



28 October 2021

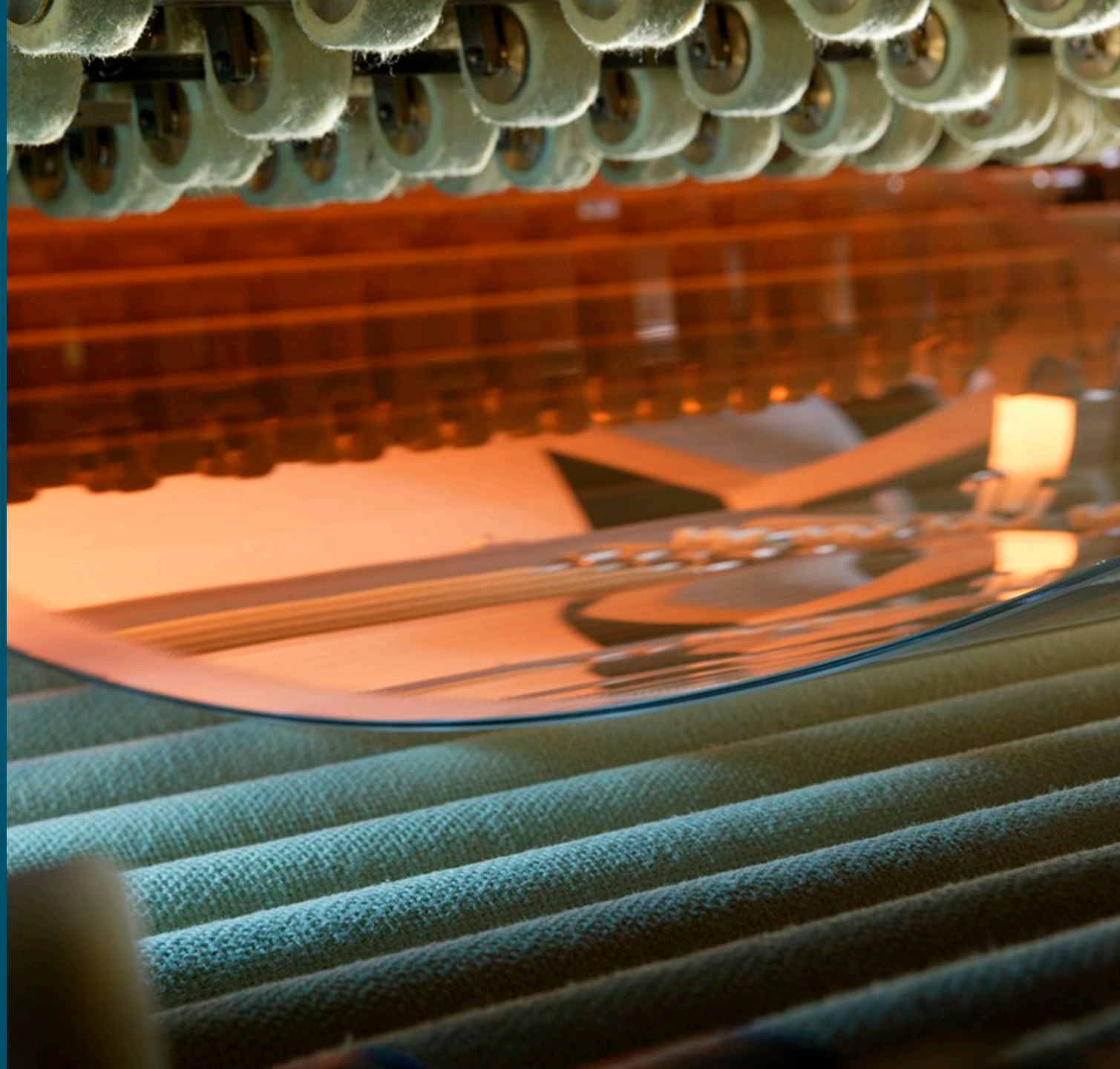
Glaston Corporation

**Strong EBITA
margin in third
quarter, net sales
up 29%**

glaston
seeing it through®

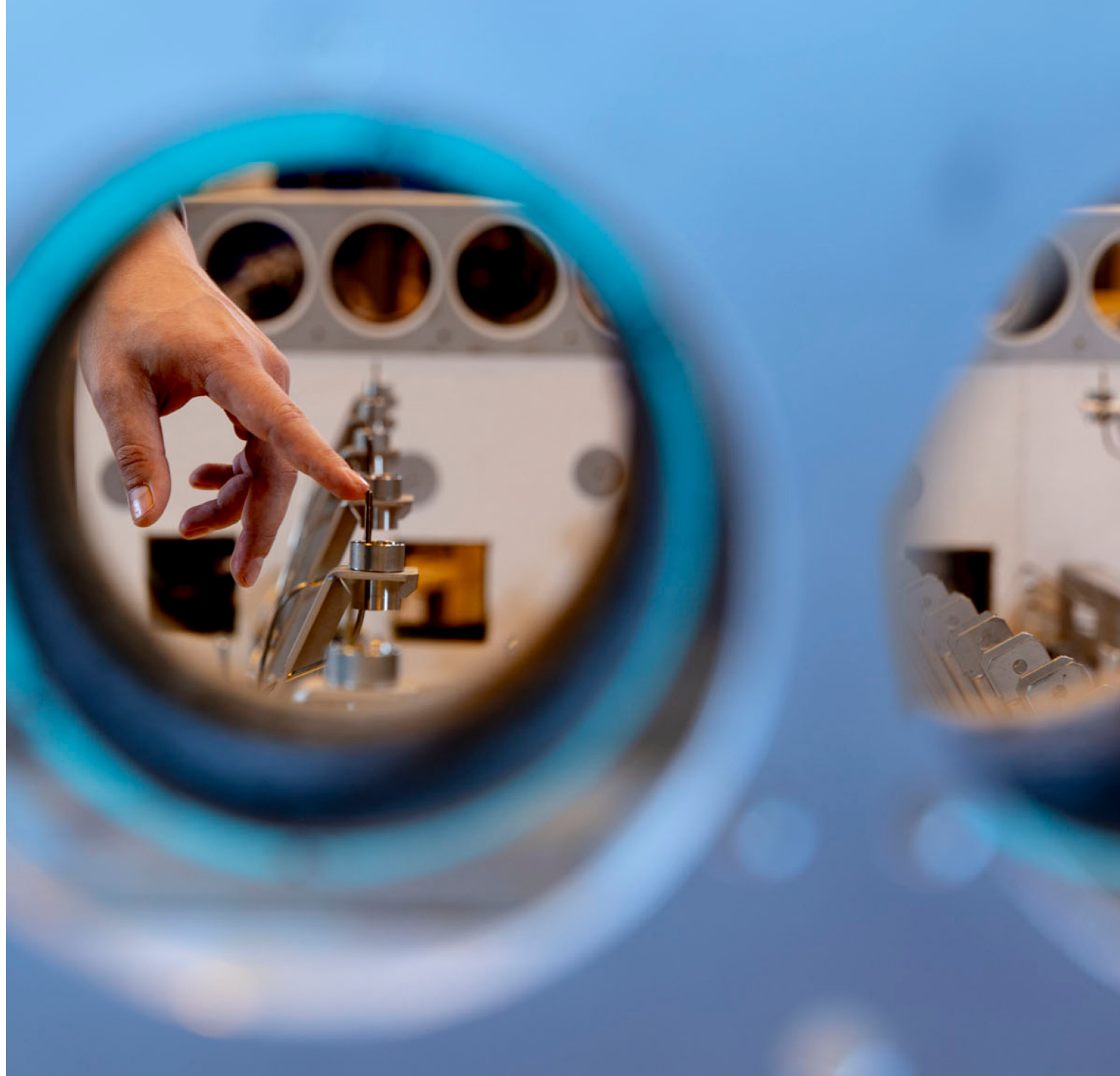
Content

- Q3/2021 highlights
- Market review
- Financial development
- Outlook 2021
- Strategy 2021-2025



Q3 / 2021 HIGHLIGHTS

Interim Report January-September 2021



Q3 2021 highlights

- **Order intake** increased by 36% to EUR 45.4 (33.3) million
 - Q3/2019 order intake was EUR 45.6 million
- **Net sales** for the third quarter were EUR 46.4 (35.9) million, up 29%
- **Comparable EBITA** margin improved significantly
 - Q3: 3.2 (1.3) million, i.e. 6.9 (3.6)% of net sales
 - the highest quarterly margin level as new Glaston
- **Order backlog** EUR 86.1 (47.8) million



Architectural market Q3

EMEA



- Good market activity continued
- The positive development in the architectural market increased demand for Heat Treatment and Insulating Glass technologies equipment
- Subsidy programs in several European countries boosted demand
- The Services markets remained quite strong, particularly for Heat Treatment upgrade products

Americas



- In North America, market recovery continued at a good level
- Demand driven by the residential glass sector, in particular
- For Services, steady development continued with spare parts growing and upgrade sales at normal level after very high H1

Asia



- In China, the market continued to perform well even though a slight slowdown was noted
- Customers showed continuing interest in large-sized lines and automation
- Elsewhere in the APAC region, activity remained low, although signs of increasing activity was recognized

Automotive market Q3

- Automotive production continued to face difficulties due to component shortages
- The general market sentiment continues to be positive as the development in the automotive end market has a better outlook
- Increasing activity in the automotive display market
- Increasing interest for new machines with growing demand for Glaston's automotive bending and tempering technology



Glaston Segments Q3 2021 in brief

Heat Treatment



- Market recovery in the Heat Treatment segment continued strong
- The activity level in Europe was good, in North America the positive development continued. Activity in the APAC region remained at a lower level
- Demand for HT upgrades remained strong
- Travel restrictions affected spare parts business and maintenance work

Insulating Glass



- In the EMEA area demand was strong, in North America market recovery continued. The Asian markets were largely still in COVID-19 lockdown
- Customers showed great interest in the TPS® (Thermo Plastic Spacer) line and MULTI'ARRISSER arissing machine
- Major orders were received from Germany, France, Poland, China and North America, for example, primarily for the manufacture of insulating glass lines for residential buildings

Automotive & Display



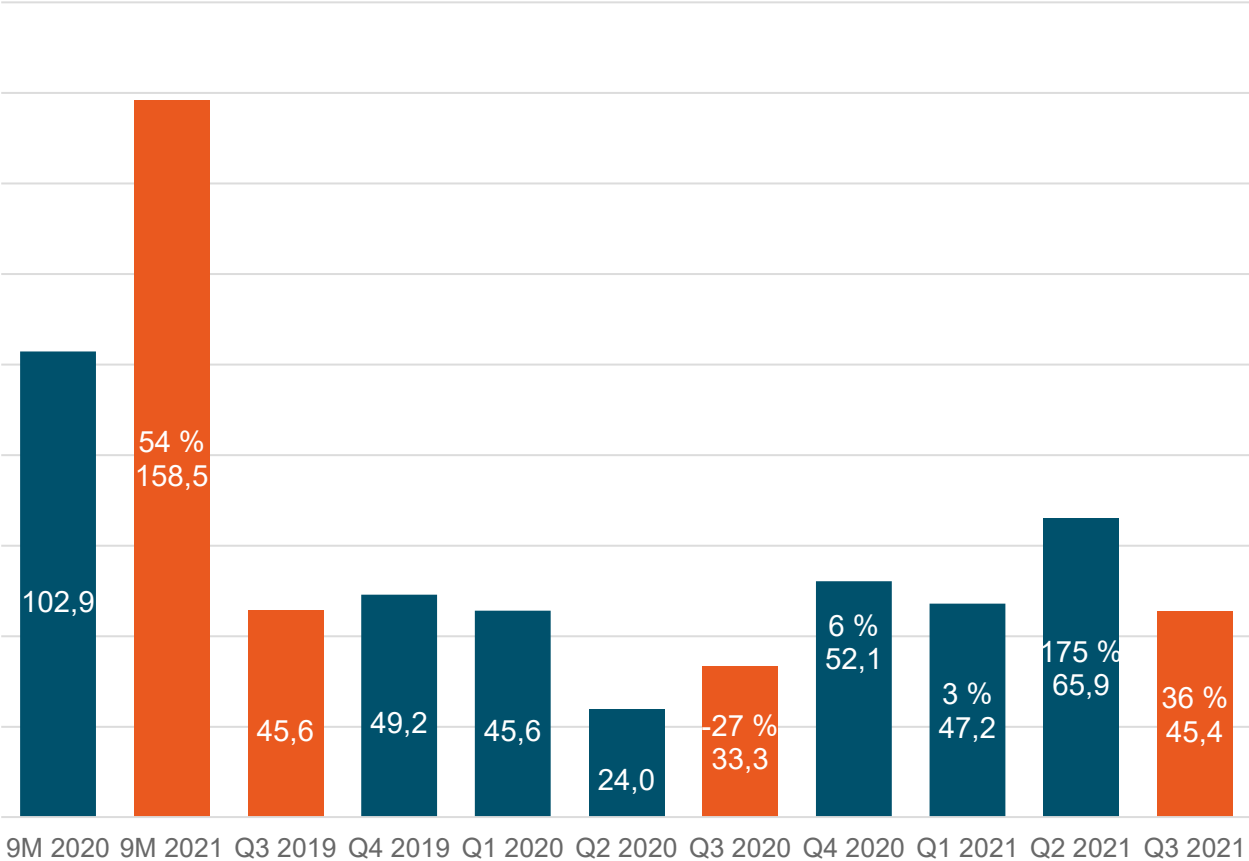
- Positive market development continued in Q3, even though automotive production continued to face supply shortages
- Automotive orders were mainly received from China but also North America was quite active. Display orders mostly for automotive displays with special features
- Increased interest in Automotive upgrade products

FINANCIAL DEVELOPMENT

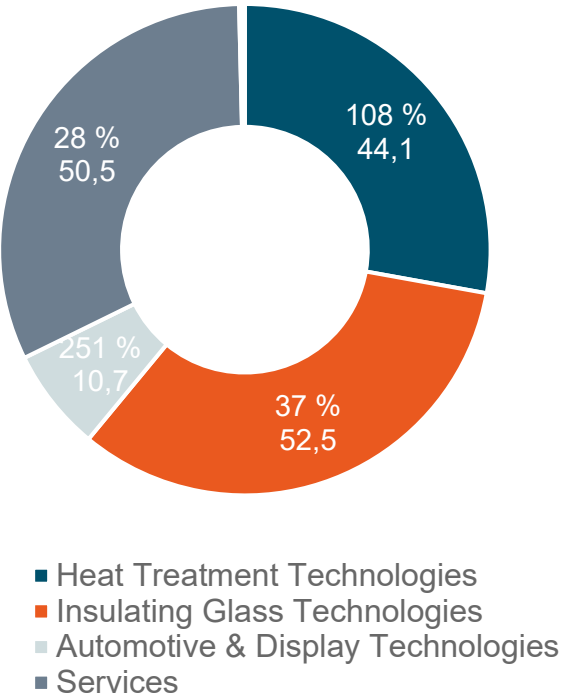


Solid order intake performance in all businesses, 36% growth in Q3

Group orders received, M€ and yoy%

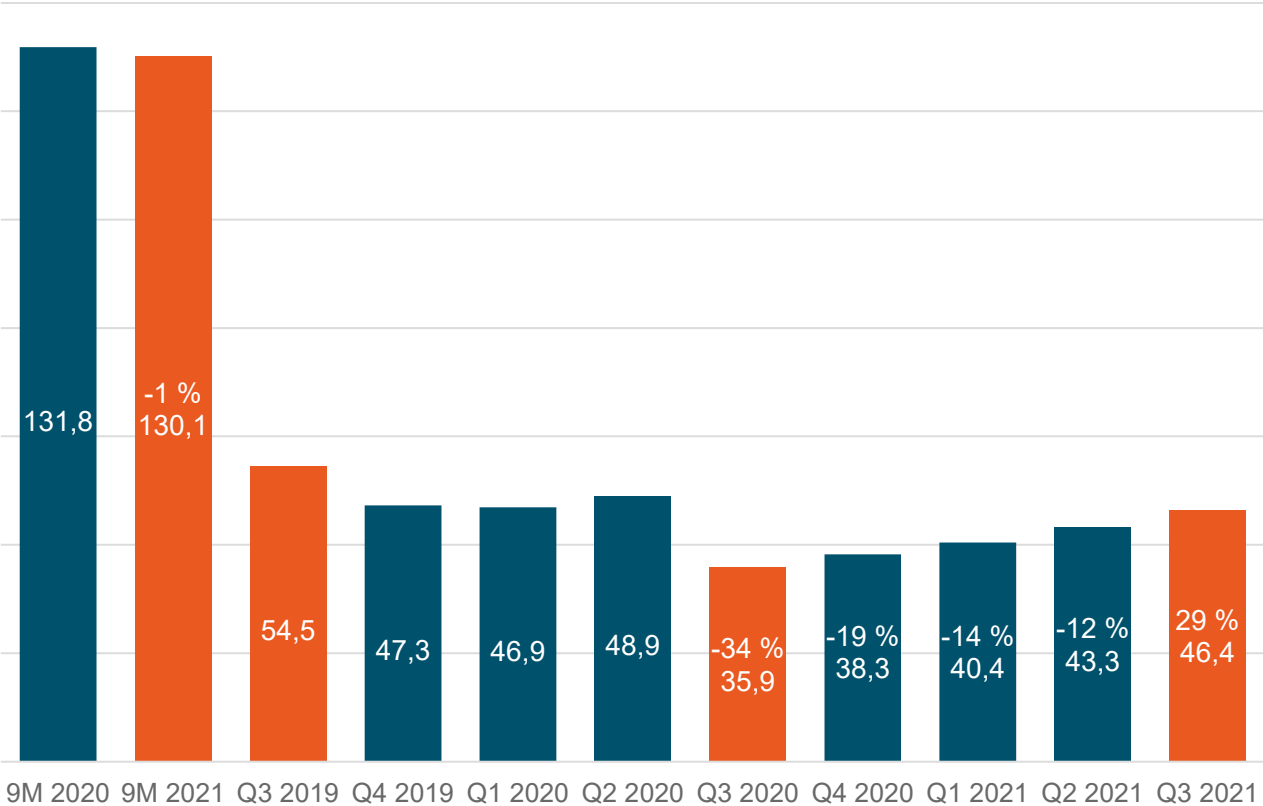


9M 2021 orders received by product area, M€ and yoy%

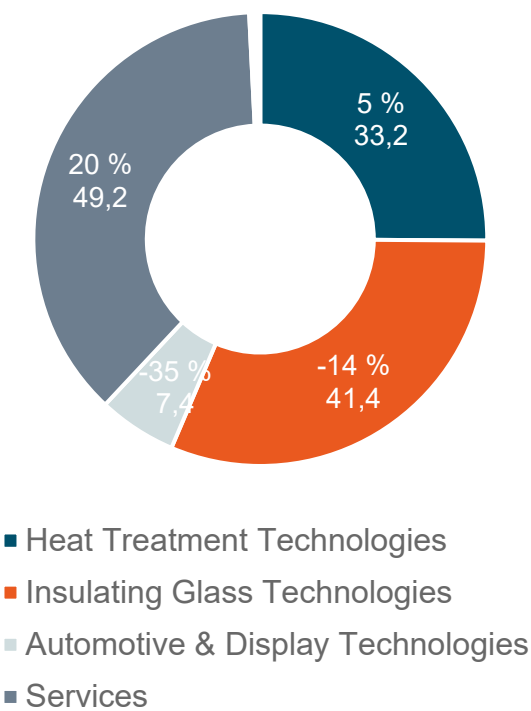


Net sales turned to 29% growth after 4 declining quarters

Group net sales, M€ and yoy%

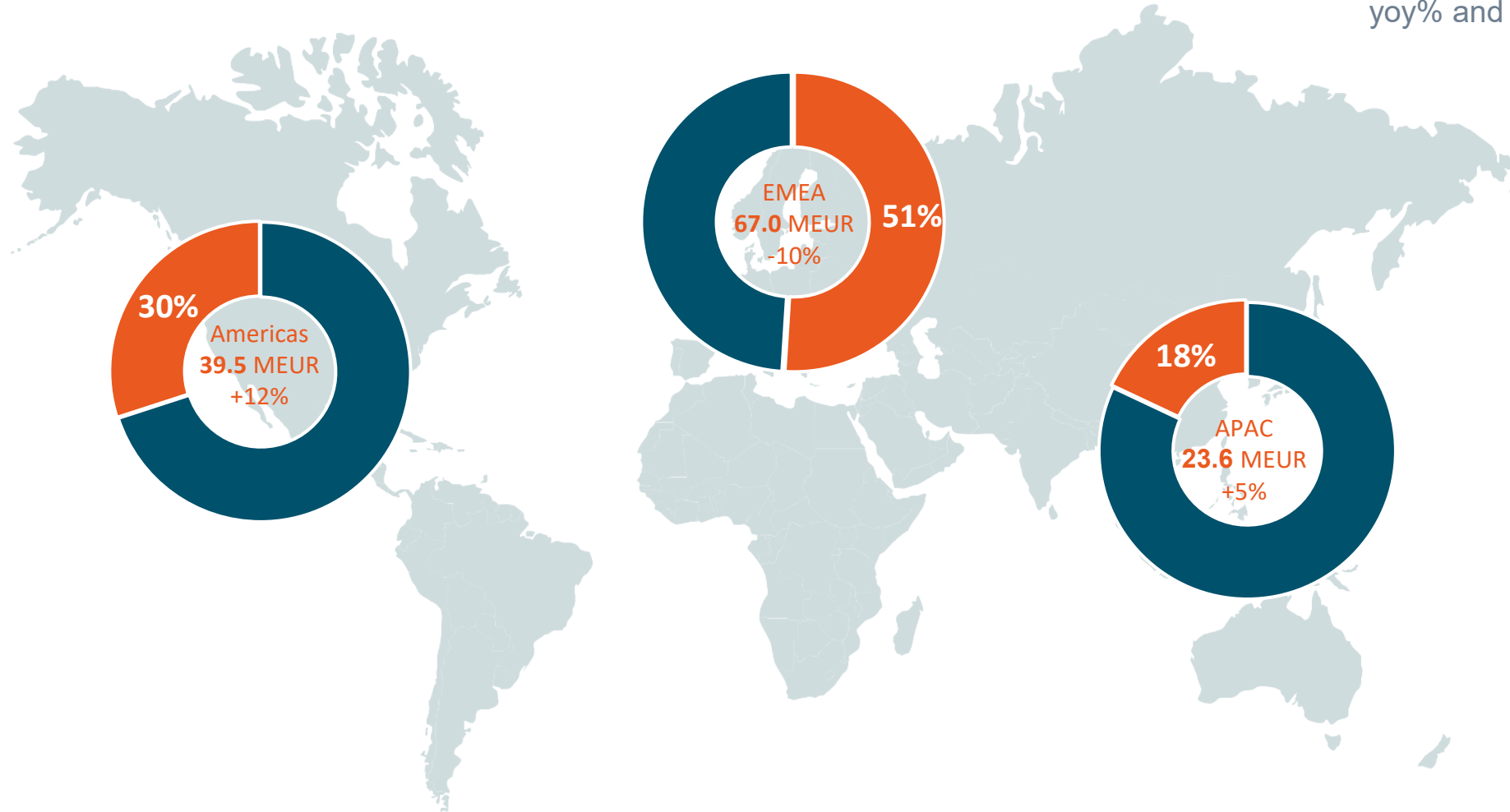


9M 2021 net sales by product area, M€ and yoy%

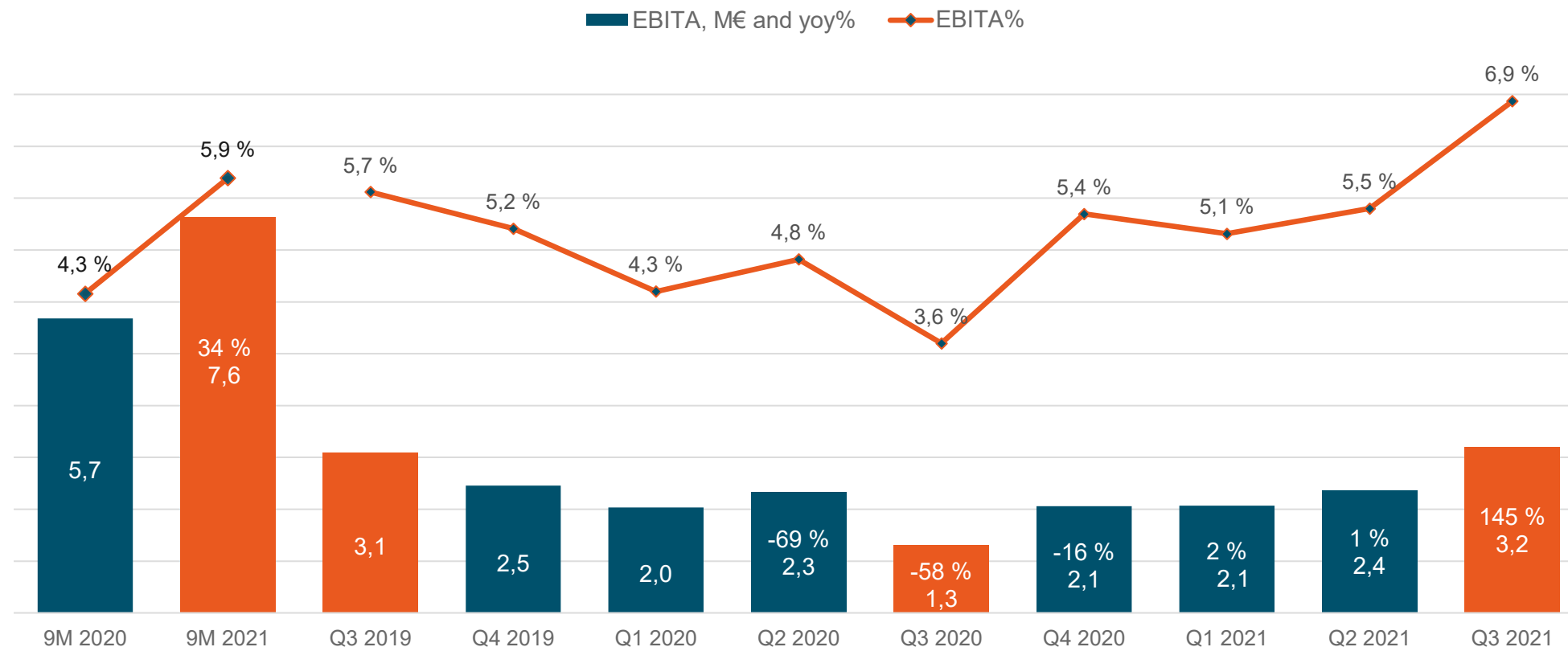


Americas and APAC returned to growth

9M 2021 net sales by region M€, yoy% and share of total



Record-high quarterly EBITA margin in Q3



Heat Treatment



Heat Treatment – Driving Group profit improvement with strong margin

- Good order intake for seasonally low quarter
- Higher previous quarters' order intake boosting net sales further
- EBITA and EBITA margin improved significantly
 - Higher volume and high share of services thanks to very good upgrade order intake in earlier quarters
 - Fixed cost growth curbed by holiday season

| MEUR | 9M 2021 | Chg* | Q3 2021 | Chg* |
|-------------------|------------|-------|------------|--------|
| Order intake | 65.5 | +82% | 18.3 | +141% |
| Order backlog | 41.5 | +56% | | |
| Net sales | 52.5 | +12% | 21.0 | +72% |
| Comparable EBITA | 2.7 | +123% | 1.8 | +1051% |
| Comparable EBITA% | 5.1% | 2.6% | 8.4% | 1.3% |

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

Insulating Glass



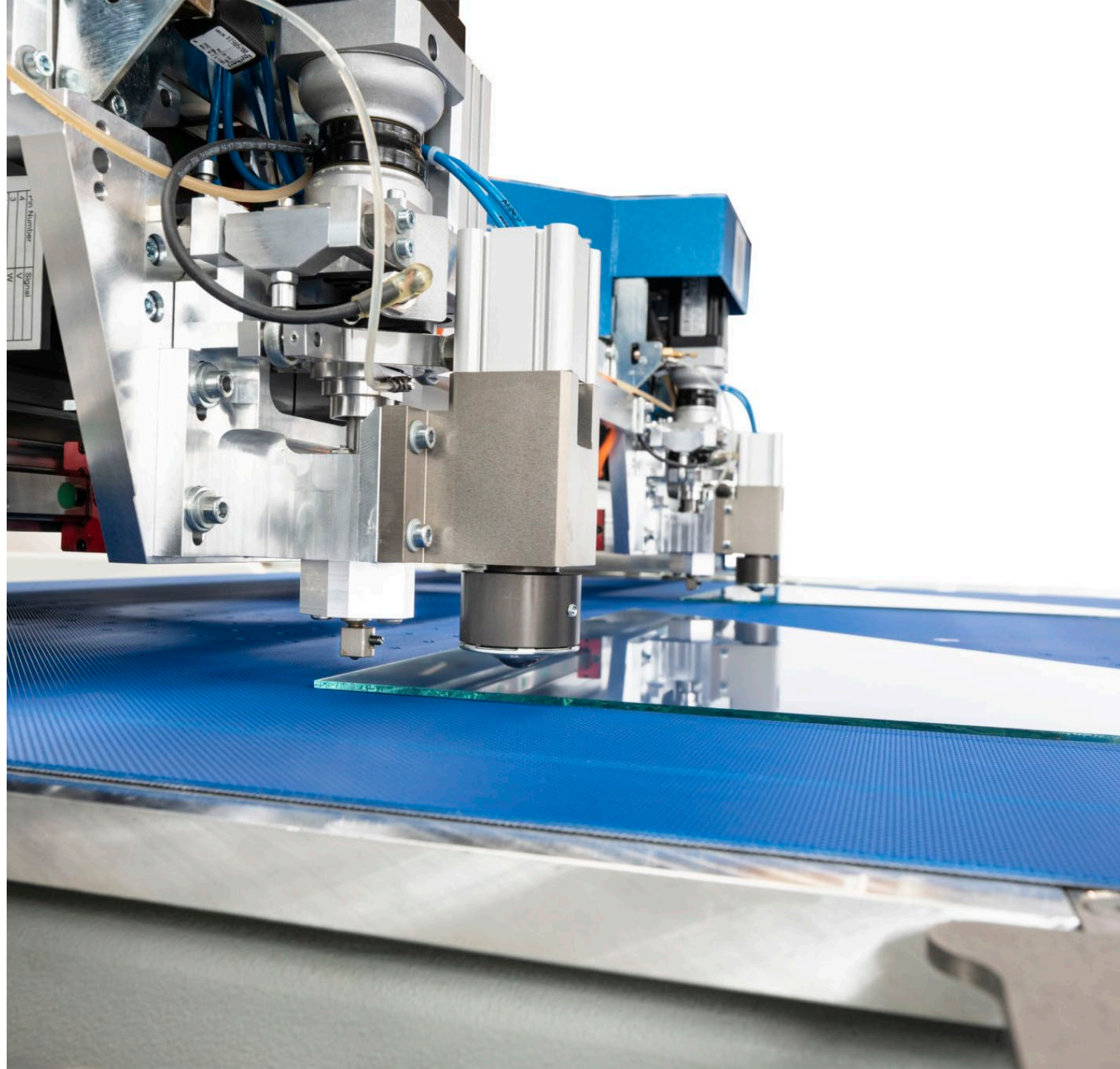
Insulating Glass – Back to growth and margin up from Q2

- Market continued performing well but due to timing orders fell slightly short of the strong Q3 2020
- Growing order backlog now showing also as growth in net sales. Clean comparison figures as the delayed project revenue recognition while transitioning to IFRS accounting boosted H1 2020 net sales but not anymore in Q3 2020
- Volume growth boosted EBITA. Most of the volume growth was in lower margin machines business limiting margin expansion

| MEUR | 9M 2021 | Chg* | Q3 2021 | Chg* |
|-------------------|------------|------|------------|------|
| Order intake | 69.8 | +29% | 19.3 | -11% |
| Order backlog | 37.4 | +98% | | |
| Net sales | 58.6 | -8% | 19.1 | +10% |
| Comparable EBITA | 4.1 | -27% | 1.4 | +13% |
| Comparable EBITA% | 7.0% | 8.8% | 7.4% | 7.2% |

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

Automotive & Display



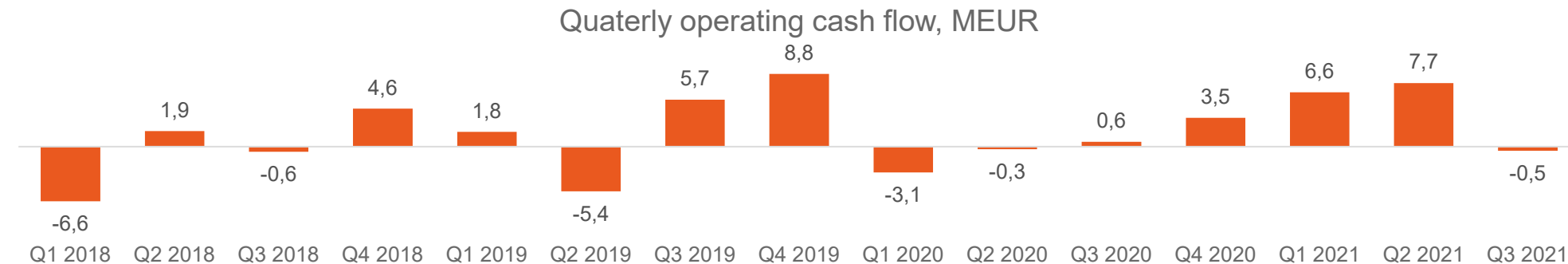
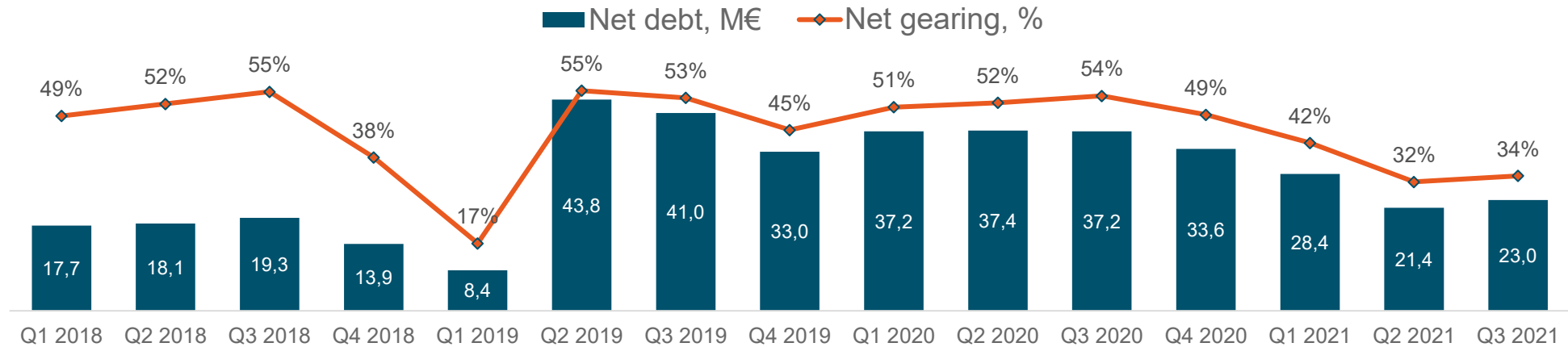
Automotive & Display – Back to break-even

- Market continues to be active. Order intake reduced from previous quarter but was clearly higher than Q3 2020
- Net sales on same level as Q3 2020. Revenue very dependent on the progress of the small amount of projects in the backlog. Component shortage had some impact
- EBITA at break-even just like Q2 2020. Decline from previous quarter due to lower machines volume and margin
- High share of services continued to support profitability

| MEUR | 9M 2021 | Chg* | Q3 2021 | Chg* |
|-------------------------|-------------|----------------|------------|-------------|
| Order intake | 22.6 | +94% | 7.5 | +96% |
| Order backlog | 7.2 | +250% | | |
| Net sales | 18.3 | -7% | 6.0 | -1% |
| Comparable EBITA | 0.8 | >pos | 0.0 | flat |
| Comparable EBITA% | 4.5% | -5.7% | -0.3% | -0.5% |

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

After strong Q2, working capital grew and lead to a slight increase in gearing



OUTLOOK 2021



Glaston's outlook for 2021

- Based on the high order intake since the fourth quarter of 2020, Glaston Corporation estimates that its net sales in 2021 will improve from the level reported for 2020 and comparable EBITA will 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.





Glaston Corporation strategy for 2021-2025

glaston
seeing it through®

Our vision is to lead the global glass processing industry forward with innovative technologies and lifecycle solutions



MEGATRENDS ACCELERATING OUR BUSINESS

Climate change & resource scarcity
Urbanization
Changing economical & political landscape
Embedded technology
Social sustainability

GLASTON'S PURPOSE

Building a better tomorrow
through safer, smarter, and
more energy-efficient
glass solutions

CORE TECHNOLOGIES FOR

Heat Treatment
Insulating Glass
Automotive & Display

CORNERSTONES

| | | |
|---|---------------------------------------|------------------------|
| Innovate with customers | Lead digital transformation | Empower Glastonians |
| Sustainability & continuous improvement | Global sourcing & manufacturing | |

VALUES

We are committed to our customers

We learn from each other

We share the passion for glass

Together we build the future

Financial targets 2021–2025

- Annual average **net sales growth** (CAGR) clearly exceeding the addressable equipment market growth of more than 5%¹⁾
- **Comparable operating margin** (EBITA) of 10% at the end of the strategy period ²⁾
- **Comparable return on capital employed** (ROCE) of 16% at the end of the strategy period ³⁾



¹⁾ Glaston estimate, in euros. Glaston's addressable equipment market is expected to grow on average by more than 5% annually from 2021–2025. The growth rate of the addressable equipment market is expected to exceed that of the global flat glass market, which is expected to grow 3–4 % annually from 2021–2025, according to Grand View Research, 2021.

Glaston's product portfolio is targeting those end use areas of flat glass that are growing faster than average (e.g. insulating glass). The addressable equipment market also includes the customers' replacement investments after the machines' useful lifetime. From 2021–2025, replacement investments further stem from productivity gains, particularly through automation, as well as technology and regulatory changes. Additionally, price inflation partially explains the difference between volume-based and euro-based market estimates.

²⁾ Calculation of key ratio: Comparable EBITA: Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability

³⁾ Calculation of key ratio: 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

Non-financial strategic targets 2021–2025

- Customer satisfaction score (Net Promoter Score, NPS) above 40
- Group-wide safety target measured as zero lost time accidents (LTA)
- Employee Engagement target above 75 (out of 100)
- Glaston's CO₂ emissions (scope 1+2)⁴⁾ in relation to net sales down by 50% from the 2020 level. In 2020, greenhouse gas emissions totaled 2,777 tons of CO₂ with net sales of EUR 170.1 million



⁴⁾ Scope 1 emissions: direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by Glaston (e.g., emissions associated with fuel oil, diesel and natural gas). Scope 2 emissions: indirect GHG emissions associated with the purchase of electricity, heat, and cooling.

QUESTIONS



Financial reports in 2022

Financial Statement Bulletin 2021

14 February 2022

Interim report January-March 2022

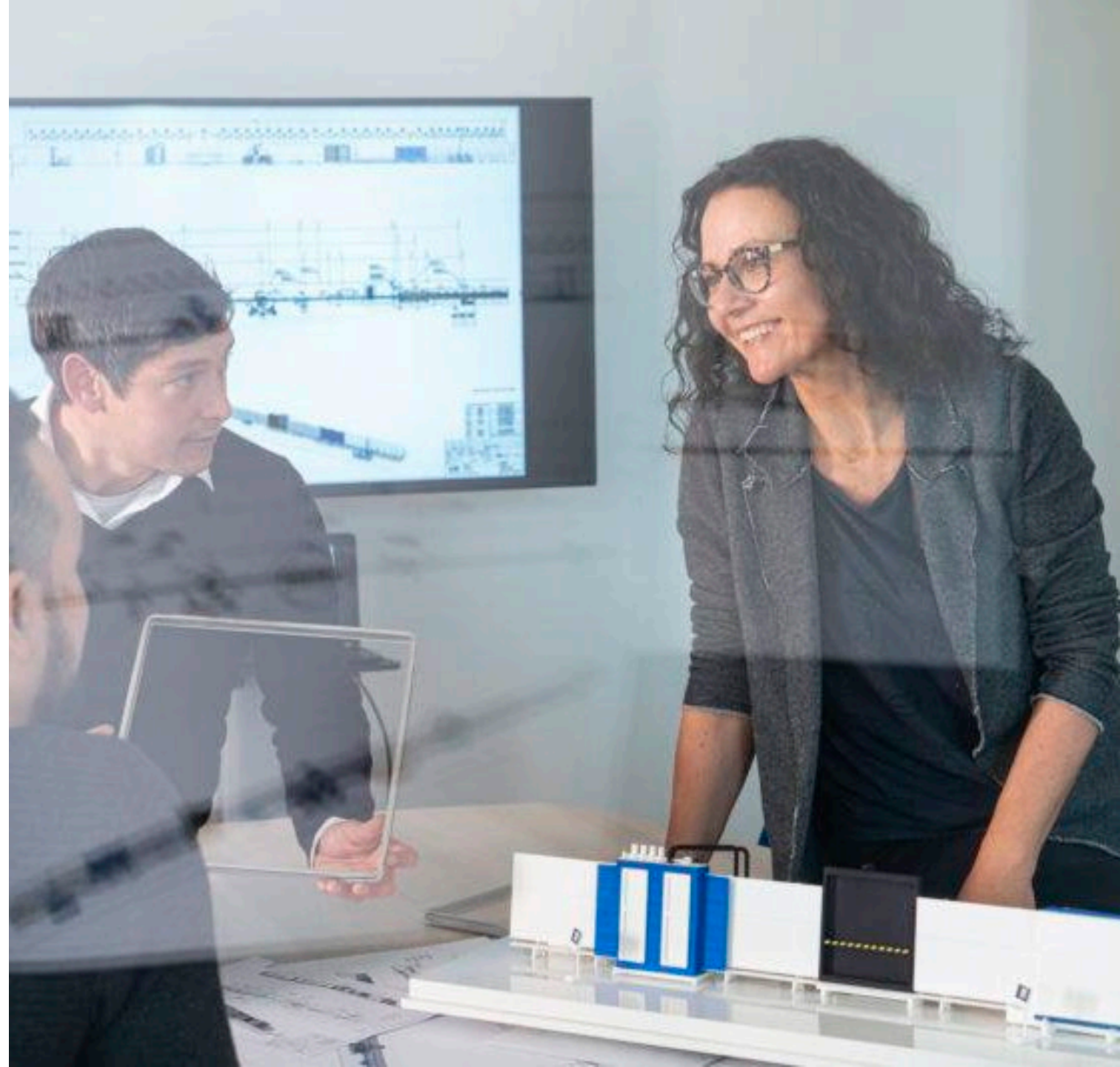
28 April 2022

Half year financial report January-June 2022

4 August 2022

Interim report January-September 2022

27 October 2022



This interim report provides future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation, or achievements of Glaston may substantially deviate from the estimates.

Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the COVID-19 pandemic.



> www.glaston.net

Thank you!

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