

STRATEGY 2018-2021

Strategic goal: Glaston is the industry's innovative technology leader, realizing its customers' highest ambitions in glass

Glaston's purpose is to build a better tomorrow through safer, smarter, more energy-efficient glass solutions. The demand for environmentally sustainable and energy-efficient solutions, tightening safety standards as well as growing visual and functional quality requirements, increasingly affect the way our customers operate. With our unique portfolio of products and services, Glaston is in a strong position to respond to the demand for innovative solutions. In our strategy, we continue to focus on developing our core Heat Treatment technologies, while continuously seeking opportunities for new glass processing technologies within new, smarter and safer glass. Our extensive installed base and superior global service network, in combination with innovations within digitalization and automation, puts us in a unique position to fulfil the most demanding needs of our customers while at the same time supporting our profitable growth ambitions.

Supported by our flexible production and supply chain management, we continuously seek new ways to maintain high quality and cost efficiency. High investment in R&D and our focus on innovation and digitalization strengthen our position as the industry's innovative technology leader.

Heat Treatment technologies

Strategic aim: Glaston is the global leader in technology and market share

We will continue to focus on growth in our core business with the aim of remaining the leading Heat Treatment technology supplier in the industry. We have a clear focus on digitalization and increasing the level of automation in our products. We understand our customers' businesses and tailor our offering and customer management to fit our customers' needs.

Main focus areas in Heat Treatment technologies:

- Profitable growth
- Increased digitalization and level of automation up to fully automated products
- Tailoring our offering and customer management to realize our customers' highest ambitions in glass

Emerging Technologies

Strategic aim: Glaston is a reliable solutions frontrunner

Demand for more energy efficient and environmentally sustainable glass solutions is strong, leading to fast developments within smart glass, very thin glass and glass applications in renewable energy such as solar energy. With these comes the need for strong technological, high quality glass processing technologies. Glaston Emerging Technologies is the most trustworthy expert in modern glass usage enabling the development and commercialization of innovative glass solutions with new emerging and innovative companies. The focus lies on affordable smart glass development through development of Smart Pane Unit lines, technologies enabling seamless glass processing of very thin glass as well as providing turnkey integrated line solutions to our customers.

Main focus areas in Emerging Technologies:

- We will continue to look for new emerging companies and together develop and commercialize new SPU line solutions, solar line solutions and thin glass solution. All of these require integrated lines which is Emerging Technologies' expertise.

Services

Strategic aim: Glaston leverages its' extensive installed base and global service organization for next generation services

Today, most of the service work is performed by the customer. We see strong untapped potential in combining our extensive installed base and global organization with innovations within digitalization and automation for the benefit of the customer. Emphasis is placed on optimizing installed base performance throughout the lifecycle, using data analytics and artificial intelligence to support customers' business decisions. This differentiates us from the competition and puts us in a unique position to fulfil the most demanding needs of our customers.

Main focus areas in Services:

- Leveraging untapped potential from existing unique lifecycle services, large installed base and extensive service network
- Development of next generation digital services and an ambition to develop a service platform in cooperation with partners
- Divestment of non-core, pre-processing and tools businesses

AREAS OF EXCELLENCE:

Our strategic success is dependent on three areas of excellence: customer experience, digitalization and operational efficiency.

Customer experience

We want to help our customers achieve their goals and align our offering, way of working and organization to serve their needs. We provide the best customer experience in the industry. By continuously enhancing our customer focus and by creating a more customer-centric mindset and operations, we continue to improve our customer experience and thereby our operations.

Digitalization

Today, business decisions rely more and more on data and data analytics, which drives the need for better data access and transparency. Glaston develops the level of digitalization and automation in its products and services to enable new data-driven business models. By doing this, we help our customers optimize their operational efficiency and business processes while at the same time providing us with new business opportunities.

Operational efficiency for growth

We focus on activities that add value and benefit our customers. We develop our operational efficiency and project management skills to ensure product quality and delivery accuracy. Operational efficiency supports future growth.

BUILDING A BETTER TOMORROW THROUGH SAFER, SMARTER, MORE ENERGY EFFICIENT GLASS SOLUTIONS



OUR FINANCIAL TARGETS, PUBLISHED IN 2016, REMAIN UNCHANGED:

- Annual growth of net sales exceeding market growth (CAGR)
- Comparable operating profit margin (EBIT) above 8% at the end of the period
- Return on capital employed (ROCE) of more than 20% at the end of the period

In addition, Glaston seeks growth by exploring M&A opportunities, especially in the glass processing industry equipment, services and software areas.

OUR DIVIDEND POLICY REMAINS UNCHANGED:

According to Glaston's dividend policy, Glaston's objective is to distribute annually a dividend or return of capital amounting to 30-50% of the company's comparable earnings per share.

When determining the amounts and dates of payment of any future dividends or returns of capital, the Board of Directors always takes the company's financial position and future outlook into consideration. In addition, the dividend policy takes into account growth targets in line with strategy as well as financing requirements for growth.