



glaston

Glaston Q1 & January–March 2019

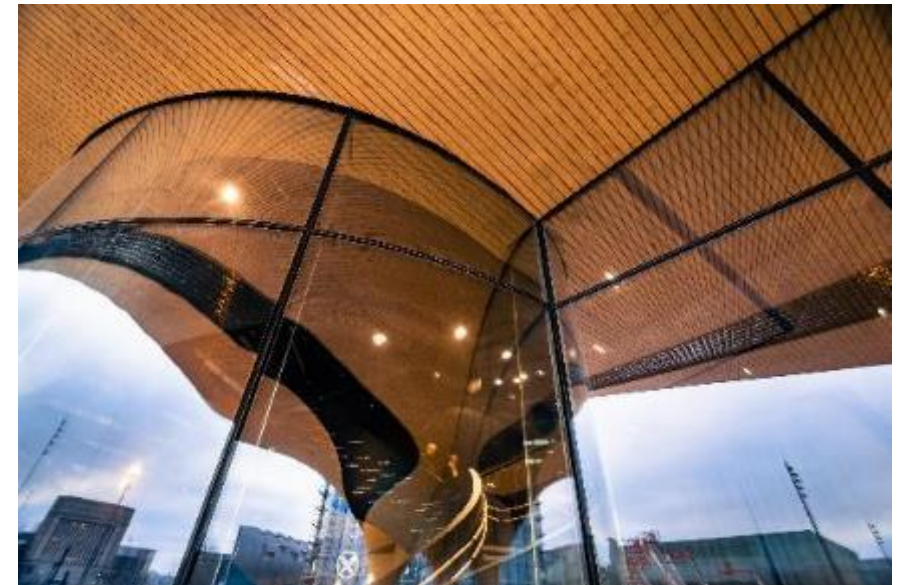
29 April 2019

Q1/19: Net sales and EBIT declined as expected



- Orders received totaled MEUR 22.9 (26.5, taking into account divested business operations* 25.5).
- Net sales totaled MEUR 20.8 (24.8, taking into account divested business operations* 23.7).
- The comparable operating result was MEUR 0.1 (1.1), i.e. 0.4 (4.4)% of net sales.
- Items affecting comparability, relating to the Bystronic glass acquisition totaled MEUR 0.8.
- The operating result was MEUR -0.8 (0.9 profit).
- Earnings per share were EUR -0.029 (0.009).
- The comparable earnings per share were EUR -0.008 (0.013).
- Cash flow from business operations was MEUR 1.8 (-6.6).

* In December 2018, Glaston sold its Tools business in Italy and the USA.

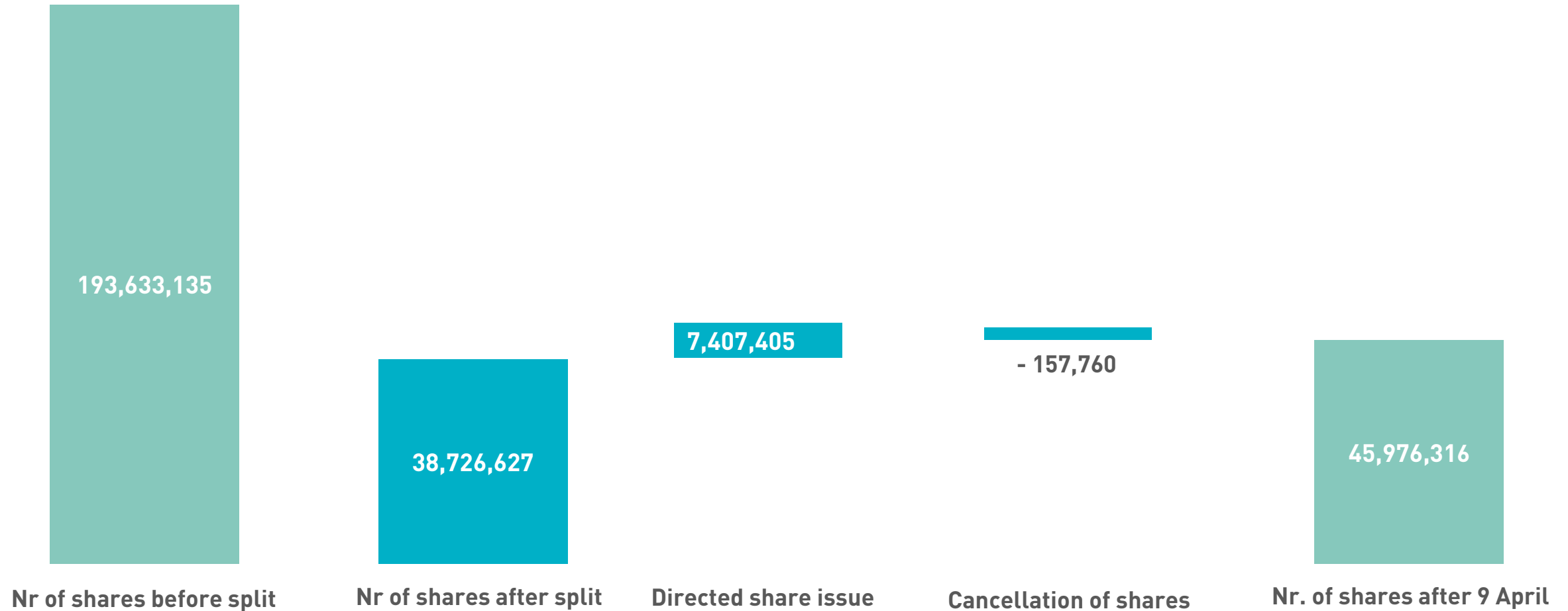


Highlights during and after the review period

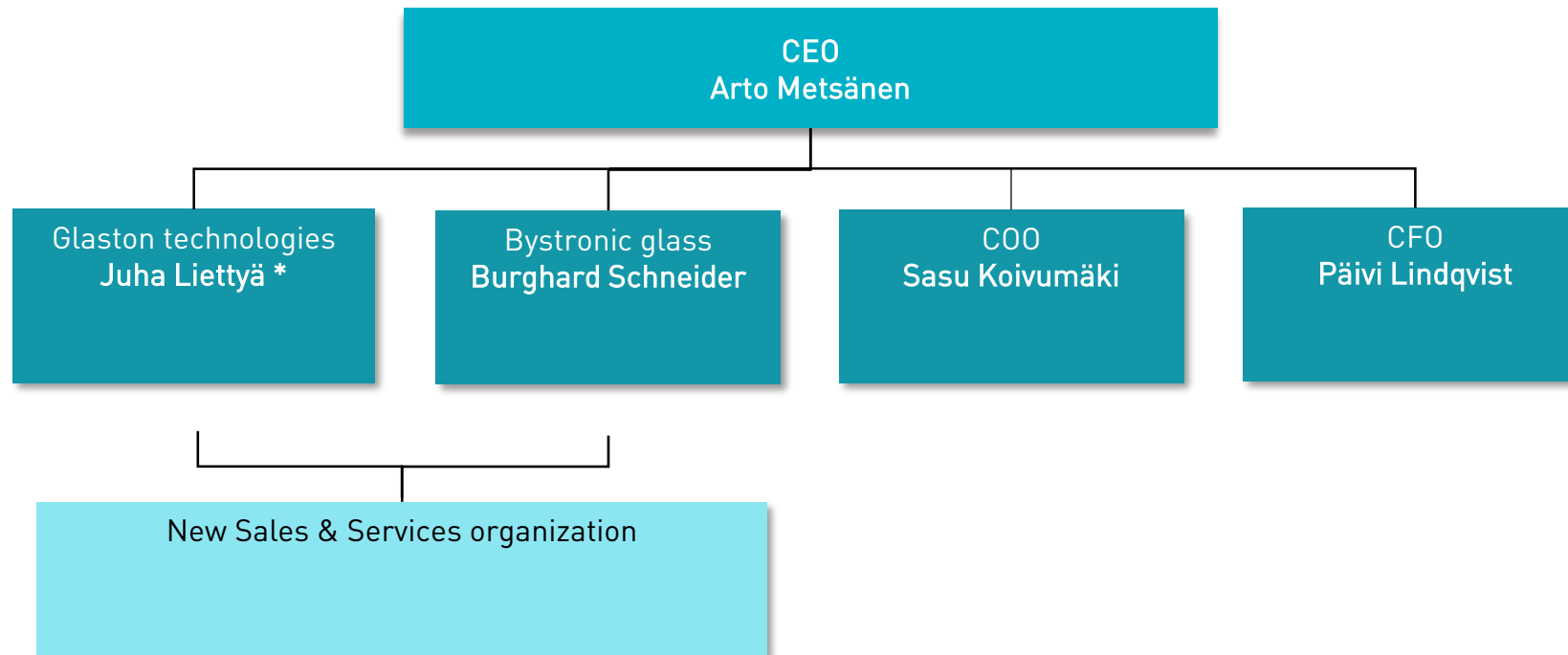


- Glaston agreed on historic acquisition: Bystronic glass, a global provider of high quality machinery, systems and services for glass processing acquired for an enterprise value of EUR 68 million.
- Reverse split in a ratio of 5:1 conducted.
- Glaston issued a total of 7,407,405 new shares at a subscription price of EUR 2.025 in a directed share issue to anchor investors. The proceeds of the directed share issue were a total of EUR 15 million.

Changes in number of shares



Changes in Executive Management Group as of 1 April 2019



* As of 1 May 2019

Market development Q1



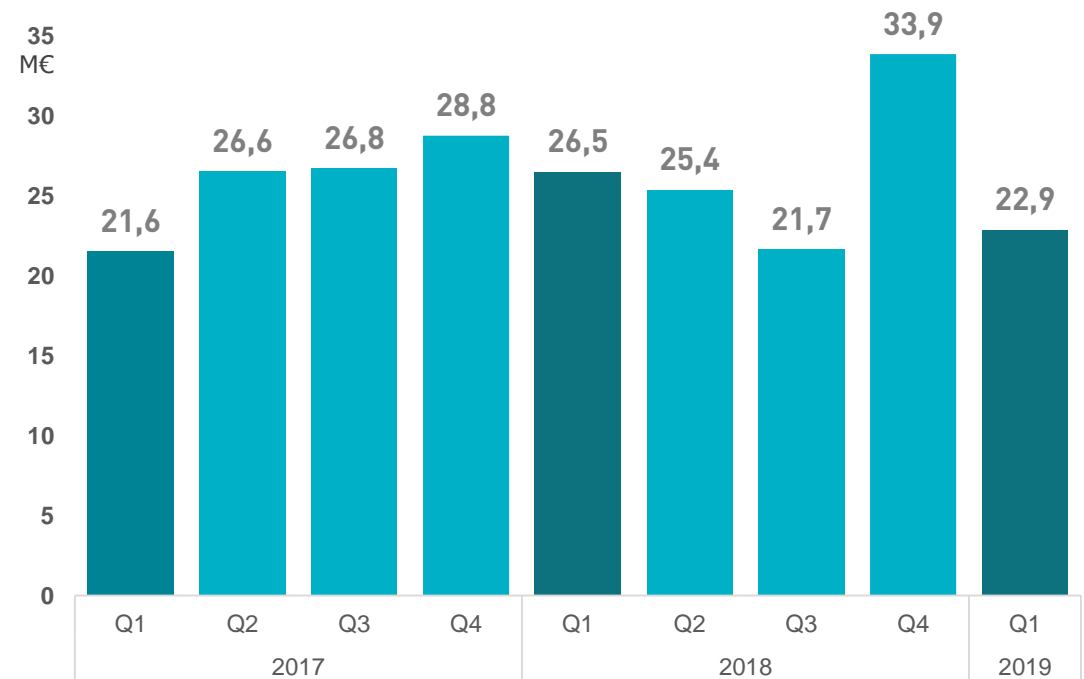
- Eurozone growth forecast for 2019 lowered. Brexit confusion and general world trade tensions increased uncertainty.
- Confidence in the US economic outlook continued to be strong in the first quarter, Demand in Glaston's market, and its customers' willingness to invest clearly picked up in the review period.
- Decision making slowed down in the Asia Pacific region.



Q1/19 order intake



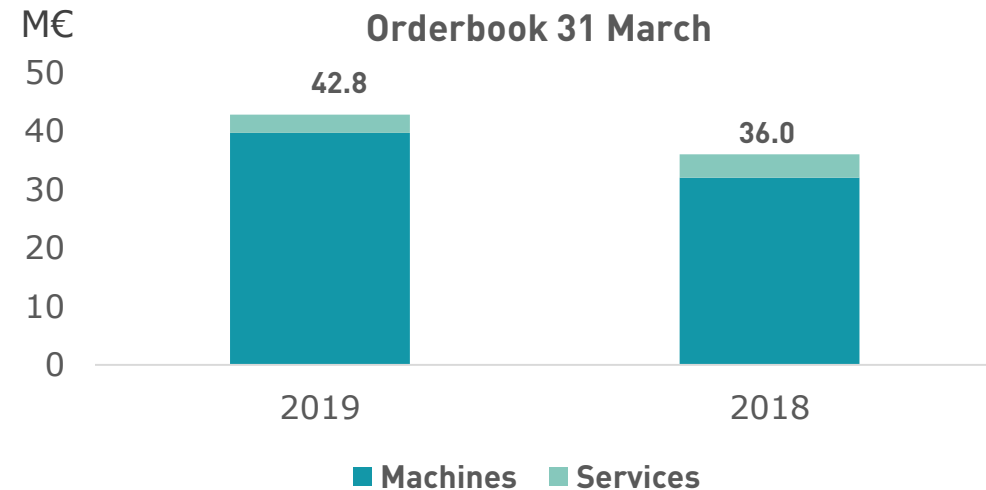
- Q1/19 order intake was MEUR 22.9 (26.5, taking into account divested business operations 25.5).
- Machines orders decreased 21% and totaled MEUR 14.1 (18.0).
 - Biggest orders received from US, Bulgaria, Poland and Qatar.
- Emerging Technologies received 2 strategically significant orders
 - Important openings towards new leading accounts within the automotive and aerospace industries. Monetary value less significant.
- Services comparable orders grew 17% and totaled MEUR 8.8 (7.5).



End of March 2019 orderbook grew 19%



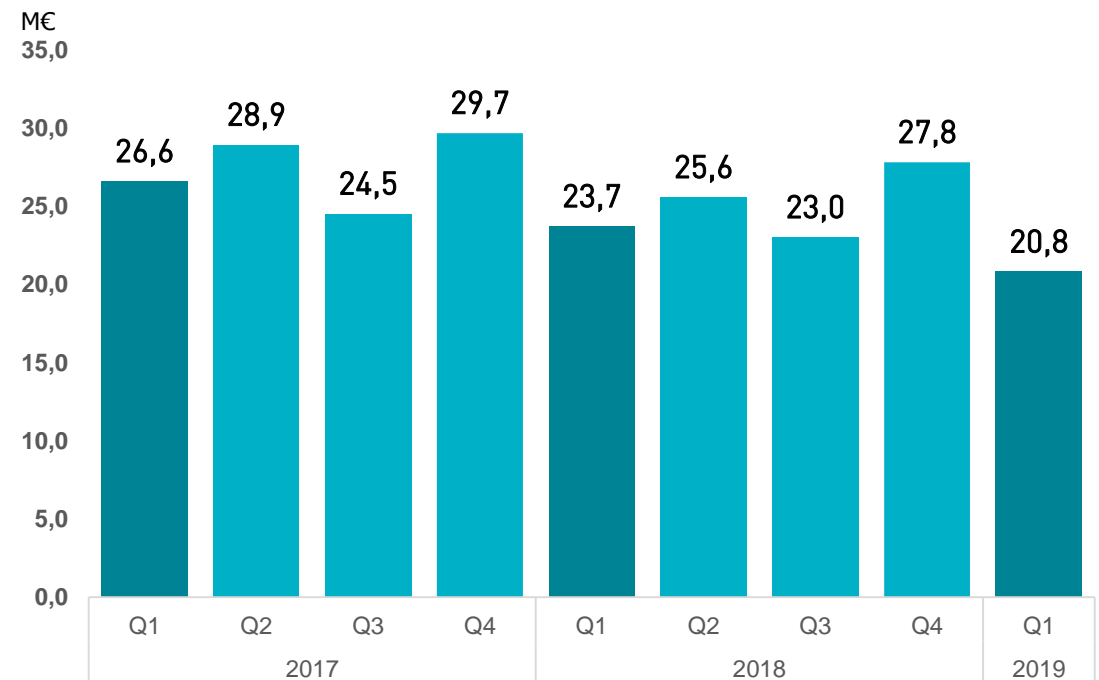
- Orderbook totaled MEUR 42.8 (36.0) at the end of the period, a growth of 19%
 - Machines orderbook grew 24 % and totaled MEUR 39.7 (32.0).
 - Services orderbook decreased 23% and totaled MEUR 3.1 (4.0).



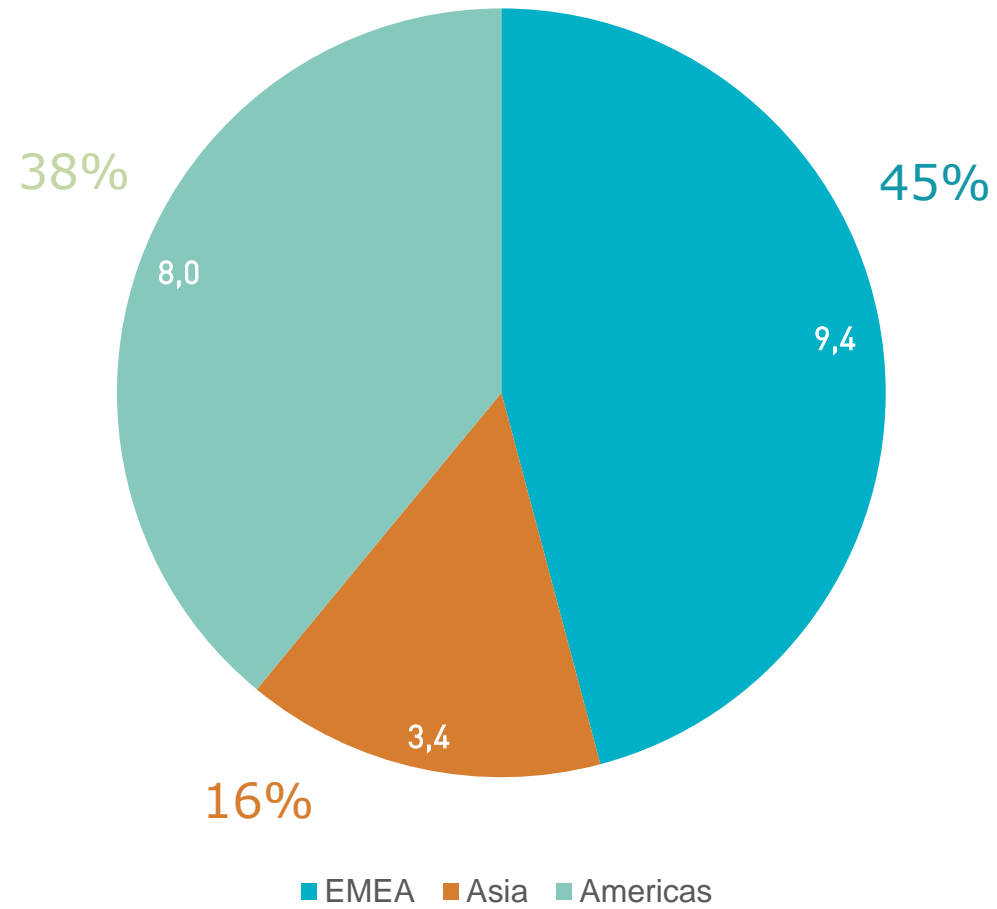
Q1/19: Net sales 20.8 MEUR



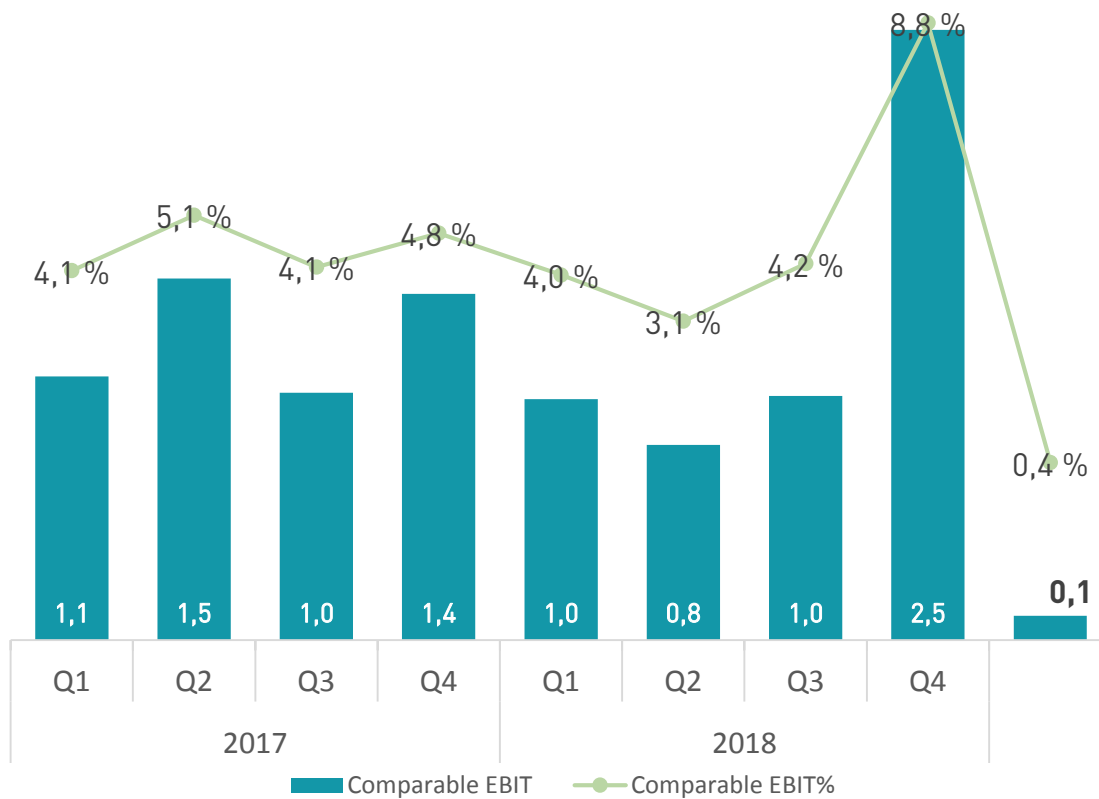
- Q1/19 Net sales declined 16% and totaled MEUR 20.8 (24.8, taking into account divested business operations 23.7). Taking into account the 2018 sale of the Tools business, the decline was 12%.
 - Net sales of the Machines business totaled MEUR 12.4 (16.3). The decline in net sales was primarily due to weak ordering activity in the third quarter and early fourth quarter of 2018.
 - Net sales of the Services business were approximately at the level of the corresponding period of the previous year, MEUR 8.8 (8.7, taking divested business operations in account 7.7) million. Taking into account divested business operations, the net sales of the Services business grew by 14%



Net sales by region Q1/19

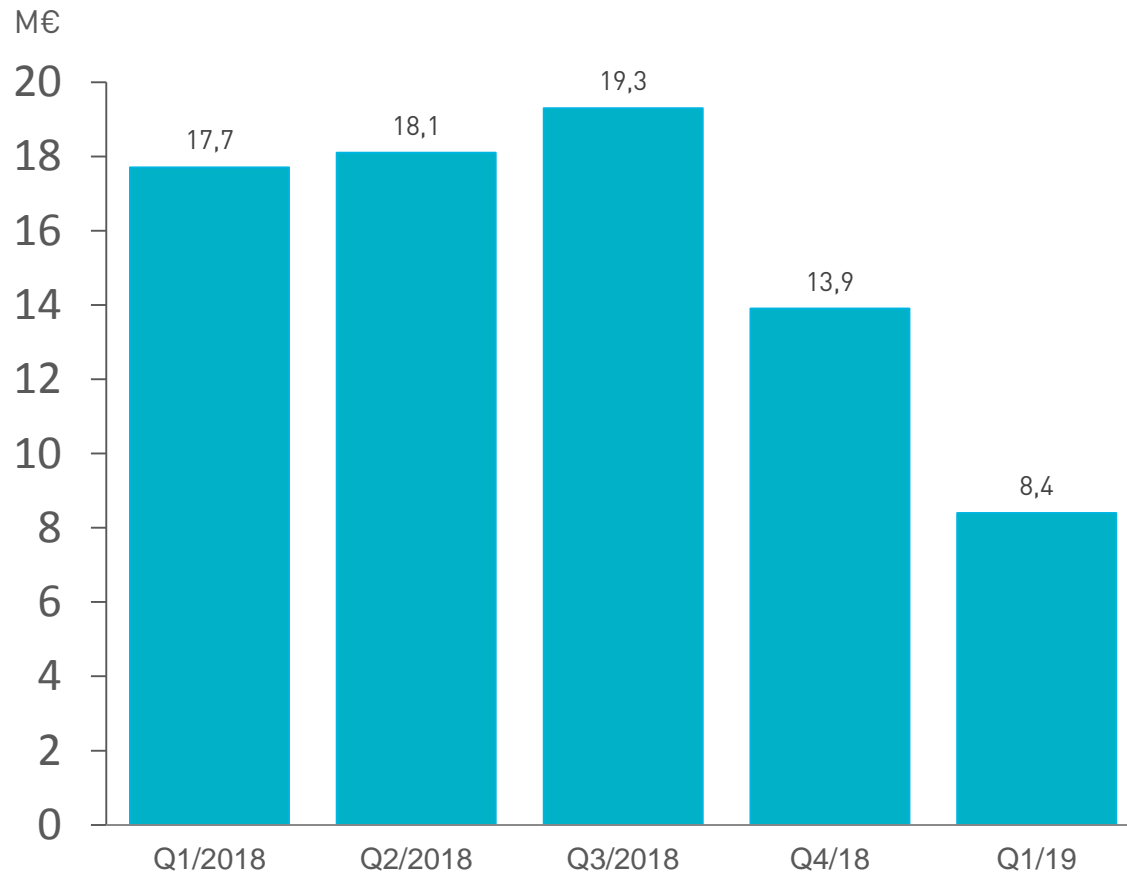


Q1 comparable EBIT weakened



- The lower operating result is primarily explained by the lower net sales of the Machines business. The impact was eased by growth in net sales of services related to heat treatment machines, improved gross margins for the entire heat treatment business, and the sale of the Tools business at the end of 2018. In addition, there was an increase in fixed costs, mainly personnel expenses.
- Items affecting comparability totaling MEUR 0.8 (0.2), related primarily to the acquisition of Bystronic glass.
- Earnings impacting transaction costs for the year 2019, including the first quarter, are expected to be approximately EUR 4 million out of which finance costs will be approximately EUR 1 million.

Interest bearing net debt decreased substantially



- Good cash flow contributed to net debt decrease.
- Subscriptions paid for the directed share issue MEUR 4.9 affected net debt positively
- Net gearing was 16.8 (48.5)%.
- IFRS 16 Leases, adopted at the beginning of 2019, increased the amount of debt by MEUR 8.9.

New long-term finance agreement



- In connection with the Bystronic acquisition, Glaston signed a new long-term financing agreement, which will be used for financing the transaction, refinancing Glaston's existing loan facilities as well as general working capital and guarantee needs.
- The package consists of borrowings by Glaston under senior secured credit facilities in an aggregate amount of EUR 75 million, comprising
 - (i) a term loan amounting to EUR 40 million and
 - (ii) a revolving credit facility amounting to EUR 35 million, each with 3-year maturity from the closing of the acquisition.
- The financial covenants used in the financing agreement are gearing (net debt/equity) and leverage (net debt/EBITDA). The covenants will be monitored quarterly.
- The term loans were raised 1 April 2019.

Glaston's outlook for 2019



- Bystronic glass will be consolidated as part of Glaston Corporation from 1 April 2019 and consequently, Glaston will have two reporting segments: Glaston and Bystronic glass. The Company estimates the acquisition to be earnings enhancing, also in terms of comparable earnings per share when compared to the situation excluding the acquisition.
- As stated in the stock exchange release, published on 12 February 2019, the Company will disclose information regarding its 2019 full-year outlook at a later stage. In addition, Glaston plans to publish Glaston's and Bystronic glass' unaudited combined financial information for 2018 and the first quarter of 2019 at the latest in connection with the planned rights issue, which is expected to begin during the second quarter of 2019.
- Some of Glaston's (excluding Bystronic glass) orders received in the latter part of 2018 will be delivered in the second half of the year, which will shift net sales and operating result to later than normal.



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Thank you!