

Glaston acquires Bystronic glass

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IMPORTANT NOTICE



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Glaston wants to drive market consolidation

Gains scale by acquiring Bystronic glass

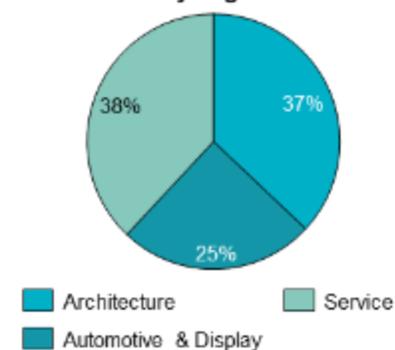


- Bystronic glass is a Swiss-German company globally operating high-end machinery, systems, spare parts and services provider.
- Company focuses on glass processing solutions for architecture, automotive and display industries.
- Three manufacturing sites: top-end Architecture in Germany (near Stuttgart), Automotive and Display in Switzerland (near Bern) and mid-tier Architecture in China (Shanghai).
- Sales and service branches in the US (Denver), the UK (near Birmingham), Russia (Moscow) and Singapore.
- Annual net sales of CHF 119.3 million (EUR 107.3 million) and comparable EBIT of CHF 6.3 million (EUR 5.7 million) for 2017.

Manufacturing and sales network



Sales by segment



The next step in Glaston's strategy

- In accordance with its strategy, Glaston has signed an agreement to acquire Bystronic glass for an enterprise value of EUR 68 million.
- Strengthens Glaston's position in the glass processing value chain, adding offering in insulation for the architecture market as well as pre-processing for the automotive market.
- Glaston will have a unique and value adding offering benefiting its customers.
- Provides strong opportunities for cross-selling of new equipment, providing services from one supplier and co-developing integrated lines.
- Together Glaston Corporation and Bystronic glass generated illustrative combined annual net sales of EUR 217 million in 2017.
- Glaston's size will increase significantly, and it will provide a platform for further growth and consolidation.

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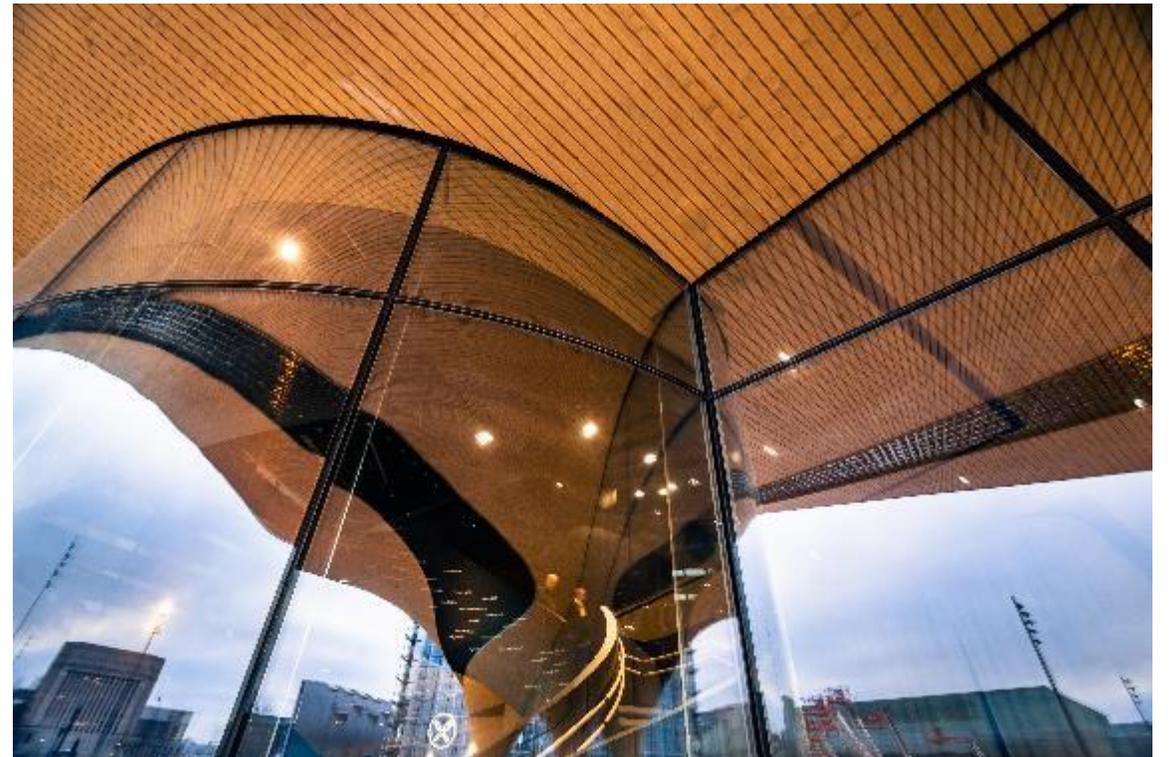


Highly transformational acquisition



Key Benefits

- ✓ Highly complementary combined portfolios enable a move towards a complete offering in glass processing technologies for architectural and automotive markets.
- ✓ Combined services offering will lead to appealing benefits for the customers and provide a base for further development of proactive and predictive maintenance and optimized services covering the whole processing chain in the future.
- ✓ Supports Glaston's work towards fully automated lines and strengthens its position in smart glass and other integrated line solutions, capturing higher share of the total profit margin for the deliveries.

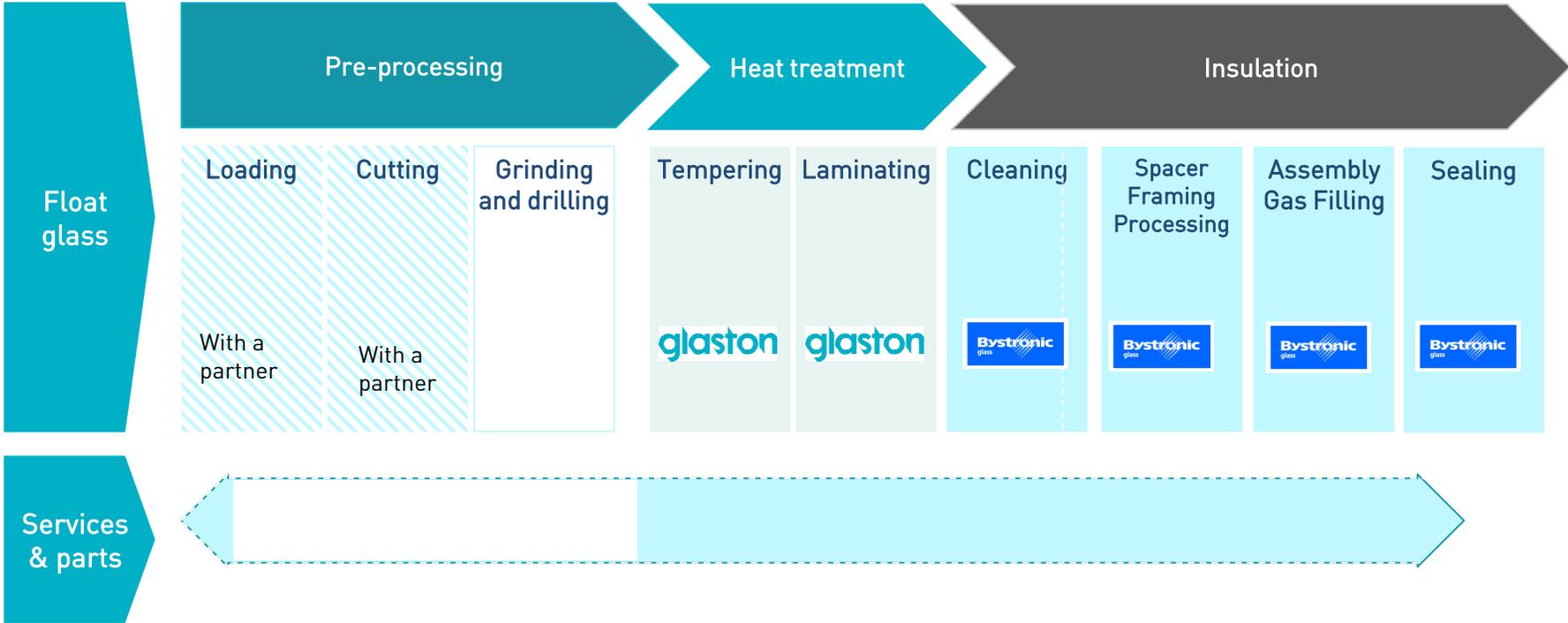


Glaston and Bystronic glass cover the most critical steps in the glass processing chain for Architectural



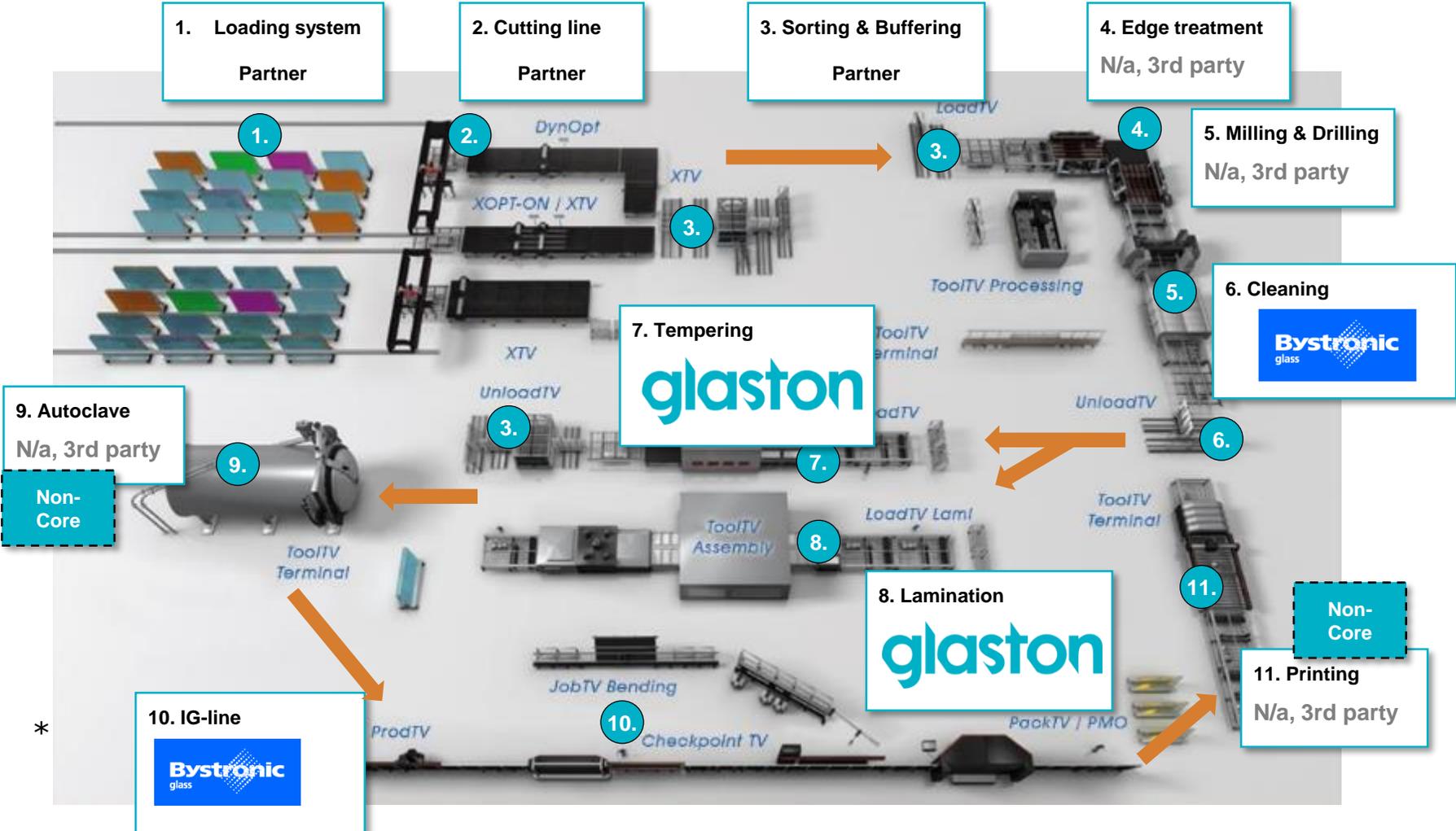
Combined coverage in glass processing – Architectural

Glaston and Bystronic glass have a complementary offering
For the Architectural segment



- Joint insulated glass and tempering machinery offering unique in the market and first step towards unique integrated line offering.
- Unique extended offering enables acceleration in service business growth.
- Bystronic glass Architectural share of sales 37% (new equipment)

The acquisition is a first step towards an integrated line offering in Architectural glass

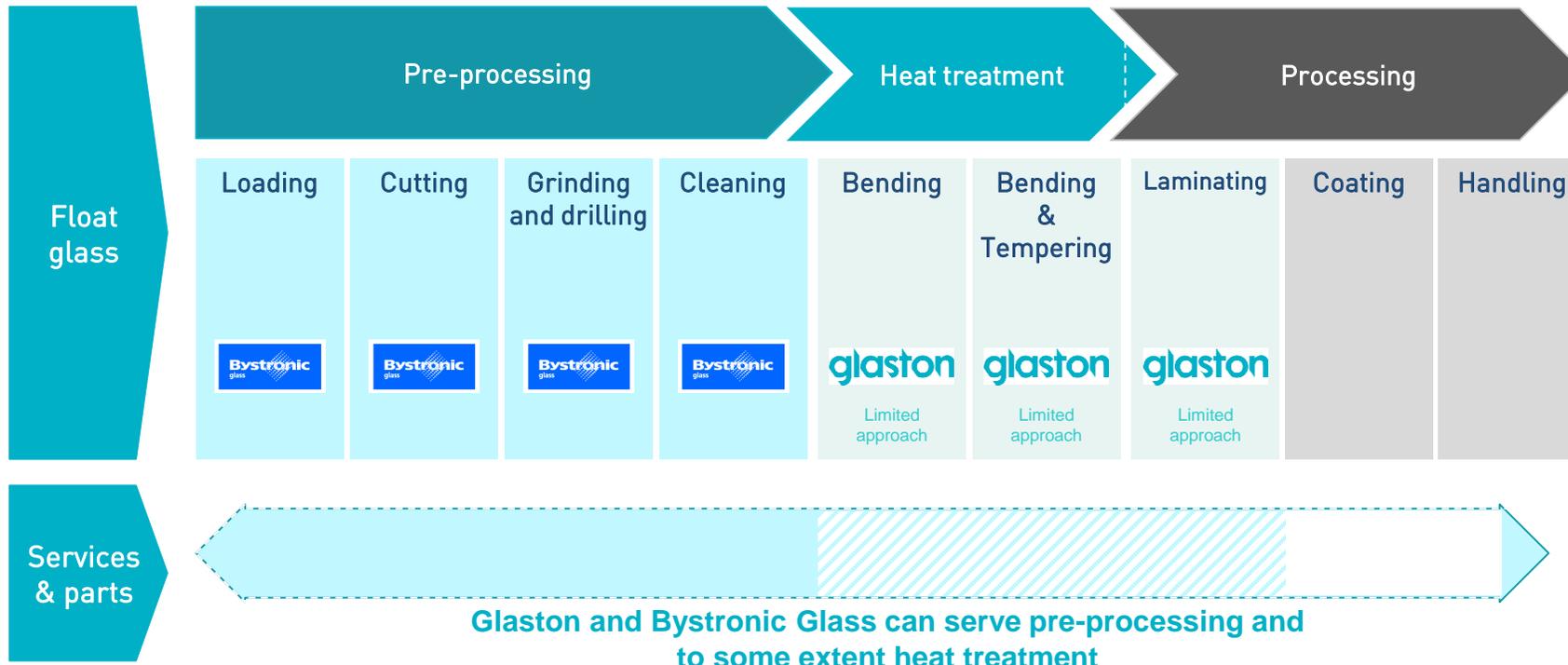


Strategic fit in Automotive and Display



Combined coverage in glass processing – Automotive

Glaston and Bystronic Glass have a complementary offering
For the automotive segment



- Bystronic Glass and Glaston have a complementary offering for the Automotive market
 - No overlapping offering.
- Services and spare parts can be offered to most parts of the value chain inhouse.
- Bystronic Glass has a stronger presence in automotive market than Glaston.
- Bystronic glass Automotive share of sales 25% (new equipment)

Bystronic glass

Products and customer segments

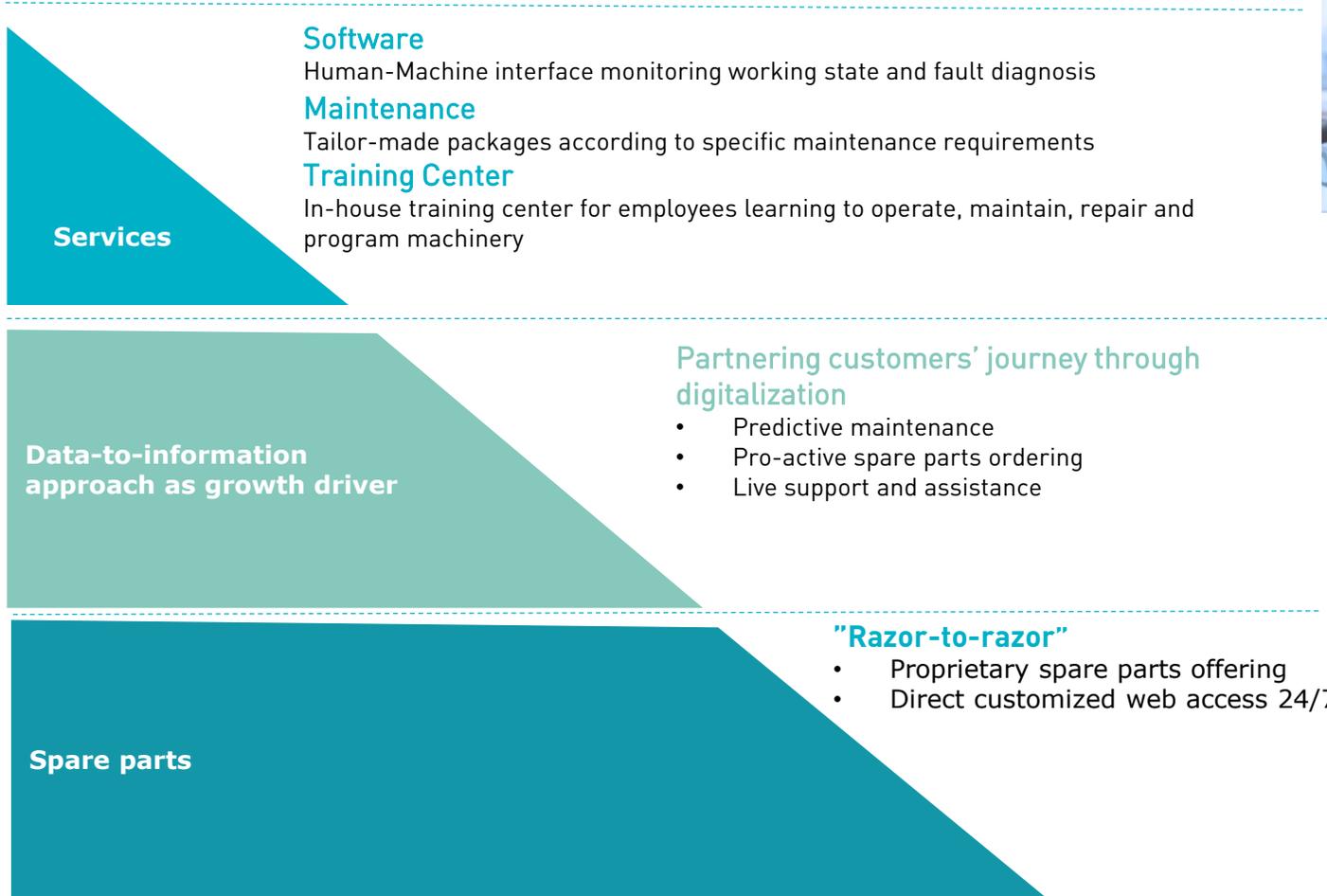


	Bystronic glass	Architecture	Automotive	Display	Spare Parts & Services
Description	Four specialized business units addressing value added segments of the flat glass machinery industry	IG production Integrated automated solutions for IG manufacturing Cutting Solutions for flat glass cutting in cooperation with Hegla	Machinery for pre-processing of Automotive glass	In-house developed offering dedicated to glass substrate manufacturers	Comprehensive offering to partner customer's journey
Products / solutions	Machinery for pre-processing and processing of flat glass	<ul style="list-style-type: none"> • B'JUMBO • B'SPEED • B'VARIO • B'ADVANCE • B'COMFORT • B'COMPACT 	<ul style="list-style-type: none"> • B'CHAMP <ul style="list-style-type: none"> ○ B'CHAMP SPEED ○ B'CHAMP SPEED 2in1 (cutting with or without a template) 	<ul style="list-style-type: none"> • B'BRIGHT: <ul style="list-style-type: none"> ○ LCD glass substrate ○ Automotive display panels 	<ul style="list-style-type: none"> • Proprietary spare parts • Full range of services: Software, maintenance, training, phone hotline
Positioning	Only player involved in both Architecture and Automotive in the High-end segment	High-end and mid-segments	High-end segment	High-end and mid-segments	Premium position and unrivalled position for aftermarket services
Market share*	Global Top 3	Top 2	Top 2	Ideally positioned to realize growth opportunities	Best-in-class aftermarket services provider

* Based on Bystronic Glass' management estimate

Bystronic glass

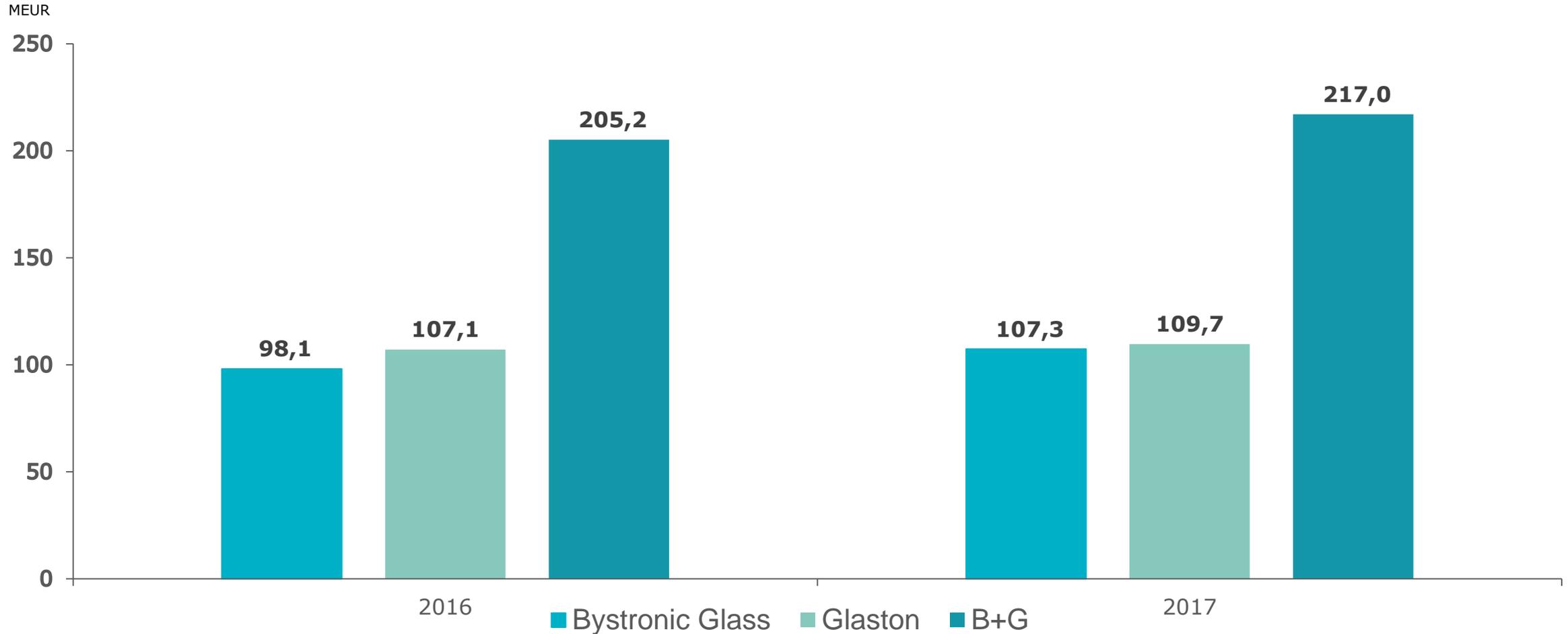
Spare parts and services -significant revenue contributor
(38% of sales)



Leveraging existing installed base

- Comprehensive services offering as real differentiator
- Source of recurring topline
- Installed base will sustain future activity in Spare parts & Services
- In addition to own installed base, 3rd party machinery servicing started
- Additional growth potential from development of new services based on digitalization/access to customer data

Company size will grow significantly



**The combined financial information is presented for illustrative purposes only. The combined financial information gives an indication of the combined company's net sales assuming the activities were included in the same company from the beginning of the last financial year. The combined financial information is based on a hypothetical situation and should not be viewed as pro forma financial information as differences in accounting principles and the purchase price allocation impact have not been considered. Glaston's financial information is prepared in accordance with IFRS and Bystronic glass's financial information consisting of the Bystronic glass's segment information included in the financial statements of Conzzeta AG for the financial year 2017 and 2016 are prepared in accordance with Swiss GAAP FER.*

Bystronic glass acquisition price EV EUR 68 million

Glaston's current Market Cap ~EUR 80 million



(Swiss GAAP FER)

	2017 EUR million	2017 CHF million	2016 EUR million	2016 CHF million
Net sales	107.3	119.3	98.1	106.9
EBIT	5.7	6.3	0.9	1.0
EBIT%	5.3%		0.9%	
Comparable EBIT*	5.7	6.3	4.2	4.6
Comparable EBIT%	5.3%		4.3%	
Net operating assets**	20.8	23.1	17.7	19.3

*Bystronic glass' 2016 EBIT includes CHF 3.6 million (EUR 3.3 million) related to restructuring costs in connection with cost-reduction measures in Europe and global process optimization that are, based on management's preliminary assessment, considered to be outside ordinary course of business and which are considered as adjusting items in accordance with Glaston's principles.

**Net operating assets include the operating current and fixed assets (not including cash, cash equivalents and securities, non-operating financial assets and deferred tax assets) less operating liabilities (not including financial liabilities and deferred tax liabilities).

Glaston's and
Bystronic glass's
combined
net sales 2017 EUR
217 million



(IFRS)

	2017 EUR million (restated)	2016 EUR million
Net sales	109.7	107.1
EBIT	4.6	2.3
EBIT%	4.2%	2.1%
Comparable EBIT*	5.0	2.8
Comparable EBIT%	4.6%	2.6%

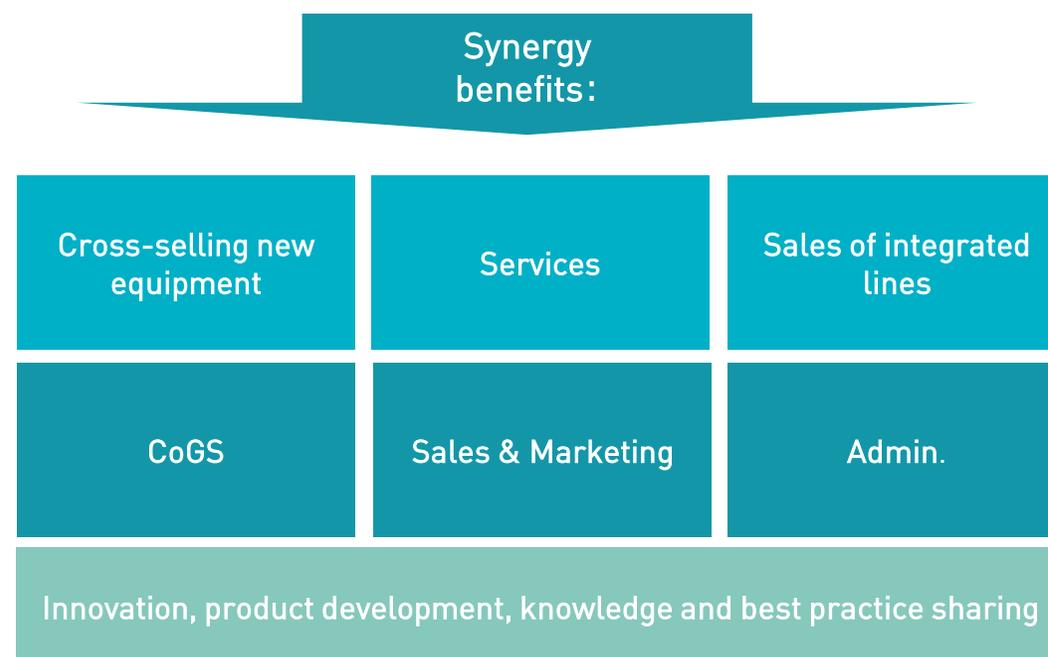
*Glaston's EBIT 2017 includes items affecting comparability, totaling EUR 0.4 million related to the sale of the pre-processing machine business in the USA and Canada, real estate divestment and to the restructuring of operations in Brazil. Glaston's EBIT 2016 includes items affecting comparability totaling EUR 0.5 million related to the closure of production in Brazil during 2016.

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The combination of Glaston and Bystronic glass is expected to result in significant benefits for the stakeholders



- Synergies in services sales and cross-selling new equipment.
- Estimated annual cost synergies of approximately EUR 4 million, mainly in Cost of Goods Sold, sales & marketing and administration, by year 2021.
- One-time costs and capital expenditure related to the achievement of synergies are estimated at EUR 7-8 million over the same period. The majority of one-time costs is estimated to occur during the first year of integration.
- Additional synergy potential relating to product development, procurement, fixed cost leverage and best practice sharing.
- The acquisition is expected to be accretive to Glaston's earnings per share adjusted for transaction related one-time costs in 2019 and accretive to earnings per share from 2020.



Key steps and financing of the transaction



Financing of the acquisition and future Glaston Group operations

40 MEUR term loan	3 year maturity from the closing of the acquisition. To be used for financing of the transaction and the refinancing of Glaston's existing facilities.
35 MEUR revolving credit facility	To be used for financing of future working capital needs and guarantees.
32 MEUR bridge financing and rights issue	Bridge financing in an aggregate amount of EUR 32.0 million for the equity financing to be raised through the rights issue. Rights issue of approximately EUR 32 million planned, expected to be launched in Q2/19
15 MEUR directed share issue	A directed share issue of EUR 15 MEUR planned to certain large shareholders of Glaston

Key steps

- EGM to convene on or about 26 Feb 2019, to authorize the Board of Directors to resolve on share and rights issue.
- The Directed Share Issue is expected to be completed in connection with closing of the acquisition targeted to the end of the first quarter of 2019.
- The closing of the acquisition is subject to regulatory approvals and certain other customary conditions.
- The Rights Issue is expected to be launched during the second quarter of 2019.

Considerations



- Diverting from Glaston's policy to provide guidance at the latest in connection with the publishing of the financial statement bulletin, Glaston will consider providing guidance for 2019 at a later stage due to the schedule of the closing of the acquisition.
- Glaston Corporation's name will remain unchanged and its shares will continue to be listed on Nasdaq Helsinki. Arto Metsänen will continue as Glaston's President and CEO, Sasu Koivumäki as Deputy CEO and Päivi Lindqvist as CFO.
- Glaston will revert to corporate governance, organizational and reporting structures as soon as possible.



Summary: Glaston strengthens its position as a leading player in the market



1

The acquisition is a response to market demand for efficiency, more demanding requirements for glass features, safety and quality as well as an increased focus on services.

2

Highly complementary combined portfolios enable a move towards a complete offering in glass processing technologies for architectural and automotive markets.

3

Combined services offering will lead to appealing benefits for the customers and provide a base for further development of services covering the whole processing chain in the future.

4

Supports Glaston's move towards fully automated lines and strengthens its position in smart glass and other integrated line solutions, capturing higher share of the total profit margin for the deliveries.

5

Compelling revenue and cost synergies.

6

Gaining scale and creating unique platform for further industry consolidation.

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Thank you!