



Glaston Interim Report January – September 2015

26 October 2015



Key points Q3

- Net sales grew by 57% to EUR 34.3 (21.9) million
- The comparable operating profit, excluding non-recurring items was EUR 2.5 (1.1) million
- Orders received totalled EUR 28.2 (32.1) million

Key points Q1 - Q3

- Net sales grew by 24% to 90.8 (73.1) million
- The comparable operating profit, excluding non-recurring items was EUR 5.5 (2.6) million
- Orders received totalled EUR 83.2 (81.6) million
- The order book on 30 September was EUR 47.8 (41.7) million



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Operating environment

- In the third quarter of 2015, Glaston's markets continued to develop positively
- In Americas, net sales grew by 60%, driven by North America
- EMEA area net sales grew by 25%
- In Asia, the machines market showed signs of recovery
- In South America, the market remained subdued

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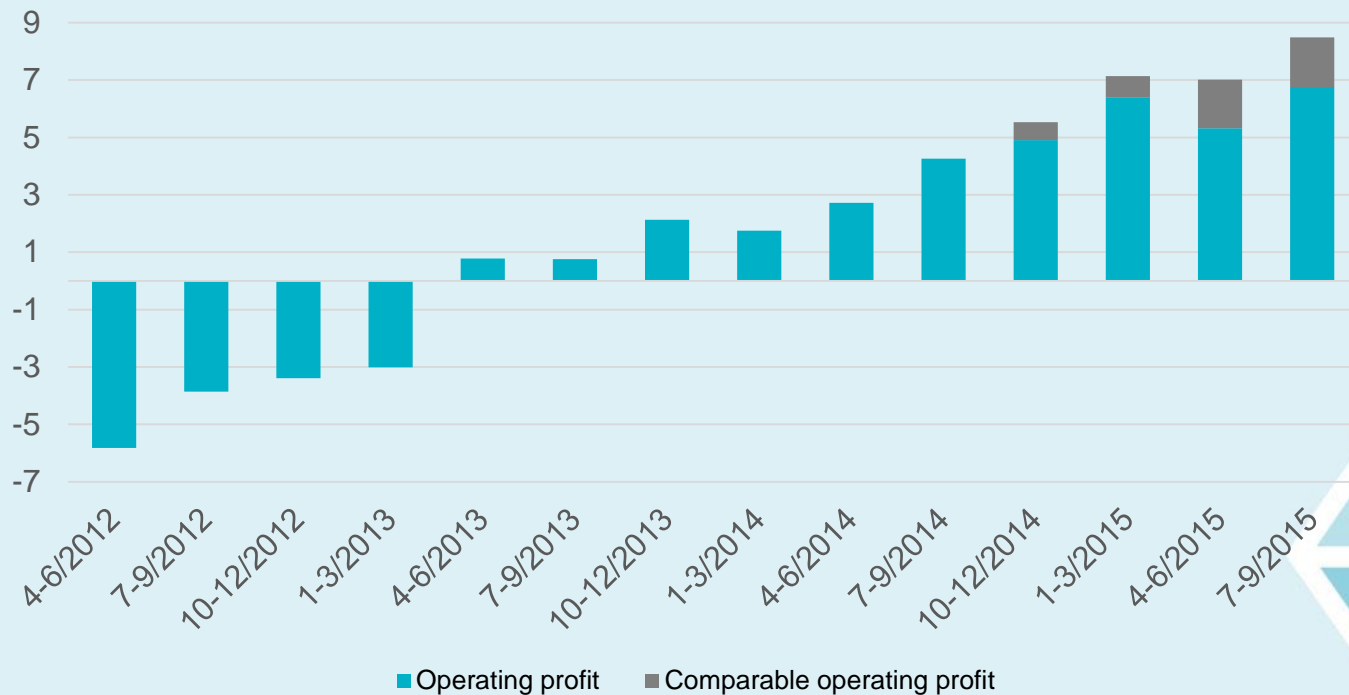


Change in reporting

- As a result of the sale of the pre-processing machines business Glaston reassessed its reporting segments and, as of 1 July 2015, combined the operating segments into a single reporting segment
- The interim report has been prepared in accordance with the new segment structure
- As of the second quarter of 2015, pre-processing machines business has been classified in Discontinued Operations

Rolling 12 month EBIT

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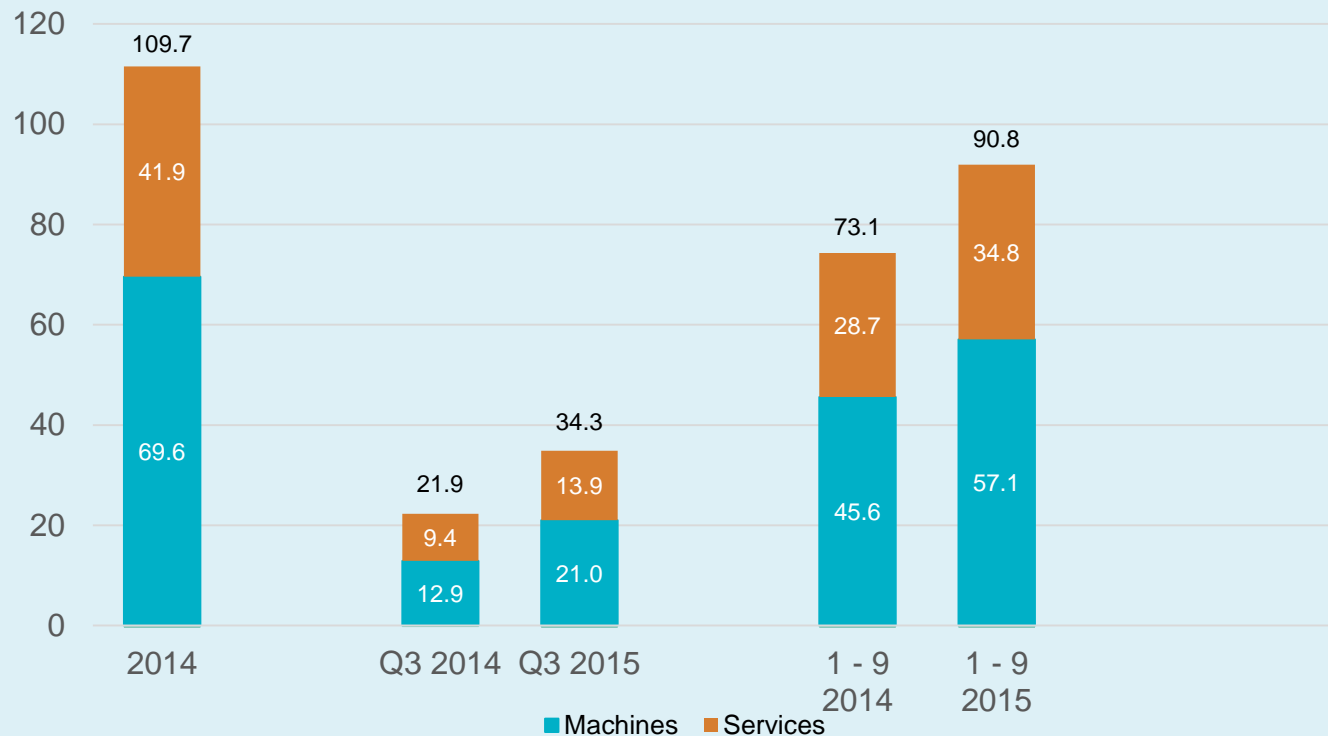
Efficiency measures

- Measures will mainly be taken in Asia and South America
- The efficiency measures will affect some 45 people in total
- The measures are expected to yield EUR 1.3 million in annual cost savings
- The actions will be implemented by the end of 2015 and the savings will take effect from the beginning of 2016 onwards
- The estimated one-off costs related to the measures are EUR 1.2 million, of which EUR 0.5 million with cash flow impact

Net sales grew in both businesses

Continuing Operations

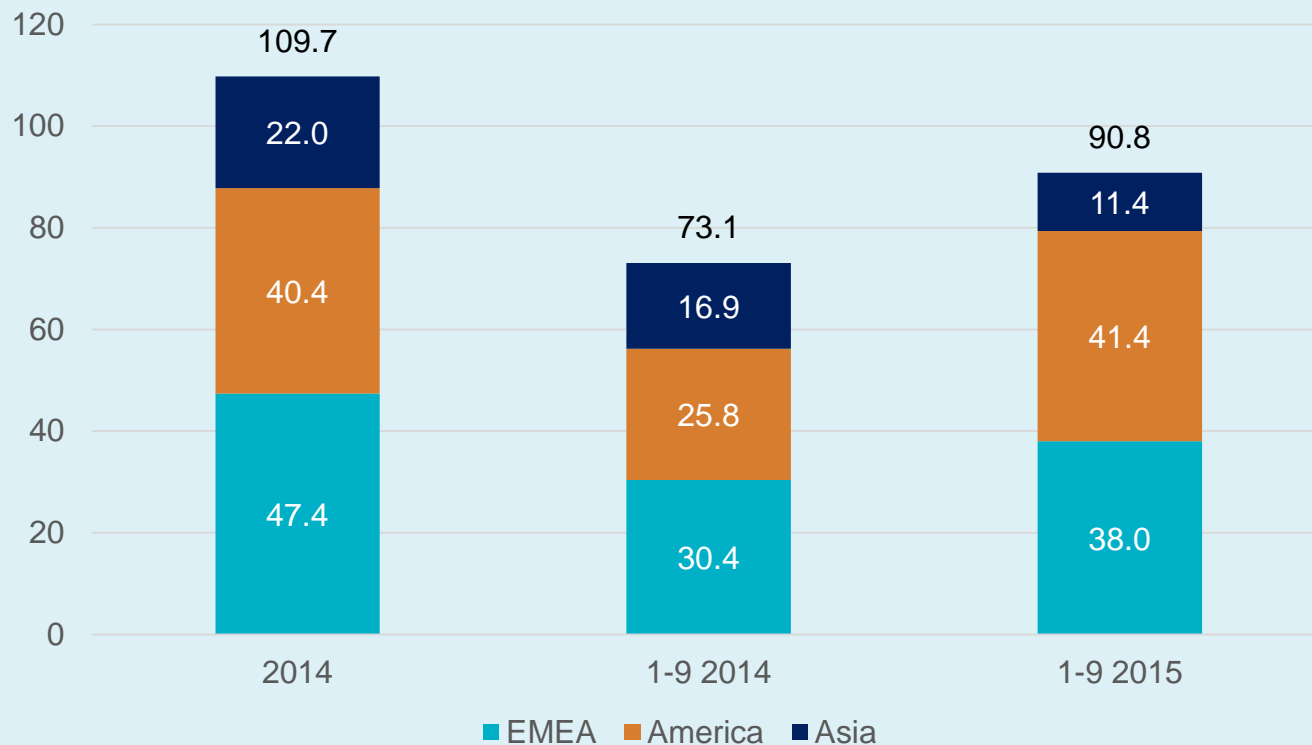
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*Eliminations not shown separately

Good net sales development in EMEA and North America

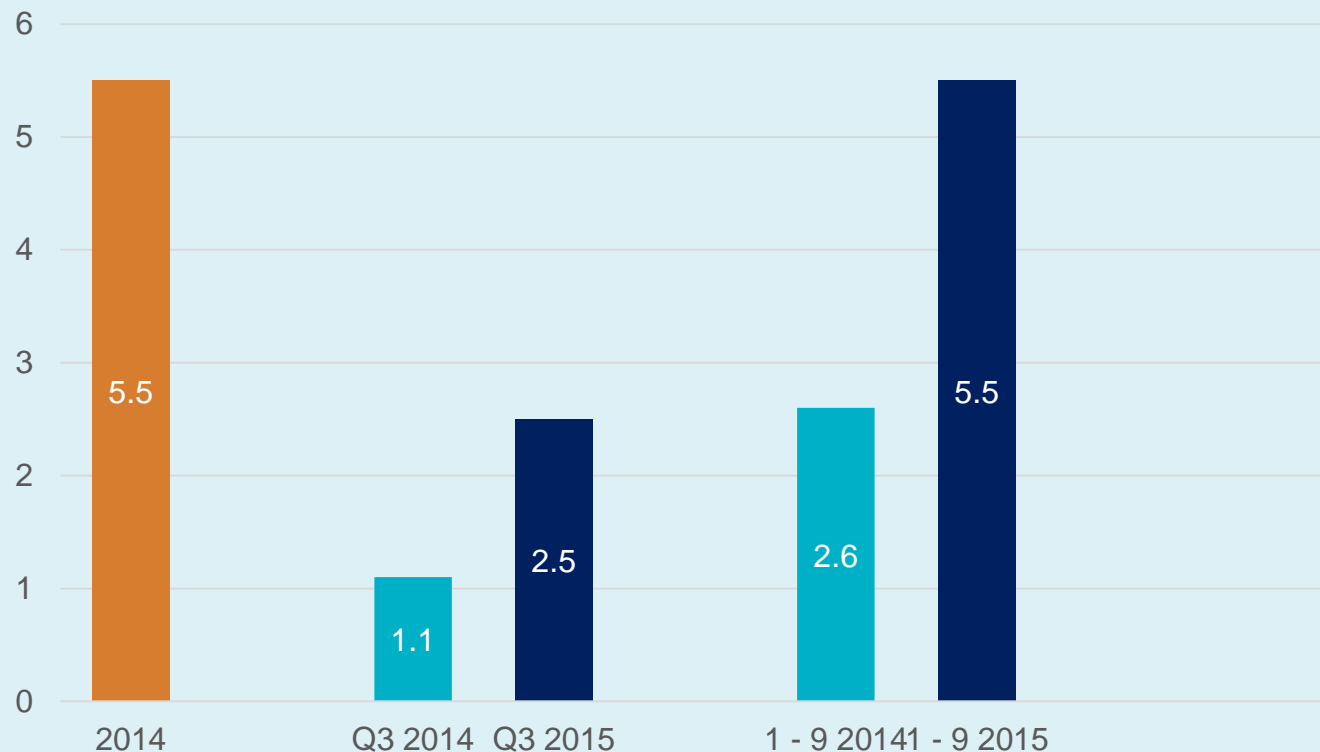
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Operating profit, excluding non-recurring items

Comparable, Continuing Operations

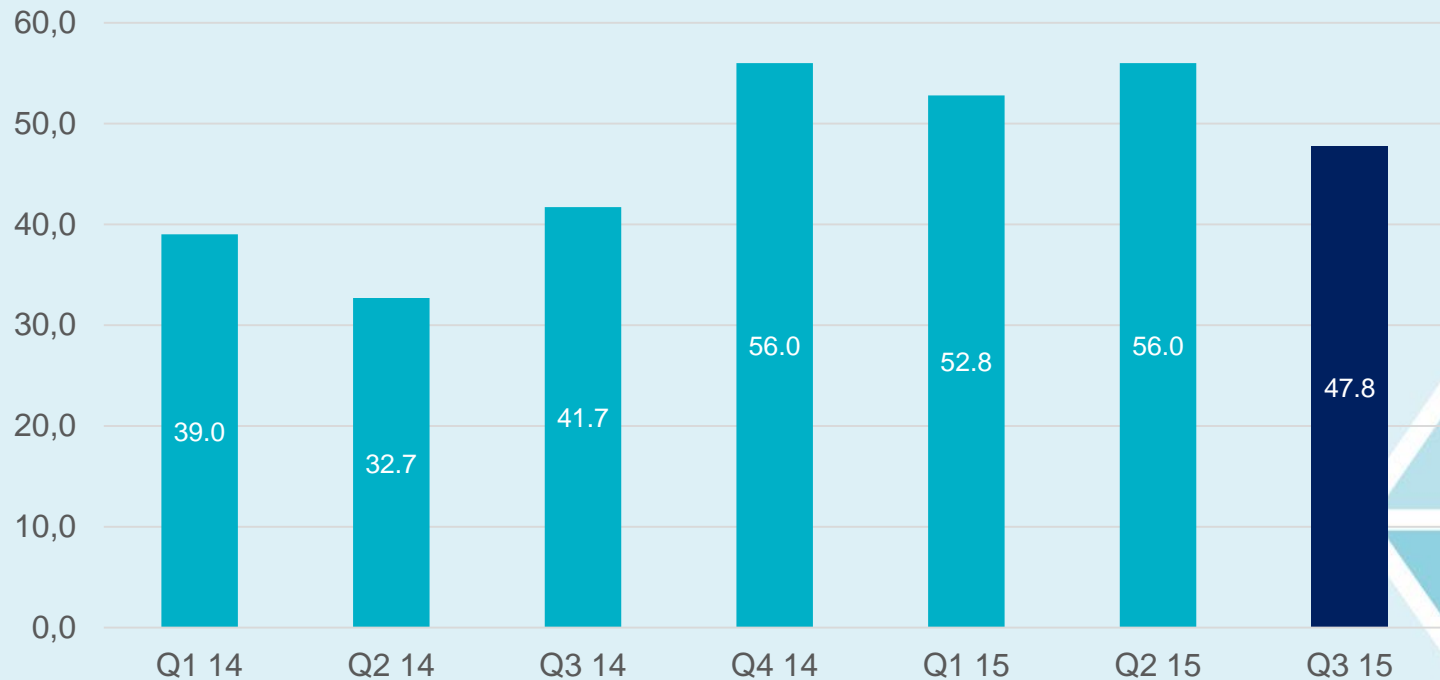
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Order book

Continuing Operations

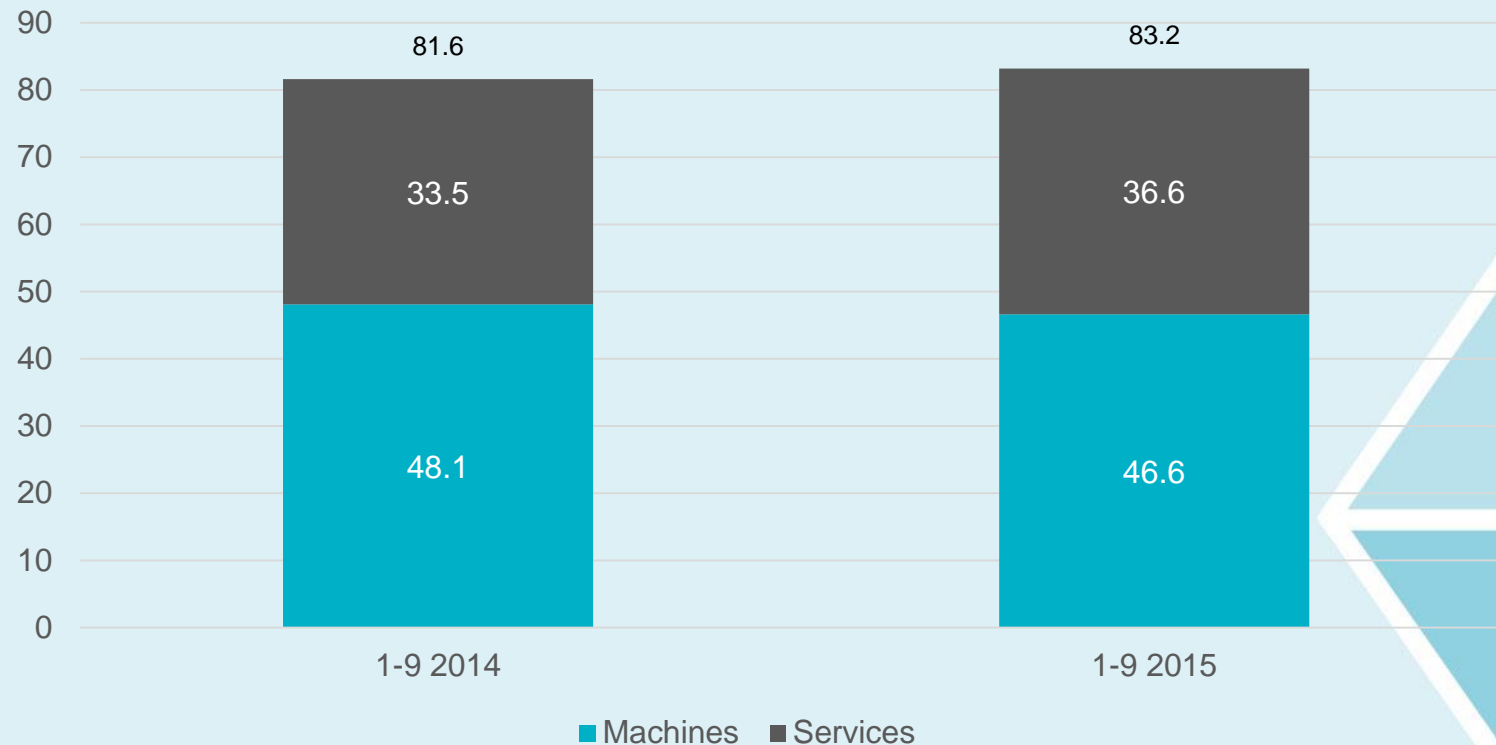
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Orders received

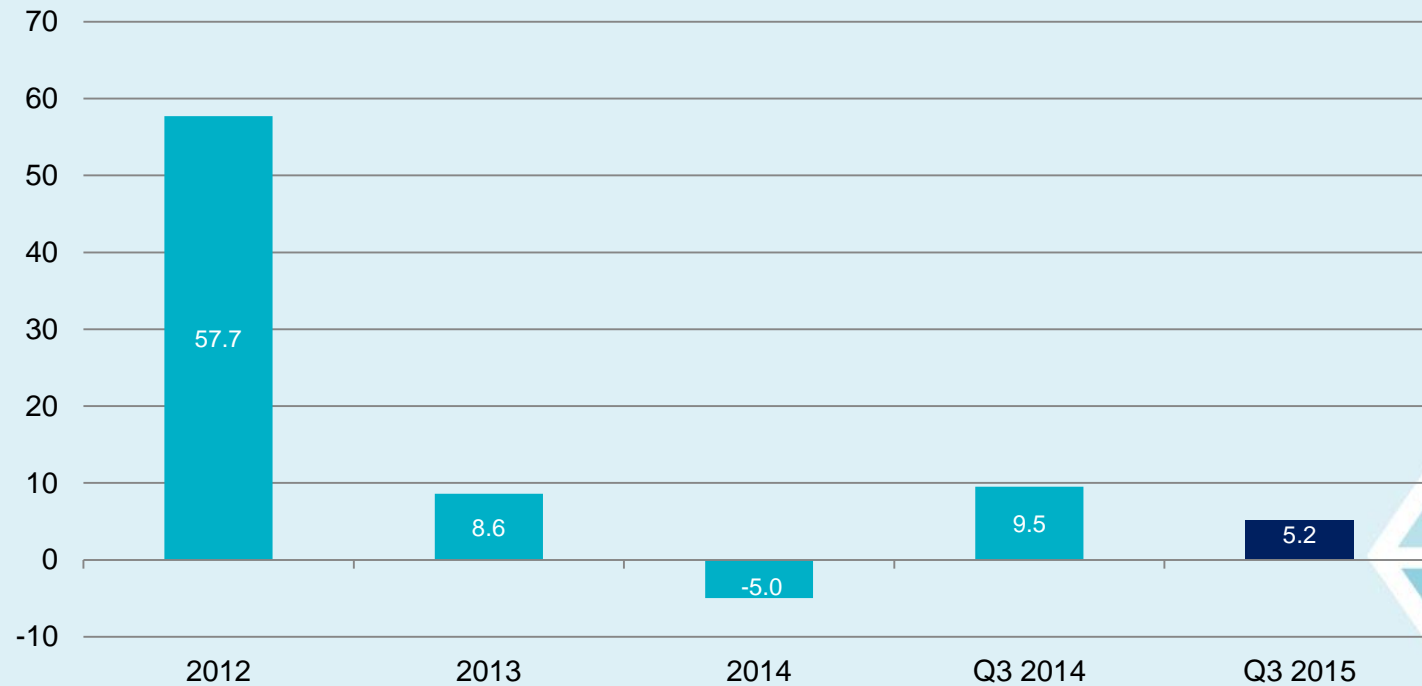
Continuing Operations

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Net debt

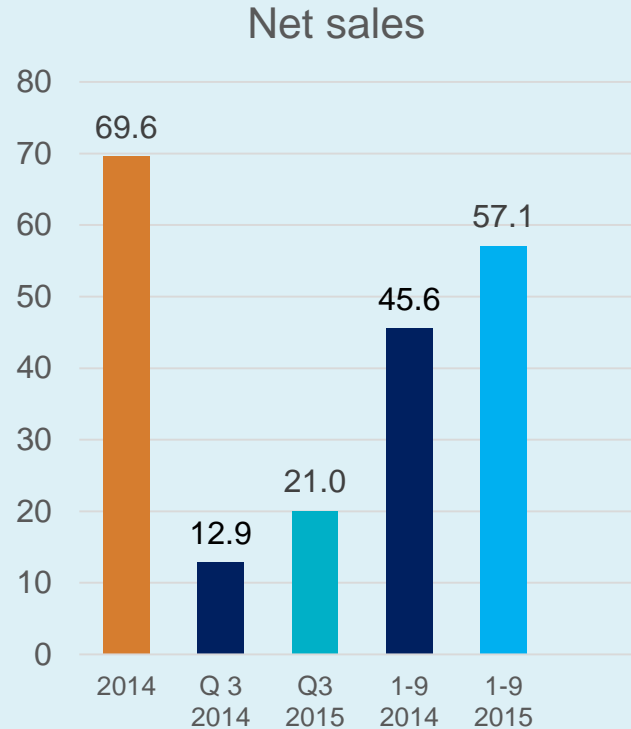
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Machines – good development continued

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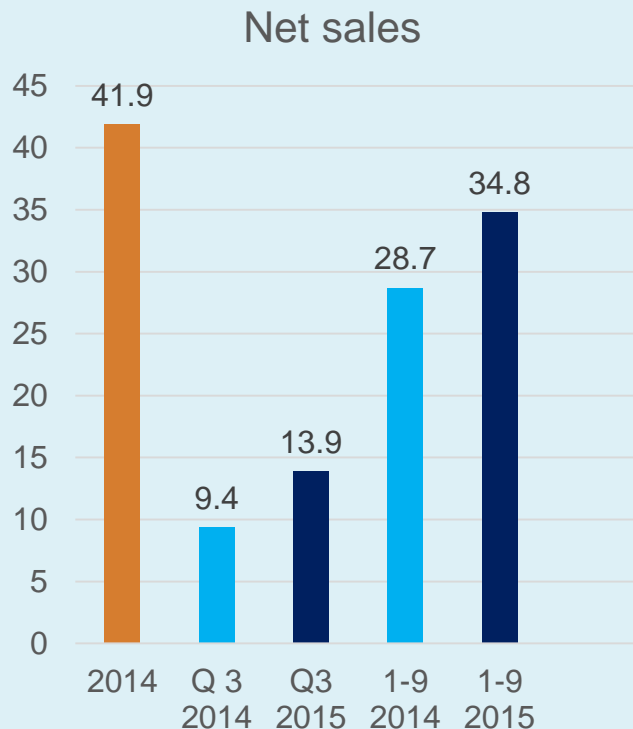
- In the heat treatment machines segment, Glaston maintained its strong market position
- In the North American and EMEA area markets, growth continued
- In Asia, the machines market showed signs of recovery
- In September, a deal worth approximately EUR 2.4 million was closed with a Chinese customer



Services – strong quarter

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- Glaston's market position remained strong
- In modernisation and refurbishment products, the third quarter was very good
- Large modernisation deals were closed including Egypt, the United Arab Emirates, the USA and Columbia
- For tools, competition continued to be aggressive



Outlook unchanged

The Glaston logo is located in the top right corner of the slide. It consists of the word "glaston" in a lowercase, blue, sans-serif font. The logo is positioned to the right of a large, light blue geometric shape that resembles a stylized arrow or a series of nested triangles pointing towards the right.

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- We continue to expect that Glaston's markets will grow moderately in 2015. In sales of new machines, we expect good development to continue in the EMEA area and in North America. Economic uncertainty in the EMEA area as well as its local political tensions might, however, reduce customers' willingness to invest
- The very subdued Asian market showed signs of recovery in July-September and we expect the favourable development to continue in the latter part of the year. We expect demand in the South American market to remain subdued in the fourth quarter
- In the services market, we expect growth to continue in all product groups and particularly in upgrades
- Glaston expects that Continuing Operations' 2015 net sales and comparable operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014 net sales were EUR 109.7 million and comparable operating profit, excluding non-recurring items, was EUR 5.5 million)



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Thank you!