



Half-year financial report
January-June
2021

Glaston Corporation

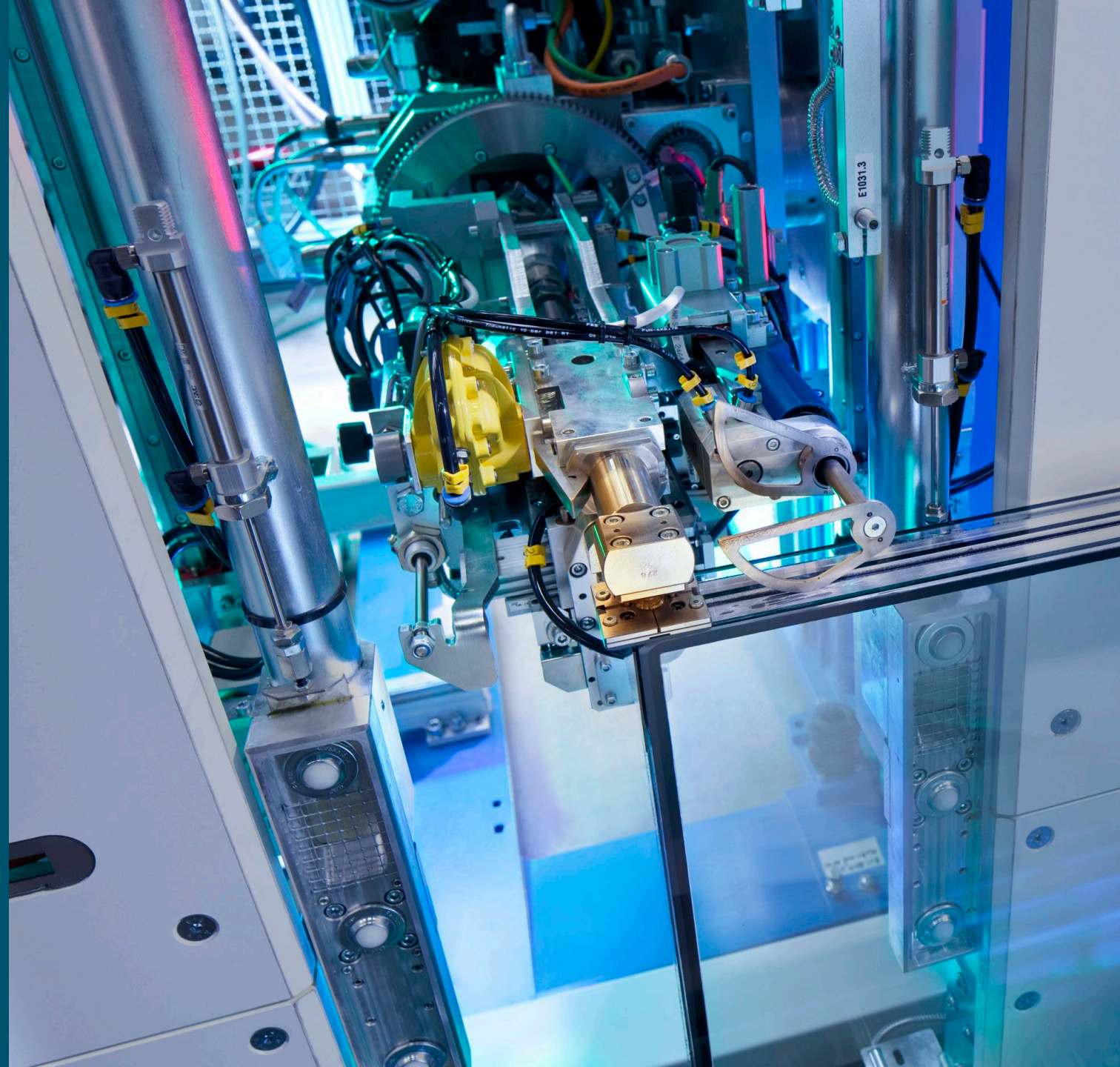
**Record high quarterly
order intake in Q2**

**Revised strategy
with financial and
new non-financial targets**

glaston
seeing it through®

Content

- Q2/2021 highlights
- CEO review
- Financial development
- Specified outlook 2021
- Revised strategy 2021-2025





April-June 2021

Q2 / 2021 HIGHLIGHTS

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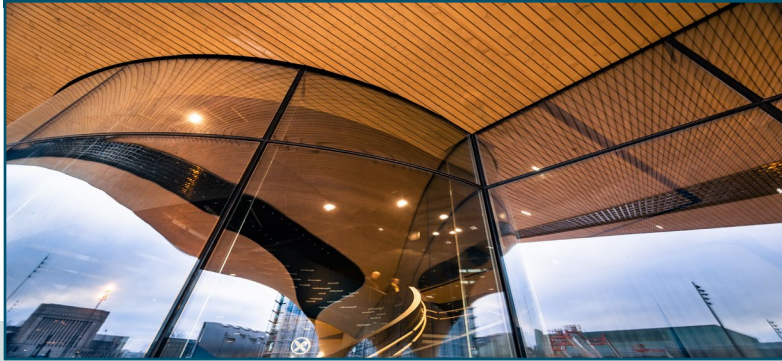
Q2 2021 highlights

- **Q2 orders received** were up +175% compared to the same period in 2020 (+48% compared to Q2/2019)
 - Q2: EUR 65.9 (24.0) million (Q2/2019: 44.5)
- **Net sales** for the second quarter decreased -12%
 - Q2: EUR 43.3 (48.9) million
- **Comparable EBITA** margin improved
 - Q2: EUR 2.4 (2.3) million, i.e. 5.5 (4.8)% of net sales
- Excellent order intake contributed to **strong cash flow**
 - Q2: EUR 7.7 (-0.3) million from operating activities



Architectural market Q2

EMEA



- Good market activity both in new machine and upgrade investments.
- The robust development boosted demand for Heat Treatment and Insulating Glass technologies equipment.
- Subsidy programs were launched in several European countries.
- The Services markets remained quite strong, particularly for Heat Treatment upgrade products.

Americas



- In North America, the stable market recovery continued, driven by the residential glass sector, in particular.
- Heat Treatment upgrade demand was demonstrated e.g. with one of the biggest upgrade orders placed in the US.
- Services was impacted by COVID-19 related travel restrictions and customers focus on operating at full capacities thereby delaying maintenance.

Asia



- In China, the strong market recovery for insulating glass lines continued with customers showing interest for big sized lines and automation.
- Elsewhere in the APAC region, activity remained low with the pandemic clearly slowing down customers' operations and demand.

Automotive market Q2

- Automotive production faced difficulties due to component shortages.
- The general market sentiment was positive as automotive sales are increasing and production started to recover towards the end of the quarter, with increased investment activity in the market for new machinery.
- In China, good market activity with many new projects.
- In the North American market, good recovery was noted, too.
- In other regions, investment activity remained subdued.
- The demand for Automotive services was very high at the end of the quarter as customers focused on getting production back on track.



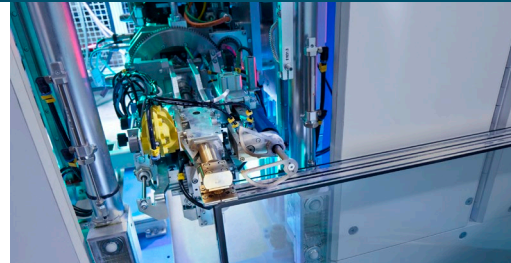
Glaston Segments Q2 2021 in brief

Heat Treatment



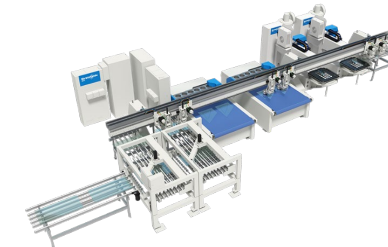
- Market recovery in the Heat Treatment segment continued, customers resumed their investment plans and postponed projects were reactivated.
- The activity level in Europe was good, in North America the positive development continued, in the APAC region remained at a lower level.
- Demand for HT upgrades remained strong in all regions with an all-time high order intake.
- Rapidly changing travel restrictions continued to pose some challenges to machine installations and the spare parts business.

Insulating Glass



- Insulating Glass machine orders were received from all market areas, and, e.g. the TPS® line was in high demand.
- In EMEA demand was buoyant, in North America market recovery continued, in China the good progress continued, in the APAC region demand remained low.
- Customers showed great interest in the MULTI'ARRISSER arissing machine.
- New and unpredicted COVID-19 related restrictions affected IG services business.
- Production running at high level of capacity.

Automotive & Display

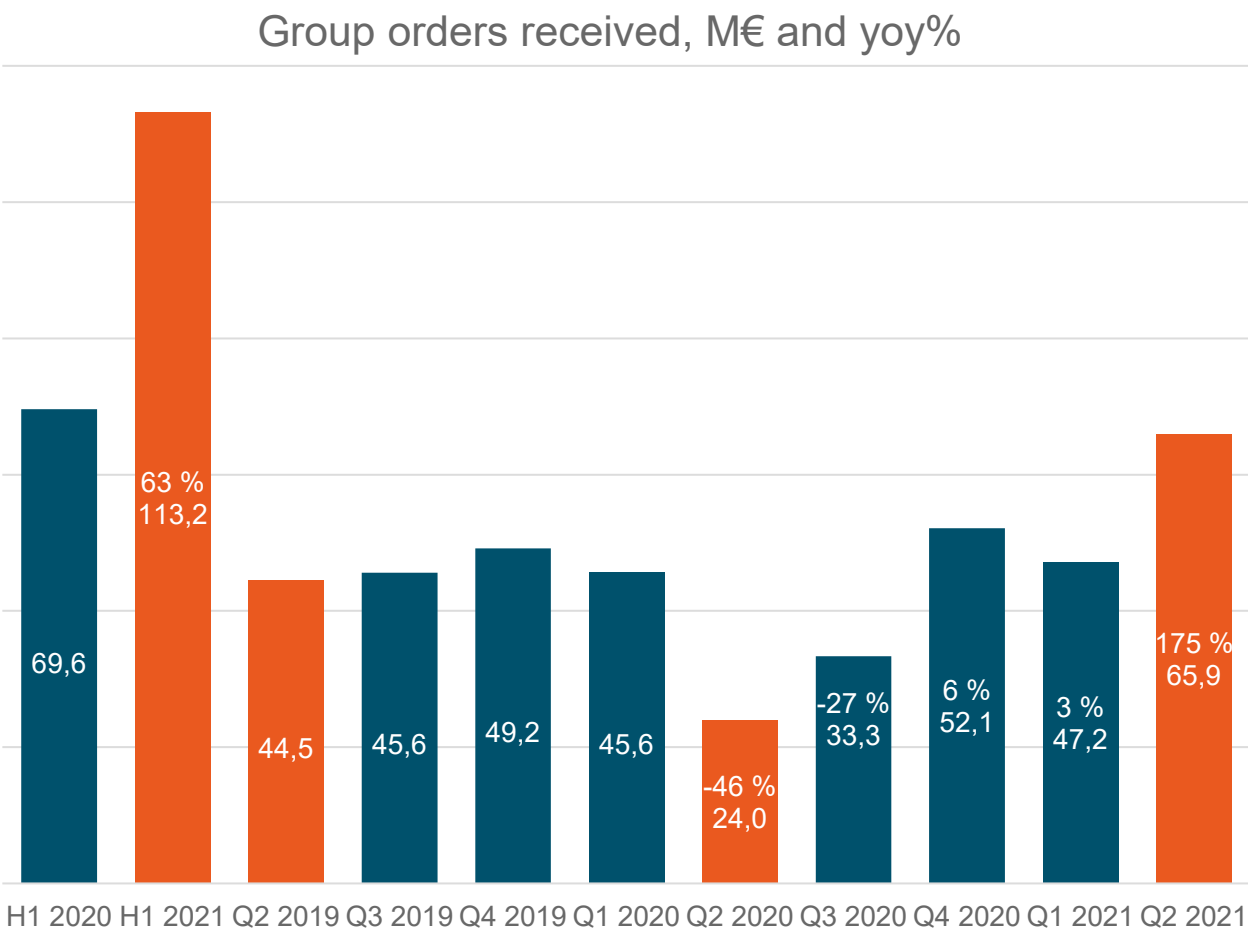


- Demand picked up during Q2, yet Automotive production faced supply shortages.
- The general market sentiment was positive, as automotive sales were increasing and production started to recover.
- Automotive orders from China and the North American market. Display orders mostly for automotive with special features.
- Services markets picked up with an increased interest upgrade products and modifications of existing machinery.
- Production temporarily returned to reduced working hours in May and June.

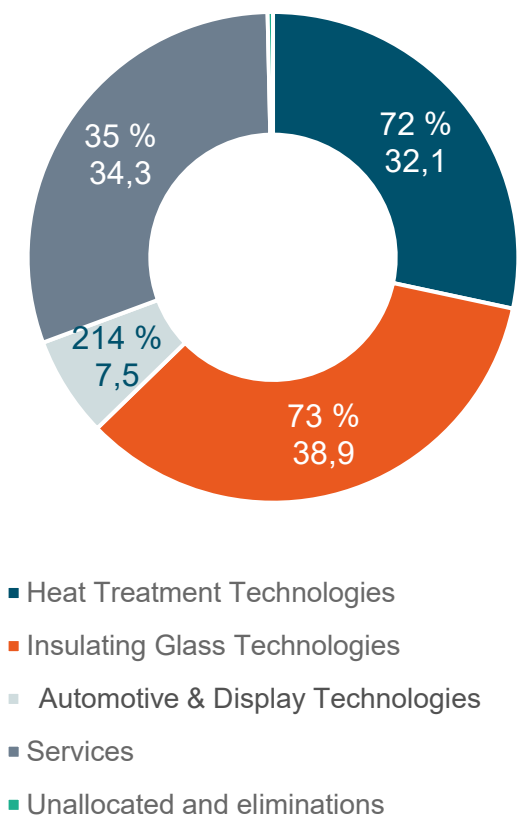
FINANCIAL DEVELOPMENT



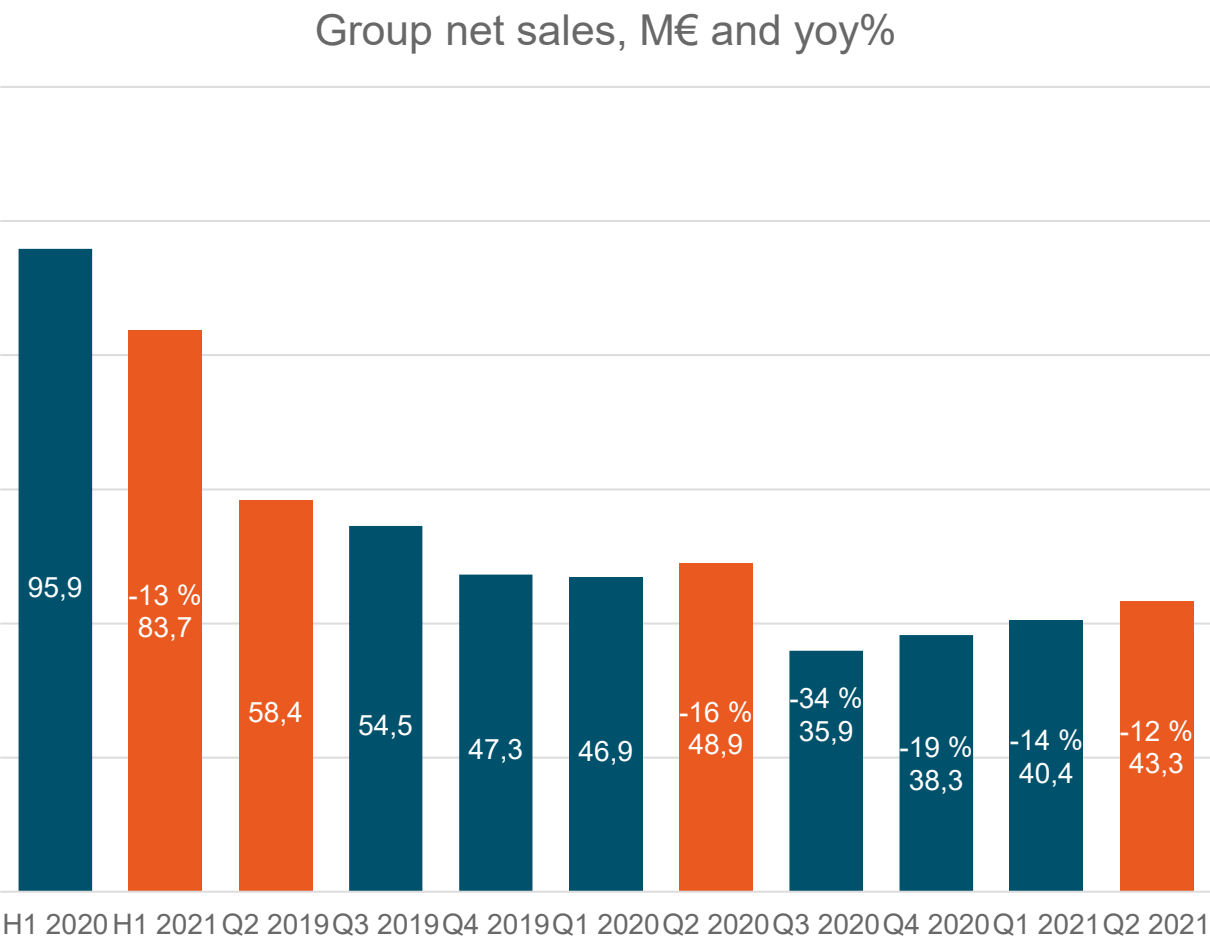
Record-high order intake, +48% compared with Q2 2019



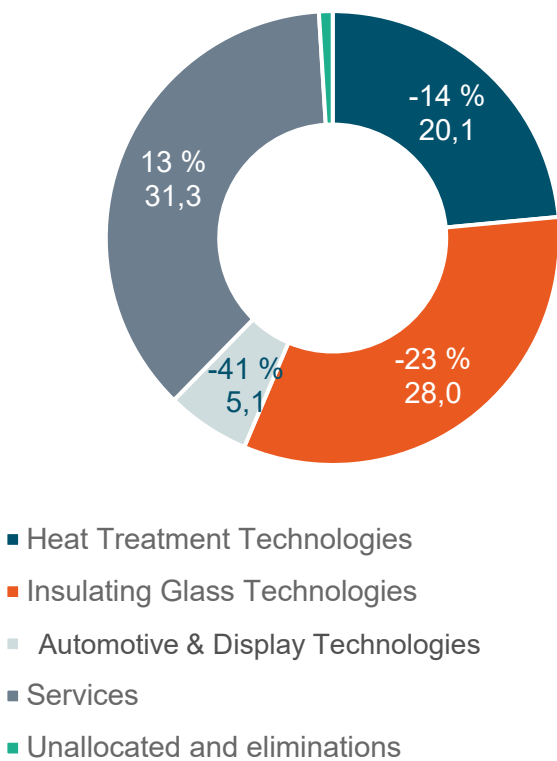
H1 2021 orders received by product area, M€ and yoy%



Net sales declined, strong comparison quarter

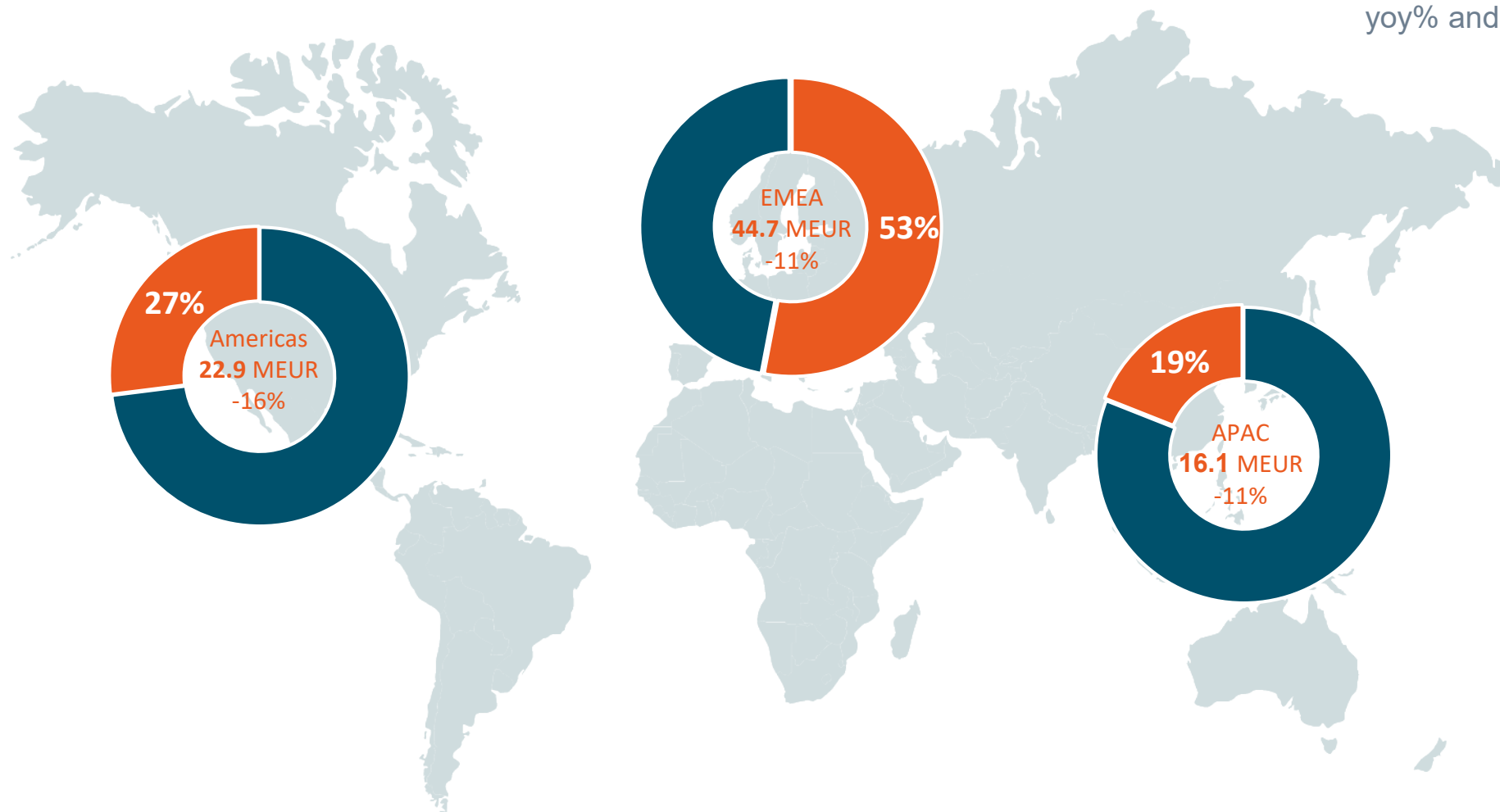


H1 2021 net sales by product area, M€ and yoy%

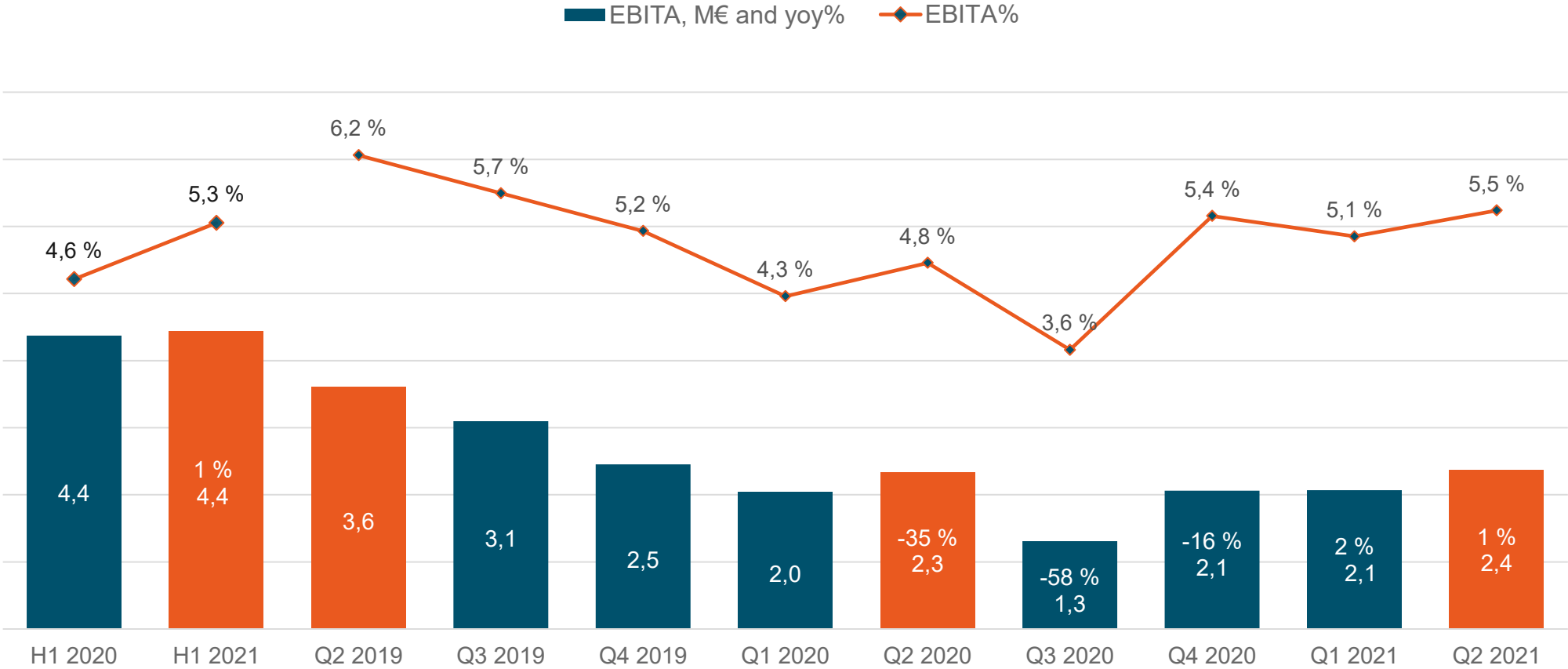


All regions declined in net sales

H1 2021 net sales by region M€, yoy% and share of total

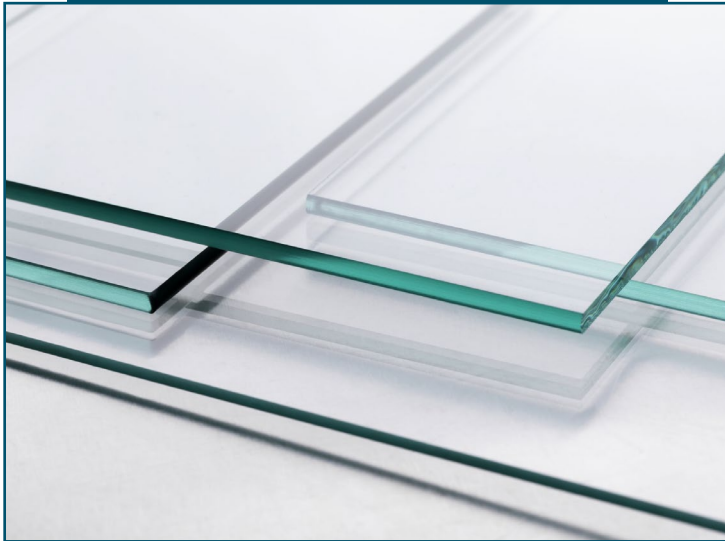


Comparable EBITA stable, margin improved

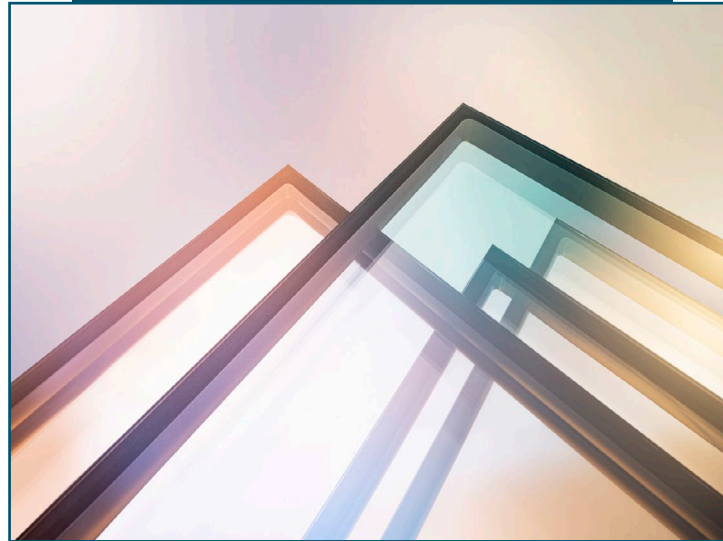


Glaston Segments

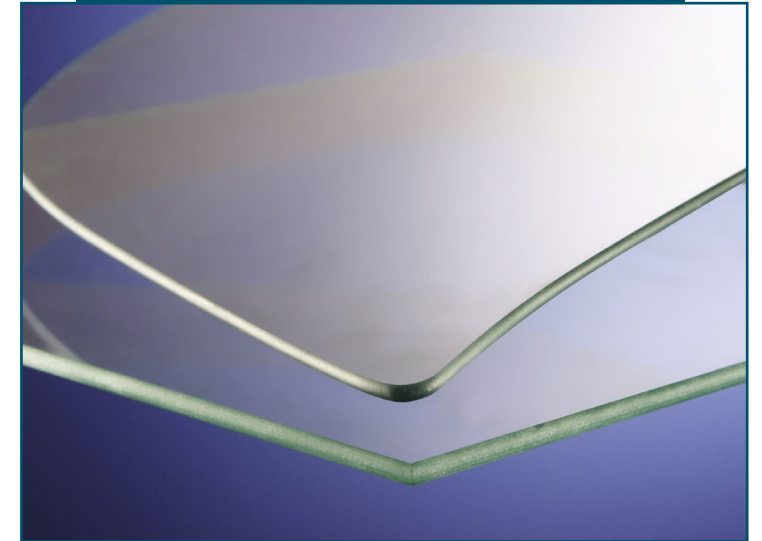
Heat Treatment



Insulating Glass



Automotive & Display



Heat Treatment



Heat Treatment – Return to growth

- Order intake continued strong even exceeding the levels of the past two quarters
- Net sales turned to growth in Q2 2021 as order intake recovery started to have an impact
- EBITA and EBITA margin improved slightly
 - Higher volume and services margin compensated for lower machines margin and higher fixed costs

MEUR	H1 2021	Chg*	Q2 2021	Chg*
Order intake	47.2	+66%	24.4	+180%
Order backlog	46.1	+56%		
Net sales	31.5	-9%	17.6	+17%
Comparable EBITA	0.9	-13%	0.6	+25%
Comparable EBITA%	2.9%	3.0%	3.3%	3.1%

*Yoy% change and for EBITA% comparison figure same period previous year

Insulating Glass



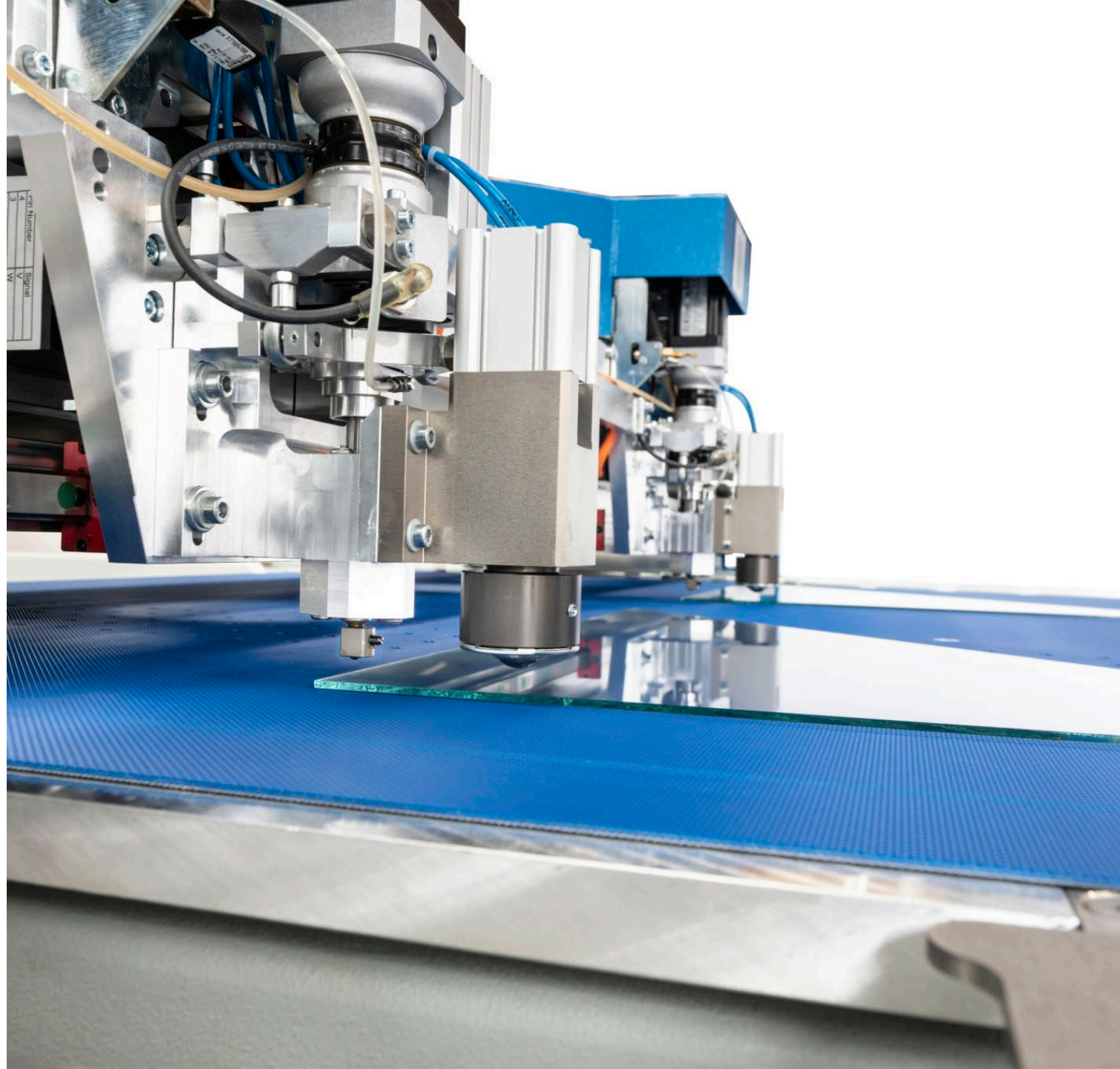
Insulating Glass – Temporary weakness

- Order intake reached new records boosted by strong market and execution of cross-sales opportunities
- Operational growth but decline in net sales. The comparison period benefited from delayed project revenue recognition while transitioning to IFRS accounting
- Lower machines net sales and lower margin on a few projects as well as higher fixed costs drove EBITA and EBITA% down compared to Q2 2020
- Operations at full capacity and preparing for increased deliveries in the coming quarters

MEUR	H1 2021	Chg*	Q2 2021	Chg*
Order intake	50.5	+55%	30.9	+170%
Order backlog	35.7	+127%		
Net sales	39.4	-15%	18.2	-25%
Comparable EBITA	2.7	-39%	0.9	-54%
Comparable EBITA%	6.8%	9.4%	5.0%	8.3%

*Yoy% change and for EBITA% comparison figure same period previous year

Automotive & Display



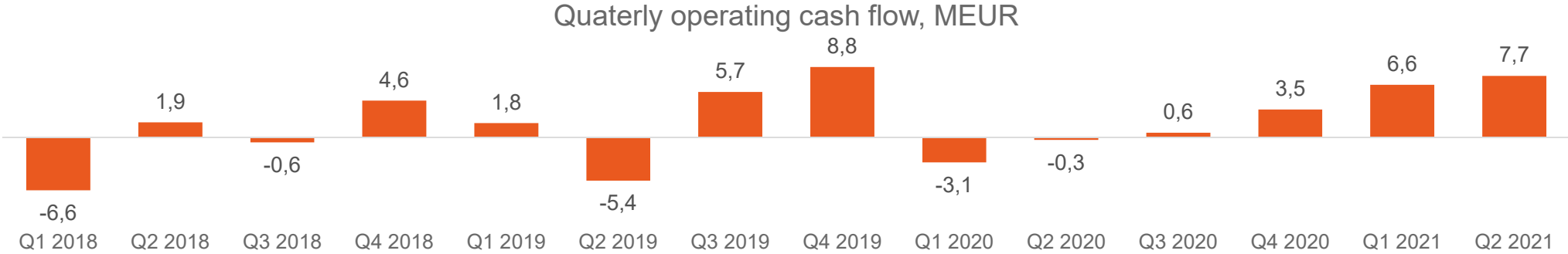
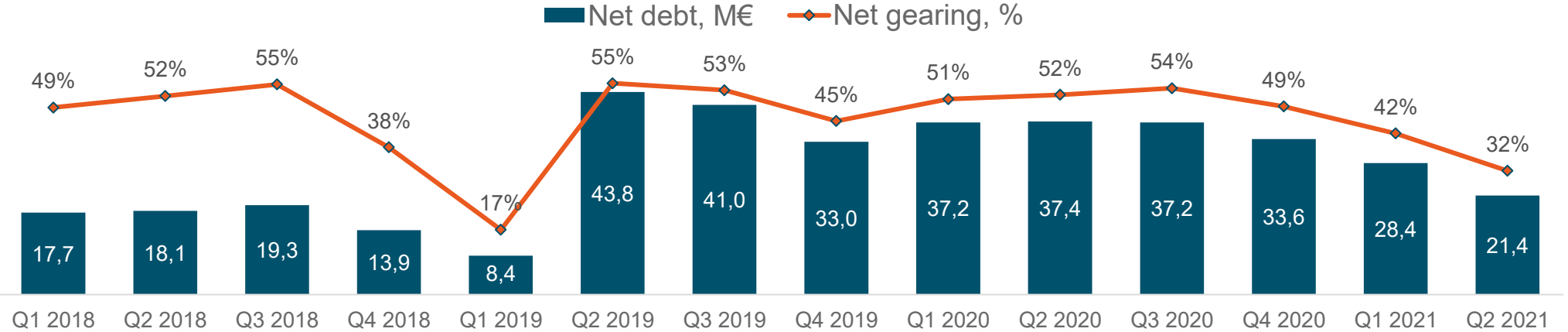
Automotive & Display – Exceptionally high margin

- Market picked up and order intake improved again – the level is historically still modest
- Operational growth but decline in net sales. The comparison period benefited from delayed revenue recognition for one major project while transitioning to IFRS accounting
- Services volume very high as customers ramped up production
- Beneficial product and project mix, high share of services (>50%) and fixed cost control lifted the segment from a loss to a profit with a strong margin

MEUR	H1 2021	Chg*	Q2 2021	Chg*
Order intake	15.1	+93%	10.3	+186%
Order backlog	6.0	+62%		
Net sales	12.4	-10%	7.2	-25%
Comparable EBITA	0.8	>pos	0.8	>pos
Comparable EBITA%	6.7%	-7.9%	11.3%	-1.2%

*Yoy% change and for EBITA% comparison figure same period previous year

Strong order intake boosted cash flow and reduced gearing



OUTLOOK 2021



Glaston's specified outlook for 2021

- Based on the high number of orders received since the fourth quarter of 2020, Glaston Corporation estimates that its net sales will improve in 2021 from the level reported for 2020.
- Glaston specifies its outlook for comparable EBITA, which is estimated to increase to EUR 10.5–12.5 million.
- In 2020, Group net sales totaled EUR 170.1 million and comparable EBITA was EUR 7.7 million.

Previous outlook: Glaston Corporation estimates that its net sales and comparable EBITA will improve in 2021 from the levels reported for 2020.





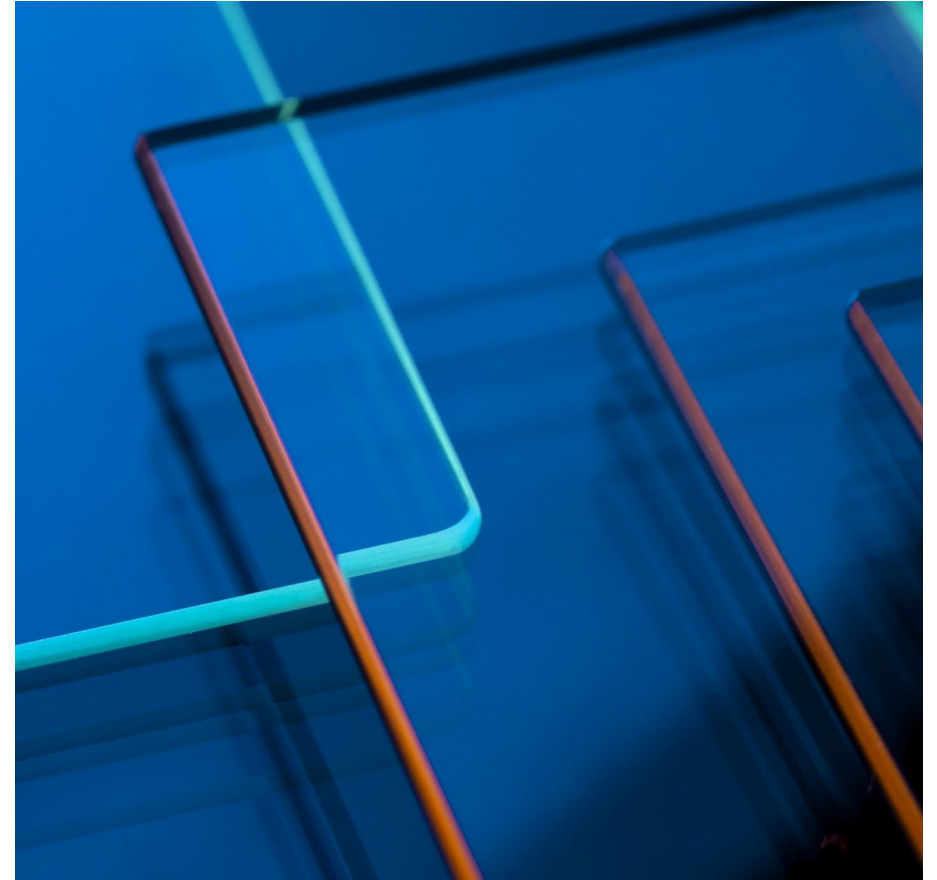
Glaston Corporation revised strategy for 2021-2025

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Glaston's revised strategy

- Key objectives: reaching clearly improved organic growth and profitability based on strategic initiatives and the expected market growth
- The strategy roadmap execution for 2021-2025 builds on:
 1. Glaston's business area-specific strategic initiatives
 2. Group-wide cornerstone initiatives
 3. Strong leadership
- Glaston plans to increase investment in innovation and development
- Sustainability embedded into strategic targets

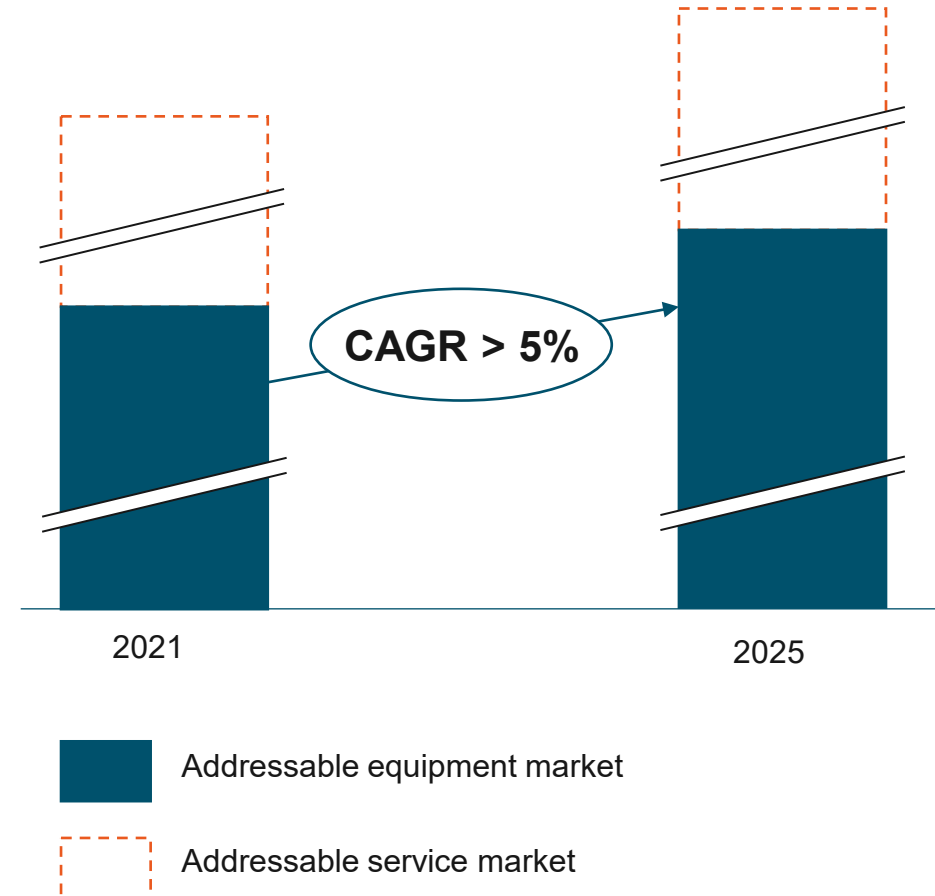
Glaston's new vision:
Lead the global glass processing industry forward
with innovative technologies and lifecycle solutions.



Addressable market growth in 2021-2025

Glaston's addressable equipment market:

- Expected to grow by more than 5 % annually, on average, during 2021-2025*
- The growth rate of the addressable equipment market exceeds that of the global flat glass market, which is expected to grow 3-4 % annually in 2021-2025**



Glaston ambition by 2025

Financial
Targets*



NET SALES

Annual average clearly exceeding the addressable equipment market growth



EBITA

10%



ROCE

16%

Non-financial
Targets*

Net Promoter Score

> 40

Lost Time Accidents

0

Employee Engagement

> 75

CO² Emissions

-50%

Strategic actions

Business Area-specific Must-win initiatives

Insulating Glass Technologies

Heat Treatment Technologies

Automotive & Display Technologies

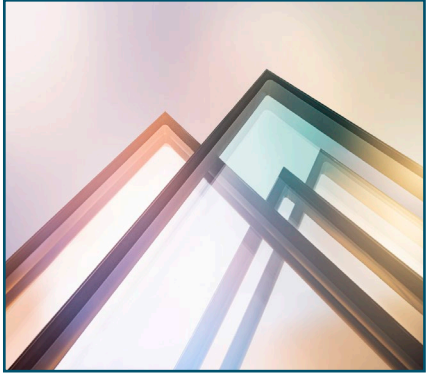
Services

Glaston Cornerstone initiatives

* For detailed descriptions and calculation of key ratios see 5 August 2021 Stock Exchange Release

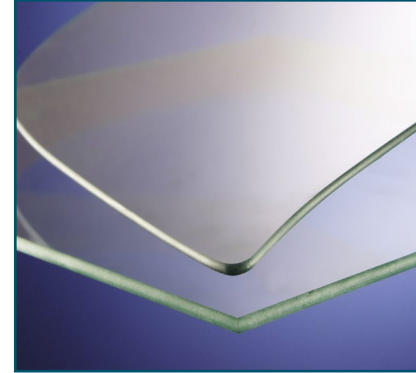
Strategic roadmap 2021-2025:

Business Area-specific Must-win highlights



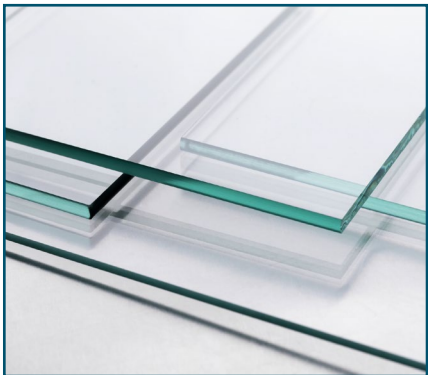
Insulating Glass Technologies

- Reduced energy consumption of buildings driving demand
- Strengthen position and broaden presence
- Capitalize on offering



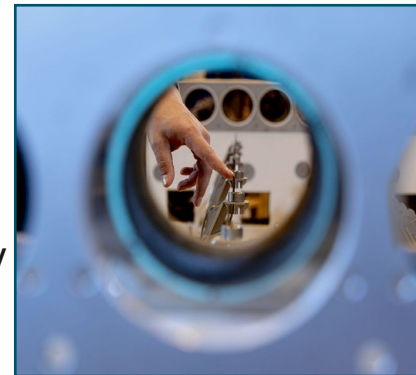
Automotive & Display Technologies

- Selected applications
- Commercializing product portfolio
- Automotive Heat Treatment products for an integrated offering in pre-processing



Heat Treatment Technologies

- Automated tempering lines
- Broaden the offering
- Optimize for cost efficiency and quality
- Solar opportunities



Services

- Fast and easy spare parts ordering
- Service accessibility
- Preventive maintenance and remote support concepts
- New upgrade development (esp. IG)
- New service models

Strategic roadmap 2021-2025: Glaston Cornerstones initiatives enabling business growth

1. Innovate with customers to win
2. Lead digital transformation
3. Empower Glastonians to thrive
4. Elevate sustainability & continuous improvement
5. Master global sourcing & manufacturing



QUESTIONS



Financial reports in 2021

Interim report January-September 2021
Thursday, 28 October 2021

Capital Markets Day 2021
Thursday, 26 August 2021

www.glaston.net/CMD2021



This half year financial 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.



> www.glaston.net

Thank you!

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