Cash flow from operating activities

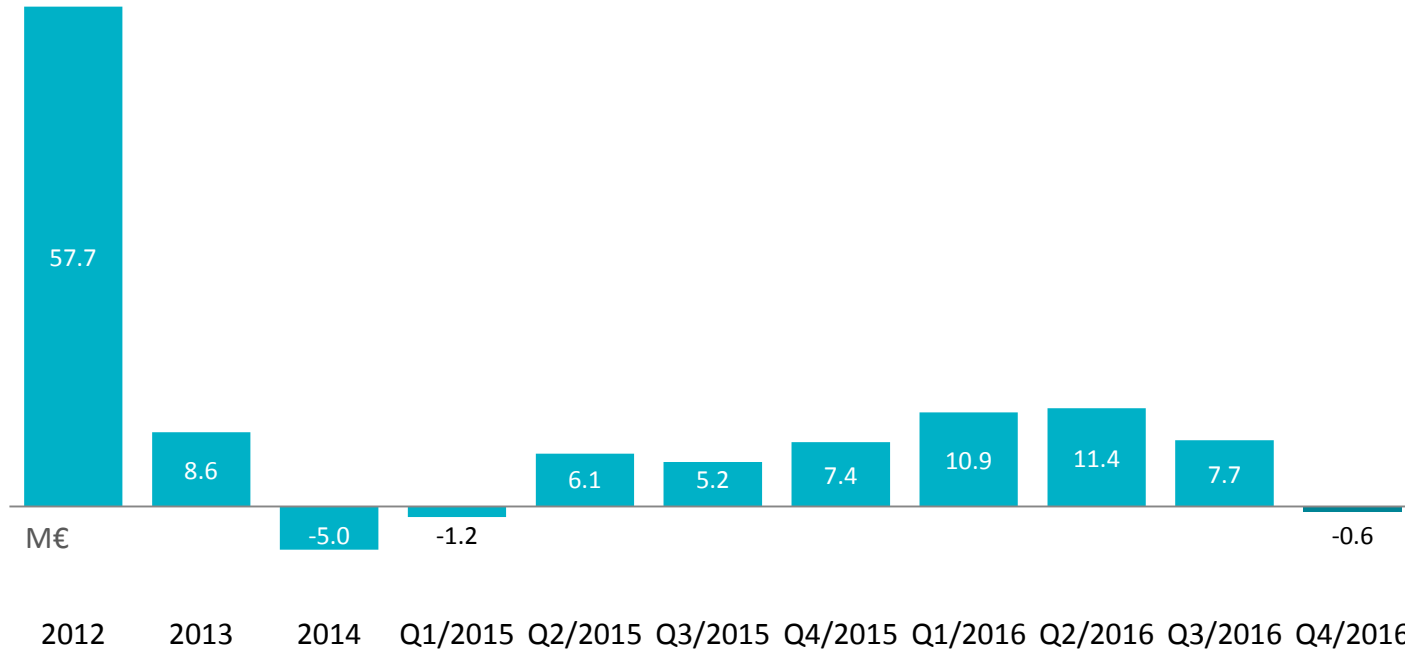


Strong cash flow from operating activities due to the good result and a reduction in working capital



Net debt

Strong cash flow resulted in negative net debt



Outlook

- A higher order book than the previous year, positive market development and the cost-saving measures undertaken create good conditions for the development of operations in 2017.
- For the first quarter, a relatively small number of deliveries are scheduled, as a result of which the comparable operating result for the period is expected to be lower than the corresponding period a year earlier.
- Glaston expects the full-year comparable operating result to improve from 2016. (In 2016 the comparable operating result was EUR 2.8 million.)

China Zun

- A hotel and office building located in Beijing, scheduled to be completed in 2018
- 528 meters tall with 108-storeys
- Upon completion will be the tallest building in Beijing
- Glaston's customer SYP Group (Shanghai Yaohua Pilkington Glass Group Co., Ltd) delivers the facade Low-E coated insulating glasses
- The special glasses are processed with Glaston's technology