

Glaston Q4 & January–December 2018

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12 Feb. 2019

Good fourth quarter 2018 development



- Orders received grew by 18% and totaled EUR 33.9 (28.8) million.
- Net sales totaled EUR 27.8 (29.7) million.
- Comparable EBITDA was EUR 3.2 (2.2) million, 11.5 (7.3)% of net sales.
- Operating profit was EUR 1.1 (1.2) million, 4.1 (4.1)% of net sales.
- Comparable operating profit improved to EUR 2.5 (1.4) million, 8.8 (4.8)% of net sales.
- Earnings per share were EUR 0.005 (0.003).
- The comparable earnings per share were EUR 0.012 (0.005).
- Cash flow from business operations was EUR 5.2 (7.3) million.



1-12/2018 in brief



- Orders received totaled EUR 107.6 (103.7) million, +4%.
- The order book on 31 December 2018 was EUR 38.2 (34.1) million, +12%.
- Net sales totaled EUR 101.1 (109.7, taking into account sold business operations 106.7*) million.
- Comparable EBITDA was EUR 8.2 (8.0) million, 8.1 (7.3)% of net sales.
- The operating profit was EUR 3.4 (4.6) million, 3.4 (4.2)% of net sales.
- The comparable operating profit improved to EUR 5.2 (5.0) million, 5.2 (4.6)% of net sales.
- Return on capital employed (ROCE) was 6.8 (9.2)%.
- Comparable ROCE was 10.5 (10.0)%.
- Earnings per share were EUR 0.011 (0.014).
- The comparable earnings per share were EUR 0.021 (0.016).
- The Board of Directors proposes, subject to decision by the Extraordinary General Meeting, that a return of capital of EUR 0.006 per share be paid before the reverse share split to be approved by the Extraordinary General Meeting to be held on 26 February, which is equivalent to approximately EUR 0.03 per share after the reverse share split proposed by the Board of Directors.

* 2017 figures excluding sold pre-processing and tools businesses.

Q4 market development



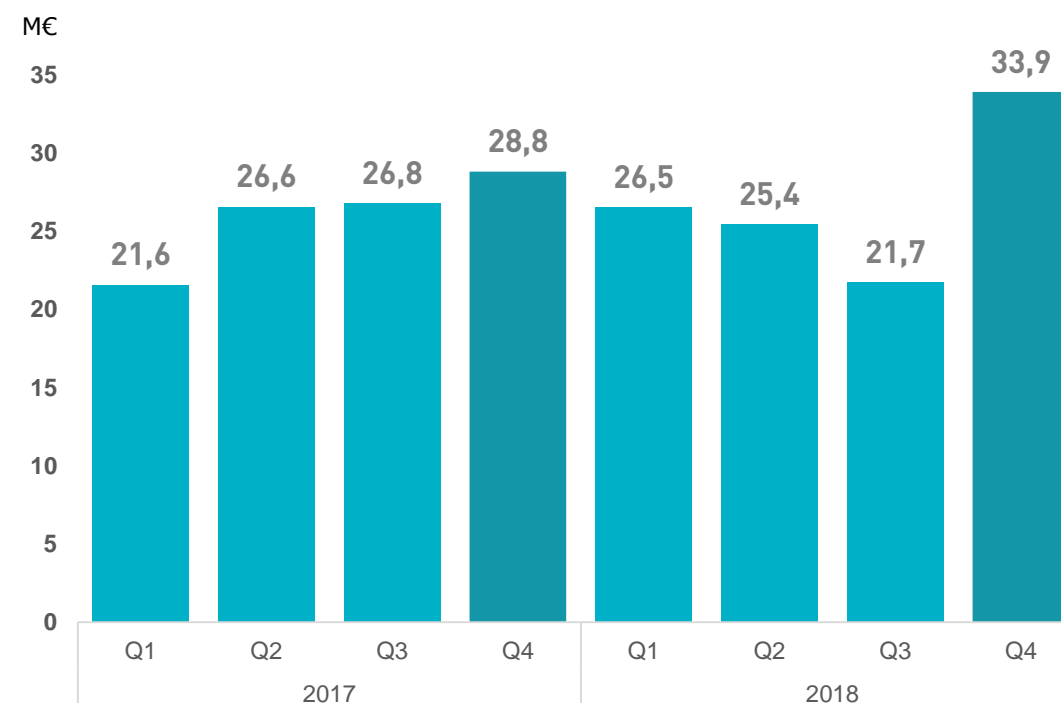
- Euro area growth weakened slightly towards the end of 2018. Trade policy tensions and the long-running and confusing Brexit situation further increased uncertainty.
 - In Central Europe, and particularly in Germany and Austria, glass processing investment activity continued to be good. Tightening of Finland's operational safety regulations for glass structures increased demand and investment.
- Confidence in the US economic outlook continued to be strong in the fourth quarter, and GDP development continued to be good. Demand in Glaston's market and customers' willingness to invest clearly picked up in the review period.
- In Asia especially South east Asia developed positively.



Q4/18: orders received record high



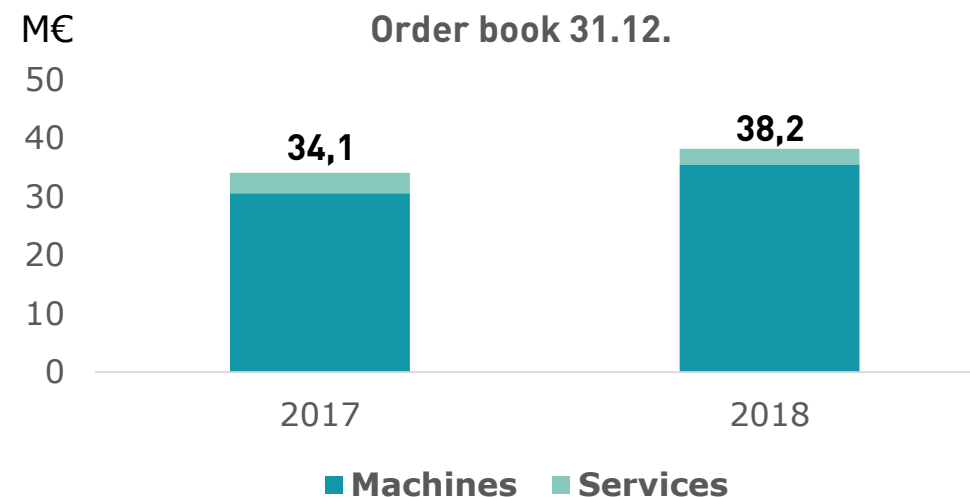
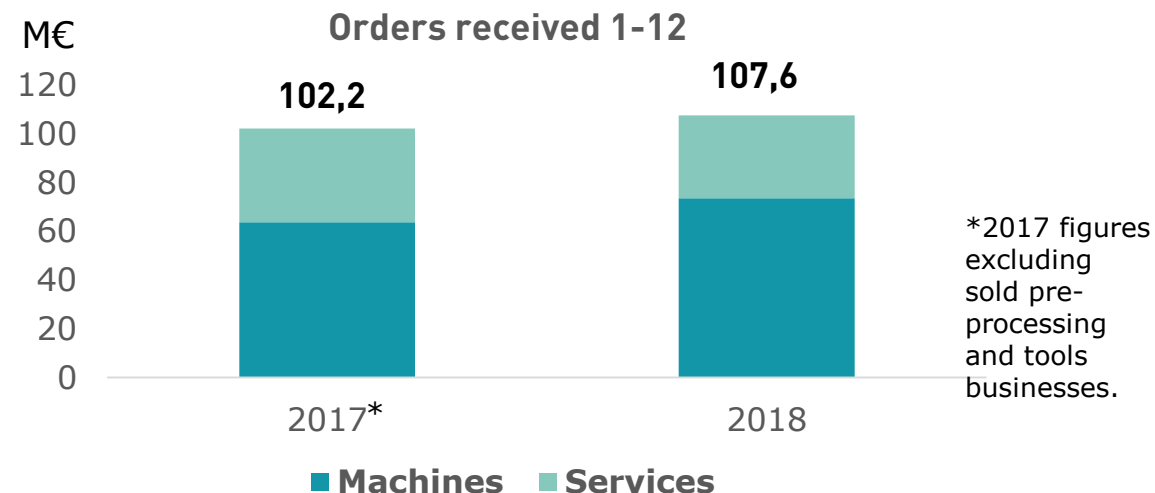
- Q4 record high order intake EUR 33.9 (28.8) million, +18%.
- Machines order intake grew +35% to EUR 26.6 (19.6) million.
 - The largest orders received from the USA, Poland, the United Arab Emirates, Australia and New Zealand.
 - As a result of stricter operational safety regulations for glass structures, Glaston received a number of orders from various operators in Finland.
- Services' Q4 order intake EUR 7.3 (9.2) million.
 - Demand for heat treatment machine maintenance services was lower than in previous quarters, with customers concentrating on new equipment purchases at the Glasstec fair.



1-12/18: orders received and order book



- Orders received grew to EUR 107.6 (103.7, taking into account sold business operations 102.2) million.
- Book-to-bill ratio 1.06
- At the end of the period Glaston's order book totaled EUR 38.2 (34.1) million, +12%.
 - Machines' order book grew 16% to EUR 35.5 (30.6) million.
 - Services' order book decreased 23 % to EUR 2.7 (3.5) million.



Q4/18: net sales 27.8 MEUR



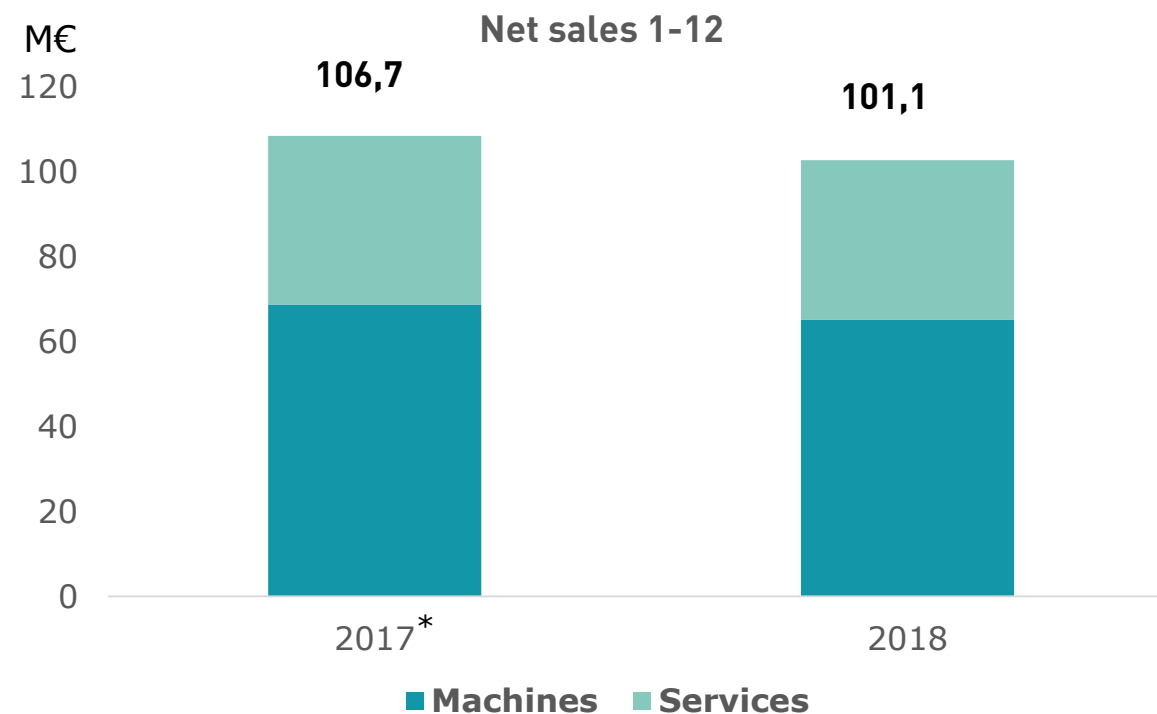
- Glaston's Q4 net sales were EUR 27.8 (29.7) million, -6 % compared to previous year's corresponding period.
 - Machines' net sales decreased 10% to EUR 17.3 (19.2) million.
 - Services net sales at last year's level EUR 11.0 (11.1, taking into account sold business operations 10.8) million, a decrease of 1 % from last year.
 - The sale of the Tools business, implemented at the end of November, reduced the net sales of the Services business in the fourth quarter. Comparable net sales grew 1%.



1-12/18: net sales 101.1 MEUR

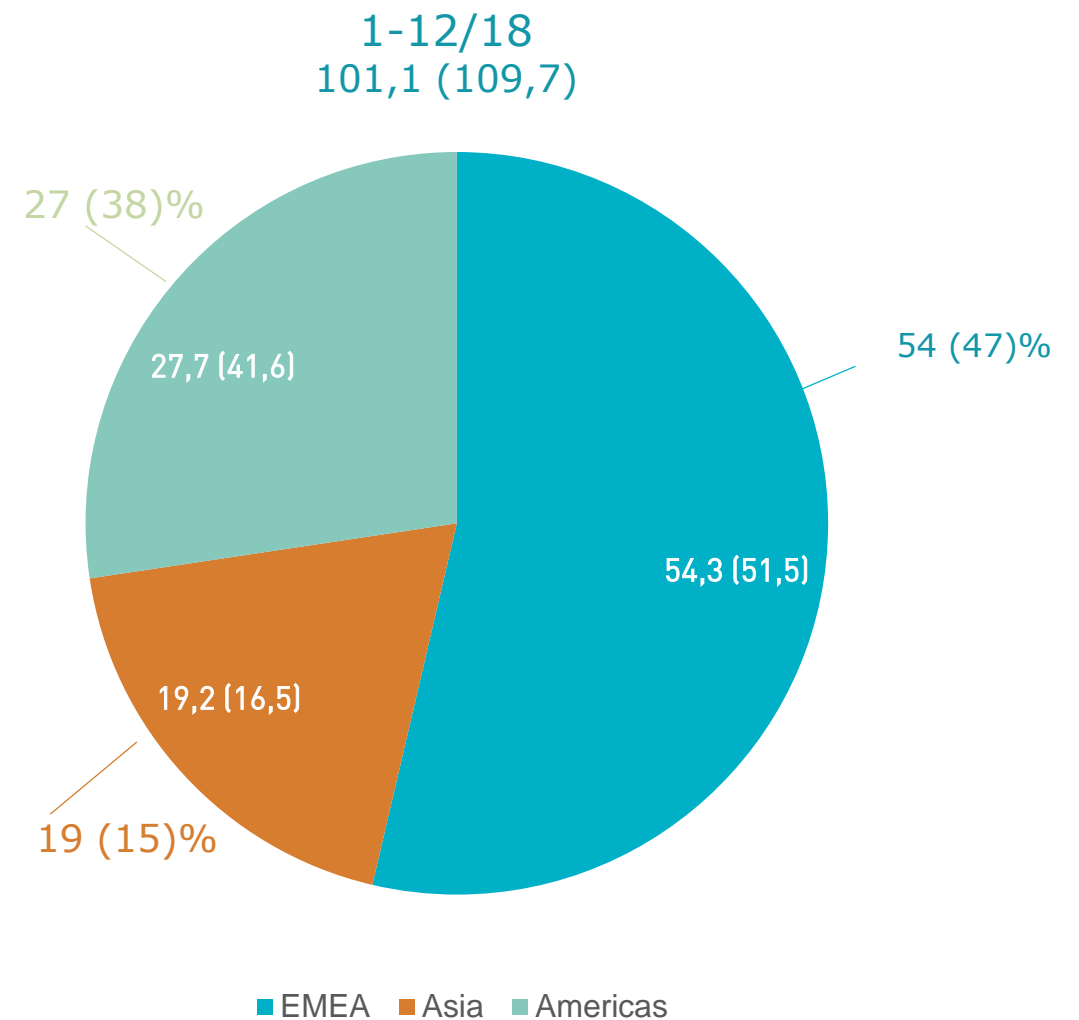
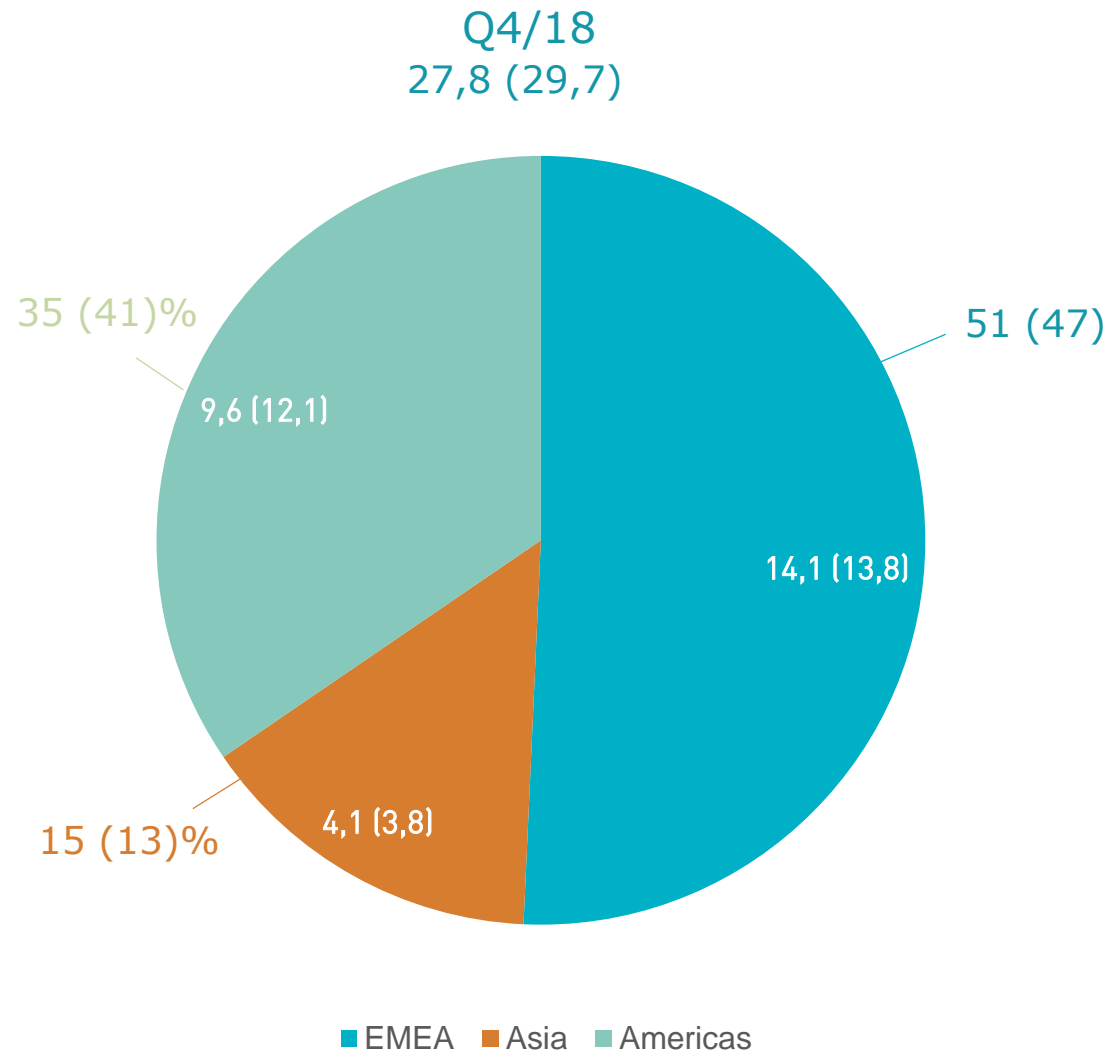


- January – December net sales decreased 8% and totaled EUR 101.1 (109.7, taking into account sold business operations 106,7) million.
 - Machines' net sales totaled EUR 65.2 (68.8) million.
 - Services net sales decreased 12% and totaled EUR 37.6 (42.8, taking into account sold business operations 39.8) million.



* 2017 figures excluding sold pre-processing and tools businesses.

Net sales by region Q4 and 1-12/18



Emerging Technologies: Glaston's growth driver

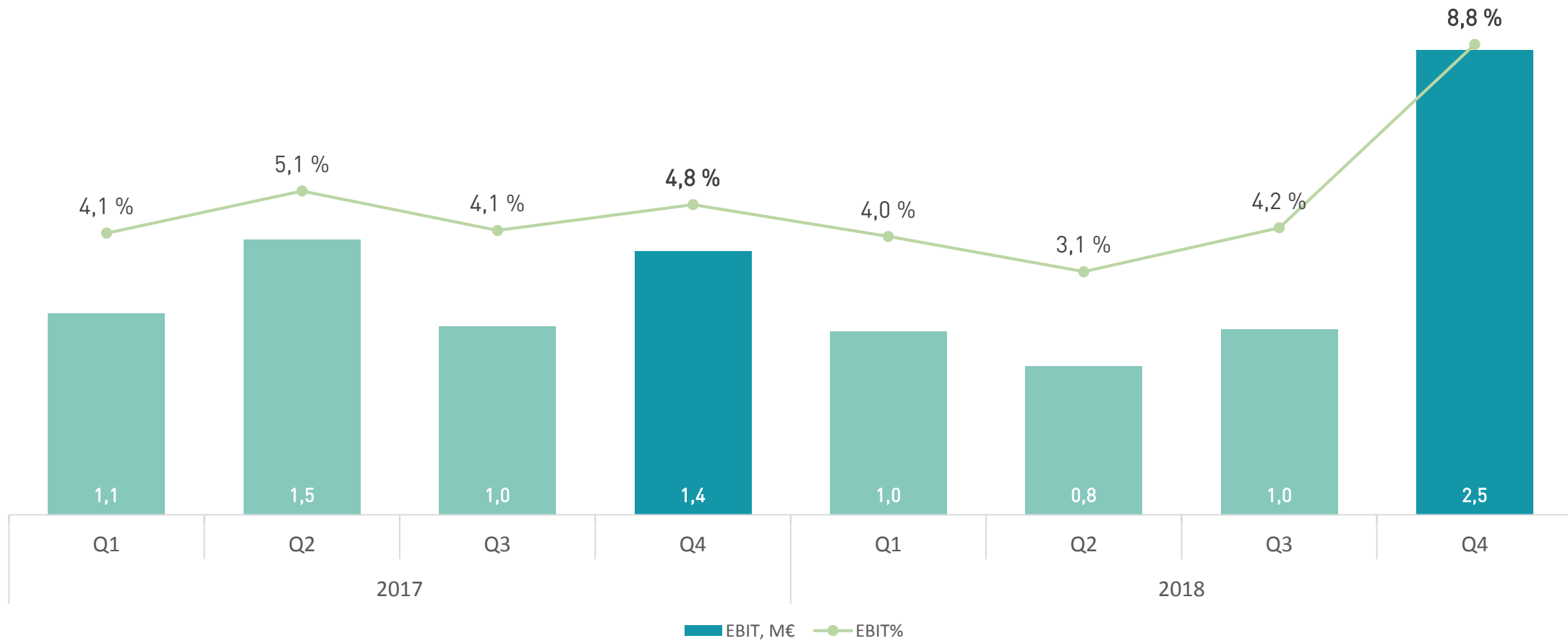


- The GlastonAir™ tempering machine ordered in autumn 2017, was delivered to China during autumn 2018. Installation at the customer's factory has begun and is expected to be completed by the end of the third quarter.
- In the fourth quarter, test production on the Heliotrope prototype line continued. Heliotrope and Glaston expect that the first line will be ordered during 2019.
- Glaston's acquisition of Bystronic glass, implemented in 2019, strengthens the company's position in intelligent glass and other integrated line solutions, enabling higher overall margins for deliveries.
- Emerging Technologies received its first order for the automotive industry in January 2019.



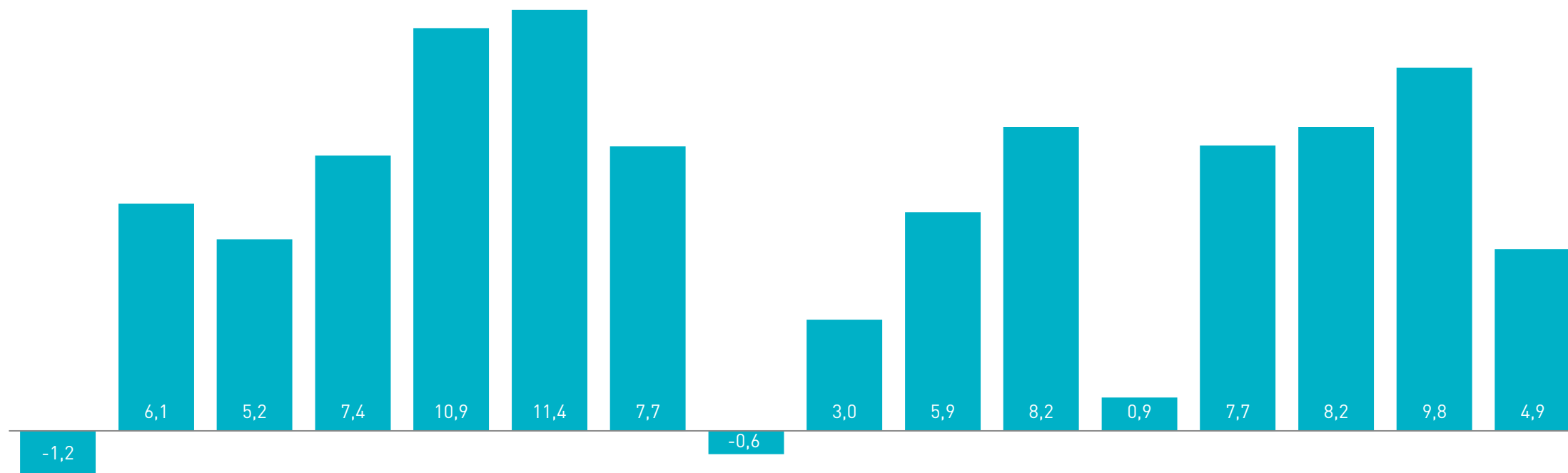
Q4 comparable EBIT improved

Record-high EBIT% 8.8%



Good cashflow from business operations improved net debt

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M€ Q1/2015 Q2/2015 Q3/2015 Q4/2015 Q1/2016 Q2/2016 Q3/2016 Q4/2016 Q1/2017 Q2/2017 Q3/2017 Q4/2017 Q1/2018 Q2/2018 Q3/2018 Q4/2018

Events after the closing of the period

On 25 Jan. Glaston announced the signing of the Bystronic glass acquisition for EV EUR 68 Million



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.

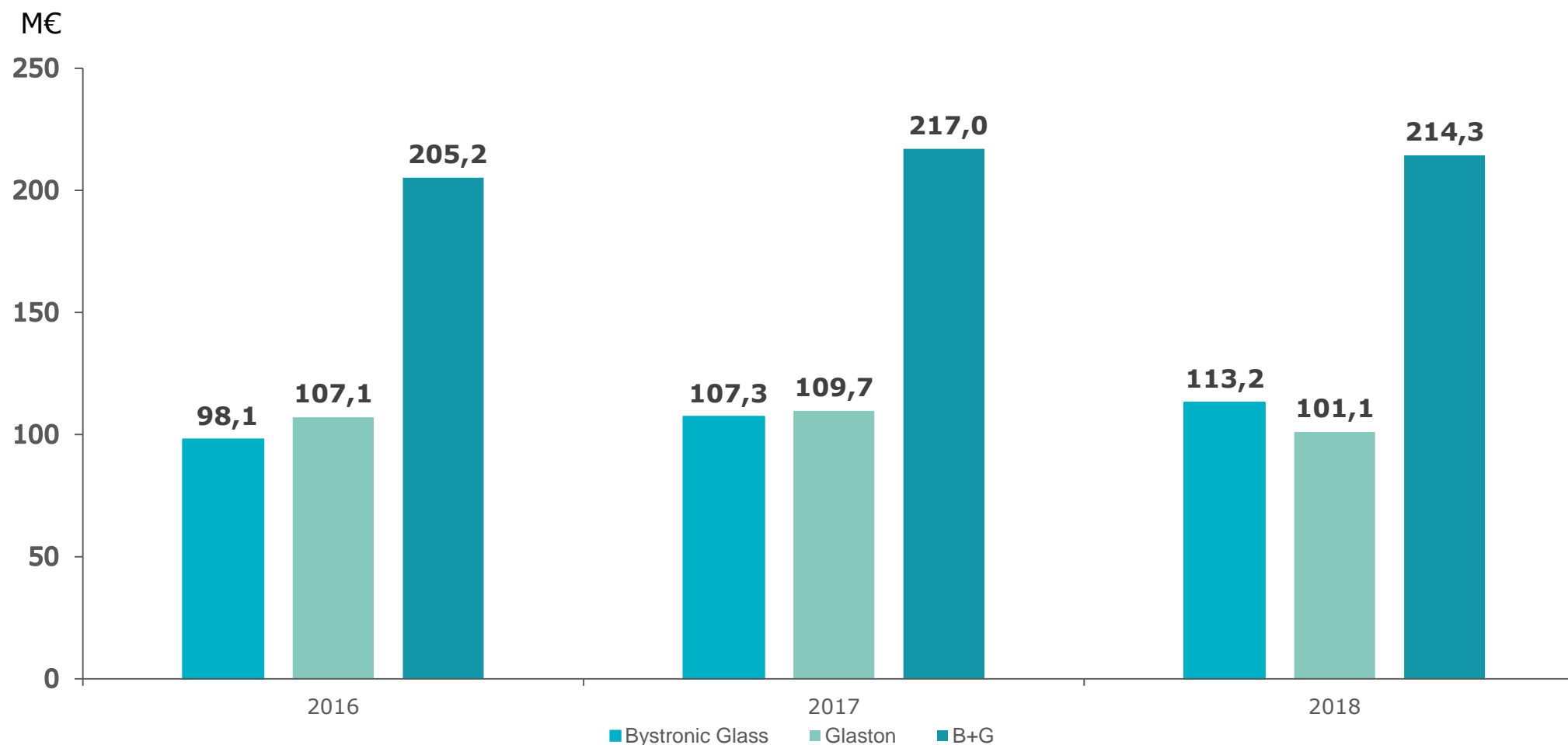
5

Compelling revenue and cost synergies.

6

Gaining scale and creating unique platform for further industry consolidation.

The company size will grow significantly



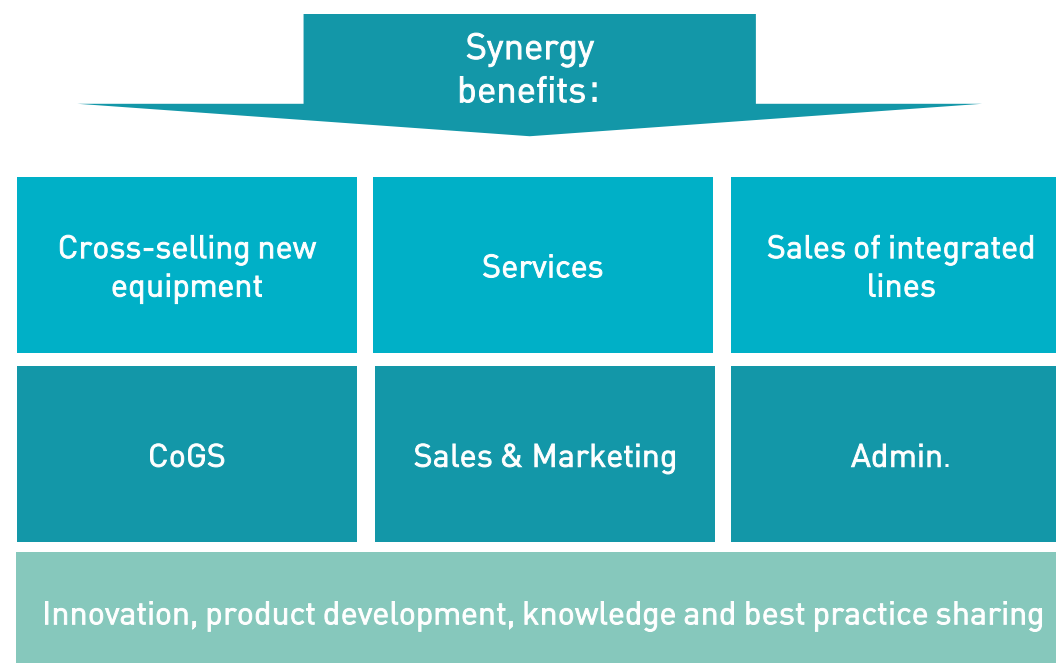
Conzzeta AG will publish
2018 annual results,
including Bystronic glass
EBIT, on 20 March 2019

The figures for Bystronic glass have been converted into euros using the European Central Bank's EUR / CHF average exchange rate between 1 and 12/2018, 1-12 / 2017 and 1-12 / 2016. 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.

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.





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Glaston's (and Bystronic's) customer in January 2019:

“Combining Glaston and Bystronic glass is the best thing that will happen this year”

Next 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

Next steps

- EGM to convene on 26 Feb 2019, to decide on reverse split, 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.

Glaston's outlook for 2019



- The company's business is seasonal and, historically, the first quarter of the year is generally the weakest and the fourth quarter the strongest.
- Net sales and comparable operating profit are expected to be low for the first quarter of 2019, due to the low number of new orders received in the third quarter and the beginning of the fourth quarter of last year.
- Deviating from Glaston's disclosure policy and due to the timetable of the Bystronic glass acquisition, Glaston will disclose information on its outlook for the whole of 2019 at a later stage.

Reverse share split



- Glaston Corporation (“Glaston” or “Company”) plans to reduce the number of all shares in the Company through a reverse share split procedure so that each five (5) shares shall be merged as one (1) share.
- The Board of Directors of Glaston proposes the reverse share split to the Extraordinary General Meeting to be held on 26 February 2019.
- The purpose of merging the shares is to increase interest in the Company’s share, to facilitate trade in the shares, and to increase flexibility in connection with a possible distribution of funds. The Board of Directors thus holds that merging the shares is in the interest of the Company and all of its shareholders and that the Company therefore has a weighty financial reason for the reverse share split and the related redemption of shares. The reverse share split does not affect the Company’s equity. The reverse split requires the approval by the Extraordinary General Meeting.
- The proposal by the Company’s Board of Directors in its entirety may be found from the Company’s website www.glaston.net and in the notice to Glaston’s Extraordinary General Meeting published on 1 February 2019.

BOD proposal on the distribution of profits



- The distributable funds of Glaston Corporation are EUR 14,294,804, of which EUR 24,344 represents the loss for the financial year. The company has no funds available for dividend distribution.
- The Board of Directors proposes to the Annual General Meeting to be held on 4 April 2019 that the loss for the financial year be placed in retained earnings and that no dividend be paid.
- The Board of Directors proposes to the Annual General Meeting that, on the basis of the balance sheet adopted for financial period 2018, a return of capital of EUR 0.006 per share, a total of EUR 1,157,067, be distributed before the reverse share split to be approved by an Extraordinary General Meeting to be held on 26 February, which is equivalent to approximately EUR 0.03 per share after the reverse share split proposed by the Board of Directors.
- The return of capital will be paid from the reserve for invested unrestricted equity to shareholders who are registered in the company's register of shareholders, maintained by Euroclear Finland Ltd, on the record date for payment, 6 April 2019. The Board of Directors proposes to the Annual General Meeting that the return of capital be paid on 25 April 2019.



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Thank you!