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Glaston Corporation
Interim report
1.1.-31.3.2020

Glaston's interim report January-March 2020:

Orders received were stable and net sales grew, comparable EBITA for 2020 estimated to decline from 2019

Glaston Corporation's acquisition of Bystronic glass was completed on 1 April 2019. The comparison data of this interim report for the period 1 January – 31 March 2019 do not include figures for Bystronic glass. Glaston Corporation has prepared unaudited pro forma financial information to illustrate the impact of the Bystronic glass acquisition, completed on 1 April 2019, on the Group's operational result and financial position and to improve the comparability of financial information. The unaudited pro forma financial information for 1 January – 31 March 2019 and 1 January – 31 December 2019 presented in this interim report is presented as if the acquisition would have already been completed on 1 January 2018. Pro forma financial information has been titled Pro forma information in the places in the interim report where the information is presented.

As of 1 January 2020, the company has three reporting segments: Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Emerging Technologies. Services business is included in the reporting segments. Machine and Services sales, order intake and order book are also reported separately as additional, product area, information. On 18 March 2020, the company published comparative information according to the new structure.

The interim report provides estimates on 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 coronavirus pandemic.

January-March 2020 in brief

- Orders received totaled EUR 45.6 (22.9, pro forma 45.3) million.
- Net sales totaled EUR 46.9 (20.8, pro forma 44.3) million.
- Comparable EBITA was EUR 2.0 (0.6, pro forma 2.8) million, i.e. 4.3 (2.7, pro forma 6.3)% of net sales.
- The operating result (EBIT) was EUR 0.1 (-0.8, pro forma 0.8) million.
- The comparable operating result (EBIT) was EUR 0.9 (0.1, pro forma 1.6) million, i.e. 2.0 (0.4, pro forma 3.5)% of net sales.
- Items affecting comparability totaled EUR -0.8 (-0.8, pro forma -0.8) million.
- The comparable earnings per share were EUR 0.007 (-0.006, pro forma 0.041).
- Cash flow from operating activities was EUR -3.1 (1.8) million.
- Realized cost synergies related to the Bystronic glass integration amounted to EUR 0.8 million. Annual cost savings from all of the measures undertaken will amount to EUR 5.0 million.
- In the light of the uncertainty caused by the coronavirus pandemic, Glaston's Board of Directors has decided to withdraw its profit distribution proposal issued on 11 February 2020 and to propose to the Annual General Meeting that no return of capital be distributed for 2019.

GLASTON'S OUTLOOK FOR 2020 UPDATED

Glaston Corporation estimates that comparable EBITA for 2020 will decline from the 2019 level. Due to low visibility and rapid market movements, the extent of the decline cannot be reliably assessed at this stage. The company's current assessment is that orders received in the second and third quarters will be at a lower level than normal. The postponement of the delivery of some orders will impact the development of net sales and earnings in the near future. Exceptionally high uncertainty surrounds the assessments, and the situation might change very quickly.

On 20 March 2020, Glaston Corporation published a stock exchange release which stated that, due to the significant deterioration in the global financial situation following the coronavirus situation and the rapid changes in the company's business environment, Glaston was withdrawing its guidance issued on 11 February 2020 and that it was improbable that company's comparable EBITA will grow in 2020.

President & CEO Arto Metsänen:

A satisfactory quarter in an uncertain market

“The first quarter of 2020 was satisfactory given the prevailing conditions. Since the beginning of the year, COVID-19 coronavirus has impacted the daily lives and work of us all, has weakened demand in Asia, and particularly in China, and later in the quarter has also affected development in Western countries. In the first quarter, however, coronavirus has not yet been reflected significantly in orders received, which were at the level of the corresponding period of the previous year (pro forma). Demand for insulating glass machines grew strongly, compensating for the weakness in demand for automotive glass machines that had already been evident for some time. Demand for heat treatment machines was nearly at the previous year’s level. Services were affected by travel restrictions and various countries’ national isolation measures, but our extensive service network and our investment in remote services supported the development of the product area, which was at a satisfactory level given the circumstances. With regard to projects included in the order book, so far we have only seen the postponement of individual deliveries. Ongoing discussions with customers do not indicate order cancellations, but the situation may change rapidly and we closely monitor the development of our order book. All of our production plants are operating normally and a large proportion of deliveries will be delivered as planned. The availability of components has also been secured for the coming months.

When it comes to the Bystronic glass integration, most of the synergy-related measures were implemented on a faster schedule than expected, and estimated cost synergies were exceeded. At the end of the first quarter, annual integration-related cost savings were approximately EUR 5 million. In connection with the acquisition, we estimated that we would achieve annual savings of approximately EUR 4 million by 2021. From now on, the integration projects continue as part of the company’s normal management, and separate financial monitoring of integration projects will end in April.

No coronavirus infections have been reported in Glaston to date. Many of our employees have been teleworking for some time now in order to safeguard both their own health and the health of production personnel. I would like to thank all Glaston employees for their resilience, flexibility and adaptation to the rapid change in operating practices.

We have taken prompt action to safeguard the company’s financial stability. We have created tools that will enable us to adapt our operations quickly. In Finland, we have completed an employee cooperation procedure in which we agreed on phased lay-offs for all personnel flexibly, as the situation develops. Corresponding measures have also been implemented or are planned in Germany, Switzerland and in all other operating locations. We are constantly monitoring the development of the situation, our orders and order book, the company’s cash flow and liquidity, as well as the government and other aid available in different countries. The company’s liquidity situation is currently good, and through these actions we are preparing for the uncertain development of the coming months.

Uncertainty in the market is high and visibility is low. It is still too early, therefore, to reliably assess the effects of the coronavirus crisis, but we expect that comparable EBITA for 2020 will deteriorate from the 2019 level. Due to low visibility and rapid market movements, the extent of the deterioration cannot be reliably assessed at this stage. Currently, we consider that orders received in the second and third quarters will be at a lower level than normal. The postponement of the delivery of some orders will impact the development of net sales and earnings in the near future. In the light of the uncertainty, Glaston’s Board of Directors has decided to withdraw its profit distribution proposal issued and to propose to the Annual General Meeting that no return of capital be distributed for 2019.”

Changes in the company's reporting

Glaston Corporation's acquisition of Bystronic glass was completed on 1 April 2019. The comparison data of this interim report for the period 1 January – 31 March 2019 do not include figures for Bystronic glass. Glaston Corporation has prepared unaudited pro forma financial information to illustrate the impact of the Bystronic glass acquisition, completed on 1 April 2019, on the Group's operational result and financial position and to improve the comparability of financial information. The unaudited pro forma financial information for 1 January – 31 March 2019 and 1 January – 31 December 2019 presented in this interim report is presented as if the acquisition would have already been completed on 1 January 2018. Pro forma financial information has been titled Pro forma information in the places in the interim report where the information is presented.

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The interim report provides estimates on 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 coronavirus pandemic.

GLASTON GROUP'S KEY FIGURES

EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Orders received	45.6	22.9	162.2	45.3	184.6
of which service operations	15.5	7.4	42.6	17.4	68.3
of which service operations, %	34.0%	32.5%	26.3%	38.4%	37.0%
Order book at end of period	82.3	42.8	79.5	104.2	79.5
Net sales	46.9	20.8	181.0	44.3	204.5
of which service operations	16.5	7.7	57.1	17.7	67.1
of which service operations, %	35.2%	37.2%	31.6%	39.9%	32.8%
EBITDA	2.2	0.4	6.9	3.1	9.5
Items affecting comparability	0.8	0.8	7.2	0.8	7.2
Comparable EBITDA	3.0	1.3	14.1	3.9	16.7
Comparable EBITDA, %	6.4%	6.2%	7.8%	8.9%	8.2%
Comparable EBITA	2.0	0.6	9.7	2.8	12.1
Comparable EBITA, %	4.3%	2.7%	5.4%	6.3%	5.9%
Operating result (EBIT)	0.1	-0.8	-1.3	0.8	0.3
Comparable operating result (EBIT)	0.9	0.1	5.9	1.6	7.5
Comparable operating result (EBIT), %	2.0%	0.4%	3.3%	3.5%	3.7%
Profit/loss before taxes	-0.1	-1.1	-4.4	0.3	3.8
Profit/loss for the period	-0.2	-1.1	-6.4	-0.3	3.1
Comparable earnings per share, adjusted with share issue, EUR	0.007	-0.006	0.011		
Number of registered shares at end of period adjusted with share issue (1,000)	84 290	38 727	84 290		
Cash flow from operating activities	-3.1	1.8	10.8		
Net interest-bearing debt at end of period	37.2	8.4	33.0		
Return on investment (ROI), %, (annualized)	0.3%	-4.7%	-1.3%		
Comparable return on capital employed (ROCE), %, (annualized)	3.1%	-3.4%	8.7%		
Equity ratio, %	40.7%	55.1%	41.6%		
Net gearing, %	50.7%	16.8%	45.0%		
Number of employees at end of period	752	350	790		

KEY FIGURES OF REPORTING SEGMENTS

Orders received, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
	Heat Treatment	19.7	20.9	76.0	20.9
Insulating Glass	21.2	-	60.4	12.3	72.6
Automotive & Emerging Technologies	4.2	0.6	19.7	10.7	29.6
Segments, total	45.2	21.5	156.1	44.0	178.3
Unallocated and eliminations	0.5	1.3	6.1	1.3	6.3
Glaston Group, total	45.6	22.9	162.2	45.3	184.6

Order book, EUR million	31.3.2020	31.3.2019	31.12.2019	Pro forma 31.3.2019	Pro forma 31.12.2019
	Heat Treatment	34.7	41.6	35.1	41.6
Insulating Glass	35.5	-	31.2	32.3	31.2
Automotive & Emerging Technologies	11.5	0.8	12.5	30.0	12.5
Segments, total	81.7	42.4	78.8	103.8	78.8
Unallocated and eliminations	0.6	0.4	0.7	0.4	0.7
Glaston Group, total	82.3	42.8	79.5	104.2	79.5

Net sales, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
	Heat Treatment	19.2	19.6	82.6	19.6
Insulating Glass	22.4	-	58.8	15.1	73.9
Automotive & Emerging Technologies	4.3	0.0	35.5	8.5	44.0
Segments, total	46.0	19.7	176.9	43.2	200.5
Unallocated and eliminations	1.0	1.1	4.1	1.1	4.0
Glaston Group, total	46.9	20.8	181.0	44.3	204.5

Comparable EBITA, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
	Heat Treatment	0.7	0.9	3.4	0.7
Insulating Glass	2.4	-	4.7	1.4	6.2
Automotive & Emerging Technologies	-1.1	-0.4	1.7	0.6	2.6
Segments, total	2.0	0.5	9.8	2.7	12.1
Unallocated and eliminations	0.1	0.1	-0.1	0.1	-0.1
Glaston Group, total	2.0	0.6	9.7	2.8	12.1

Comparable operating result and operating result (EBIT), EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
	Heat Treatment	0.3	0.4	1.9	0.2
Insulating Glass	1.9	-	2.6	0.9	3.5
Automotive & Emerging Technologies	-1.3	-0.4	1.5	0.4	2.1
Segments, total	0.9	0.0	6.0	1.6	7.6
Unallocated and eliminations	0.1	0.1	-0.1	0.0	-0.1
Comparable operating result (EBIT), total	0.9	0.1	5.9	1.6	7.5
Comparable operating result (EBIT), %	2.0%	0.5%	3.3%	3.5%	3.7%
Items affecting comparability	-0.8	-0.8	-7.2	-0.8	-7.2
Operating result (EBIT)	0.1	-0.8	-1.3	0.8	0.3
Operating result (EBIT), %	0.3%	-3.6%	-0.7%	1.6%	0.2%

KEY FIGURES OF PRODUCT AREAS

Orders received by product area, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Heat Treatment Technologies	13.2	13.5	32.1	13.5	48.3
Insulating Glass Technologies	15.8	-	29.9	6.7	49.3
Automotive & Emerging Technologies (machines)	0.7	0.6	2.7	6.3	12.3
Services	15.5	7.4	42.6	17.4	68.3
Unallocated and eliminations	0.5	1.3	5.8	1.3	6.3
Glaston Group, total	45.6	22.9	113.0	45.3	184.6

Order book by product area, EUR million	31.3.2020	31.3.2019	31.12.2019	Pro forma 31.3.2019	Pro forma 31.12.2019
Heat Treatment Technologies	30.7	38.9	31.2	38.9	31.2
Insulating Glass Technologies	35.5	-	31.2	32.3	31.2
Automotive & Emerging Technologies (machines)	11.4	0.8	12.5	30.0	12.5
Services	4.1	2.7	3.9	2.7	3.9
Unallocated and eliminations	0.6	0.4	0.7	0.4	0.7
Glaston Group, total	82.3	42.8	79.5	104.2	79.5

Net sales by product area, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Heat Treatment Technologies	12.4	12.4	56.1	12.4	56.1
Insulating Glass Technologies	17.1	-	41.8	9.6	51.4
Automotive & Emerging Technologies (machines)	0.9	0.0	23.2	4.1	27.2
Services	16.5	7.7	57.1	17.7	67.1
Unallocated and eliminations	0.1	0.6	2.8	0.6	2.8
Glaston Group, total	46.9	20.8	181.0	44.3	204.6

OPERATING ENVIRONMENT

Glaston Corporation is a glass industry technologies and services frontrunner. Glass processed with Glaston's processing machines is supplied to the architectural glass, automotive glass, solar energy and appliance industries. Most of the glass produced with the company's technology is supplied to the construction industry (measured by volume). Glaston operates in a global market, and the company's business is to a large extent linked to trends in global investment demand and therefore to demand for glass and glass processors' capacity utilization rates, which in turn impact investment needs and demand for services and spare parts.

Glaston Group's market areas are EMEA (Europe, Middle East and Africa), the Americas (North, Central and South America) and Asia-Pacific (China and the rest of the Asia and Pacific area).

Architectural glass

Glaston Group's architectural glass machines market consists of many different market areas and countries, whose stage of development and political situation may vary significantly.

In the first quarter of 2020, uncertainty in all geographic markets increased with the spread of COVID-19 virus infection.

The coronavirus pandemic, which began in China, had a negative impact on demand in the APAC area, and particularly in China, in the early part of the quarter. Towards the end of the quarter, the situation settled slightly and a recovery in demand has already been seen in China. Price competition in China has continued to intensify further, however, due to the weak economic development caused by the pandemic. Elsewhere in the APAC area, national isolation measures caused by coronavirus are still in place in many countries, negatively impacting market activity.

Since late February/early March, the uncertainty caused by coronavirus has been evident throughout the EMEA area. The uncertainty has had a direct impact on willingness to invest, and while in some countries, such as Germany and Austria, small positive signs of a settling of the situation are visible, caution continues in the market, and demand has clearly weakened. Exchange rate fluctuations are affecting decision-making in non-EU countries, such as Russia. The low price of oil has also had a negative effect on Russian investment. Given the circumstances, however, market activity has remained relatively stable in Europe, although large variations between countries have been observed.

In North America, the brisk market activity early in the first quarter was followed by a sharp turnaround as customers reacted quickly to the new situation. This was reflected in project postponements and even a partial cessation of many customers' operations.

Automotive glass

The low level of the automotive glass market continued in the first quarter, and activity is expected to remain lower than the level of previous years throughout the rest of the year. In recent months, production activity at most car factories, and therefore also the production of their subcontractors, has been wound down. Signs of a gradual increase in production have already been observed, however.

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

Glaston Group's January-March 2020 orders received totaled EUR 45.6 (22.9, and pro forma 45.3) million. Glaston Group's order book stood at EUR 82.3 (42.8, pro forma 104.2) million at the end of the review period.

Orders received, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Heat Treatment	19.7	20.9	76.0	20.9	76.0
Insulating Glass	21.2	-	60.4	12.3	72.6
Automotive & Emerging Technologies	4.2	0.6	19.7	10.7	29.6
Segments, total	45.2	21.5	156.1	44.0	178.3
Unallocated and eliminations	0.5	1.3	6.1	1.3	6.3
Glaston Group, total	45.6	22.9	162.2	45.3	184.6

Order book, EUR million	31.3.2020	31.3.2019	31.12.2019	Pro forma 31.3.2019	Pro forma 31.12.2019
Heat Treatment	34.7	41.6	35.1	41.6	35.1
Insulating Glass	35.5	-	31.2	32.3	31.2
Automotive & Emerging Technologies	11.5	0.8	12.5	30.0	12.5
Segments, total	81.7	42.4	78.8	103.8	78.8

Unallocated and eliminations	0.6	0.4	0.7	0.4	0.7
Glaston Group, total	82.3	42.8	79.5	104.2	79.5

Orders received and order book by product area

Glaston Group's January-March 2020 orders received totaled EUR 45.6 (22.9, and pro forma 45.3) million. The orders received of the Heat Treatment Technologies product area were nearly at the same level of the previous year and totaled EUR 13.2 (13.5) million. The company received several tempering machine orders from the EMEA area. Demand for insulating glass machines was good and the orders received of the Insulating Glass Technologies product area grew significantly to EUR 15.8 (pro forma 6.7) million. Demand for insulating glass machine was strong, particularly in the EMEA area. Demand in the Automotive & Emerging Technologies product area, particularly for automotive glass machines, was very modest.

The orders received of the Services product area totaled EUR 15.5 (7.4, pro forma 17.4) million. The decrease was primarily due to weaker demand in the automotive glass machine services market, and particularly in spare parts. Demand for heat treatment machine services also fell slightly. In automotive glass machine services, the trend has been ongoing for some time, but demand for heat treatment machine services, in particular, was adversely affected by the prevailing coronavirus situation. The Services product area accounted for 34.0 (32.5, pro forma 38.4)% of orders received.

Orders received by product area, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Heat Treatment Technologies	13.2	13.5	32.1	13.5	48.3
Insulating Glass Technologies	15.8	-	29.9	6.7	49.3
Automotive & Emerging Technologies (machines)	0.7	0.6	2.7	6.3	12.3
Services	15.5	7.4	42.6	17.4	68.3
Unallocated and eliminations	0.5	1.3	5.8	1.3	6.3
Glaston Group, total	45.6	22.9	113.0	45.3	184.6

Order book by product area, EUR million	31.3.2020	31.3.2019	31.12.2019	Pro forma 31.3.2019	Pro forma 31.12.2019
Heat Treatment Technologies	30.7	38.9	31.2	38.9	31.2
Insulating Glass Technologies	35.5	-	31.2	32.3	31.2
Automotive & Emerging Technologies (machines)	11.4	0.8	12.5	30.0	12.5
Services	4.1	2.7	3.9	2.7	3.9
Unallocated and eliminations	0.6	0.4	0.7	0.4	0.7
Glaston Group, total	82.3	42.8	79.5	104.2	79.5

Net sales

The Glaston Group's January-March net sales improved from the corresponding period of the previous year and totaled EUR 46.9 (20.8, pro forma 44.3) million. The Heat Treatment segment's net sales were EUR 19.2 (19.6) million and the Insulating Glass segment's net sales were EUR 22.4 (pro forma 15.1) million. The Automotive & Emerging Technologies segment's net sales were EUR 4.3 (0.0, pro forma 8.5) million. Of total net sales, the Heat Treatment segment accounted for 41%, the Insulating Glass segment for 48% and the Automotive & Emerging Technologies segment for 9%. Geographically, of the company's total first-quarter net sales, the EMEA area accounted for 45%, the Americas for 37%, and Asia and Pacific (APAC) for around 18%.

Net sales, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Heat Treatment	19.2	19.6	82.6	19.6	82.6
Insulating Glass	22.4	-	58.8	15.1	73.9
Automotive & Emerging Technologies	4.3	0.0	35.5	8.5	44.0
Segments, total	46.0	19.7	176.9	43.2	200.5
Unallocated and eliminations	1.0	1.1	4.1	1.1	4.0
Glaston Group, total	46.9	20.8	181.0	44.3	204.5

Geographical distribution of net sales, EUR million	1-3/2020	1-3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1– 12/2019
Americas	17.5	8.0	66.5	12.4	71.0
EMEA	20.9	9.4	76.5	22.9	89.9
APAC	8.5	3.4	38.0	9.0	43.7
Glaston Group, total	46.9	20.8	181.0	44.3	204.5

Net sales by product area

The first-quarter net sales of the Heat Treatment Technologies product area remained at the level of the corresponding period of the previous year and totaled EUR 12.4 (12.4) million. The net sales of the Insulating Glass Technologies product area nearly doubled and totaled EUR 17.1 (pro forma 9.6) million. The net sales of the Automotive & Emerging Technologies product area were EUR 0.9 (0.0, pro forma 4.1) million. Unlike in the comparison period, there were no project revenue recognitions in the first quarter. The net sales of the Services product area decreased by 7% from the corresponding period of the previous year and totaled EUR 16.5 (7.7, pro forma 17.7) million. The decrease was primarily due to weaker spare parts sales for automotive glass machines. Services product area net sales accounted for 35.2 (37.2, pro forma 39.9)% of total net sales.

Net sales by product area, EUR million	1–3/2020	1–3/2019	1–12/2019	Pro forma 1–3/2019	Pro forma 1–12/2019
Heat Treatment Technologies	12.4	12.4	56.1	12.4	56.1
Insulating Glass Technologies	17.1	-	41.8	9.6	51.4
Automotive & Emerging Technologies (machines)	0.9	0.0	23.2	4.1	27.2
Services	16.5	7.7	57.1	17.7	67.1
Unallocated and eliminations	0.1	0.6	2.8	0.6	2.8
Glaston Group, total	46.9	20.8	181.0	44.3	204.6

Operating result and profitability

First-quarter 2020 comparable EBITA was EUR 2.0 (0.6, pro forma 2.8) million, i.e. 4.3 (2.7)%. Profitability development was particularly impacted by the loss-making automotive glass machine business. No project revenue recognitions were made in the quarter. Net sales and profitability of services for the automotive glass business also decreased. The profitability of heat treatment machines decreased slightly, but the relative profitability of related services improved. The net sales and profitability of insulating glass machines and related services developed positively. Fixed costs declined in all segments. In January-March 2020, Glaston Group's comparable operating result was EUR 0.9 (0.1, pro forma 1.6) million, i.e. 2.0 (0.4, pro forma 3.5)% of net sales. The first-quarter operating result was EUR 0.1 (-0.8) million. Integration-related items affecting comparability amounting to EUR -0.8 (-0.8, pro forma -0.8) million were recognized in the first quarter. PPAs and depreciation of intangible assets totaled EUR -1.1 (-0.5, pro forma -1.2) million. Financial income and expenses were EUR -0.1 (-0.2) million. The result before taxes was EUR -0.1 (-1.1) million. The result for the first quarter was EUR -0.2 (-1.1) million and earnings per share were EUR -0.003 (-0.029). The comparable earnings per share were EUR 0.007 (-0.006).

Operating result and profitability Comparable EBITA, EUR million	1-3/2020	1-3/2019	1-12/2019	Pro forma 1-3/2019	Pro forma 1-12/2019
Operating result (EBIT)	0.1	-0.8	-1.3	0.8	0.3
Items affecting comparability	-0.8	-0.8	-7.2	-0.8	-7.2
Comparable operating result (EBIT)	0.9	0.1	5.9	1.6	7.5
Depreciation of intangible assets and PPA	-1.1	-0.5	-3.8	-1.2	-4.5
Comparable EBITA	2.0	0.6	9.7	2.8	12.1
% of net sales	4.3%	2.7%	5.4%	6.3%	5.9%

FINANCIAL DEVELOPMENT OF THE REPORTING SEGMENTS

Glaston's Heat Treatment segment includes a wide and technologically advanced range of heat treatment machines, maintenance, upgrade and modernization services, and spare parts for glass flat tempering, bending, bending tempering and laminating. Glaston also offers digital services,

such as glass processing machine remote monitoring and fault analysis services, and consulting and engineering services for new areas of glass technology. The Heat Treatment segment includes the Heat Treatment Technologies product area and the heat treatment machine services included within it.

Heat Treatment reporting segment

Heat Treatment segment's first quarter in brief:

- Given the circumstances, orders received and net sales were at a good level; but comparable EBITA weakened.
- In Finland, temporary lay-offs, in stages during 2020, have been agreed affecting approximately 180 people.

HEAT TREATMENT SEGMENT KEY FIGURES

EUR million	1-3/2020	1-3/2019	1-12/2019	Pro forma 1-3/2019	Pro forma 1- 12/2019
Orders received	19.7	20.9	76.0	20.9	76.0
Order book at end of period	34.7	41.6	35.1	41.6	35.1
Net sales	19.2	19.6	82.6	19.6	82.6
Comparable EBITA	0.7	0.9	3.4	0.7	3.4
Comparable EBITA, %	3.6%	4.5%	4.1%	3.6%	4.1%
Comparable operating result (EBIT)	0.3	0.4	1.9	0.2	1.9
Comparable operating result (EBIT), %	1.6%	2.0%	2.3%	1.1%	2.3%
Operating result (EBIT)	0.1	-0.0	-0.9	-0.0	-0.9
Operating result (EBIT), %	0.3%	-0.2%	-1.1%	0.0%	-1.1%
Net working capital	-10.4	-0.8	-11.3		
Employees at end of period	317	331	333		

Orders received and order book

The Heat Treatment segment's first-quarter 2020 orders received were EUR 19.7 (20.9) million. During the quarter, the company received, among others, a strategically significant FC-series tempering machine order from the Dutch glass manufacturer Steinfort Glas. The machine is equipped with the Chinook heating system, combined with Vortex Pro convection and Insight Assistant Pro technologies, which automatically adjust the process settings on the basis of measured glass size and loading pattern. The solution, which enhances and automates the customer's production process, is a significant step towards Glaston's goal of developing a fully automated tempering machine. In addition, the company received several smaller FC- and RC-series tempering machine orders from EMEA countries, including Portugal, Poland and Lithuania. During the quarter, Glaston also received several tempering machine and modernization orders from North America. In the APAC area, and particularly in China, demand was subdued from the beginning of the year, but it picked up slightly towards the end of the quarter. In the Chinese market, price competition intensified further due to the coronavirus situation.

The Heat Treatment segment's order book stood at EUR 34.7 (41.6) million at the end of the first quarter. By the end of review period, there were postponements of individual deliveries. Most of the equipment installations under way at the end of the quarter were suspended in March and will resume as travel restrictions are eased. No order cancellations were received during the first quarter.

Net sales and profitability

The Heat Treatment segment's January-March 2020 net sales decreased by 2% to EUR 19.2 (19.6) million. January-March comparable EBITA was EUR 0.7 (0.9) million, i.e. 3.6 (4.5)% of net sales. The decrease was mainly due to the sales margin of the Heat Treatment Technologies product area. Heat Treatment Services' net sales and gross margin developed positively. The segment's fixed costs decreased due to synergies and cost-saving measures compared with the corresponding period of the previous year.

Production and working capital management

The Tampere tempering machine assembly plant is fully operational and capacity utilization rate is at a good level. Operations at the factory in Tianjin have nearly reached the level that preceded the COVID19 related isolation measures. Availability of components has been secured for the coming months. The Heat Treatment segment's first-quarter net working capital grew slightly from the turn of the year and was EUR -10.4 (-0.8, -11.3 at the end of 2019) million.

Personnel

At the end of the review period, the Heat Treatment segment employed 317 (331) people, most of them in Finland. During the first quarter temporary lay-offs, announced in the autumn of 2019 related to the weakening orderbook of Heat Treatment, continued. Due to the increased uncertainty caused by the coronavirus pandemic, the company launched in March a cooperation procedure at Finnish units, as a result of which the company will temporarily lay off all personnel, approximately 180 employees, in stages during 2020. The timing and implementation of the lay-offs will be reviewed function-by-function and can be at most 90 days per employee by the end of 2020.

Insulating Glass reporting segment

Glaston's Insulating Glass segment provides services, machines, systems and software for the cutting, grinding, drilling, processing and insulating of flat glass for the global architectural glass market. The Insulating Glass segment consists of insulating glass machine business as well as related services and spare parts business.

Insulating Glass segments' first quarter in brief:

- Good activity in the insulating glass machine market; orders received and net sales grew significantly.
- Consultations on reducing the working hours of personnel in Germany have taken place, and working hours may be reduced, if required.

INSULATING GLASS SEGMENT

KEY FIGURES

EUR million	1-3/2020	1-3/2019	1-12/2019	Pro forma 1-3/2019	Pro forma 1- 12/2019
Orders received	21.2	-	60.4	12.3	72.6
Order book at end of period	35.5	-	31.2	32.3	31.2
Net sales	22.4	-	58.8	15.1	73.9
Comparable EBITA	2.4	-	4.7	1.4	6.2
Comparable EBITA, %	10.6%	-	8.0%	9.5%	8.3%
Comparable operating result (EBIT)	1.9	-	2.6	0.9	3.5
Comparable operating result (EBIT), %	8.3%	-	4.4%	6.1%	4.8%
Operating result (EBIT)	1.4	-	0.4	0.9	1.3
Operating result (EBIT), %	6.3%	-	0.7%	6.3%	1.8%
Net working capital	4.8	-	0.9		
Employees at end of period	322	-	344		

Orders received

The Insulating Glass segment's first-quarter 2020 orders received grew by more than 70% and totaled EUR 21.2 (pro forma 12.3) million. Orders received in the comparison period were exceptionally low due to the busy Glasstec quarter that preceded it. Insulating glass machine orders were received from all market areas, and demand was particularly buoyant in the EMEA area. The company received, among others, an order for two B'VARIO TPS^R (Thermo Plastic Spacer) insulating glass lines from a major French window manufacturer, as well as an order for several insulating glass lines and handling equipment from Poland. Services and spare parts sales are significant drivers of profitable growth, and bring stability alongside the slightly more cyclical machines business. In the first quarter, demand for the Insulating Glass segment's services and spare parts was strong in all geographical areas and profitability developed positively.

The Insulating Glass segment's order book stood at EUR 35.5 (pro forma 32.3) million at the end of the period. All of the Insulating Glass segment's deliveries and installations proceeded according to plan during the quarter. No cancellations of orders were received during the quarter, but it has been agreed that installations of some equipment will take place when travel is permitted.

Net sales and profitability

The Insulating Glass reporting segment's first-quarter 2020 net sales increased by 48% to EUR 22.4 (pro forma 15.1) million. First-quarter comparable EBITA was EUR 2.4 (pro forma 1.4) million, i.e. 10.6 (pro forma 9.5)% of net sales. The improvement was due to higher volume of insulating glass machines and related services and spare part as well as better services profitability. Fixed costs decreased due to synergy benefits.

Production and working capital management

The company's insulating glass machine factory in Neuhausen-Hamberg, Germany is fully operational and capacity utilization is at a high level. In China, production at the Shanghai plant has been relocated to Tianjin, where capacity will be increased during the first half of the year. Availability of insulating glass machine components has been secured for the coming months. The Insulating Glass segment's first-quarter net working capital was EUR 4.8 (0.9 at end of 2019) million.

Personnel

At the end of the review period, the Insulating Glass segment employed 322 people, most of them in Germany. Due to the increased uncertainty caused by the coronavirus pandemic, the company has negotiated a possible reduction in the working hours of employees in Germany. The reduction of working hours may be applied, if required.

Automotive & Emerging Technologies reporting segment

Glaston's Automotive & Emerging Technologies segment provides glass processing machines and related services to the automotive industry as well as the appliance and display industry. In addition, the company provides its services to emerging glass technologies and value-adding glass products, such as smart glass.

Automotive & Emerging Technologies segment's first quarter in brief:

- Automotive glass market subdued; in the Emerging Technologies unit, strategic engineering projects
- In the Machines business, no major projects recognized as revenue, and Services business volume decreased

Automotive & Emerging Technologies segment

KEY FIGURES

EUR million	1-3/2020	1-3/2019	1-12/2019	Pro forma 1-3/2019	Pro forma 1-12/2019
Orders received	4.2	0.6	19.7	10.7	29.6
Order book at end of period	11.5	0.8	12.5	30.0	12.5
Net sales	4.3	0.0	35.5	8.5	44.0
Comparable EBITA	-1.1	-0.4	1.7	0.6	2.6
Comparable EBITA, %	-25.4%	-898.8%	4.8%	7.0%	5.9%
Comparable operating result (EBIT)	-1.3	-0.4	1.5	0.4	2.1
Comparable operating result (EBIT), %	-30.5%	-910.6%	4.1%	5.0%	4.8%
Operating result (EBIT)	-1.4	-0.0	1.2	0.7	1.8
Operating result (EBIT), %	-33.0%	-0.9%	3.4%	7.9%	4.2%
Net working capital	7.3	0.4	7.0		
Employees at end of period	104	4	103		

Orders received

Due to the already prolonged downturn in the automotive industry and the associated uncertainty, ordering activity for automotive glass machines was modest in the first quarter of 2020. Demand for services was also on the decline and continued to weaken due to customer factory closures due to coronavirus. Demand is expected to gradually recover, however, as customers ramp up their production.

Emerging glass technologies and value-adding glass products, such as smart glass, are making a strong entry into the market. Glaston's Emerging Technologies (ET) unit is continually seeking new business opportunities and it provides engineering and consulting services in the field of emerging glass technologies. In the first quarter, Emerging Technologies embarked on a strategically significant engineering and consulting project related to solar energy solutions of the future and the industrialization of the said technology. The project opens up new opportunities for Glaston in the field of solar energy. The development of the Heliotrope project continues. In the first quarter, agreement was reached on financing the Heliotrope project until the end of 2020. Glaston did not participate in the financing.

Net sales and profitability

The Automotive & Emerging Technologies segment's net sales were EUR 4.3 (0.0, pro forma 8.5) million. The segment's comparable EBITA was EUR -1.1 (-0.4, pro forma 0.6) million. In the Machines business, no major projects were recognized as revenue in the quarter, which resulted in loss-making business. In addition, Services business volume and relative profitability decreased. Net sales in the Emerging Technologies and Display were low. Fixed costs declined due to cost-saving measures.

Production and working capital management

The utilization rate of the company's automotive glass machine factory in Bützberg, Switzerland is at a low level and its operations have been adjusted accordingly. The Automotive & Emerging Technologies segment's first-quarter net working capital was EUR 7.3 (0.4 and 7.0 at the end of 2019) million.

Personnel

At the end of the review period, the Automotive & Emerging Technologies segment employed 104 (4) people, most of them in Switzerland. Due to the downturn in the automotive industry, the working hours of Swiss production personnel have been adjusted, and reduced working hours have been applied since autumn 2019. Due to the coronavirus pandemic, the adjustment of working hours has been extended during the first quarter to cover nearly of the Swiss employees.

Financial position, cash flow and financing

At the end of March, Glaston Group's balance sheet total was EUR 223.7 (113.1, and the end of 2019 216.7) million. Intangible assets amounted to EUR 78.0 million, of which goodwill was EUR 58.3 (30.6 and at end of 2019 58.3) million. At the end of the period, property, plant and equipment amounted to EUR 24.7 (8.2 and at end of 2019 25.0) million and inventories to EUR 40.2 (5.6, and at end-December 42.6) million. The significant increase in balance sheet items compared to the corresponding period of the previous year is explained by the acquisition of Bystronic glass.

The comparable return on capital employed (ROCE) was 3.1 (-3.4, and at end-December 8.7)%.

The company's net gearing at the end of March was 50.7 (16.8)% and the equity ratio was 40.7 (55.1)%. Net interest-bearing debt totaled EUR 37.2 (8.4) million. The average maturity of Glaston's long-term debt was 2.2 years at the end of March. The financial covenants used in the company's financing agreement are gearing (net debt/equity) and leverage (net debt/EBITDA). In March, the company drew a EUR 7.5 million long-term loan using a revolving credit facility.

The first-quarter cash flow from operating activities, before the change in working capital, was EUR 1.7 (-1.0) million. Cash flow from the change in working capital was EUR -4.8 (2.7) million and cash flow from operating activities was EUR -3.1 (1.8) million. Cash flow from investing activities was EUR -0.7 (0.9) million and cash flow from financing activities was EUR 7.2 (2.5) million.

Glaston's liquidity was at a good level at the end of the review period. The company's cash and cash equivalents stood at EUR 22.9 (10.9) million and short-term interest-bearing financial assets amounted to EUR 3.6 (2.6) million euros. The company has a EUR 35 million confirmed revolving credit facility, which includes a EUR 15 million credit line, which is fully drawn and of which EUR 7.5 million was in use at the end of the quarter. In addition Glaston has a EUR 20 million guarantee facility, which is fully drawn and of which EUR 11.8 million was in use at the end of the quarter.

Capital expenditure, depreciation and amortization

Glaston Group's January-March gross capital expenditure totaled EUR 1.0 (0.8) million and was primarily related to product development. Depreciation and amortization of property, plant and equipment, and of intangible assets totaled EUR -1.5 (-0.8) million.

Investments in product development, digitalization and innovation

In the review period, Glaston continued investing in product development and emerging glass technologies in line with the company's growth strategy. New digital and IoT-based products that facilitate the transition to fully automated glass processing continue to be at the forefront of product development. Due to the prevailing coronavirus situation, it has been decided to postpone some product development projects. Projects and innovations related to digitalization remain firmly at the center of development, and the coronavirus pandemic has further highlighted the importance of digital and remote services.

In January-March, research and product development expenditure, excluding depreciation, totaled EUR 1.7 (1.0) million, of which EUR 0.6 (0.2) million was capitalized. Research and product development expenditure amounted to 3.7 (4.8)% of net sales.

Personnel

Glaston Group had a total of 752 employees on 31 March 2020. The Heat Treatment segment employed 317 people, the Insulating Glass segment 322 people, and the Automotive & Emerging Technologies segment 104 people. Of the Group's personnel, 32%, i.e. 238 employees, worked in Germany, 24%, i.e. 181, worked in Finland, while 15% worked elsewhere in the EMEA area, 20% worked in Asia and 9% in the Americas. In both the Finnish and Swiss units previously agreed employee-related adjustment measures were implemented during the quarter.

No coronavirus infections have been reported in Glaston to date. Many of our employees work remotely in order to safeguard their own health and the health of production personnel. All of the company's production plants are fully operational.

Glaston Corporation has completed a cooperation procedure in which lay-offs of up to 90 days per employee were agreed for all personnel in Finland. The lay-offs will be implemented in stages according to workload. The company's measures and consultations to reduce working hours in Germany as well as other local personnel measures have been launched, in the units in Switzerland the measures have been implemented. The company will take action as required in other units. Underlying the measures are the rapid changes in the company's business environment caused by COVID-19 virus as well as related restrictions on mobility, which are also impacting the amount of work in certain operations.

Synergy benefits of Bystronic glass acquisition, cost savings and integration costs

In connection with the Bystronic glass acquisition, Glaston estimates that it will achieve annual cost synergies of approximately EUR 4 million by 2021. Most of the synergy-related measures were implemented on a faster schedule than expected, and cost synergies were already achieved ahead of schedule by the end of 2019, with the annual cost savings for all measures undertaken totaling EUR 4.2 million at that time. In 2020, integration has continued with, among other things, the Bystronic glass brand integration project but, due to the uncertainty caused by coronavirus, certain longer-term integration projects, such as the integration of ERP systems in selected countries, have been postponed. The integration projects will be continued as part of the company's normal management and integration office activities, and the related separate financial monitoring of integration projects has ceased in April.

Cost synergies realized in the first quarter amounted to EUR 0.8 million. Annual cost savings from all of the measures undertaken will amount to approximately EUR 5.0 million. First-quarter 2020 accumulated integration costs were EUR 0.8 million.

RESPONSIBILITY

Responsibility is part of Glaston's everyday way of operating, and the foundation for this is the Code of Conduct approved by the Board of Directors. The Code of Conduct outlines the company's requirements and expectations for responsible and ethical conduct as well as, for example, how the company requires employees to act in their daily work with colleagues and customers, suppliers and other stakeholders. Glaston is committed to complying with the relevant national and international laws, provisions and generally accepted operating practices in all of its activities. In its daily operations, the company is committed to combating bribery and corruption. Further information on the company's responsibility and non-financial information can be found in the company's 2019 Annual Review and Report of the Board of Directors.

GOVERNANCE

Shares and shareholders

Glaston Corporation's share is listed on the Nasdaq Helsinki Small Cap list. The trading code for the share is GLA1V and the ISIN code is FI4000369657. Each share entitles its holder to one vote and voting right.

Glaston Corporation's share capital on 31 March 2020 was EUR 12.7 (12.7) million.

	No. of shares and votes			Share turnover, EUR million
	Highest	Lowest	Closing	Average price *)
GLA1V			84 289 911	6,87
Share price	1.27	0.62	0.68 31.3.2020	1.03 31.3.2019
Market value			57.1	57.0
Number of shareholders			7 344	5 943
Foreign ownership, %			27.2	19.2

*) trading-weighted average

At the end of the review period, Glaston Corporation's largest shareholders were AC Invest Eight B.V. 26.4%, Hymy Lahtinen Oy 12.2%, Varma Mutual Pension Insurance Company 7.5%, Ilmarinen Mutual Pension Insurance Company 7.3% and OP-Finland Small Firms Mutual Fund 6.1%.

Governance

Annual General Meeting 2020

Based on the rapid development of the coronavirus situation, the Finnish Government announced on 16 March 2020 a general maximum limit of ten people at all public gatherings. Glaston Corporation takes the risk relating to the coronavirus very seriously and, due to these policies, the company decided to postpone its Annual General Meeting, originally scheduled for 2 April 2020, to a later date, which will be announced separately.

Proposal for the composition of the Board of Directors

The Nomination Board of Glaston Corporation proposes to the Annual General Meeting, which had been due to be held on 2 April 2020, that the number of members of the Board of Directors be seven until closing of the Annual General Meeting 2021, and that Teuvo Salminen, Sebastian Bondestam, Antti Kaunonen, Kai Mäenpää, Sarlotta Narjus and Tero Telaranta be re-elected Members of the Board, and Michael Willome be elected as a new Member of the Board. As, according to the company's Articles of Association, the Board of Directors elects from among its members a Chairman and Deputy Chairman, the Nomination Board

recommends that Teuvo Salminen continue as Chairman and Sebastian Bondestam as Deputy Chairman of the Board of Directors. Information on the proposed Members of the Board can be found on Glaston's website <https://glaston.net/investors>. All of the candidates have given their consent to their candidature.

Proposal for the remuneration of the Board of Directors

The Nomination Board proposes to the Annual General Meeting that the annual fees of the Members of the Board of Directors remain unchanged and that accordingly the Members of the Board of Directors be paid annual fees as follows:

- Chairman of the Board EUR 60,000,
- Deputy Chairman of the Board EUR 40,000,
- other Members of the Board EUR 30,000.

In addition, the Nomination Board proposes that meeting fees be paid, in accordance with earlier practice, for each meeting of the Board of Directors that a Member of the Board has attended, as follows:

- Chairman of the Board, EUR 800 for meetings held in the country of residence of the Chairman of the Board and EUR 1,500 for meetings held elsewhere
- for other Members of the Board, EUR 500 for meetings held in the country of residence of the Member of the Board and EUR 1,000 for meetings held elsewhere
- for meetings held per capsulam, half the normal fee.

In addition, it is proposed that each Member of the Board be paid travel and accommodation expenses and other direct expenses arising from board work.

In addition, the Nomination Board proposes to the Annual General Meeting that the meeting fees of the Audit and Remuneration Committees remain unchanged, and that members be paid a meeting fee of EUR 500 for each meeting attended and that, in addition, the Chairman of the Audit Committee be paid an annual fee of EUR 10,000 and the Chairman of the Remuneration Committee be paid an annual fee of EUR 7,500.

CHANGES TO GLASTON'S GROUP STRUCTURE AND EXECUTIVE MANAGEMENT GROUP

In order to better reflect its business dynamics and market drivers, Glaston has made changes to the Group structure. As of 1 January 2020, Glaston Corporation has three business areas: Glaston Heat Treatment Technologies, Glaston Insulating Glass Technologies and Glaston Automotive & Emerging Technologies. The business areas also form the company's three reporting segments in which Services are included.

Changes to the Executive Management Group

In connection to the organizational change, appointments have been made to the Executive Management Group which as of 1 January constitutes of:

Arto Metsänen, President & CEO
 Sasu Koivumäki, COO, Sales & Integration
 Päivi Lindqvist, CFO
 Juha Liettyä, SVP Glaston Heat Treatment Technologies
 Dietmar Walz, SVP Glaston Insulating Glass Technologies
 Robert Prange, SVP Glaston Automotive and Emerging Technologies
 Artturi Mäki, SVP Services
 Taina Tirkkonen, General Counsel and SVP Human Resources

LEGAL PROCEEDINGS AND ARBITRATION

In August 2019, Glaston announced that a dispute between Glaston and a customer regarding a heat treatment machine acquired by the customer from the company was proceeding to arbitration. The parties reached an agreement satisfactory to both sides, and the arbitration procedure was suspended in January 2020.

BUSINESS RISKS

Glaston's longer-term strategic and operational risks and uncertainties are described in detail in the company's financial statements bulletin for 2019 and in the Report of the Board of Directors.

Uncertainties and factors affecting near future development

In the first quarter of 2020, as a result of the coronavirus situation, the global economic situation has deteriorated significantly, rapid changes have taken place in Glaston's business environment and willingness to invest has decreased. Due to low visibility and strong market movements, there is an exceptional amount of uncertainty associated with demand in all of the company's

business areas. In addition equipment installations have become more difficult and the operating conditions for the services business have deteriorated due to travel restrictions and customer production restrictions or plant closures.

Uncertainty in the market may affect both Glaston's latest orders as well as orders in the order book, which may be postponed significantly or cancelled. Glaston is maintaining an ongoing dialogue with customers to survey and mitigate the situation.

If the COVID-19 virus pandemic depresses the global economy for a longer period and Glaston customers' willingness to invest in new equipment decreases significantly, and the operating conditions of the services business will not be restored, this will have an impact on the company's net sales, earnings and cash flow. If the weak economic conditions continue for a long time, the company's liquidity might deteriorate. Should the company's earnings and financial position deteriorate sharply, the covenants of the financing agreement may be breached, which could lead to a significant increase in financing costs. The company manages risk through cost savings, tighter spending, and risk management as well as through proactive discussions with providers of finance.

The spread of the coronavirus pandemic to a company's production sites might lead to the closure of one or more production facilities, and this could have a significant impact on the company's financial development. The company has initiated prompt measures to prevent such risk from materializing, and its personnel have, for example, been teleworking for some time now in order to protect their own health and the health of production personnel.

EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of Glaston Corporation has decided to convene the Annual General Meeting to be held on Thursday, 28 May 2020, and in this connection decided on an exceptional meeting procedure in accordance with the temporary legislation given by the Finnish Government on 24 May 2020. This enables to hold the meeting by remote participation during the COVID-19 pandemic. The Notice to convene the Annual General Meeting will be published as soon as possible.

UPDATED BOARD OF DIRECTORS' PROPOSAL ON THE DISTRIBUTION OF PROFITS

In the light of the uncertainty caused by the coronavirus pandemic, Glaston's Board of Directors has decided to withdraw its profit distribution proposal issued on 11 February 2020 and to propose to the Annual General Meeting that no return of capital be distributed for 2019.

The distributable funds of Glaston Corporation for 2019 amounted to EUR 75,298,315, of which EUR 12,208,041 represented the loss for the financial year. The company had no funds available for dividend distribution. In its proposal to the Annual General Meeting published on 11 February, The Board of Directors proposed that, based on the balance sheet adopted for 2019, a return of capital of EUR 1,685,798 be distributed, which would have been EUR 0.02 per share.

GLASTON'S OUTLOOK FOR 2020 UPDATED

Glaston Corporation estimates that comparable EBITA for 2020 will decline from the 2019 level. Due to low visibility and rapid market movements, the extent of the deterioration cannot be reliably assessed at this stage. The company's current assessment is that orders received in the second and third quarters will be at a lower level than normal. The postponement of the delivery of some orders will impact the development of net sales and earnings in the near future. Exceptionally high uncertainty surrounds the assessments, and the situation might change very quickly.

On 20 March 2020, Glaston Corporation published a stock exchange release which stated that, due to the significant deterioration in the global financial situation following the coronavirus situation and the rapid changes in the company's business environment, Glaston was withdrawing its guidance issued on 11 February 2020 and that it was improbable that company's comparable EBITA will grow in 2020.

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 31 MARCH 2020

This interim report has been prepared in accordance with IAS 34. The interim report has been prepared in accordance with the same accounting principles as the annual financial statements for 2019.

Quarterly information and interim reports are not audited.

As a result of rounding differences, the figures presented in the tables may not add up to the total.

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	1-3/2020	1-3/2019	1-12/2019
Net sales	46.9	20.8	181.0
Other operating income	0.5	0.3	1.8
Expenses	-45.2	-20.7	-176.0
Depreciation, amortization and impairment	-1.5	-0.8	-5.6
Depreciation of right-of-use assets	-0.6	-0.5	-2.6
Operating result	0.1	-0.8	-1.3
Financial items, net	-0.1	-0.2	-2.6
Interest expenses on lease liabilities	-0.1	-0.1	-0.5
Result before income taxes	-0.1	-1.1	-4.4
Income taxes	-0.1	-0.1	-2.0
Profit / loss for the period	-0.2	-1.1	-6.4
Attributable to:			
Owners of the parent	-0.2	-1.1	-6.4
Non-controlling interest	-	-0.0	-0.0
Total	-0.2	-1.1	-6.4

Earnings per share, EUR	-0.003	-0.029	-0.089
Earnings per share, EUR, basic and diluted	-0.003	-0.029	-0.089
Operating result, as % of net sales	0.3	-3.6	-0.7
Profit / loss for the period, as % of net sales	-0.5	-5.5	-3.5
Items affecting comparability	-0.8	-0.8	-7.2
Comparable operating result	0.9	0.1	5.9
Comparable operating result, as % of net sales	2.0	0.4	3.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2020	1-3/2019	1-12/2019
Profit / loss for the period	-0.2	-1.1	-6.4
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	0.2	-0.0	-0.4
Fair value changes of financial assets measured at fair value through profit or loss	0.0	0.0	0.1
Cash flow hedges	0.0	-0.2	0.0
Income tax on other comprehensive income	0.0	0.0	0.0
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Exchange differences on actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0
Actuarial gains and losses arising from defined benefit plans	0.0	-	-1.2
Taxes on actuarial gains and losses arising from defined benefit plans	0.0	-	0.3
Other comprehensive income for the reporting period	0.2	-0.2	-1.2
Total comprehensive income for the reporting period	-0.1	-1.3	-7.6
Attributable to:			
Owners of the parent	-0.1	-1.3	-7.6
Non-controlling interest	-	0.0	0.0
Total comprehensive income for the reporting period	-0.1	-1.3	-7.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.3.2020	31.3.2019	31.12.2019
Assets			
Non-current assets			
Goodwill	58.3	30.6	58.3
Other intangible assets	19.7	5.6	19.7
Property, plant and equipment	24.7	8.2	25.0
Right-of-use assets	8.3	7.8	8.4
Financial assets measured at fair value through other comprehensive income	3.1	3.0	3.1
Loan receivables	2.4	2.9	2.5
Deferred tax assets	1.9	0.6	1.3
Total non-current assets	118.3	58.7	118.4
Current assets			
Inventories	40.2	5.6	42.6
Receivables			
Trade and other receivables	23.4	24.4	23.0
Contract assets	18.7	13.2	12.6
Assets for current tax	0.1	0.3	0.2
Total receivables	42.3	37.9	35.8
Cash equivalents	22.9	10.9	19.9
Total current assets	105.4	54.4	98.3
Total assets	223.7	113.1	216.7

EUR million	31.3.2020	31.3.2019	31.12.2019
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Share issue	-	14.9	-
Share premium account	-	25.3	-
Other restricted equity reserves	-0.0	0.1	0.0
Reserve for invested unrestricted equity	109.5	39.6	109.5
Treasury shares	-	-3.3	-
Fair value reserve	0.2	0.1	0.2
Other unrestricted equity reserves	0.0	-0.2	0.0
Retained earnings and exchange differences	-48.8	-38.1	-42.7
Net result attributable to owners of the parent	-0.2	-1.1	-6.4
Equity attributable to owners of the parent	73.4	49.9	73.4
Non-controlling interest	-	0.1	-0.0
Total equity	73.4	50.0	73.4
Non-current liabilities			
Non-current interest-bearing liabilities	46.7	7.8	39.3
Non-current lease liabilities	8.0	7.5	8.2
Non-current interest-free liabilities and provisions	2.4	0.6	2.4
Deferred tax liabilities	7.2	0.2	6.7
Total non-current liabilities	64.3	16.1	56.6
Current liabilities			
Current interest-bearing liabilities	3.6	2.6	3.6
Current lease liabilities	1.7	1.4	1.7
Current provisions	3.6	1.4	3.9
Trade and other current interest-free payables	72.4	41.2	72.2
Contract liabilities	4.2	0.2	4.8
Liabilities for current tax	0.4	0.1	0.4
Total current liabilities	86.0	47.0	86.6
Total liabilities	150.3	63.0	143.2
Total equity and liabilities	223.7	113.1	216.7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3/2020	1-3/2019	1-12/2019
Cash flows from operating activities			
Cash flow before change in net working capital	1.7	-1.0	2.3
Change in net working capital	-4.8	2.7	8.6
Net cash flow from operating activities	-3.1	1.8	10.8
Cash flow from investing activities			
Acquisition of subsidiaries less cash at the date of acquisition	-	-	-51.7
Purchase of loan receivables of subsidiaries acquired	-	-	-16.9
Other purchases of non-current assets	-0.7	-0.9	-4.6
Proceeds from sale of business	-	-	0.6
Proceeds from sale of other non-current assets	0.0	0.0	0.1
Net cash flow from investing activities	-0.7	-0.9	-72.5

Cash flow before financing	-3.8	0.9	-61.6
Cash flow from financing activities			
Share issue, net	-	4.8	45.8
Increase in non-current liabilities	7.5	-	40.1
Decrease in non-current liabilities	-	-	-5.0
Increase in short-term liabilities	-	1.0	33.0
Decrease in short-term liabilities	-0.3	-3.3	-37.6
Return of capital	-	-	-1.2
Net cash flow from financing activities	7.2	2.5	75.1
Effect of exchange rate changes	-0.3	-0.3	-1.5
Net change in cash and cash equivalents	3.0	3.1	12.0
Cash and cash equivalents at the beginning of period	19.9	7.9	7.9
Cash and cash equivalents at the end of period	22.9	10.9	19.9
Net change in cash and cash equivalents	3.0	3.1	12.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treas-ury shares	Fair value and other reserves	Ret. earnings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2019	12.7	25.3	39.6	-3.3	0.2	-42.1	3.9	36.3	0.1	36.4
Total compr. income for the period	-	-	-	-	-0.2	-1.1	-0.0	-1.3	0.0	-1.3
Share issue	-	-	14.9	-	-	-	-	14.9	-	14.9
Other changes	-	-	-	-	-	0.0	-	0.0	-	0.0
Equity at 31 March 2019	12.7	25.3	54.5	-3.3	0.0	-43.1	3.9	49.9	0.1	50.0

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treas-ury shares	Fair value and other reserves	Ret. earnings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2020	12.7	-	109.5	-	0.3	-52.7	3.6	73.4	-	73.4
Total compr. income for the period	-	-	-	-	0.0	-0.3	0.2	-0.1	-	-0.1
Share-based plan	-	-	-	-	-	-	0.0	0.0	-	0.0
Share-based plan, tax effect	-	-	-	-	-	-	-0.0	-0.0	-	-0.0
Equity at 31 March 2020	12.7	-	109.5	-	0.3	-53.0	3.8	73.4	-	73.4

KEY RATIOS	31.3.2020	31.3.2019	31.12.2019
EBITDA, as % of net sales	4.7	2.2	3.8
Comparable EBITDA, as % of net sales	6.4	6.2	7.8
Operating profit (EBIT), as % of net sales	0.3	-3.6	-0.7
Comparable operating profit (EBIT), as % of net sales	2.0	0.4	3.3
Comparable EBITA, as % of net sales	4.3	2.7	5.4
Profit / loss for the period, as % of net sales	-0.5	-5.5	-3.5
Gross capital expenditure, EUR million	1.0	0.8	63.1
Gross capital expenditure, as % of net sales	2.2	4.1	34.8
Equity ratio, %	40.7	55.1	41.6
Gearing, %	81.9	38.6	72.0
Net gearing, %	50.7	16.8	45.0
Net interest-bearing debt, EUR million	37.2	8.4	33.0
Capital employed, end of period, EUR million	133.5	69.3	126.3
Return on equity, %, annualized	-1.3	-10.5	-11.6
Return on capital employed, %, annualized	0.3	-4.7	-1.3
Number of personnel, average	747	352	689
Number of personnel, end of period	752	350	790

PER SHARE DATA	31.3.2020	31.3.2019	31.12.2019
Number of registered shares, end of period, adjusted with share issue (1.000) (1)	84 290	38 569	84 290
Number of shares, average, adjusted with share issue, treasury shares excluded (1.000) (1)	84 290	51 302	72 072
EPS, total, basic and diluted, adjusted with share issue, EUR (1 Adjusted equity attributable to owners of the parent per share, EUR (1	-0.003	-0.022	-0.089
Price per earnings per share (P/E) ratio (1	0.87	1.29	0.87
Price per equity attributable to owners of the parent per share (1	-234.2	-66.9	-14.2
Market capitalization of registered shares, excl. treasury shares, EUR million (1	0.78	1.14	1.44
Share turnover, % (number of shares traded, % of the average registered number of shares) (1	57.1	57.0	105.8
Number of shares traded, (1.000) (1	7.9	2.2	15.1
Closing price of the share, EUR (1	6 666	1 131	10 878
Highest quoted price, EUR (1	0.68	1.48	1.26
Lowest quoted price, EUR (1	1.27	1.82	1.82
Volume-weighted average quoted price, EUR (1	0.62	1.44	1.05
	1.03	1.62	1.25

(1) A Reverse share split was implemented on 1 March 2019. A Rights issue was implemented during the second quarter in 2019. The number of shares and the share price and key ratios based on these for the comparative period have been restated accordingly.

SEGMENT INFORMATION

Glaston's reportable segments as of January 1, 2020 are Glaston Heat Treatment, Glaston Insulating Glass, Glaston Automotive & Emerging Technologies. The reportable segments comply with the group's accounting and valuation principles. In inter-segment transactions, Glaston complies with the same commercial terms and conditions as in its third party transactions.

The reportable segments consist of operating segments, which have been aggregated in accordance with the criteria of IFRS 8.12. Operating segments have been aggregated, when the nature of the products and services is similar, the nature of the production process is similar as well as the type or class of customers. Glaston Group's business consists of the manufacture and sale of glass processing machines as well as the service operations for these machines. There is a high level of integration between glass machines and maintenance. Their customers are the same, as is their market development, which is linked to the general development of the global market.

Glaston's highest operative decision maker (CODM, Chief Operating Decision Maker) is Glaston Corporation's President & CEO, supported by the Executive Management Group. The President & CEO assesses the Group's financial position and its overall development.

Order intake

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	19.7	20.9	76.0
Insulating Glass	21.2	-	60.4
Automotive & Emerging Technologies	4.2	0.6	19.7
Total segments	45.2	21.5	156.1
Unallocated and eliminations	0.5	1.3	6.1
Total Glaston Group	45.6	22.9	162.2

Net sales

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	19.2	19.6	82.6
Insulating Glass	22.4	-	58.8
Automotive & Emerging Technologies	4.3	0.0	35.5
Total segments	46.0	19.7	176.9
Unallocated and eliminations	1.0	1.1	4.1
Total Glaston Group	46.9	20.8	181.0

Operating result (EBIT)

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	0.1	-0.0	-0.9
Insulating Glass	1.4	-	0.4
Automotive & Emerging Technologies	-1.4	-0.0	1.2
Total segments	0.1	-0.0	0.7
Unallocated and eliminations	0.1	-0.8	-2.0
Total Glaston Group	0.1	-0.8	-1.3
Operating result %	0.3%	-3.6%	-0.7%

Comparable operating result (EBIT)

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	0.3	0.4	1.9
Insulating Glass	1.9	-	2.6
Automotive & Emerging Technologies	-1.3	-0.4	1.5
Total segments	0.9	0.0	6.0
Unallocated and eliminations	0.1	0.1	-0.1
Total Glaston Group	0.9	0.1	5.9
Comparable EBIT %	2.0%	0.4%	3.3%

Comparable EBITA

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	0.7	0.9	3.4
Insulating Glass	2.4	-	4.7
Automotive & Emerging Technologies	-1.1	-0.4	1.7
Total segments	2.0	0.5	9.8
Unallocated and eliminations	0.1	0.1	-0.1
Total Glaston Group	2.0	0.6	9.7
Comparable EBITA %	4.3%	2.7%	5.4%

Segment assets

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	81.6	93.5	81.0
Insulating Glass	74.5	-	72.5
Automotive & Emerging Technologies	36.9	0.9	36.2
Total segment assets	193.0	94.4	189.7
Other assets	30.7	18.6	27.0
Total assets	223.7	113.1	216.7

Segment liabilities

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	40.6	41.2	40.1
Insulating Glass	27.0	-	28.6
Automotive & Emerging Technologies	13.7	0.2	13.3
Total segment liabilities	81.4	41.4	82.0
Other liabilities	68.9	21.7	61.2
Total liabilities	150.3	63.0	143.2

Personnel at the end of the period

EUR million	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	317	331	333
Insulating Glass	322	-	344
Automotive & Emerging Technologies	104	4	103
Others	9	15	10
Total personnel at the end of the period	752	350	790

ORDER INTAKE, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS**Order intake**

EUR million	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	19.7	23.0	15.9	16.2	20.9
Insulating Glass	21.2	18.0	21.1	21.3	-
Automotive & Emerging Technologies	4.2	7.7	5.7	5.5	0.6
Total segments	45.2	48.7	42.7	43.0	21.5
Unallocated and eliminations	0.5	0.5	2.9	1.5	1.3
Total Glaston Group	45.6	49.2	45.6	44.5	22.9

Order book

EUR million	31.3.2020	31.12.2019	30.9.2019	30.6.2019	31.3.2019
Heat Treatment	34.7	35.1	34.2	30.0	41.6
Insulating Glass	35.5	31.2	28.3	27.9	-
Automotive & Emerging Technologies	11.5	12.5	15.2	20.4	0.8
Total segments	81.7	78.8	77.7	78.4	42.4
Unallocated and eliminations	0.6	0.7	1.4	0.5	0.4
Total Glaston Group	82.3	79.5	79.1	78.9	42.8

Net sales

EUR million	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	19.2	20.8	20.1	22.1	19.6
Insulating Glass	22.4	14.5	21.4	22.9	-
Automotive & Emerging Technologies	4.3	11.9	11.2	12.3	0.0
Total segments	46.0	47.2	52.7	57.3	19.7
Unallocated and eliminations	1.0	0.1	1.8	1.1	1.1
Total Glaston Group	46.9	47.3	54.5	58.4	20.8

Operating result (EBIT)

EUR million	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	0.1	-0.3	-0.3	-0.4	-0.0
Insulating Glass	1.4	-0.0	-0.7	1.1	-
Automotive & Emerging Technologies	-1.4	-0.4	1.1	0.5	-0.0
Total segments	0.1	-0.8	0.2	1.3	-0.0
Unallocated and eliminations	0.1	-0.1	-0.2	-0.8	-0.8
Total Glaston Group	0.1	-0.9	-0.0	0.4	-0.8
Operating result %	0.3%	-1.8%	-0.0%	0.7%	-3.6%

Comparable EBIT

EUR million	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	0.3	0.8	1.0	-0.2	0.4
Insulating Glass	1.9	0.9	-0.1	1.8	-
Automotive & Emerging Technologies	-1.3	-0.3	1.2	1.0	-0.4
Total segments	0.9	1.5	2.0	2.5	0.0
Unallocated and eliminations	0.1	-0.1	-0.1	0.0	0.1
Total Glaston Group	0.9	1.3	2.0	2.5	0.1
Comparable EBIT %	2.0%	2.8%	3.6%	4.3%	0.4%

Comparable EBITA

EUR million	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	0.7	1.2	1.3	0.1	0.9
Insulating Glass	2.4	1.6	0.7	2.4	-
Automotive & Emerging Technologies	-1.1	-0.2	1.2	1.0	-0.4
Total segments	2.0	2.6	3.2	3.6	0.5
Unallocated and eliminations	0.1	-0.1	-0.1	0.0	0.1
Total Glaston Group	2.0	2.5	3.1	3.6	0.6
Comparable EBITA %	4.3%	5.2%	5.7%	6.2%	2.7%

COMPARABLE EBIT AND EBITA**Items affecting comparability**

EUR million	1-3/2020	1-3/2019	1-12/2019
Re-structuring	-0.8	-0.8	-6.2
Others	-	-	-1.0
Items affecting comparability	-0.8	-0.8	-7.2

Comparable operating result (EBIT) and EBITA

EUR million	1-3/2020	1-3/2019	1-12/2019
Operating result	0.1	-0,8	-1.3
Items affecting comparability	0.8	0,8	7.2
Comparable EBIT	0.9	0,1	5.9
Operating result	0.1	-0.8	-1.3
Amortization and purchase price allocation	1.1	0.5	3.8
EBITA	1.2	-0.3	2.5
Items affecting comparability	0.8	0.8	7.2
Comparable EBITA	2.0	0.6	9.7
% of net sales	4.3%	2.7%	5.4%

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Changes in property, plant and equipment	1-3/2020	1-3/2019	1-12/2019
Carrying amount at beginning of the period	25.0	7.7	7.7
Additions	0.2	0.6	2.1
Additions, business acquisitions	-	-	40.1
Disposals	-0.0	-0.0	0.1
Depreciation and amortization	-0.5	-0.3	-2.2
Depreciation and amortization, business acquisitions	-	-	-22.6
Impairment and reversals of impairment	-	-	-0.1
Reclassification and other changes	-0.1	-0.0	-0.1
Transfers to available-for-sale assets	-	-	-0.2
Exchange differences	0.1	0.2	0.0
Carrying amount at end of the period	24.7	8.2	25.0

At the end of March 2020 and year-end 2019 Glaston had not contractual commitments for the acquisition of property, plant and equipment.

Changes in intangible assets	1-3/2020	1-3/2019	1-12/2019
Carrying amount at beginning of the period	78.1	36.3	36.3
Additions	0.8	0.3	2.3
Additions, business acquisitions	-	-	47.9
Disposals	-	-	-0.0
Depreciation and amortization	-1.0	-0.5	-3.4
Depreciation and amortization, business acquisitions	-	-	-5.2
Reclassification and other changes	0.1	-0.0	0.1
Exchange differences	-0.0	0.0	0.0
Carrying amount at end of the period	78.0	36.1	78.1

LEASES IN THE BALANCE SHEET

Right-of-use assets	1-3/2020	1-3/2019	1-12/2019
Carrying amount at beginning of the period	8.4	8.0	8.0
Additions	0.4	0.2	4.0
Depreciation expense	-0.5	-0.5	-3.6
Carrying amount at end of the period	8.3	7.8	8.4

Lease liabilities	1-3/2020	1-3/2019	1-12/2019
Carrying amount at beginning of the period	9.9	9.0	9.0
Additions	0.3	0.3	3.1
Interest expense	0.1	0.1	0.5
Rental payment	-0.7	-0.5	-2.7
Carrying amount at end of the period	9.7	8.9	9.9

LEASES IN PROFIT AND LOSS STATEMENT

EUR million	1-3/2020	1-3/2019	1-12/2019
Depreciation of right-of-use assets	-0.6	-0.5	-2.6
Interest expense on lease liabilities	-0.1	-0.1	-0.5
Short-term lease expense	-0.1	-0.1	-0.2
Total amounts recognised in profit or loss	-0.7	-0.6	-3.3

CONTINGENT LIABILITIES

EUR million	31.3.2020	31.3.2019	31.12.2019
Mortgages and pledges			
On own behalf	511.4	166.9	511.4
Guarantees			
On own behalf	14.7	5.6	12.4
On behalf of others	0.1	2.8	0.1
Investment commitments related to joint ventures	0.0	-	-

Mortgages and pledges include EUR 23.9 million shares in group companies.

Glaston Group has international operations and can be a defendant or plaintiff in a number of legal proceedings incidental to those operations. The Group does not expect the outcome of any unmentioned legal proceedings currently pending, either individually or in the aggregate, to have material adverse effect upon the Group's consolidated financial position or results of operations.

DERIVATIVE INSTRUMENTS

EUR million	31.3.2020		31.3.2019		31.12.2019	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	11.1	0.0	10.9	-0.2	12.0	0.0

Glaston hedge foreign currency-denominated sales and cash flows of binding orders received with currency forwards. In fulfilling the conditions of hedge accounting, cash flow hedge accounting under IFRS 9 is applied with respect to currency derivatives.

Derivative instruments are used only for hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value include derivatives. Other financial instruments at fair value through profit or loss can include mainly Glaston's current investments, which are classified as held for trading i.e. which have been acquired or incurred principally for the purpose of selling them in the near future.

Fair values of publicly traded derivatives are calculated based on quoted market rates at the end of the reporting period (fair value hierarchy level 1). All Glaston's derivatives are publicly traded.

Financial assets measured at fair value through other comprehensive income include listed investments are measured at the market price at the end of the reporting period (fair value hierarchy level 2). Investments, for which fair values cannot be measured reliably, such as unlisted equities, are reported at cost or at cost less impairment (fair value hierarchy level 3).

Fair value measurement hierarchy:

Level 1 = quoted prices in active markets

Level 2 = other than quoted prices included within Level 1 that are observable either directly or indirectly

Level 3 = not based on observable market data. Fair value equals cost or cost less impairment

During the reporting period there were no transfers between levels 1 and 2 of the fair value hierarchy. During the reporting period there were no changes in the valuation techniques of levels 2 or 3 of the fair value hierarchy.

Fair value measurement hierarchy, Level 3. changes during the reporting period

	2020	2019
1.1.	2.8	2.8
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Reclassification	-	-
31.3.	2.8	2.8

Financial instruments measured at fair value and included in level 3 of fair value hierarchy, had no effect on the profit or loss of the reporting period or on other comprehensive income. These financial instruments are not measured at fair value on recurring basis.

Fair value hierarchy, fair values

EUR million	31.3.2020				31.3.2019				31.12.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Listed shares	0.3	-	0.0	0.3	0.2	-	0.0	0.2	0.2	-	0.0	0.2
Other long-term investments	-	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8	2.8
Currency forward contracts	-	0.0	-	0.0	-	-	-	-	-	0.0	-	0.0
Total	0.3	0.0	2.8	3.1	0.2	-	2.8	3.0	0.2	0.0	2.8	3.1
Liabilities												
Currency forward contracts	-	-	-	-	-	-0.2	-	-0.2	-	-	-	-
Total	-	-	-	-	-	-0.2	-	-0.2	-	-	-	-

DEFINITIONS OF KEY RATIOS

Per share data

Earnings per share (EPS):

Net result attributable to owners of the parent / Adjusted average number of shares

Dividend per share*:

Dividends paid / Adjusted number of issued shares at end of the period

Dividend payout ratio*:

(Dividend per share x 100) / Earnings per share

Dividend yield per share*:

(Dividend per share x 100) / Share price at end of the period

Equity attributable to owners of the parent per share:

Equity attributable to owners of the parent at end of the period / Adjusted number of shares at end of the period

Average trading price:

Shares traded (EUR) / Shares traded (volume)

Price per earnings per share (P/E):

Share price at end of the period / Earnings per share (EPS)

Price per equity attributable to owners of the parent per share:

Share price at end of the period / Equity attributable to owners of the parent per share

Share turnover:

The proportion of number of shares traded during the period to weighted average number of shares

Market capitalization:

Number of shares at end of the period x share price at end of the period

Number of shares at period end:

Number of issued shares - treasury shares

*The definition is also applied with return of capital

Financial ratios

EBITDA:

Profit / loss before depreciation, amortization and impairment

Operating result (EBIT):

Profit / loss after depreciation, amortization and impairment

Cash and cash equivalents:

Cash + other financial assets (includes cash and cash equivalents at amortized cost)

Net interest-bearing debt:

Interest-bearing liabilities (includes interest-bearing liabilities at amortized cost) - cash and cash equivalents

Financial expenses:

Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities

Equity ratio, %:

Equity (Equity attributable to owners of the parent + non-controlling interest) x 100 / Total assets - advance payments received

Gearing, %:

(Interest-bearing liabilities x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Net gearing, %:

(Net interest-bearing debt x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Return on capital employed, % (ROCE):

(Profit / loss before taxes + financial expenses x 100) / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Return on equity, % (ROE):

Profit / loss for the reporting period x 100 / Equity (Equity attributable to owners of the parent + non-controlling interest), average of 1 January and end of the reporting period

Alternative performance measures

Comparable EBIT:

Operating result after depreciation, amortization and impairment, +/- items affecting comparability

Comparable EBITDA:

Operating result before amortization and impairment, +/- items affecting comparability

Comparable EBITA:

Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability

Comparable return on capital employed, % (Comparable ROCE):

(Profit / loss before taxes + amortization of purchase price allocations +/- items affecting comparability + financial expenses x 100) / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Comparable earnings per share (Comparable EPS):

Net result attributable to owners of the parent +/- items affecting comparability / Adjusted average number of shares

Items affecting comparability:

Items affecting comparability are adjusted for non-business transactions or changes in valuation items when they arise from restructuring, acquisitions and disposals, related integration and separation costs, sale or impairment of assets. These may include staff reductions, rationalization of the product range, restructuring of the production structure, and reduction of premises.

Impairment losses on goodwill, gains or losses on disposals due to changes in the group structure, exceptionally large gains or losses on tangible and intangible assets, exceptional compensations for damages and legal proceedings are restated as an item affecting comparability.

Accounting policies

The Glaston Group's interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as adopted by the European Union. The interim report does not contain all the information required by the annual financial statements. The interim report has followed the same IFRS accounting principles as in the previous consolidated financial statements.

NOTE 1

GLASTON AND BYSTRONIC GLASS PRO FORMA 2019 COMPARATIVE FIGURES

The following unaudited pro forma -financial information has been presented to illustrate how the Bystronic glass acquisition and related financing arrangements would have had a hypothetical impact on the company's result if it had materialized on 1 January 2019. Pro forma information is presented separately for the group level and segments.

Pro forma financial information has been prepared in accordance with the IFRS standards introduced in the EU and with the accounting principles used by Glaston in the consolidated financial statements.

CONDENSED PRO FORMA STATEMENT OF PROFIT OR LOSS

EUR million	Actual	Pro forma	Pro forma
	1-3/2020	1-3/2019	1-12/2019
Net sales	46.9	44.3	204.6
Other operating income	0.5	0.6	2.1
Expenses	-45.2	-41.8	-197.1
Depreciation, amortization and impairment	-1.5	-1.7	-6.5
Depreciation of right-of-use assets	-0.6	-0.6	-2.8
Operating result	0.1	0.8	0.3
Financial items, net	-0.1	-0.3	-2.7
Interest expenses on lease liabilities	-0.1	-0.1	-0.5
Result before income taxes	-0.1	0.3	-3.0
Income taxes	-0.1	-0.7	-2.7
Profit / loss for the period	-0.2	-0.3	-5.6
Average number of shares, issues adjusted (1000)	84 290	51 302	72 072
Earnings per share	-0.003	-0.005	-0.078

Order intake

EUR million	Actual	Pro forma	Pro forma
	1-3/2020	1-3/2019	1-12/2019
Heat Treatment	19.7	20.9	76.0
Insulating Glass	21.2	12.3	72.6
Automotive & Emerging Technologies	4.2	10.7	29.6
Total segments	45.2	44.0	178.3
Unallocated and eliminations	0.5	1.3	6.3
Total Glaston Group	45.6	45.3	184.6

Net sales

EUR million	Actual 1-3/2020	Pro forma 1-3/2019	Pro forma 1-12/2019
Heat Treatment	19.2	19.6	82.6
Insulating Glass	22.4	15.1	73.9
Automotive & Emerging Technologies	4.3	8.5	44.0
Total segments	46.0	43.2	200.5
Unallocated and eliminations	1.0	1.1	4.0
Total Glaston Group	46.9	44.3	204.6

Operating result (EBIT)

EUR million	Actual 1-3/2020	Pro forma 1-3/2019	Pro forma 1-12/2019
Heat Treatment	0.1	-0.0	-0.9
Insulating Glass	1.4	0.9	1.3
Automotive & Emerging Technologies	-1.4	0.7	1.8
Total segments	0.1	1.6	2.2
Unallocated and eliminations	0.1	-0.8	-2.0
Total Glaston Group	0.1	0.8	0.3

Comparable EBIT

EUR million	Actual 1-3/2020	Pro forma 1-3/2019	Pro forma 1-12/2019
Heat Treatment	0.3	0.2	1.9
Insulating Glass	1.9	0.9	3.5
Automotive & Emerging Technologies	-1.3	0.4	2.1
Total segments	0.9	1.6	7.6
Unallocated and eliminations	0.1	0.0	-0.1
Total Glaston Group	0.9	1.6	7.5

Comparable EBITA

EUR million	Actual 1-3/2020	Pro forma 1-3/2019	Pro forma 1-12/2019
Heat Treatment	0.7	0.7	3.4
Insulating Glass	2.4	1.4	6.2
Automotive & Emerging Technologies	-1.1	0.6	2.6
Total segments	2.0	2.7	12.1
Unallocated and eliminations	0.1	0.1	-0.1
Total Glaston Group	2.0	2.8	12.1

PRO FORMA ORDER INTAKE, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS**Order intake**

EUR million	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	19.7	23.0	15.9	16.2	20.9
Insulating Glass	21.2	18.0	21.1	21.3	12.3
Automotive & Emerging Technologies	4.2	7.7	5.7	5.5	10.7
Total segments	45.2	48.7	42.7	43.0	43.9
Unallocated and eliminations	0.5	0.5	2.9	1.5	1.3
Total Glaston Group	45.6	49.2	45.6	44.5	45.3

Order book

EUR million	Actual 31.3.2020	Actual 31.12.2019	Actual 30.9.2019	Actual 30.6.2019	Pro forma 31.3.2019
Heat Treatment	34.7	35.1	34.2	30.0	41.6
Insulating Glass	35.5	31.2	28.3	27.9	32.3
Automotive & Emerging Technologies	11.5	12.5	15.2	20.4	30.0
Total segments	81.7	78.8	77.7	78.4	103.8
Unallocated and eliminations	0.6	0.7	1.4	0.5	0.4
Total Glaston Group	82.3	79.5	79.1	78.9	104.2

Net sales

EUR million	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	19.2	20.8	20.1	22.1	19.6
Insulating Glass	22.4	14.5	21.4	22.9	15.1
Automotive & Emerging Technologies	4.3	11.9	11.2	12.3	8.5
Total segments	46.0	47.2	52.7	57.3	43.2
Unallocated and eliminations	1.0	0.1	1.8	1.1	1.1
Total Glaston Group	46.9	47.3	54.5	58.4	44.3

Operating result (EBIT)

EUR million	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	0.1	-0.3	-0.3	-0.4	-0.0
Insulating Glass	1.4	-0.0	-0.7	1.1	0.9
Automotive & Emerging Technologies	-1.4	-0.4	1.1	0.5	0.7
Total segments	0.1	-0.8	0.2	1.3	1.6
Unallocated and eliminations	0.1	-0.2	-0.2	-0.8	-0.8
Total Glaston Group	0.1	-0.9	-0.0	0.4	0.8

Comparable EBIT

EUR million	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	0.3	0.8	1.0	-0.2	0.2
Insulating Glass	1.9	0.9	-0.1	1.8	0.9
Automotive & Emerging Technologies	-1.3	-0.3	1.2	1.0	0.4
Total segments	0.9	1.5	2.0	2.5	1.6
Unallocated and eliminations	0.1	-0.1	-0.1	0.0	-0.0
Total Glaston Group	0.9	1.3	2.0	2.5	1.6

Comparable EBITA

EUR million	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	0.7	1.2	1.3	0.1	0.7
Insulating Glass	2.4	1.6	0.7	2.4	1.4
Automotive & Emerging Technologies	-1.1	-0.2	1.2	1.0	0.6
Total segments	2.0	2.6	3.2	3.6	2.7
Unallocated and eliminations	0.1	-0.1	-0.1	0.0	0.1
Total Glaston Group	2.0	2.5	3.1	3.6	2.8

PRO FORMA COMPARABLE OPERATING RESULT (EBIT) AND EBITA**Items affecting comparability**

EUR million	Actual 1-3/2020	Pro forma 1-3/2019	Pro forma 1-12/2019
Re-structuring	-0.8	-0.8	-6.2
Others	-	-	-1.0
Items affecting comparability	-0.8	-0.8	-7.2

EUR million	Actual 1-3/2020	Pro forma 1-3/2019	Pro forma 1-12/2019
Operating result	0.1	0.8	0.3
Items affecting comparability	0.8	0.8	7.2
Comparable EBIT	0.9	1.6	7.5
Amortization and purchase price allocation	1.1	1.2	4.5
Comparable EBITA	2.0	2.8	12.1
% of net sales	4.3%	6.3%	5.9%