



glaston



Glaston Interim Report

6 August 2015

Arto Metsänen, CEO & President
Sasu Koivumäki, CFO



Glaston H1 in brief

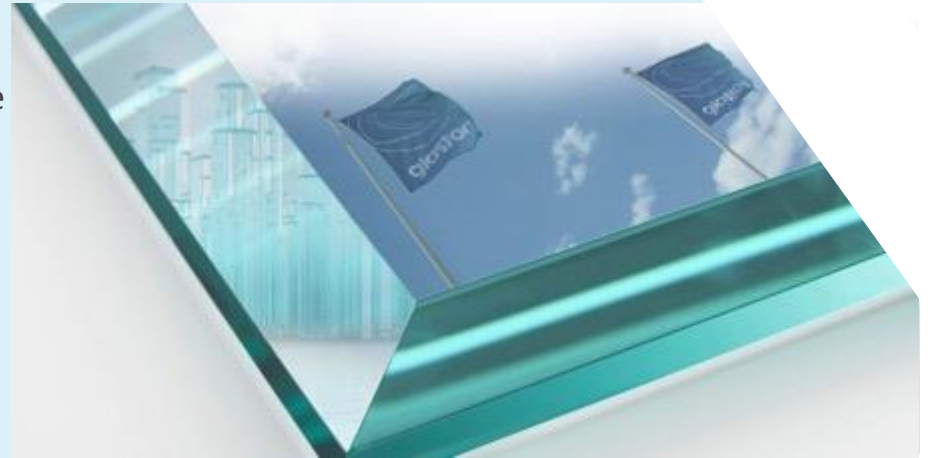
- Sale of pre-processing machines business
- New financing agreement
- Order book*: EUR 56.0 million (EUR 32.7 million)
- Orders received*: EUR 55.0 million (EUR 49.5 million)
- Net sales*: EUR 56.5 million (EUR 51.3 million)
- Comparable operating profit excluding non-recurring items*: EUR 3.0 million (EUR 1.5 million)

*Continuing Operations



Operating environment

- In the **EMEA** area, good development continued
- The positive development of the **North American** market continued, but more moderately than before
- In **South America**, the market continued to be quiet
- In **Asia**, the market continued to weaken
 - Activity in China was on a low level
 - In Australia and New Zealand, markets showed signs of picking up



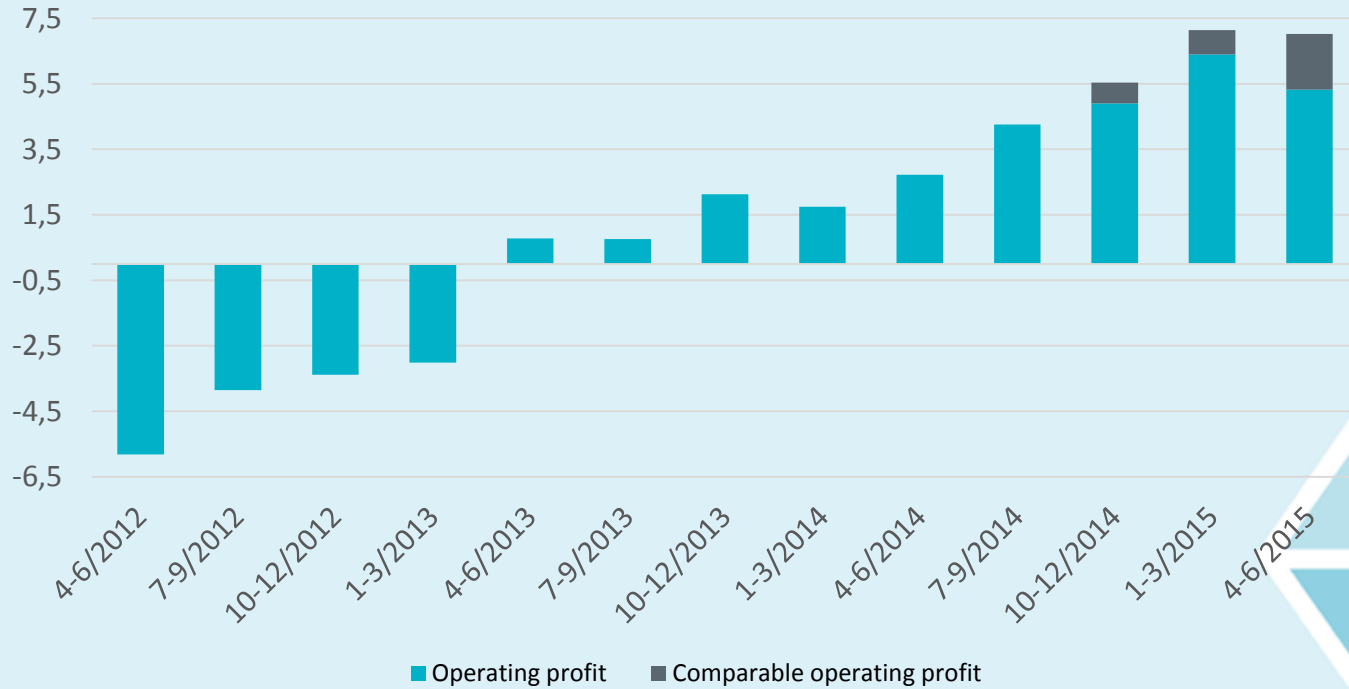
Pre-processing machines business

- Segment with aggressive competition and rather weak market position
- In future, the product portfolio would have required large investments
- Weak profitability
- Glaston continues as distributor of pre-processing machines in North and South America and in Singapore

Financing agreement

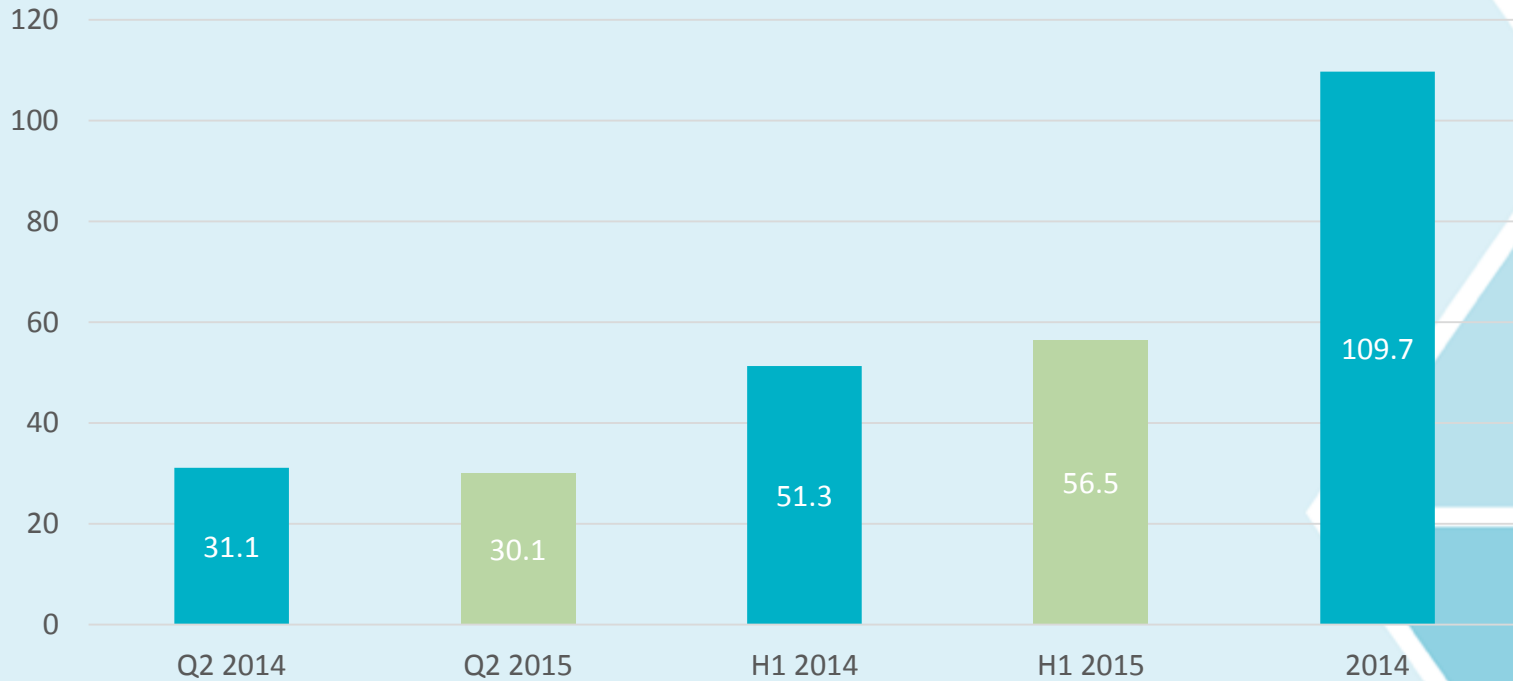
- Glaston signed a new long-term financing agreement in June
- The agreement secures the company's financing for the next three years
- The new financing agreement consists of a EUR 10.0 million long-term loan as well as a EUR 22.0 million revolving credit facility, which can be used for short-term financing and guarantees
- The financial covenants used in the financing agreement are gearing (net debt/ equity) and leverage (net debt/EBITDA). The covenants will be monitored quarterly

Rolling 12 month operating profit

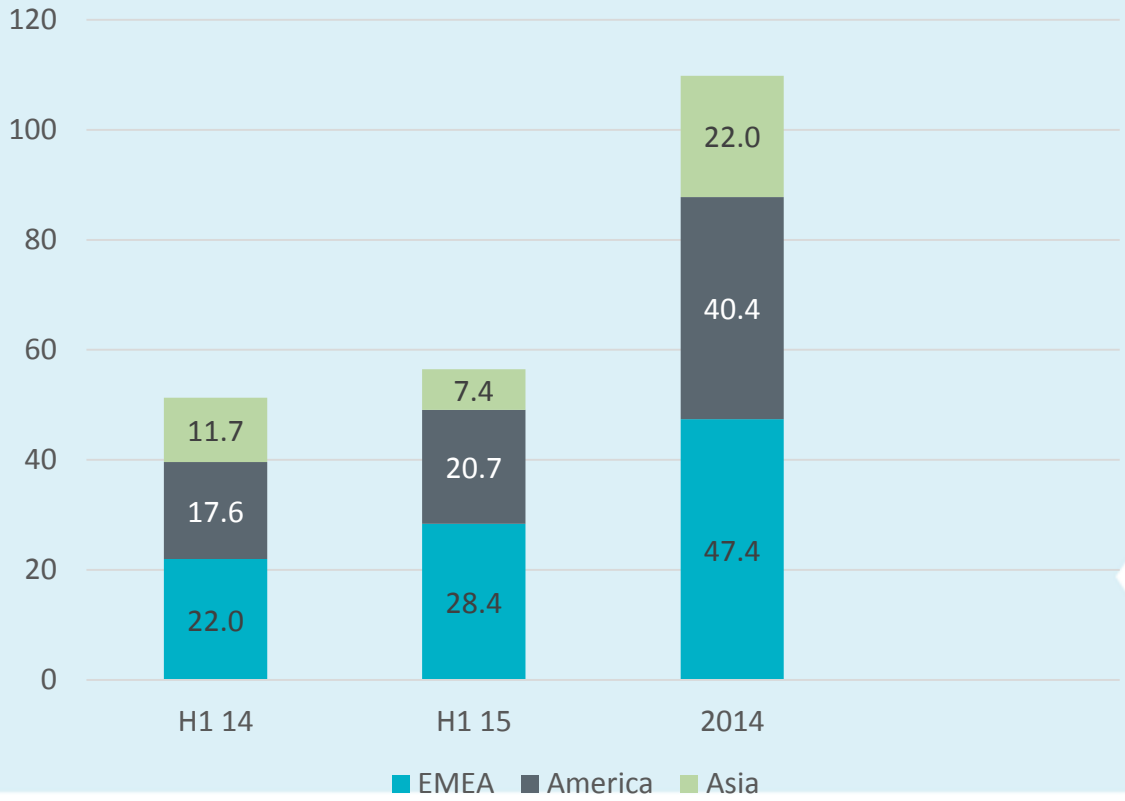


Net sales

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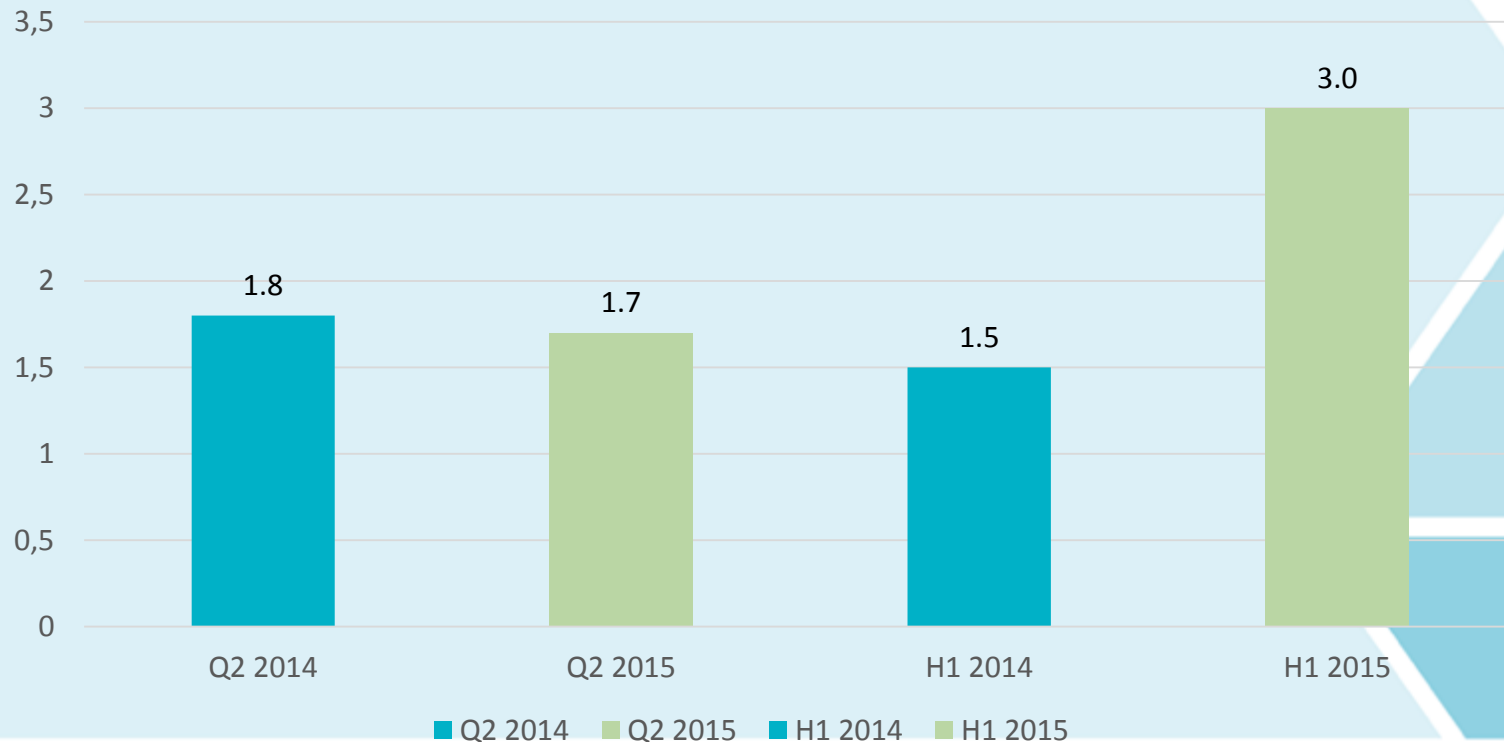


Net sales up in EMEA and North America



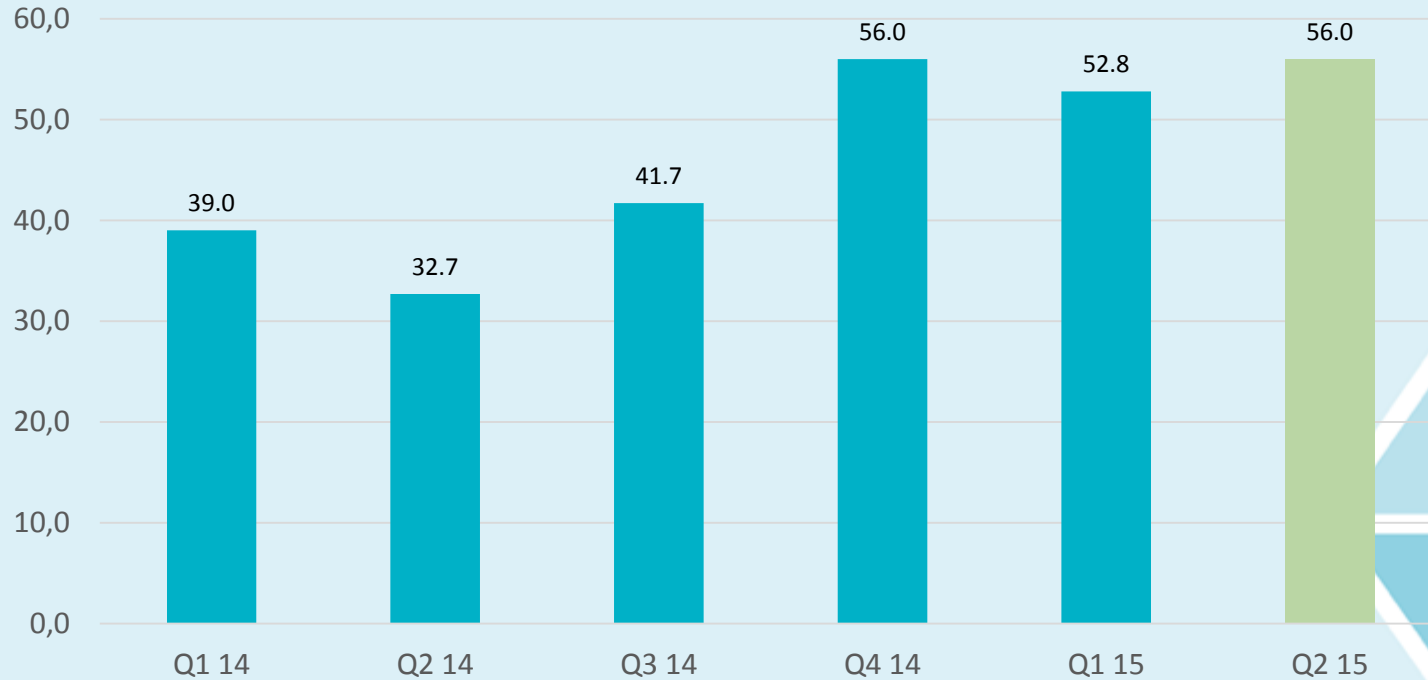
Comparable operating profit excl. non-recurring items

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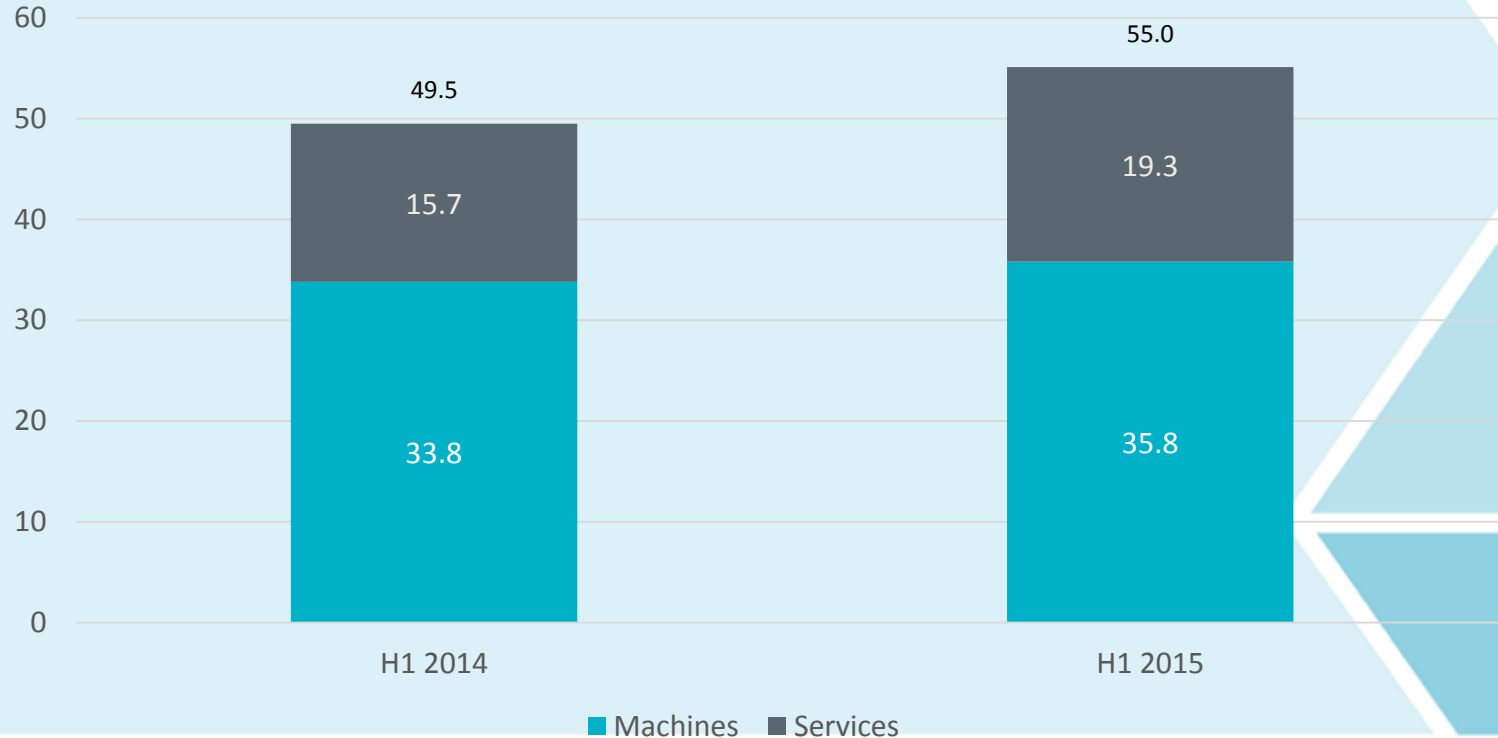
Order book

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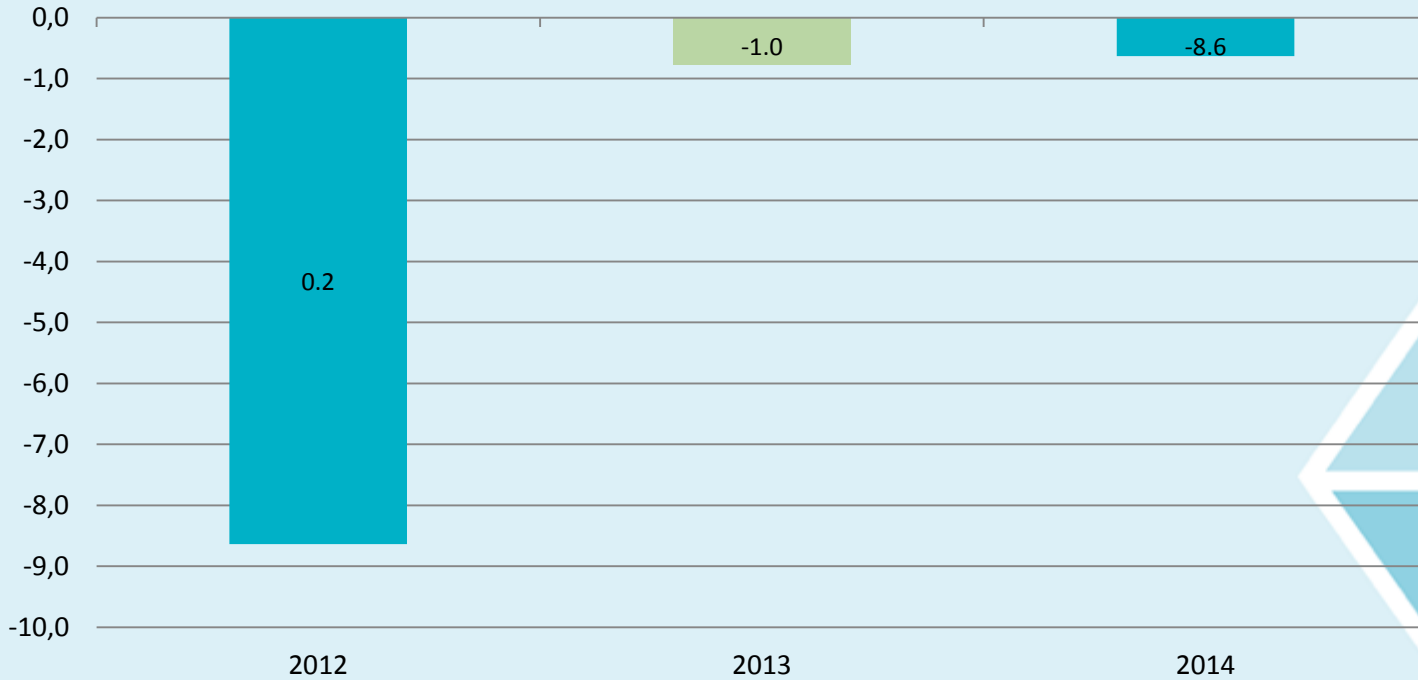


Orders received +11%

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Financial items



Market outlook

- We expect Glaston's markets to grow moderately in 2015. In sales of new machines, we expect good development to continue in the EMEA area and in North America. We expect the South American market to remain at its present level in the short term and the Asian market to pick up during the latter part of the year. In the services market, we expect the good development to continue during the latter part of the year and particularly so with respect to upgrades.
- Glaston's expertise is strongest in heat treatment technology and service business, on which we can now fully focus our resources. We consider growth conditions to be good in these product groups.

Business outlook

- Glaston revises its business outlook for 2015. 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).
- **Previous outlook:** Glaston expects that 2015 net sales and operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014, net sales were EUR 124.5 million and operating profit, excluding non-recurring items, was EUR 4.9 million).

Change in reporting segments

- As a result of the sale of the pre-processing machines business, a change will be made to Glaston's reporting segments
- Glaston's remaining business operations will be reported as a single segment
- The January-September interim report, to be published on 26 October 2015, will be reported according to the new segment structure

Our business



- We develop, design, manufacture and deliver glass processing machinery, equipment and services worldwide
- Our leadership in technology is based on our own research and development; We hold patents for all our significant innovations



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Thank you