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Glaston: January-September 2017

30 October 2017



Q3 in brief



Orders received:
EUR 26.8 million, +4.5%*)

Net sales:
EUR 25.3 million, +23%*)

Comparable operating result:
EUR 1.3 million (EUR -0.3 million)

Order book:
EUR 41.8 million, -9%*)

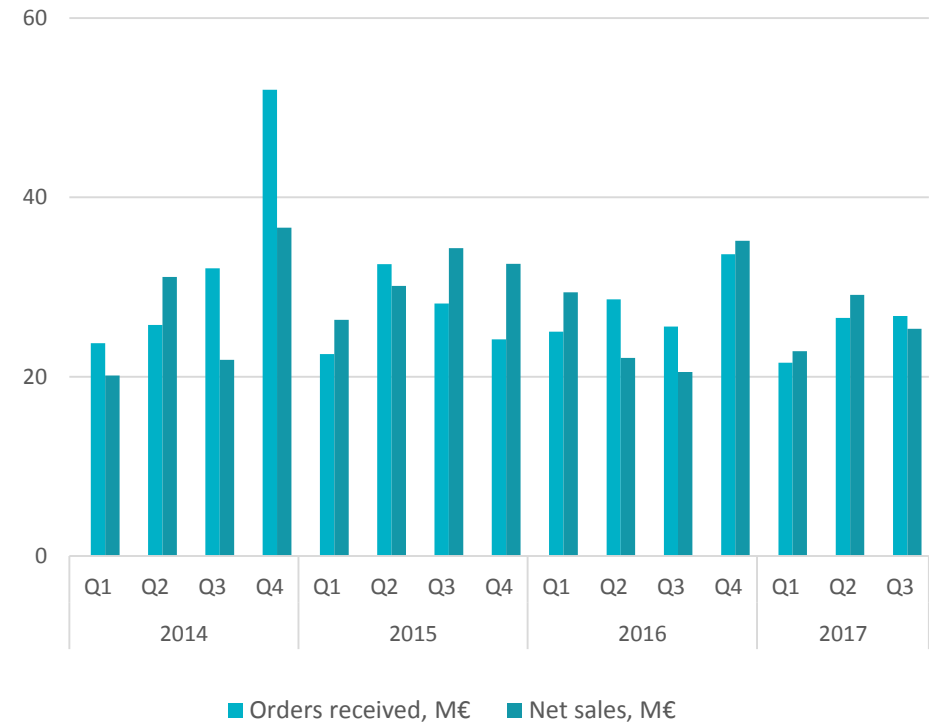
- In July-September, glass processing markets were busier than in the early part of the year. Particularly the North American market picked up
- Order intake in the third quarter grew from the previous year by 4.5%
- The order book was at the same level as in the previous quarter
- Due to an increased number of deliveries, Glaston's third quarter net sales grew by 23% from the corresponding period of the previous year
- The comparable operating result was 5.1% of net sales

*) when the sale of the pre-processing business in the USA and Canada are taken into account orders received were up +9.3%, order book down -7% and net sales up +30%

Operating environment



- As a whole, the EMEA area was stable
 - Decision-making was still slow in many countries, and particularly in Eastern Europe
 - Growing demand in Central Europe
 - In the Middle East, market activity continued at a good level
- Good development in North America
 - Development was positive particularly in the US
 - Strong come-back in modernisation products
- In the Asian market area, demand continued to be cautious
 - In China, the activity of projects related to solar energy has steadily increased
- The South American market continued to be weak



Q3 largest orders

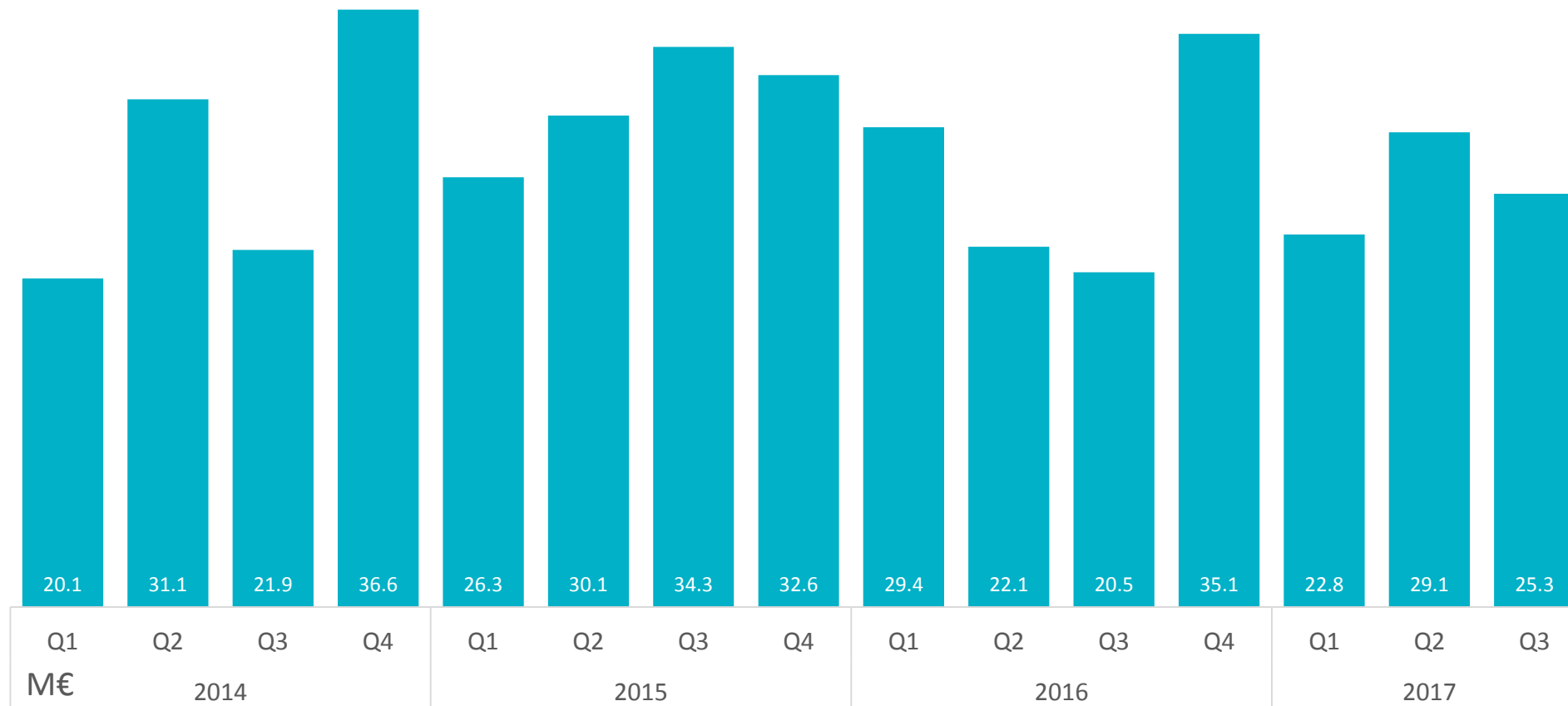


- In August, a FC Series™ flat tempering line deal to North America
- In September, a GlastonAir™ tempering furnace deal to China to China Triumph International Engineering Co. Ltd. (CTIEC):
 - Important opening in what is potentially the most significant market for this product
 - GlastonAir™ is the perfect solution for solar energy applications and strenghtens our view that the use of thinner glass will increase in solar panels
- In September, deal with U.S based Trulite Glass & Aluminium Solutions for a FC Series™ Jumbo-size tempering furnace



Q3 net sales

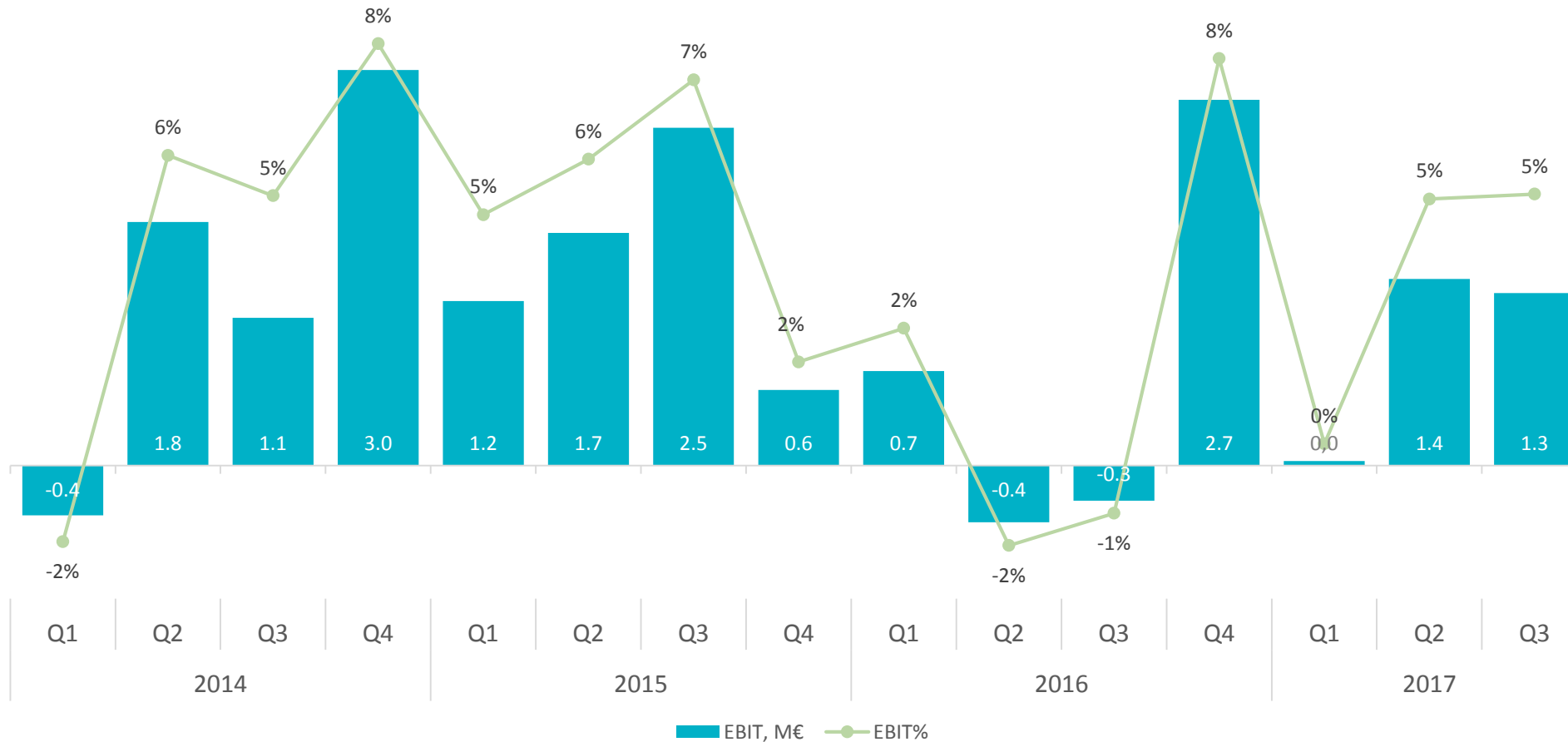
Growth +23%*)



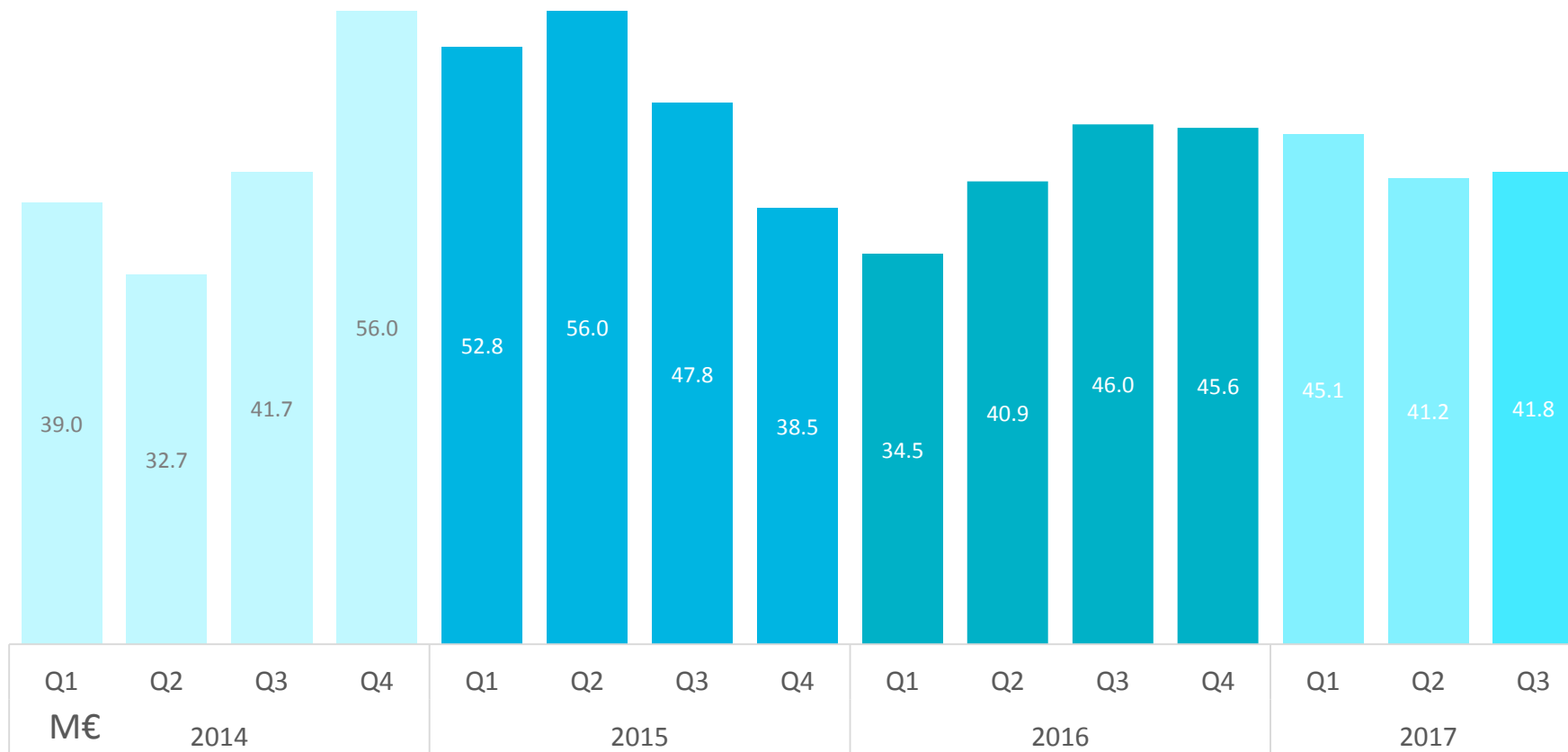
*) Net sales were up 30%, when the sold pre-processing machine business is eliminated from the comparison data

Q3 comparable operating result

The operating result further improved



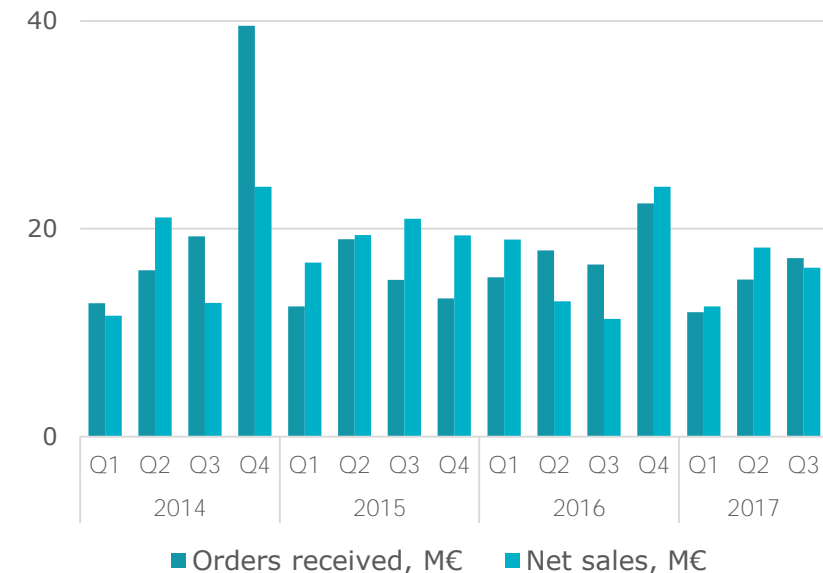
Order book on same level as in previous quarter



Machines Q3



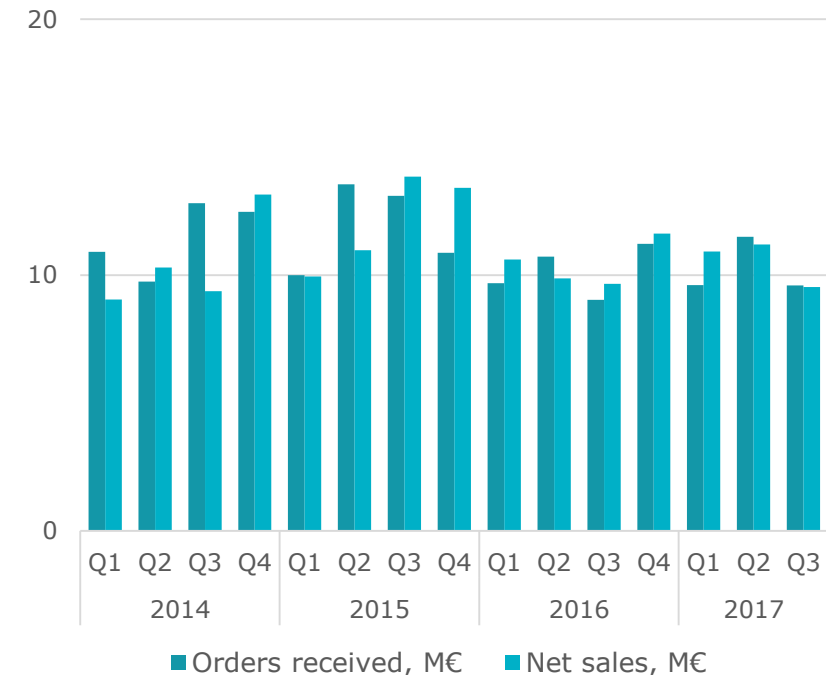
- In the third quarter, there was perceptible pick-up in the Machines business market
- In the EMEA area, there was no significant change compared to the previous quarter
 - Decision-making was slow in many countries. As a whole, the market area was stable
- Strong development in North America. The South American market remained weak
- In the Asian market area, demand remained low
 - GlastonAir™ deal to China
- Order intake was EUR 17.2 million, up 3.6% compared with the corresponding period of the previous year. Largest orders were received from the USA, China and Belgium
- Net sales was EUR 16.2 million, up 43% compared with the corresponding period of the previous year



Services Q3



- The cautiously positive development of the Services business market continued
- Good quarter in upgrade products. Development was strongest in the EMEA area and particularly in North America
 - The value of orders in North America grew by nearly 70% compared with the previous quarter
- Demand for maintenance services and tools was clearly above the corresponding period of the previous year
- In spare parts, sales continued on a good level
- Order intake was EUR 9.6 million, up 6.2%*) compared with the corresponding period of the previous year
- Net sales was EUR 9,5 million, down -1%*) compared with the corresponding period of the previous year



*) when the sold pre-processing machine business is eliminated from the comparison data orders received were up +21% and net sales up +11%

Emerging technologies



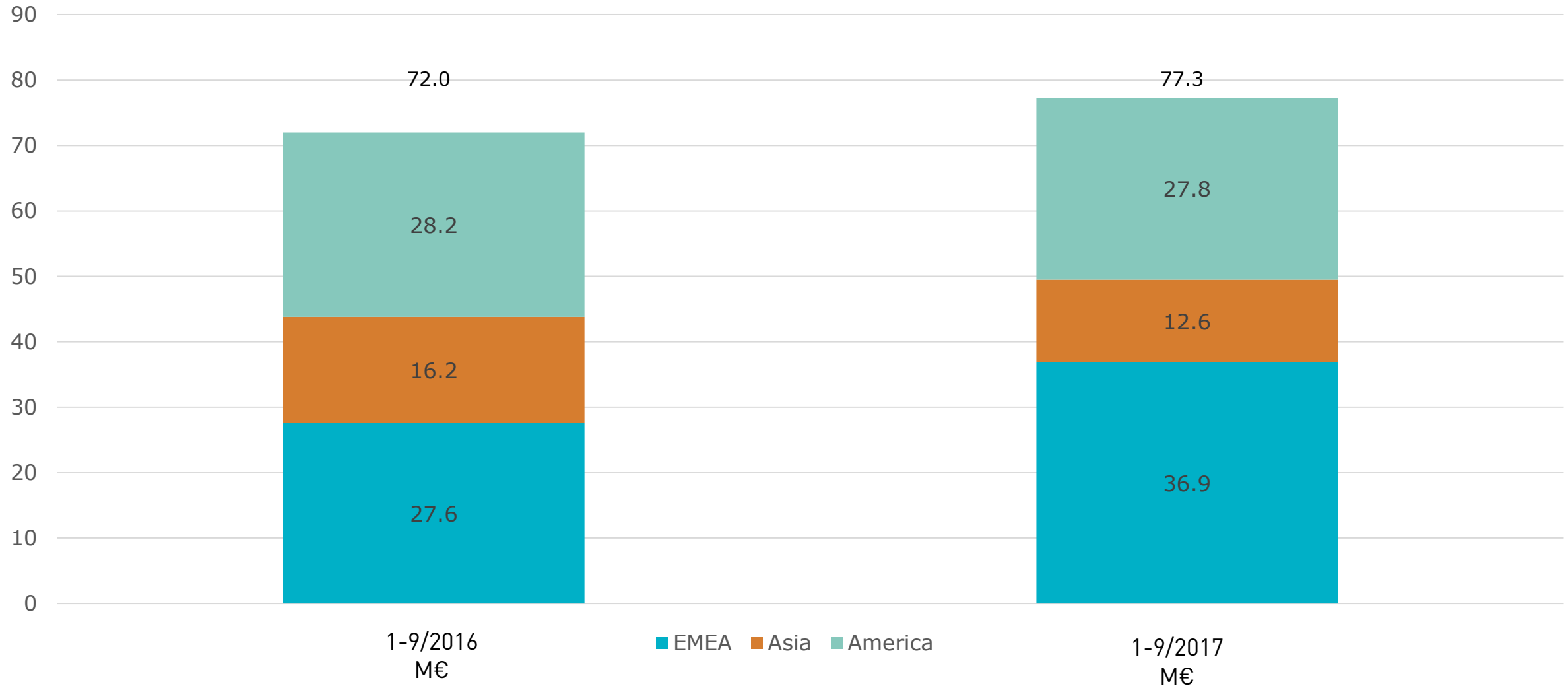
- In August, Glaston delivered to its Californian partner, Heliotrope Technologies, a special device enabling the processing of larger glass sizes, to be installed in a prototype line. The delivered device will play a key role in developing the new technology. The prototype line will be taken into use during the latter part of the year
- In addition to equipment, Glaston offers consulting and planning services to Heliotrope
- Glaston has been part of the project since the latter part of 2015
- Planning work on the pilot line advanced to the final stage
- Discussions on solar energy, the automotive industry and demanding architectural glass solutions proceeded according to plan



Net sales per region

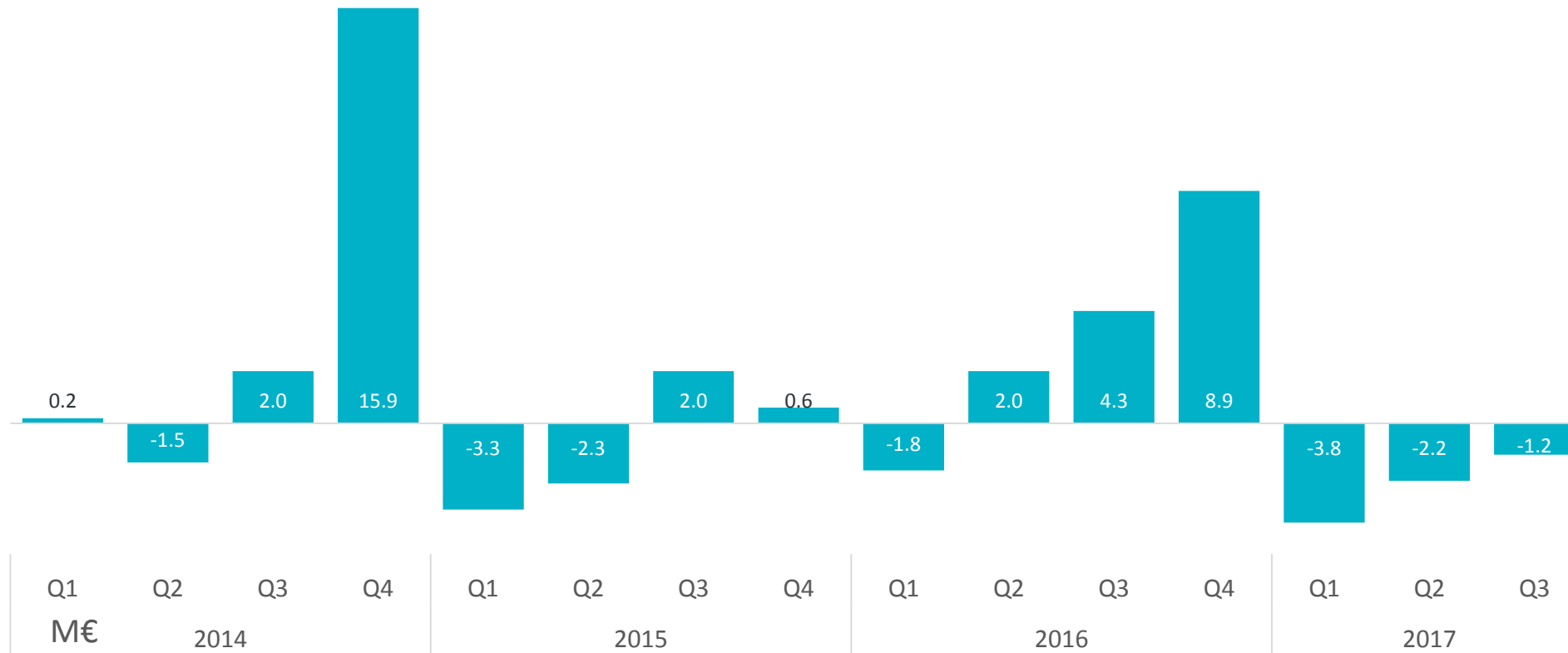
EMEA area net sales up +34 %

In Americas area, net sales up +15% when the sold pp machine business is eliminated from comparison data



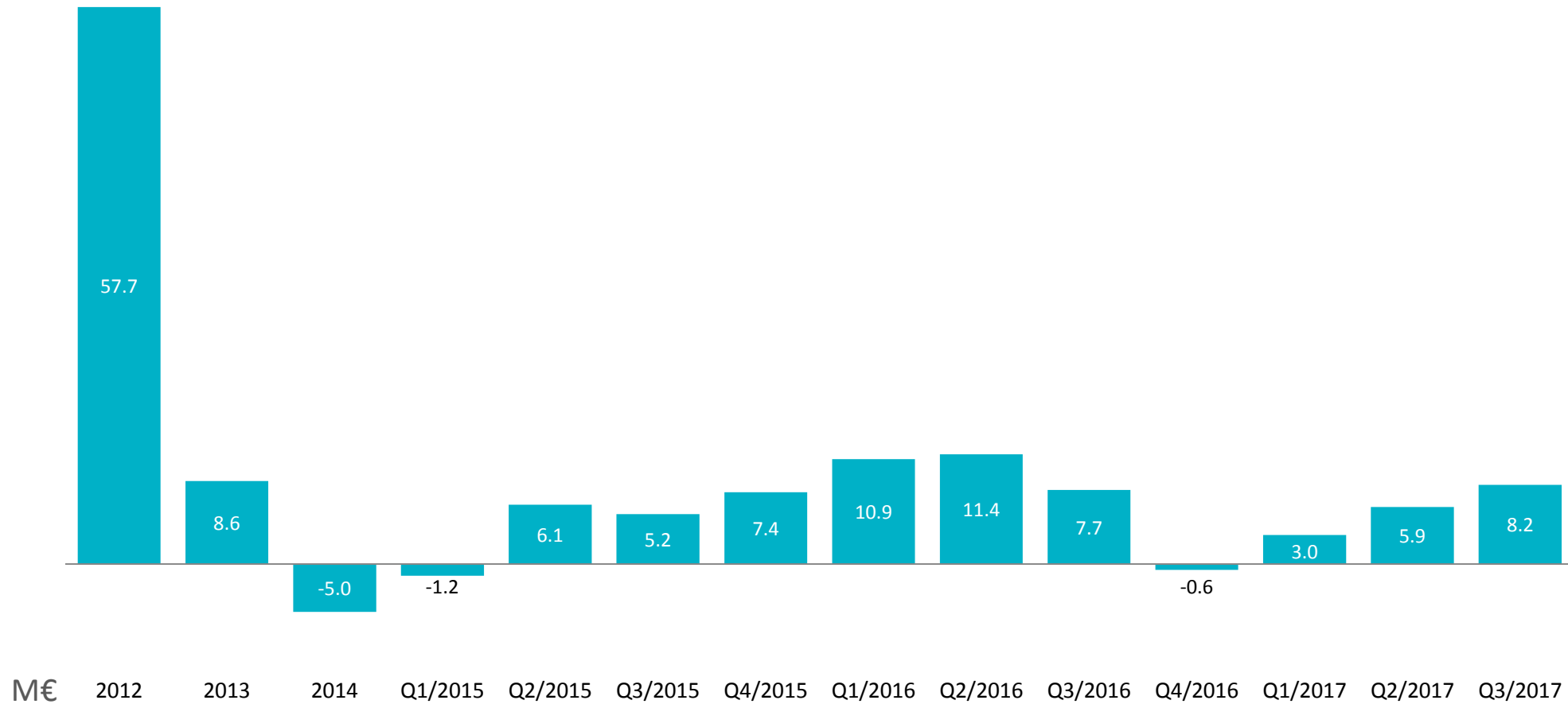
Cash flow from operating activities

Growth in working capital continued



Net debt

Amount of debt increased with around EUR 2 million



Outlook

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- Glaston's January–September comparable operating result was EUR 2.8 million, i.e. at the same level as the whole of 2016. Previously, the full-year 2017 comparable operating result was expected to improve from 2016
- Glaston revises its outlook and now expects the full-year 2017 comparable operating result to be EUR 4.0–5.5 million
- Previous outlook: We expect the full-year comparable operating result to improve from 2016. In 2016 the comparable operating result was EUR 2.8 million



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