



glaston

Glaston January-June 2017

10 August 2017

Q2 in brief



Orders received:
EUR 26.6 million, -7%*)

Net sales:
EUR 29.1 million, +32%*)

Comparable operating result:
EUR 1.4 million (EUR -0.4 million)

Order book:
EUR 41.2 million, +1%

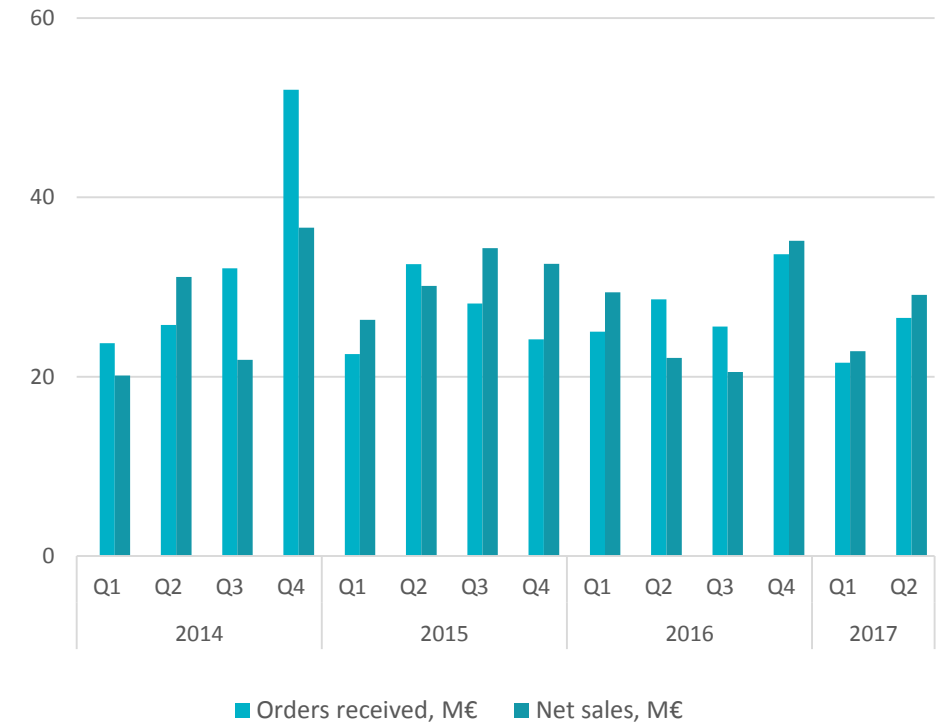
- In the second quarter, the glass processing market became more active to some extent
- New orders grew by 23% compared to the previous quarter
- The order book was on the same level as last year
- Due to an increased number of deliveries, net sales grew by 32%
- The comparable operating result improved significantly
- Negotiations on the sale of the pre-processing business in the USA and Canada were completed

*) when the sale of the pre-processing business in the USA and Canada are taken into account orders received were down -3% down and net sales up +35%

Operating environment

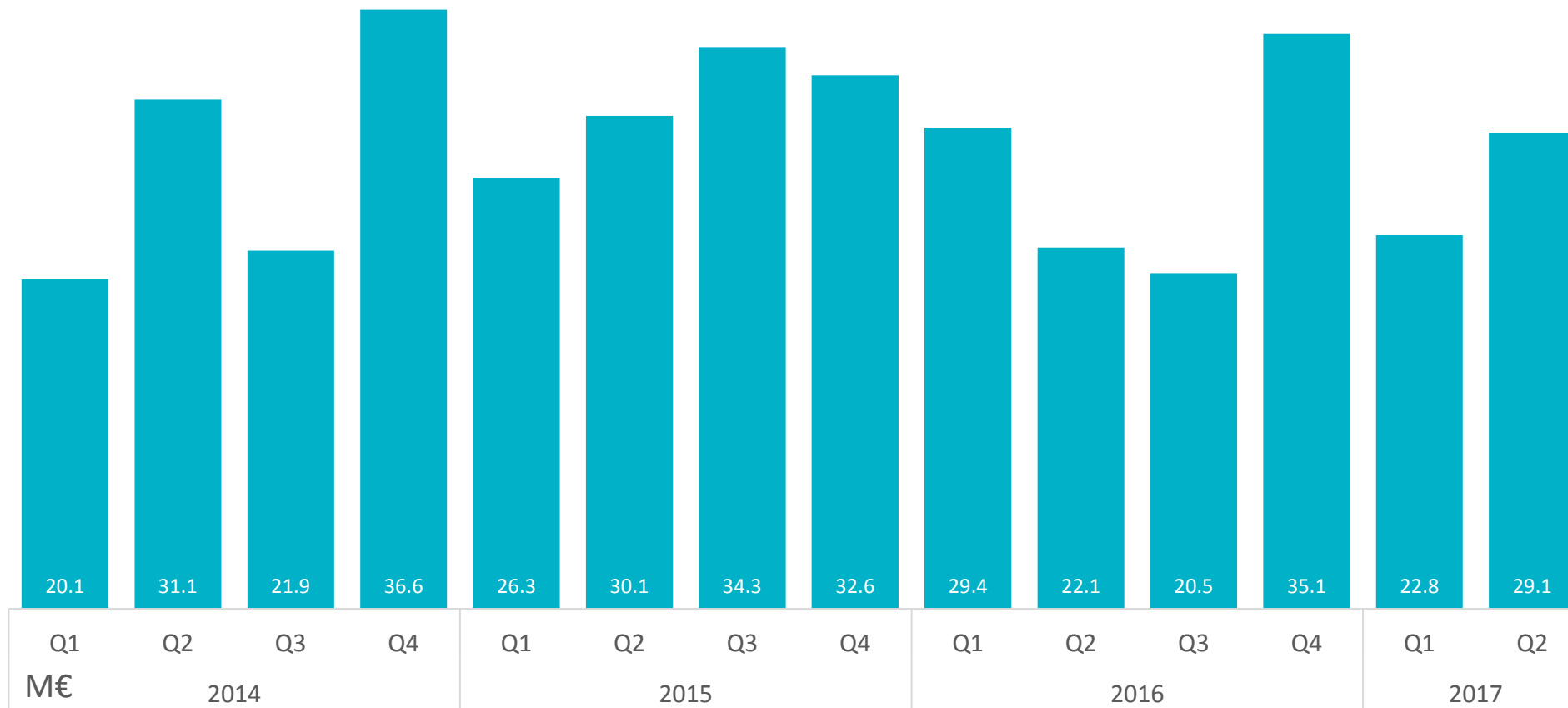


- In the EMEA area, overall market development was good
 - Decision-making slow in many countries, especially in Eastern Europe
 - Growing demand in Central and Southern Europe
- In the Asian market, development was positive, but varied from region to region
 - In Australia and New Zealand markets remained good
 - In China, the first signs of a pick-up in construction were perceptible
- The North American market slowed and customers' purchasing decisions were delayed
- In the South American market, there were a slight recovery from a very low level



Q2 net sales

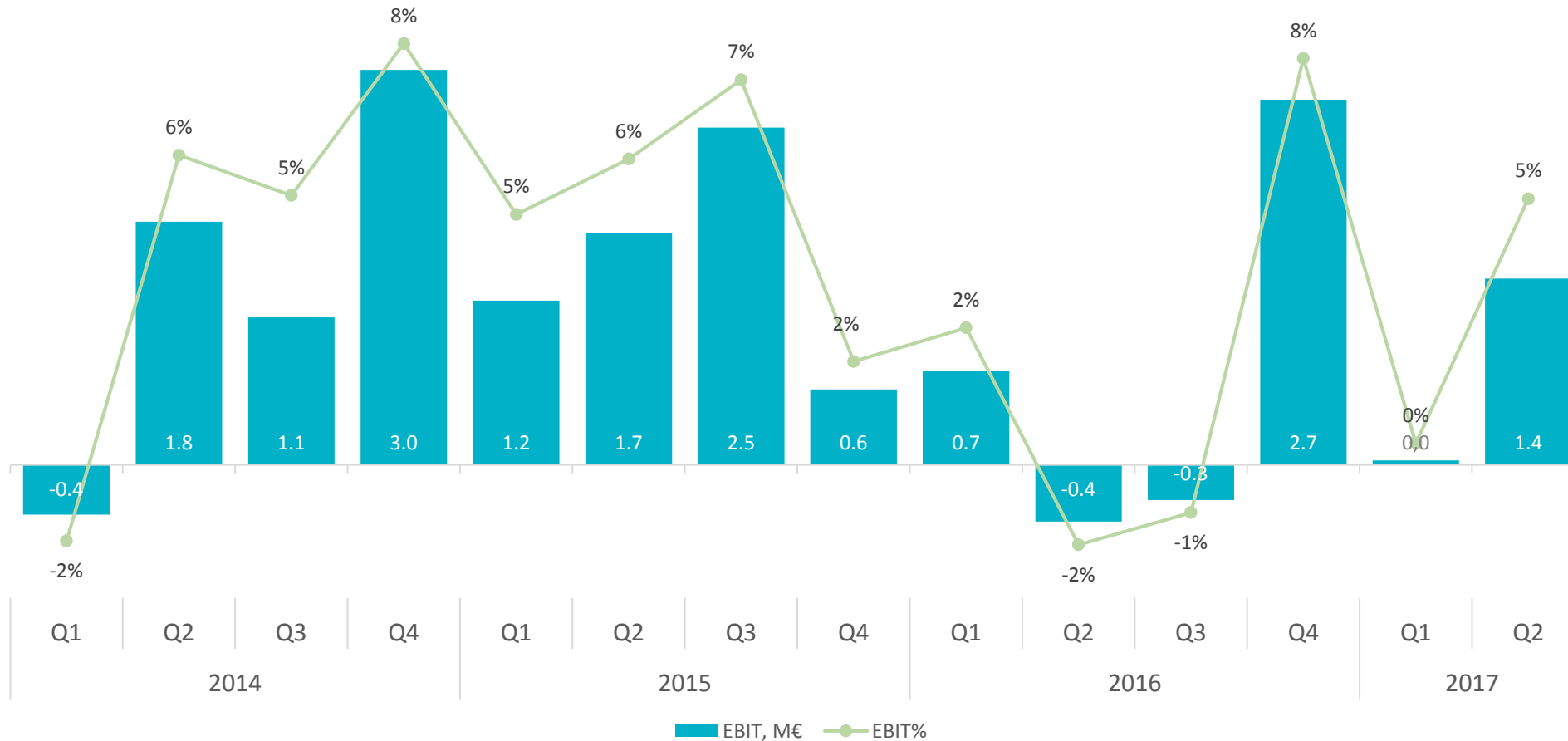
Up +32%*)



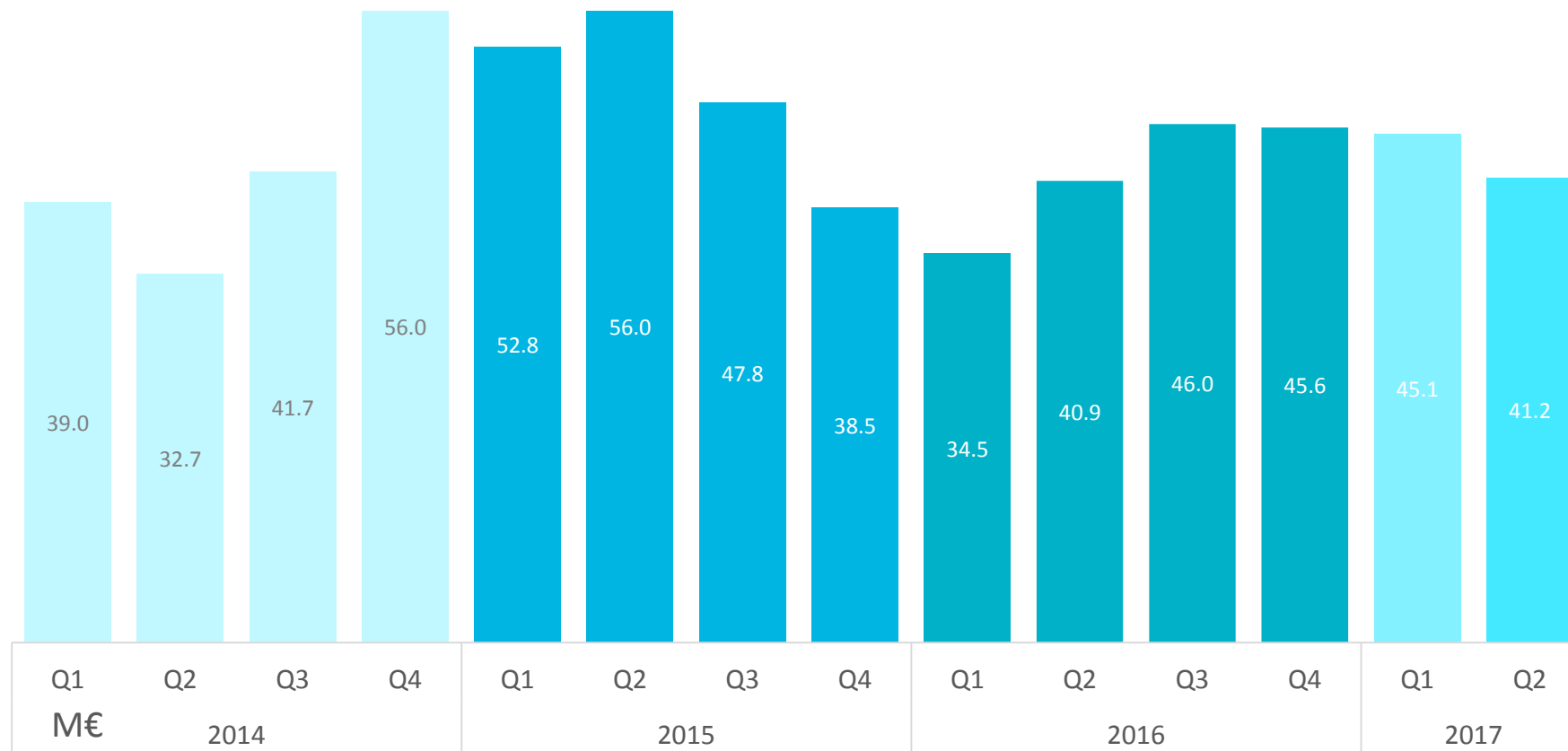
*) Net sales were up 35%, if sales of the pre-processing business in the USA and Canada are taken into account

Q2 comparable operating result

Growth in net sales improved the result



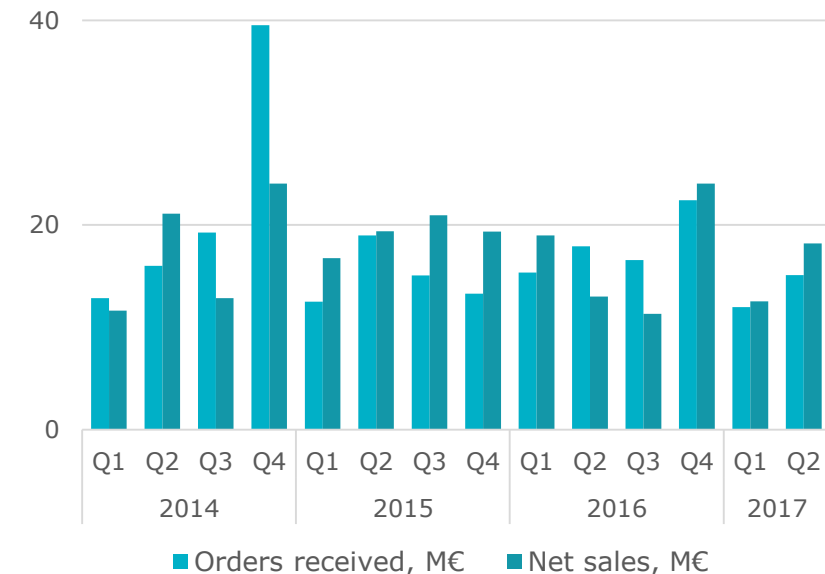
Order book at the previous year's level



Machines Q2



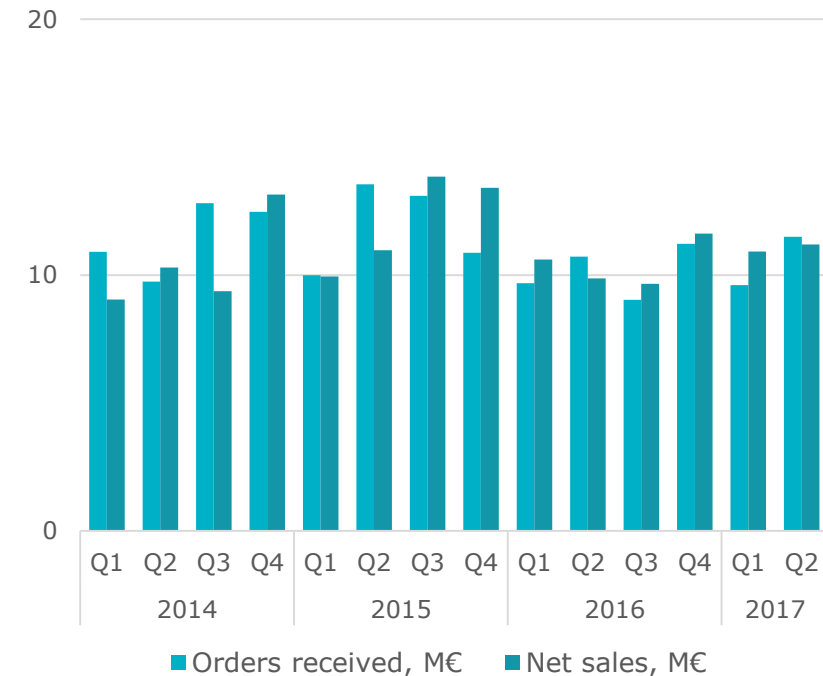
- In the second quarter, the Machines business market was more active
- In the EMEA area, decision-making was slow in many countries, but overall market development was stable
- The North American market levelled of. The South American market picked up marginally
- In the Asian market area, development was positive, but varied from region to region
- Order intake was EUR 15.1 million. The largest orders were received from the USA, New Zealand and Australia
- Net sales totalled EUR 18.2 million, up 40% from the corresponding period of the previous year



Services Q2

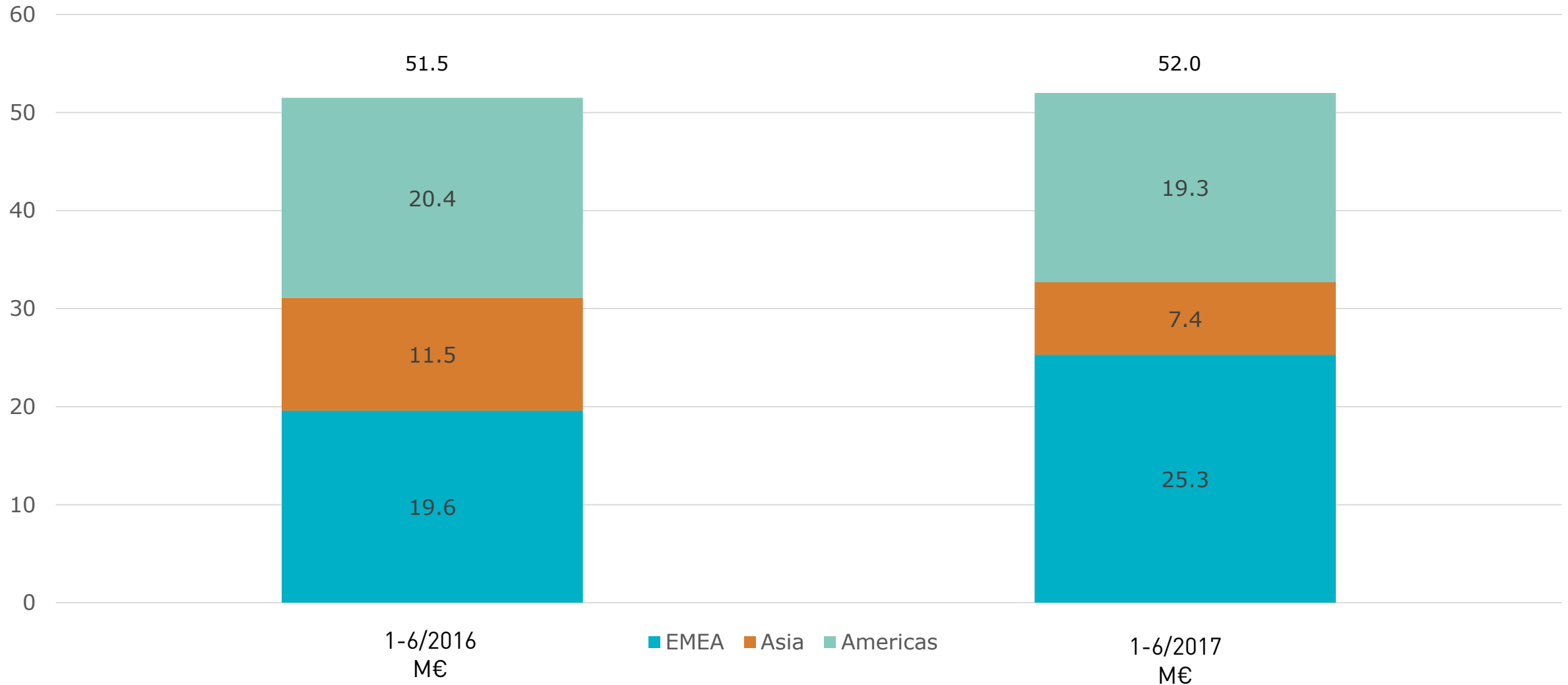


- A cautiously positive development of the Services business market was evident
- The development of the EMEA area was double-edged: on the one hand, Glaston received a high number of orders; on the other hand, significant slowdown in some countries
- The North American market continued to be challenging. In South America, the market continued to be slow
- The markets in Asia picked up. Glaston closed a few large modernisation deals
- The market for modernisation products picked up. During Q2 the number of new projects nearly doubled compared with the first quarter
- Net sales were 13% up and totalled EUR 11.2 million



Net sales by area

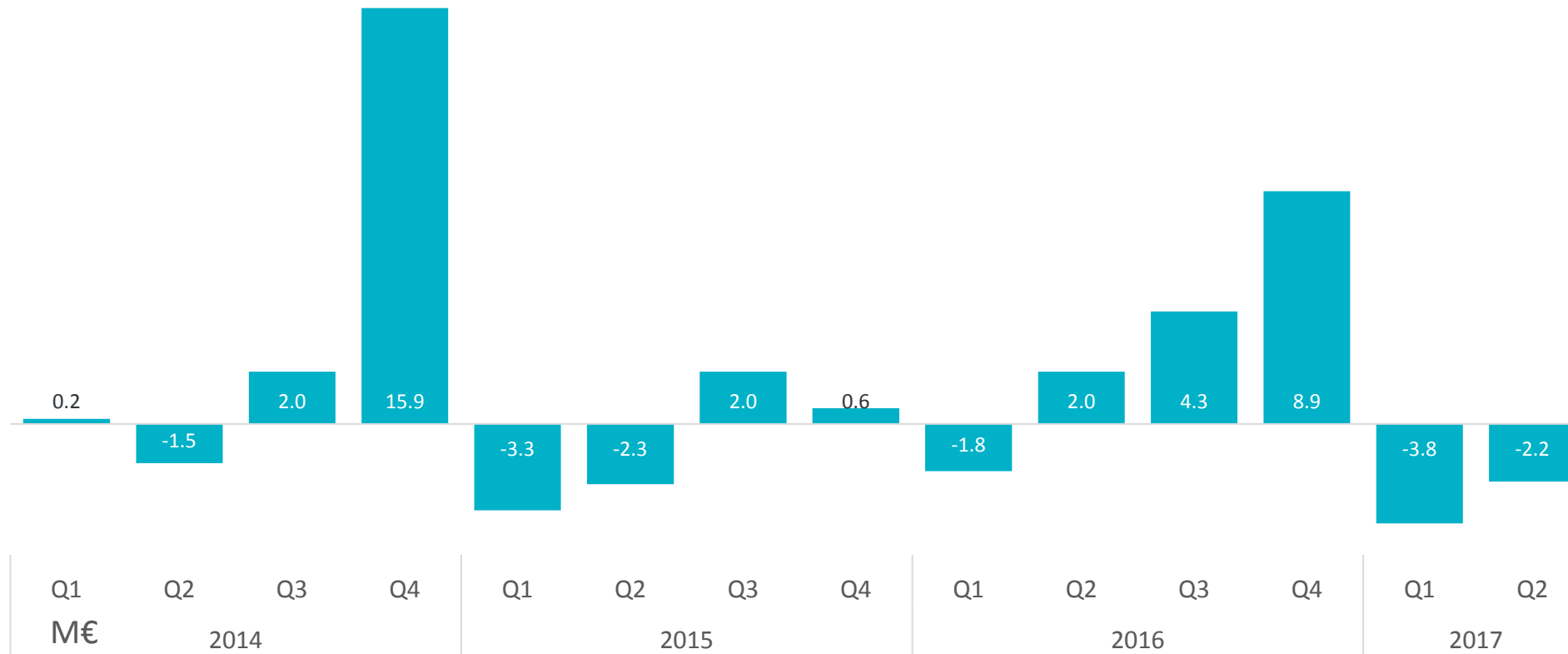
EMEA net sales up +29%



Cash flow from operating activities

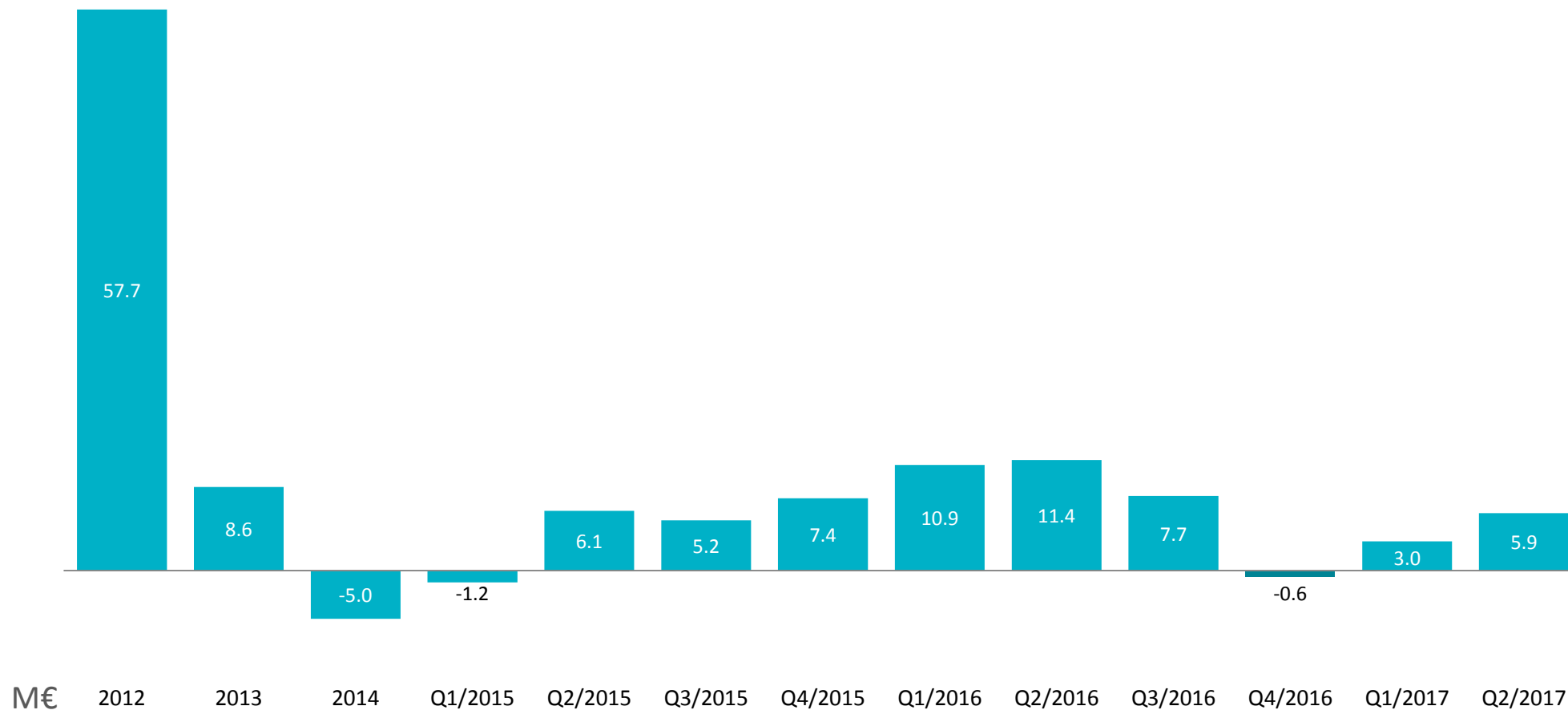


Advance payments related to orders declined



Net debt

Increased due to the growth in working capital



Shareholders

Ahlström Capital acquired G.W.Sohlberg's shares



30 June 2017	Numbers of shares	% of shares and voting rights	Change May -> June
Ac Invest Eight B.V.	33,931,442	17.52	+ 33,931,442
Hymy Lahtinen Oy	23,400,000	12.08	
OP-Finland Small Firms Fund	13,918,323	7.19	+8,750,000 (+169,3%)
Etera Mutual Pension Insurance Company	13,843,878	7.15	-8,750,000 (-38,73%)
Varma Mutual Pension Insurance Company	12,786,643	6.60	
Evli Finnish Small Cap Fund	9,732,139	5.02	-58,000 (-0.59%)
Päivikki and Sakari Sohlberg Foundation	3,965,600	2.05	
Hulkko Juha Olavi	3,530,000	1.82	320,000 (+9.97%)
Oy Investsum Ab	3,358,000	1.73	
Kirkon eläkerahasto	3,142,600	1.62	
Total number of shareholders	Q2/2017: 5,578	Q2/2016: 5,947	

Outlook

- Good order book at start of the year, positive market development and the cost-saving measures undertaken create good conditions for the development of operations in 2017.
- We expect the full-year comparable operating result to improve from 2016. (In 2016 the comparable operating result was EUR 2.8 million.)





Emerging technologies

Functional glass

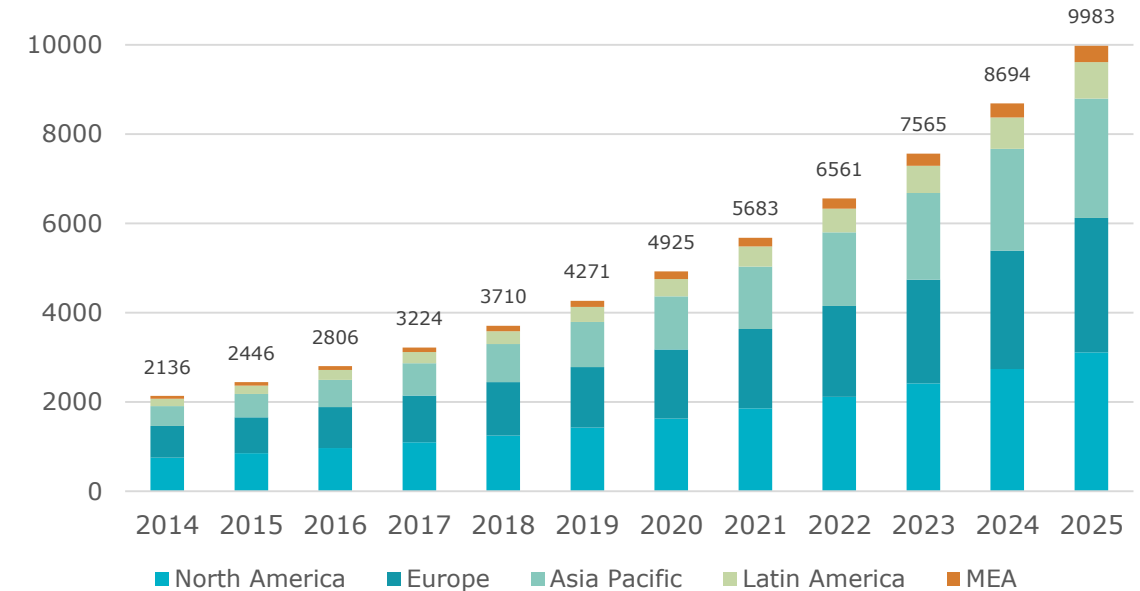
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- Functional glass can, for example, increase the living comfort and safety of both buildings and users
- Adapts to its environment
- Saves or generates energy
- Collects information about its surroundings

The smart glass potential is huge



- Glaston is actively seeking new business opportunities in emerging glass technologies
- The Emerging Technologies unit is involved in active discussions on solar energy solutions, demanding architectural solutions and automotive industry innovations
- Glaston's partner, Heliotrope Technologies, is developing for the market a new electrochromic smart glass technology that regulates the heat and light transmissivity of glass precisely and quickly



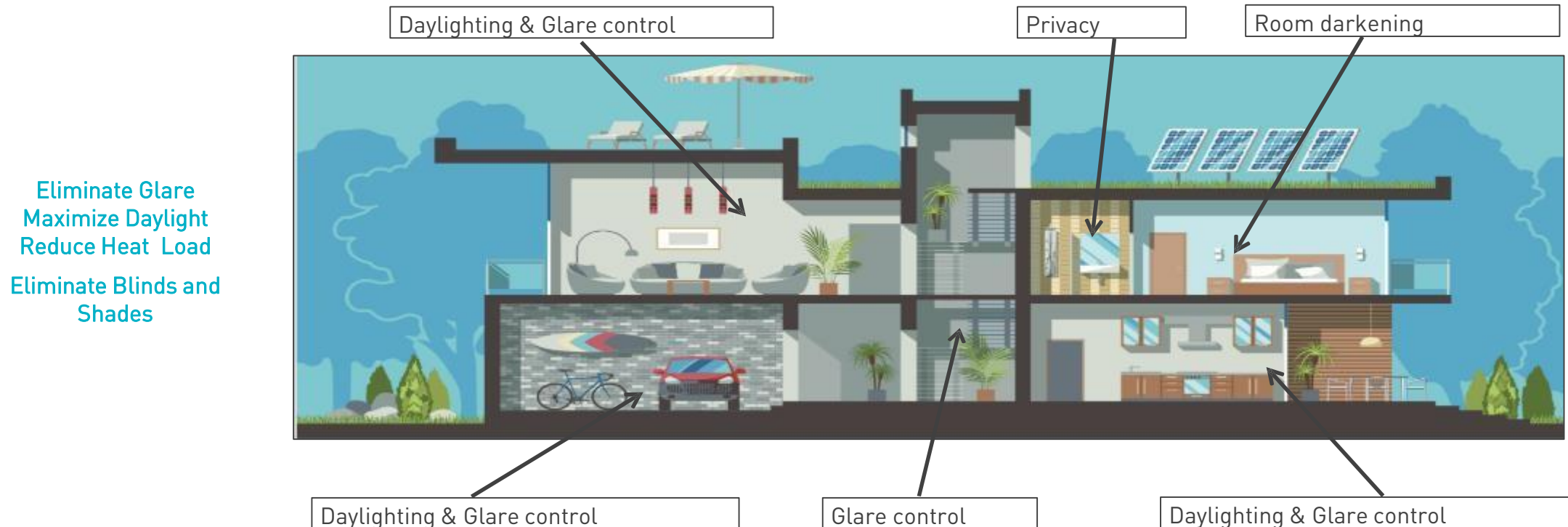
The global smart glass market was valued at **USD 2,805.7 million** in 2016 and is expected to reach **USD 9,983.0 million** by 2025, growing at a **CAGR of 15.2% from 2017 to 2025**

Source: Glass Magazine, National Glass Association, The Glass Association, IEEE, Hoover's, Company Annual Reports, and Grand View Research

New smart glass technology

Heliotrope Technologies

- The competitive advantage of this new technology over solutions already on the market is significantly lower production costs and aesthetic qualities in terms of the colour and haze of the glass



Step Change – first glass industry startup event



- In connection with the Glaston-organised Glass Performance Days conference a glass industry startup event was held for the first time
- The aim of the event is to accelerate the development of the sector and introduce new innovations to investors
- 660 GPD participants
- 290 First time participants
- 62 Step Change participants
- 35 Step Change startups
- 28 Startup exhibitors
- 26 Industry exhibitors
- 24 Pitching teams
- 13 Mentors
- 12 Investors





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