



January–March
2021

Glaston Corporation

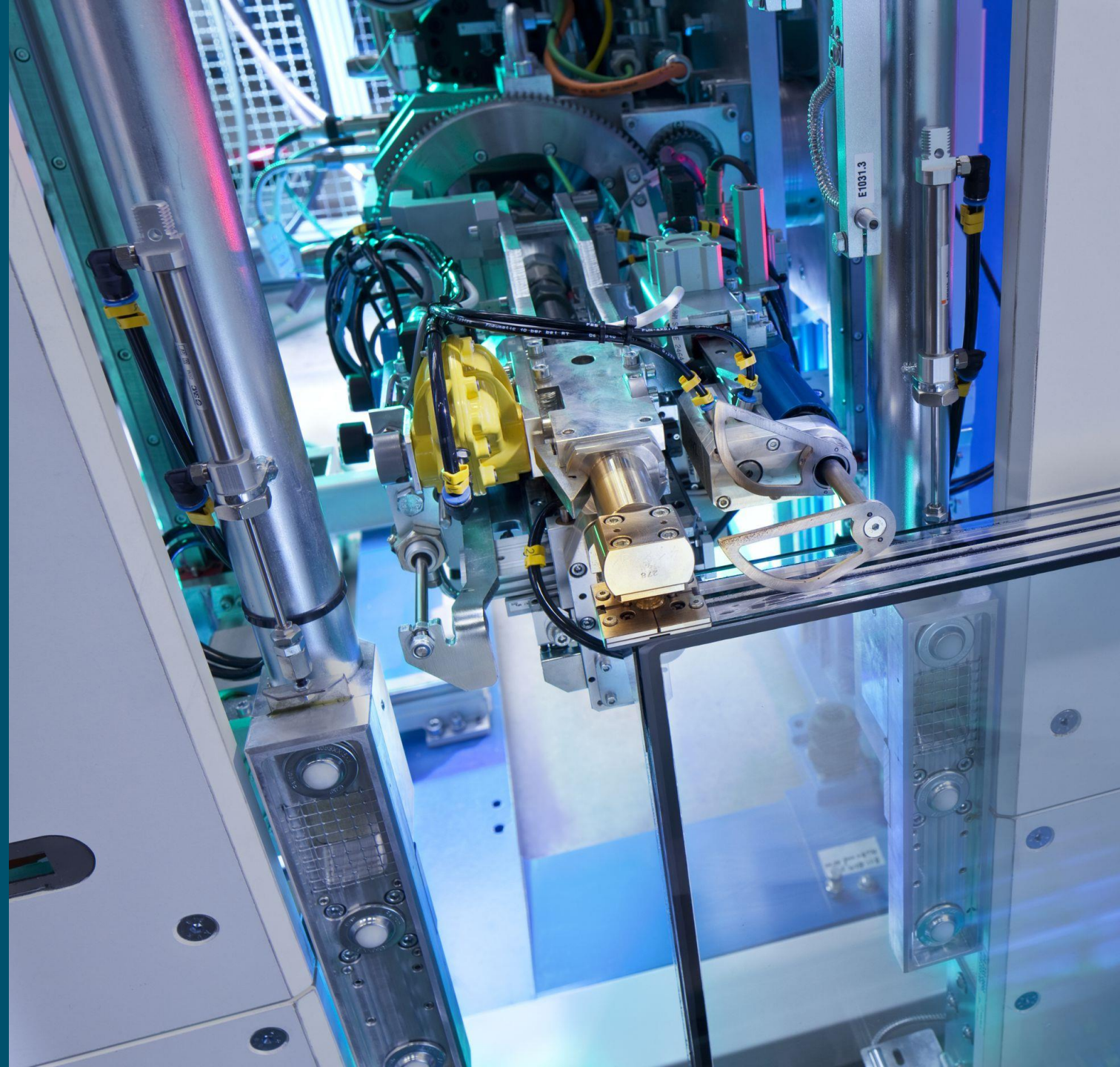
**Good order intake
contributed to strong
cash flow**

EBITA margin improved

glaston
seeing it through®

Content

- Q1/2021 highlights
- CEO review
- Financial development
- Outlook 2021





January–March 2021

Q1 / 2021 HIGHLIGHTS

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Q1 2021 highlights

- Q1 **orders received** were up +3,5% compared to the same period in 2020
 - Q1: EUR 47.2 (45.6) million
- **Net sales** for the first quarter decreased -13,5%
 - Q1: EUR 40.4 (46.9) million.
- **Comparable EBITA** margin improved
 - Q1: EUR 2.1 (2.0) million, i.e. 5.19 (4.3)% of net sales
- Good order intake contributed to **strong cash flow**
 - Q1: EUR 6.6 (-3.1) million from operating activities



Architectural market Q1

EMEA



- In the EMEA region the positive progress seen in the last quarter of 2020 maintained.
- The Insulating Glass market remained robust.
- The recovery of the Heat Treatment equipment market continued.
- The Services markets remained quite strong, particularly for Heat Treatment upgrade products.

Americas



- In North America there was stable market recovery and some projects that had been put on hold were reactivated.
- Heat Treatment upgrades saw increasing demand.
- Demand for Insulating Glass equipment continued
- Services markets was supported by some states starting to lift corona restrictions.

Asia



- Market activity in China grew with a comeback for high-end insulating glass lines and the mid-range IG market continued to develop well.
- Positive development was also noted in the market for flat tempering equipment.
- In the APAC region, activity in the services operations in particular was still low as customers continued to operate at heavily reduced capacity.

Automotive market Q1

- The automotive glass market saw a good start to the year.
- The market slowing down was already evident during the quarter as most large automotive factories had to reduce production due to component supply shortages eventually impacting investment decisions.
- Demand for new machinery was low in all regions.
- An increased interest in upgrades and modernizations of existing machinery was noted.
- For Automotive services, activity in North America continued to be low due to reduced domestic automobile production. In the EMEA and APAC regions, the recovery of the automotive industry continued.



Glaston Segments Q1 2021 in brief

Heat Treatment



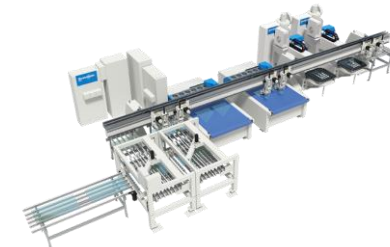
- Several FC and RC series tempering machine orders.
- Demand for HT upgrades was strong in all regions with a record high order intake. Increased demand especially in North America. Subdued demand in the South East Asia area.
- Adapted to the ongoing travel restrictions with new ways of completing machine installations.
- Due to the pick-up in order activity, the temporary lay-offs were canceled as of February 2021.

Insulating Glass



- Customers showed great interest in special insulating glass manufacturing lines.
- Insulating glass machine orders were received from all market areas.
- The Glaston VARIO TPS® insulating glass line further strengthened its position.
- Services were affected by travel restrictions and new lockdowns, which had a higher impact on service work compared to previous quarters.
- Production running at high level of capacity.

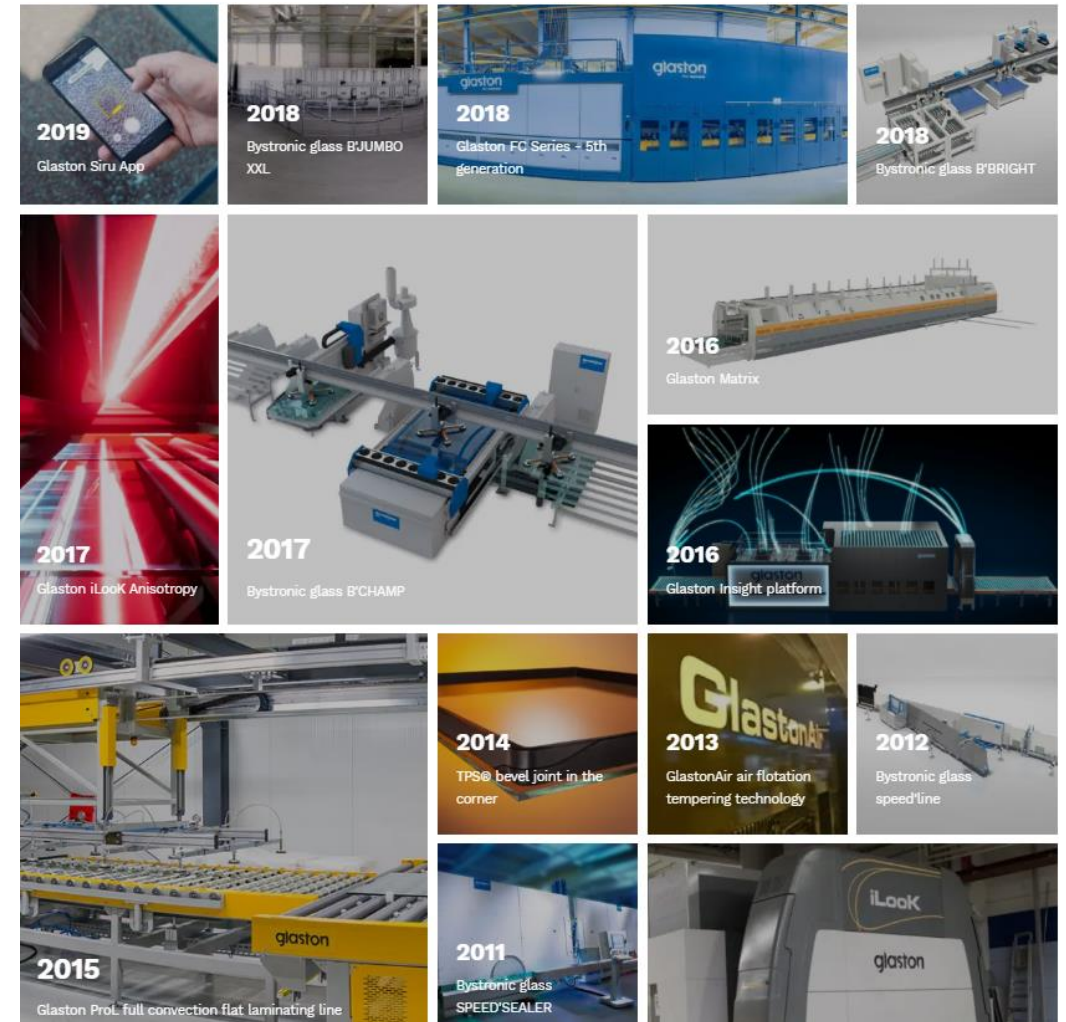
Automotive & Display



- After a good start to the year demand in the market weakened already during the quarter as most large automotive factories faced component supply shortages and had to reduce production.
- An increased interest in Automotive upgrade products and modifications of existing machinery.
- Services continued to face challenges due to travel restrictions and lockdowns yet found ways of adapting to the situation.
- Returning to normal working hours in production in February.

Technologies & Innovations

- Strong focus on market driven R&D activities in close cooperation with customers
- R&D expenditure Q1 3.8 (3.7) % of net sales
- Field testing of new products e.g. MULTI'ARRISSER progressing according to plan
- Completing the first part of strategically significant FC series order from Steinfort Glas, the solution enhances and automates the production process
 - Step towards developing a fully automated tempering machine

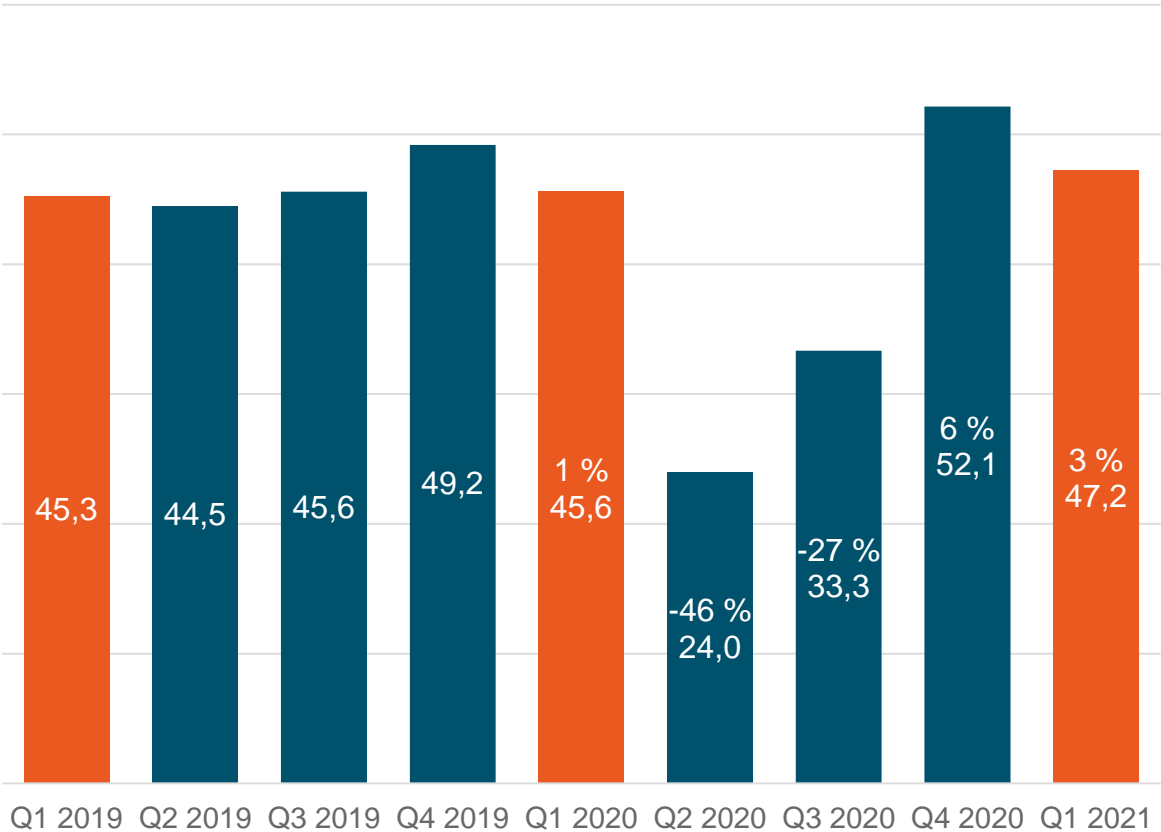


FINANCIAL DEVELOPMENT

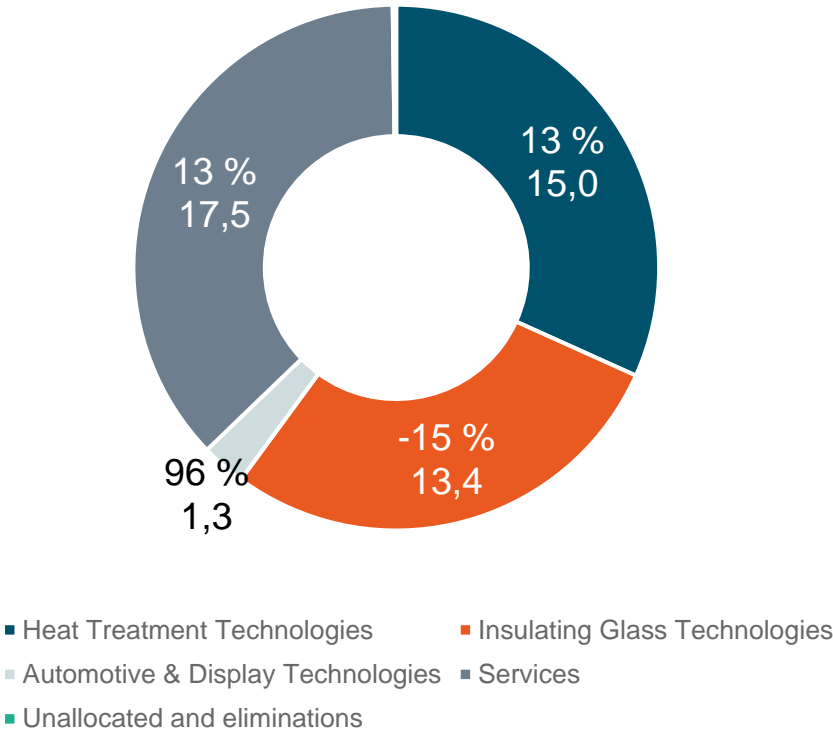


Group order intake exceeded pre-Covid Q1 2020 level

Group orders received, M€ and yoy%

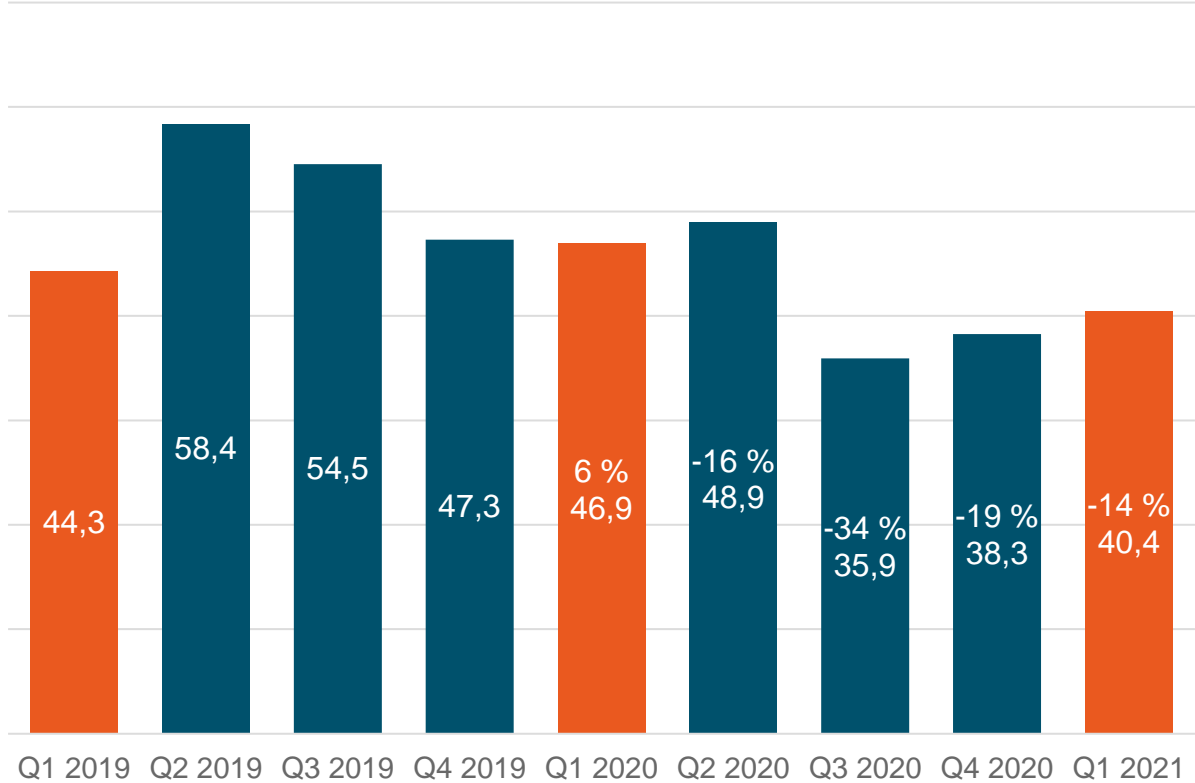


Orders received by product area, Q1 2021, M€ and yoy%

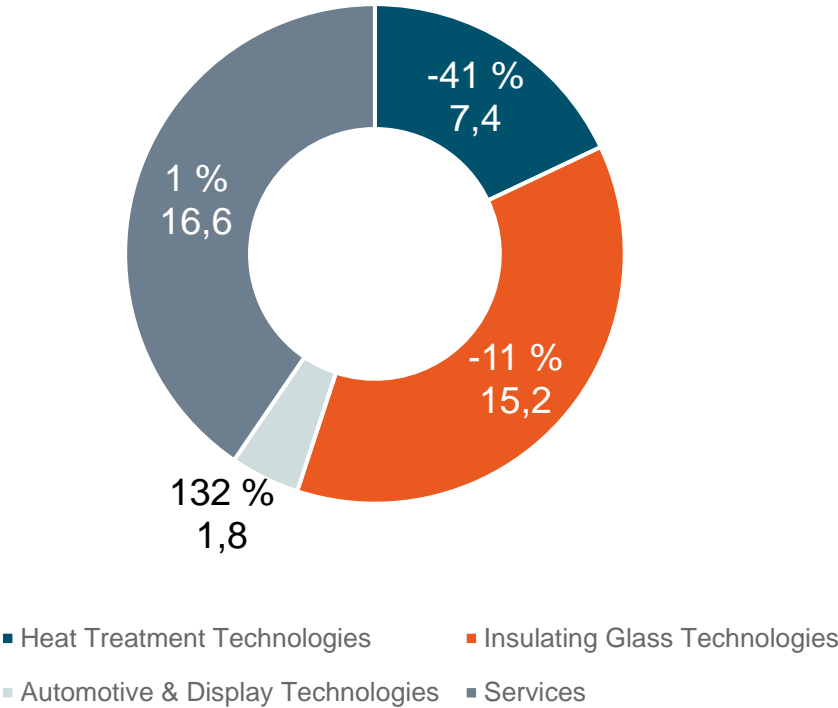


Group net sales declined in, especially in Heat Treatment Technologies

Group net sales, M€ and yoy%

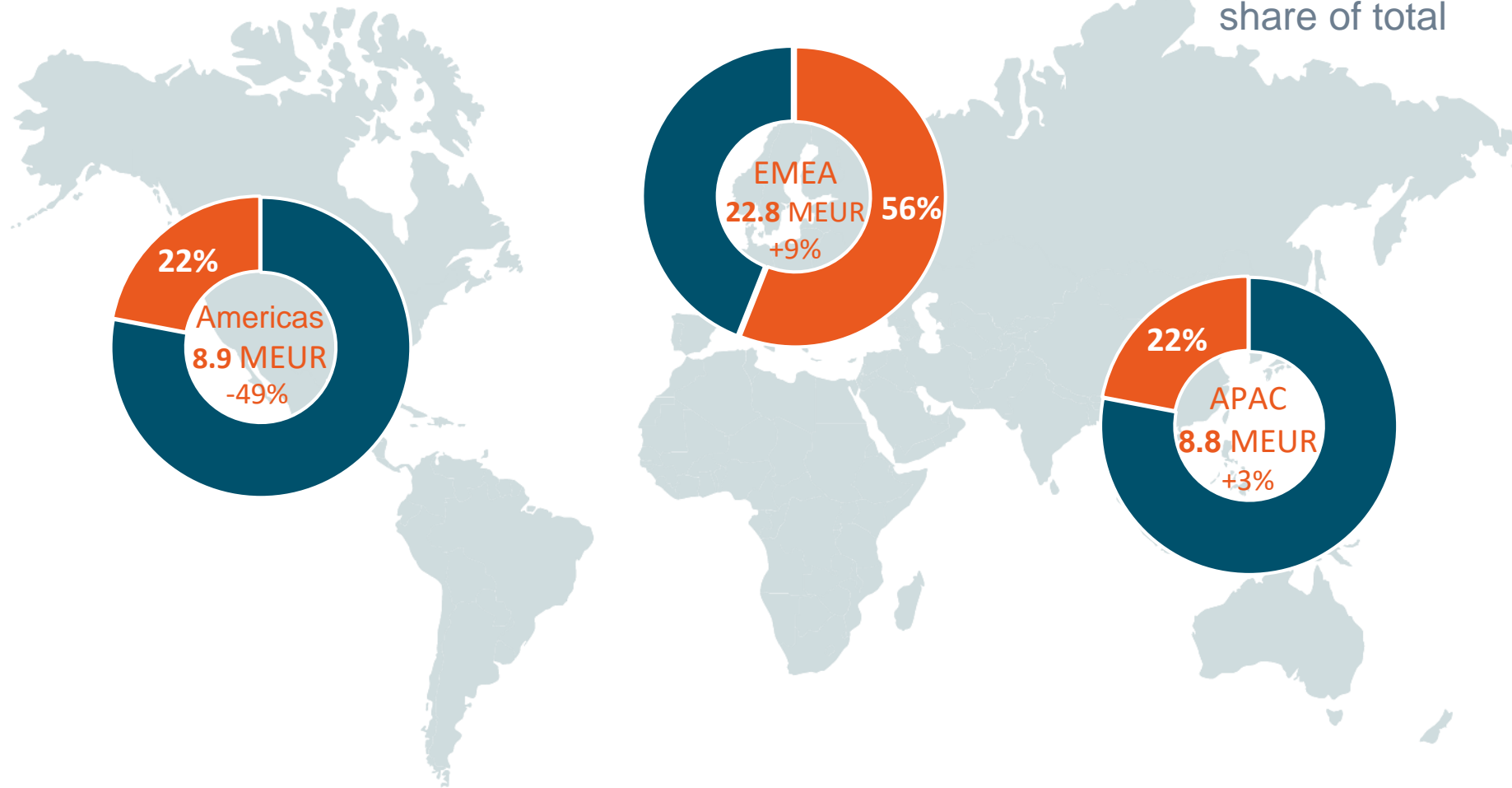


Net sales by product area
Q1 2021, M€ and yoy%

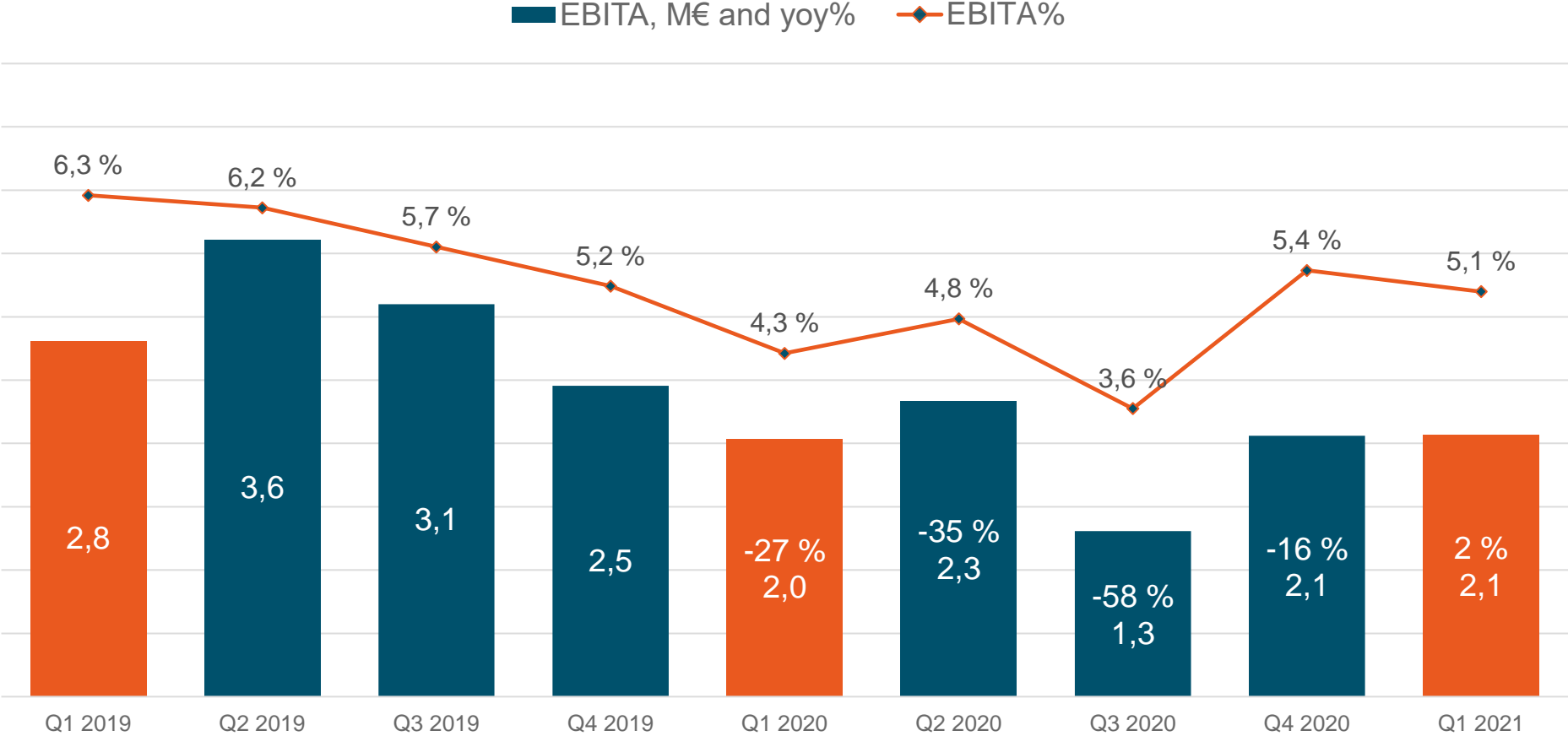


EMEA region improved further, China boosted APAC, Americas down

Net sales by region M€, yoy% and share of total

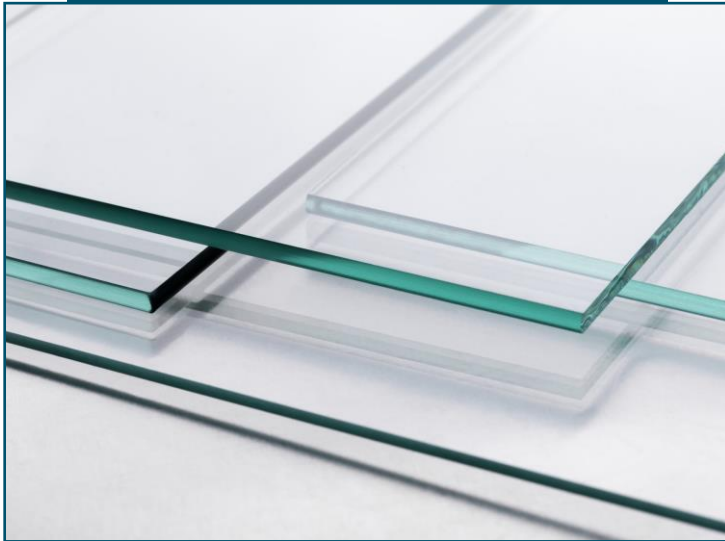


Comparable EBITA in line with previous year, margin improved



Glaston Segments

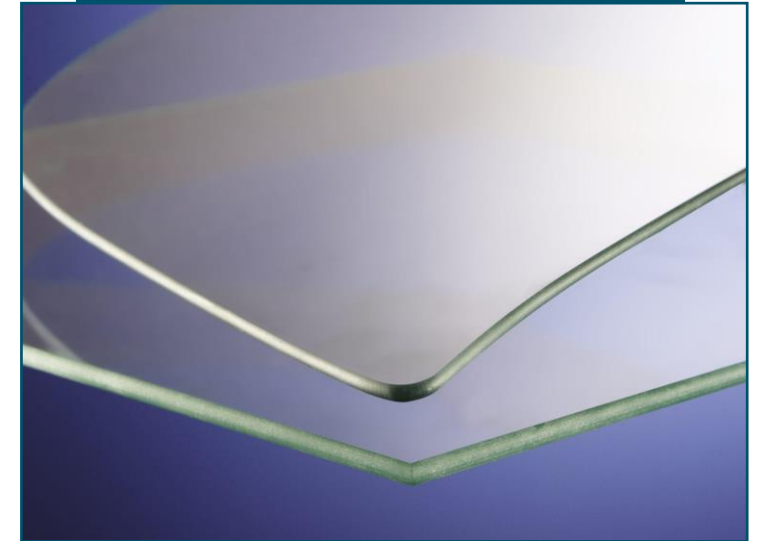
Heat Treatment



Insulating Glass



Automotive & Display



Heat Treatment



Heat Treatment: continued improvement in order intake

- Order intake improved compared to least year and also from Q4 contrary to the usual seasonality
- Low order intake in Q2-Q3 2020 impacted net sales
- EBITA margin close to Q1 2020 as fixed cost and other operating income development contributed positively, costs however increased from Q4 as temporary layoffs ended in January

| M€ | Q1 2021 | yoy% | Q4 2020 |
|-------------------------|-------------|-------------|-------------|
| Order intake | 22.8 | +15% | 20.7 |
| Order backlog | 39.4 | 9% | 31.4 |
| Net sales | 13.8 | -28% | 14.9 |
| Comparable EBITA | 0.3 | -45% | 0.8 |
| Comparable EBITA% | 2.3% | 2.9%* | 5.4% |

*comparison figure the same period previous year

Insulating Glass



Insulating Glass: strong profit contribution continued

- Insulating Glass market demand strong as in the comparison period, order intake in slight decline
- Net sales close to Q1 2020 level
- Q1 EBITA margin at good level though lower than Q1 2020, usual project-based variation
- Especially H1 2020 benefited from delayed project revenue recognition while transitioning to IFRS accounting, comparison figures of H1 2020 net sales, EBITA and margin impacted by this

| M€ | Q1 2021 | yoy% | Q4 2020 |
|-------------------------|-------------|-------------|-------------|
| Order intake | 19.5 | -8% | 22.2 |
| Order backlog | 23.8 | -20% | 26.1 |
| Net sales | 21.3 | -5% | 18.0 |
| Comparable EBITA | 1.8 | -26% | 1.6 |
| Comparable EBITA% | 8.3% | 10.6%* | 9.2% |

*comparison figure the same period previous year

Automotive & Display



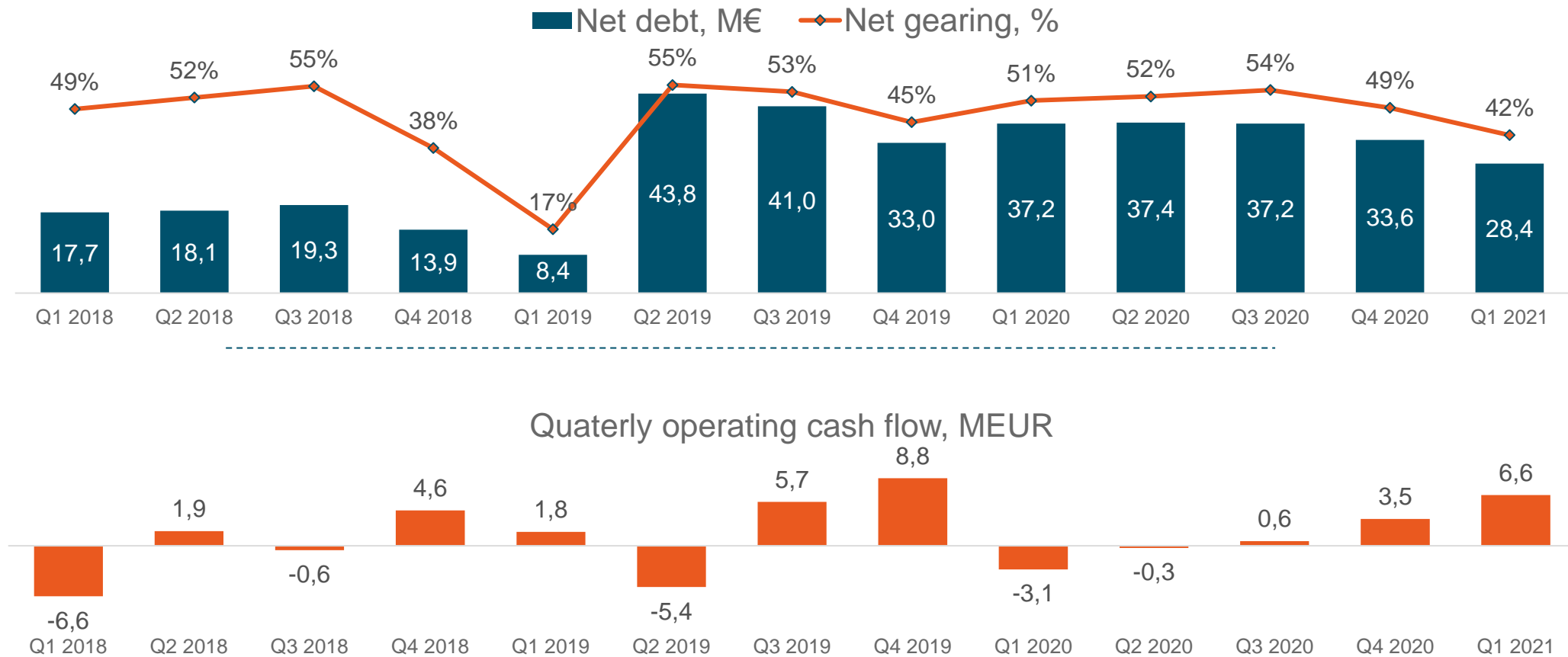
Automotive & Display: growth derived from orders received in the previous quarter

- Order intake increased compared Q1 2020, but the level is unsatisfactory, and the level achieved in Q4 2020 were not sustained
- Higher orders in Q4 2020 boosted net sales in Q1
- Net sales growth, good margin projects and cost control turned EBITA to break-even from substantial loss in Q1 2020
- Q2 2020 had one big project with delayed revenue recognition while transitioning to IFRS accounting, comparison figures of Q2 2020 demanding

| M€ | Q1 2021 | yoy% | Q4 2020 |
|-------------------------|------------|----------------|-------------|
| Order intake | 4.8 | +14% | 8.8 |
| Order backlog | 4.8 | -52% | 6.5 |
| Net sales | 5.2 | +25% | 4.9 |
| Comparable EBITA | 0.0 | >neg | -0.5 |
| Comparable EBITA% | +0.5% | -23.4%* | -10.4% |

*comparison figure the same period previous year

Working capital decline boosted operating cash flow – gearing clearly lower

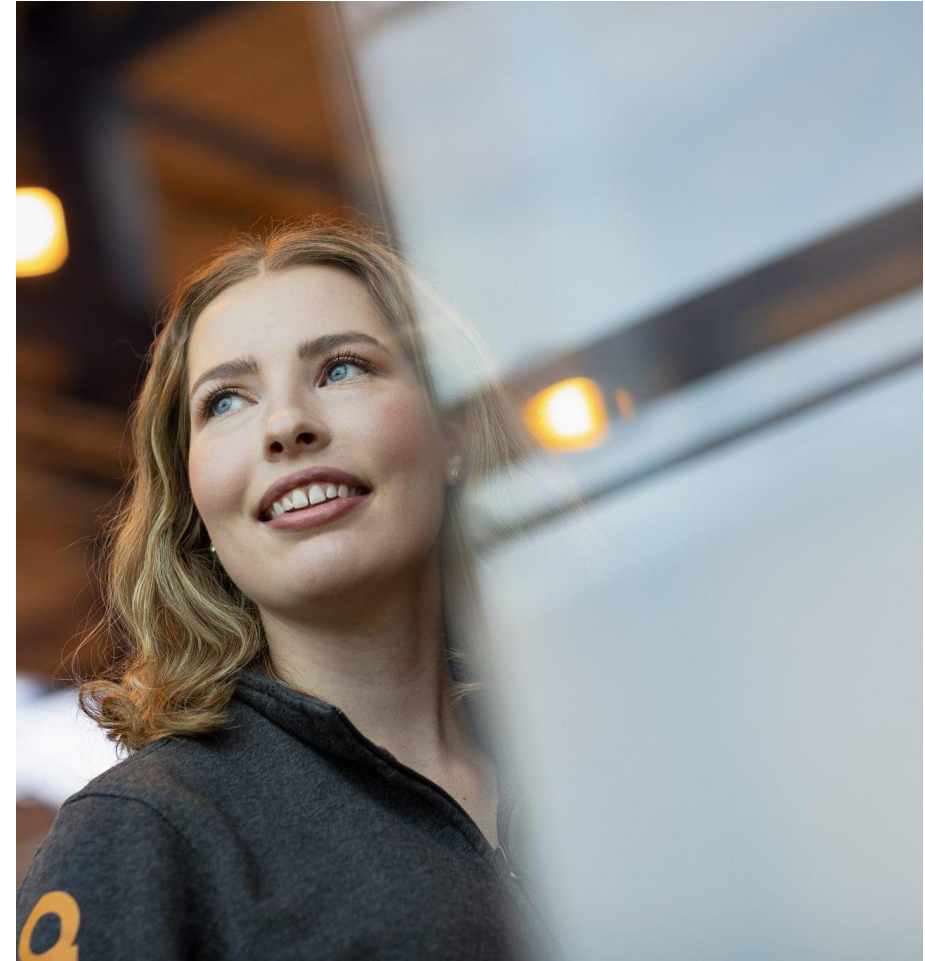


PRIORITIES AND OUTLOOK 2021



Strategy

- The focus areas of the strategy is succeeding with customers, engaged employees and shareholder value creation.
- Different growth options and interesting market opportunities have already been identified.
- Ongoing currently:
 - Analyzing Glaston's technology and know-how to match market opportunities
 - Customer experience
 - Operational excellence with processes and ways of working.
 - Leadership and well-being of employees
 - Embedding the implementation of the responsibility agenda
- The review work started in January and the outcome will be communicated in more detail in August 2021.



Glaston's outlook for 2021

- The strong recovery in orders received in the fourth quarter of 2020 and its continuation in the first quarter of 2021 indicate positive development for both the machines and services business throughout 2021.
- Glaston started 2021 with a 20% lower order backlog than the previous year impacting net sales and comparable operating profit for the first half of 2021.
- The second half will benefit from the order intake recovery.
- Glaston expects the heat treatment and insulating glass technology markets to perform well, but visibility continues to be shorter than normal due to the COVID-19 pandemic and its implications on economic activity, investments and travel restrictions.
- The demand for automotive glass processing technology is volatile and uncertain due to COVID-19, structural changes in the market and automotive supply chain disturbances.



Glaston's outlook for 2021

- Based on the expected continued positive market development, Glaston Corporation estimates, that its net sales and comparable EBITA will improve in 2021 from the levels reported for 2020.
- In 2020, Group net sales totaled EUR 170.1 million and comparable EBITA was EUR 7.7 million.



QUESTIONS



Financial reports in 2021

Half year financial report January-June 2021

Thursday, 5 August 2021

Interim report January-September 2021

Thursday, 28 October 2021

Capital Markets Day 2021

August, time to be confirmed



This first quarter interim report provides future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation, or achievements of Glaston may substantially deviate from the estimates. Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the COVID-19 pandemic.



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Thank you!

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