



# Glaston's Q1/2022: Strong performance continued in order intake and profitability



27 April 2022

January–March 2022

**glaston**  
seeing it through®

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# Content

- Q1/2022 highlights
- Market review
- Financial development
- Outlook 2022





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# Q1/2022 HIGHLIGHTS



# Q1 2022 highlights

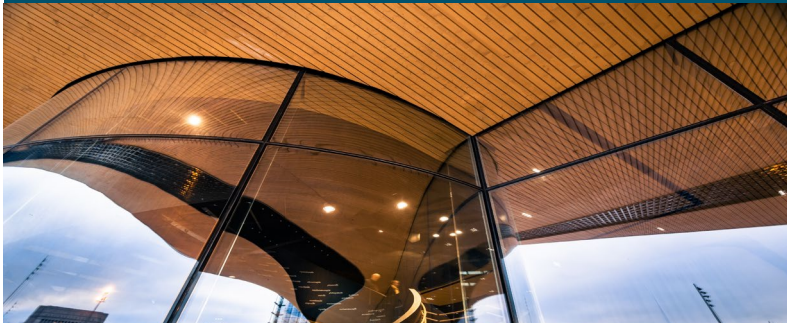
- **Order intake** increased by 25% to EUR 59.0 (47.2) million
- **Net sales** for the first quarter were EUR 52.3 (40.4) million, up 29%
- **Comparable EBITA** margin improved
  - Q1: EUR 3.5 (2.1) million, i.e. 6.6 (5.1)% of net sales
- **Order backlog** EUR 98.1 (68.0) million
- The AGM resolved that a **capital repayment** of EUR 0.03 per share be distributed





# Architectural market Q1

## EMEA



- The Insulating Glass Technologies market remained solid, supported by the residential and commercial glass markets
- For Heat Treatment equipment, demand was lower than in the previous quarter but market activity was still at a good level
- In the Services markets, activity increased

## Americas



- Driven by the residential glass sector, the positive market activity in North America continued
- Demand for Heat Treatment equipment was excellent
- For Insulating Glass equipment, the first quarter was slower but demand for the TPS® technology remained solid

## Asia



- In China, the coronavirus-related restrictions and lockdowns affected market activity
- Elsewhere in the APAC region, activity continued to remain at a lower level mainly due to coronavirus-related restrictions

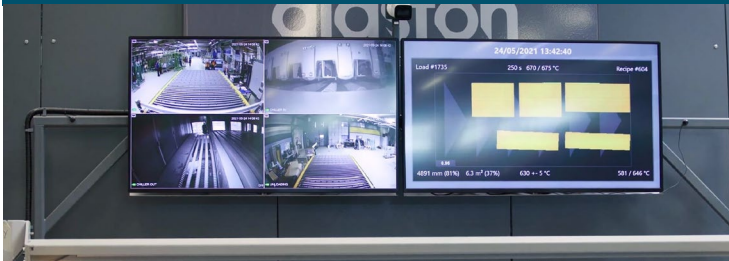
# Automotive market in Q1



- A stable start to the year, although automotive production faced increasing difficulties due to supply shortages
- The general market sentiment continues to be positive as the development in the automotive end market has a better outlook
- Automotive upgrades were in high demand with gradually increasing volumes
- Services business remained steady but still below the pre-COVID-19 level
- China and North America remained the most active markets

# Glaston's segments Q1 2022 in brief

## Heat Treatment



- Stable demand for Heat Treatment equipment, particularly for tempering and laminating lines
- Excellent performance in the Americas. A close to EUR 4 million deal closed to a leading glass manufacturer for an advanced flat tempering line for complex production
- Strong demand for HT upgrades in all regions

## Insulating Glass



- The markets remained healthy resulting in a strong order intake
- Major orders were received from several European countries as well as from North America and China
- Demand for the TPS® technology was on a high level due to its major advantages in flexible, high-quality insulating glass

## Automotive & Display



- Continued good investment activity for new automotive glass machines
- A deal for five automotive pre-processing lines closed with US-based Lippert Components Inc.
- Increasing interest in Automotive upgrade products
- Display orders continued to be at low figures



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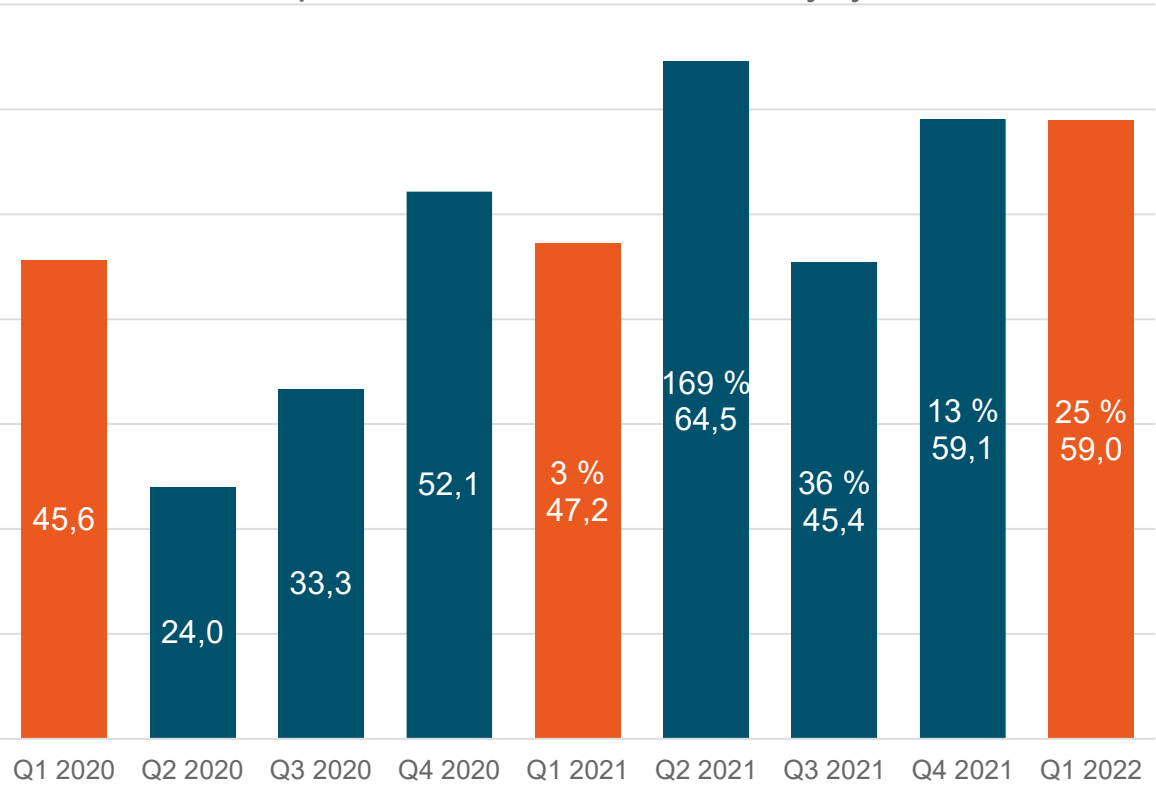
# FINANCIAL DEVELOPMENT



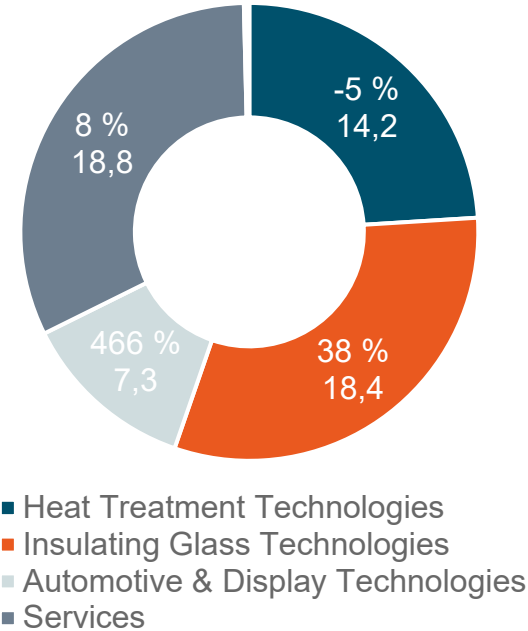


# Another strong quarter for order intake driven by the Americas region

Group orders received, M€ and yoy%

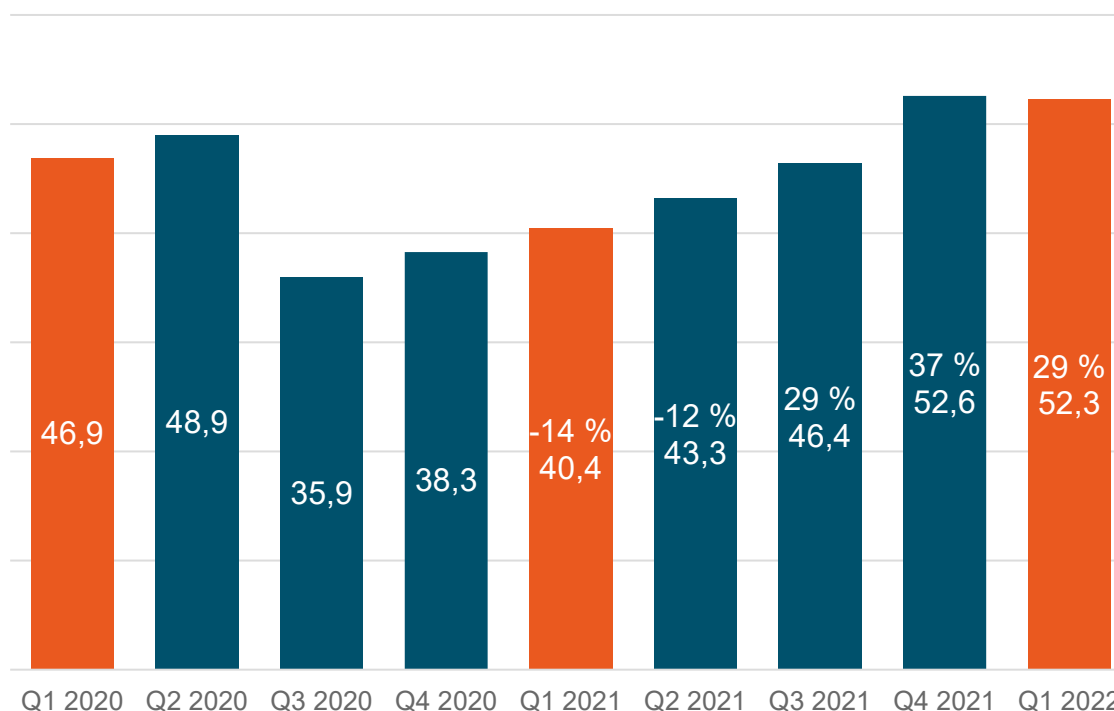


Q1 2022 orders received by product area, M€ and yoy%

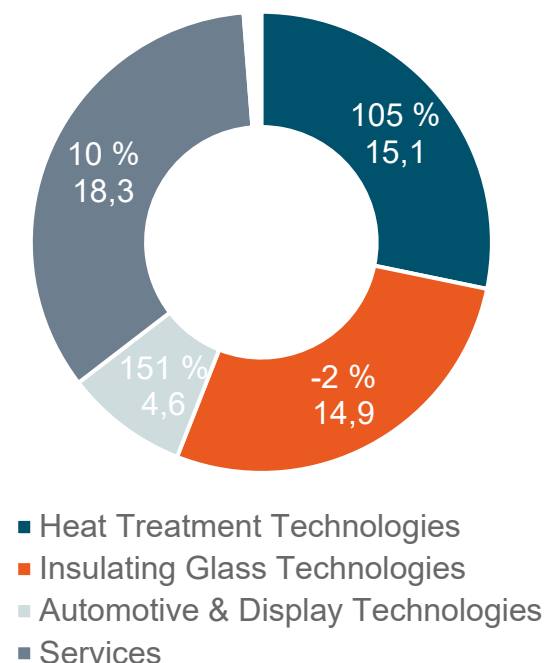


# Net sales close to 30% higher with a boost from Heat Treatment and Automotive & Display technologies

Group net sales, M€ and yoy%



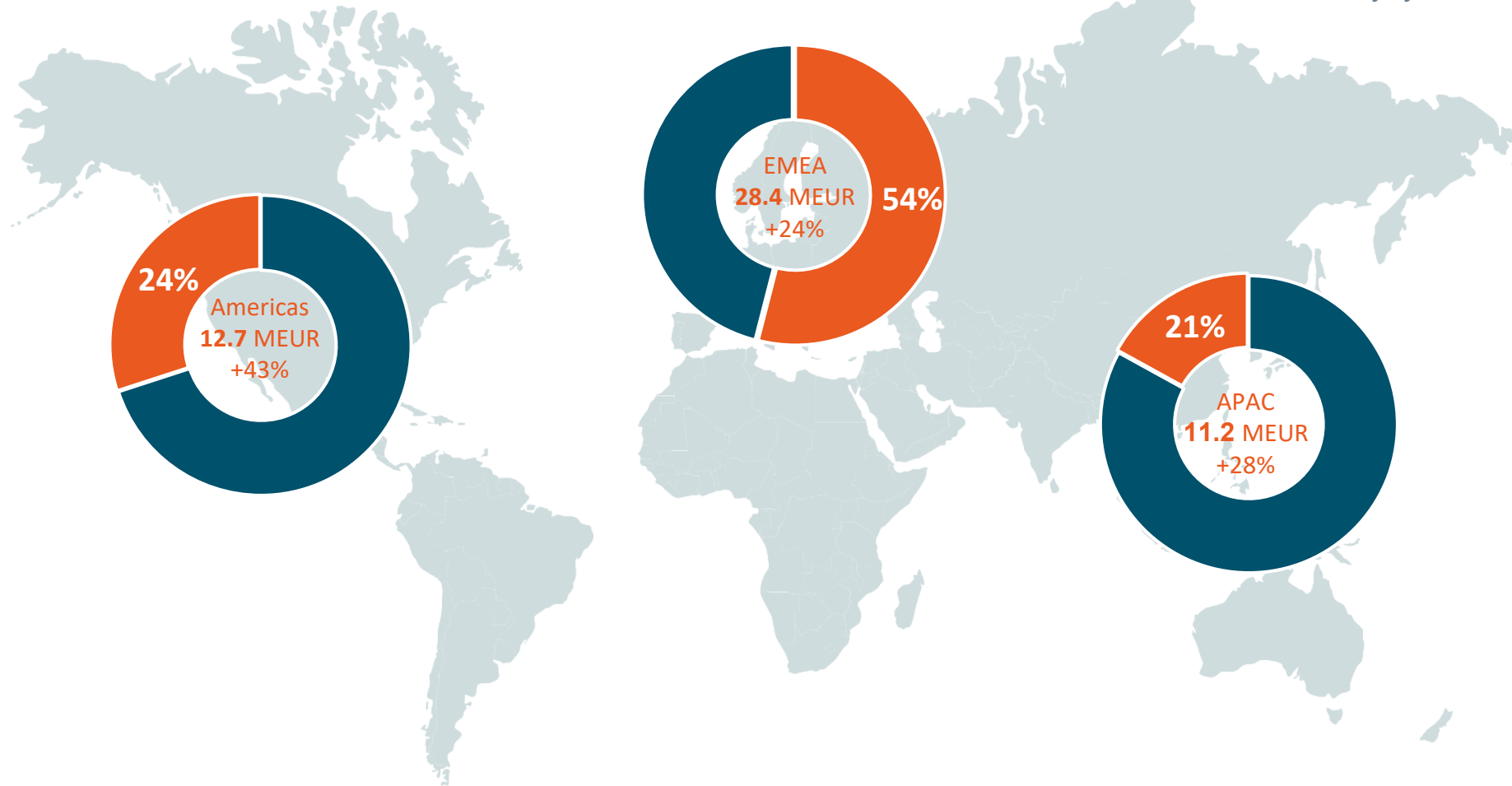
Q1 2022 net sales by product area, M€ and yoy%



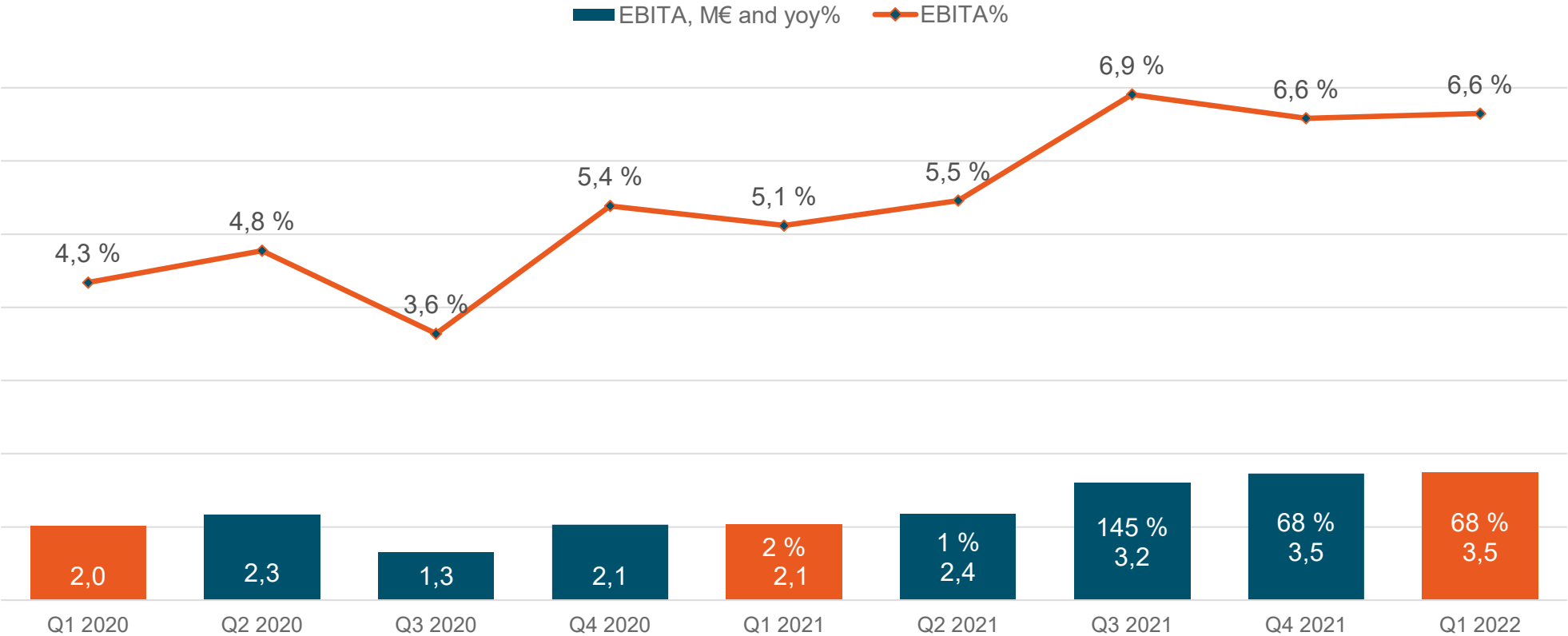


# All regions growing strongly

Q1 2022 net sales by region M€, yoy% and share of total



# Clear year-on-year progress in EBITA and EBITA margin





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# Heat Treatment



# Heat Treatment – Strong improvement in net sales and profitability, orders declined slightly



- Good level of orders but slightly lower than the strong comparison
- Net sales continued at high level with strong year-on-year improvement from the Covid-impacted Q1 2021
- EBITA and EBITA margin improved significantly
  - Strong volume growth at good margins in both machines and services
  - Negative impact from mix and fixed cost increase more than offset by the volume & margin impact

| MEUR              | Q1 2022 | Chg/ Q1 2021* | Q4 2021 |
|-------------------|---------|---------------|---------|
| Order intake      | 22.4    | -2%           | 23.5    |
| Order backlog     | 44.1    | +12%          | 45.6    |
| Net sales         | 22.5    | +62%          | 22.1    |
| Comparable EBITA  | 1.5     | +386%         | 0.7     |
| Comparable EBITA% | 6.8%    | 2.3%          | 3.2%    |

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



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# Insulating Glass



# Insulating Glass – High order intake, profitability improved despite stable net sales



- IG demand in Europe strong, over 30% growth in orders
- Net sales close to flat, component shortages having some impact on projects and customers' readiness to receive machines. Services business grew.
- EBITA and EBITA margin improved despite stable net sales
  - Improved margin and mix more than offset the impact from higher fixed costs.

| MEUR                    | Q1 2021     | Chg/ Q1 2021* | Q4 2021     |
|-------------------------|-------------|---------------|-------------|
| <b>Order intake</b>     | <b>25.5</b> | <b>+31%</b>   | <b>25.1</b> |
| Order backlog           | 40.6        | +71%          | 38,5        |
| <b>Net sales</b>        | <b>21.5</b> | <b>+1%</b>    | <b>23.1</b> |
| <b>Comparable EBITA</b> | <b>1.9</b>  | <b>+7%</b>    | <b>2.4</b>  |
| Comparable EBITA%       | 8.8%        | 8.3%          | 10.5%       |

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



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# Automotive & Display





# Automotive & Display – Good orders, no major improvement in profit due to regional mix

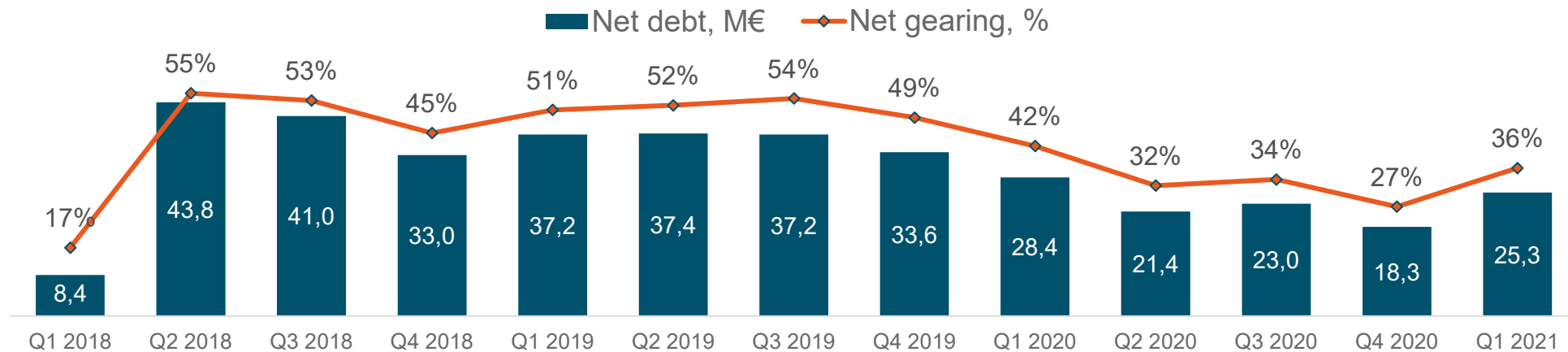
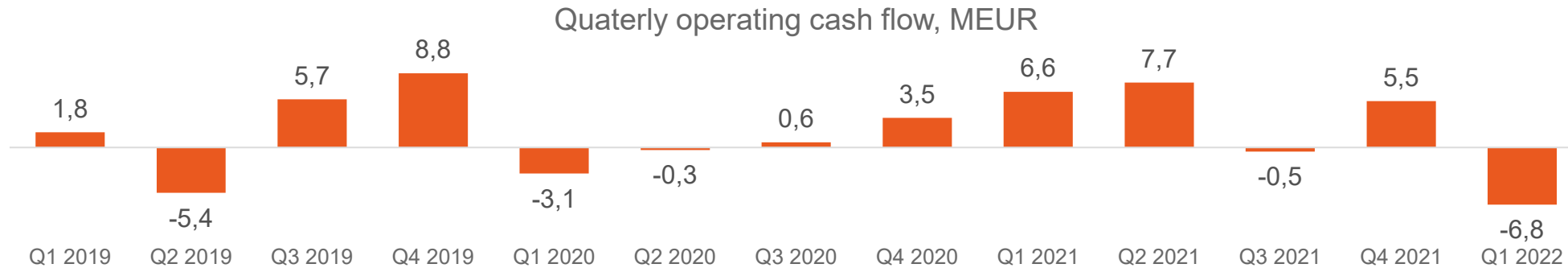


- Demand for machines remained strong despite automotive production disturbances. Services at modest growth.
- Net sales recovered strongly from the low levels in Q1 2021 supported by the order intake pick-up in H2 2021.
- EBITA close to break-even
  - Net sales growth mainly in machines business where weaker geographical mix impacted margins
  - Fixed costs higher as the business is preparing for volume growth in H2 2022

| MEUR                    | Q1 2022     | Chg/ Q1 2021* | Q4 2021     |
|-------------------------|-------------|---------------|-------------|
| <b>Order intake</b>     | <b>10.8</b> | <b>+125%</b>  | <b>10.0</b> |
| Order backlog           | 13.3        | +177%         | 10.7        |
| <b>Net sales</b>        | <b>8.1</b>  | <b>+56%</b>   | <b>7.3</b>  |
| <b>Comparable EBITA</b> | <b>0.1</b>  | <b>+234%</b>  | <b>0.4</b>  |
| Comparable EBITA%       | 1.1%        | 0.5%          | 5.2%        |

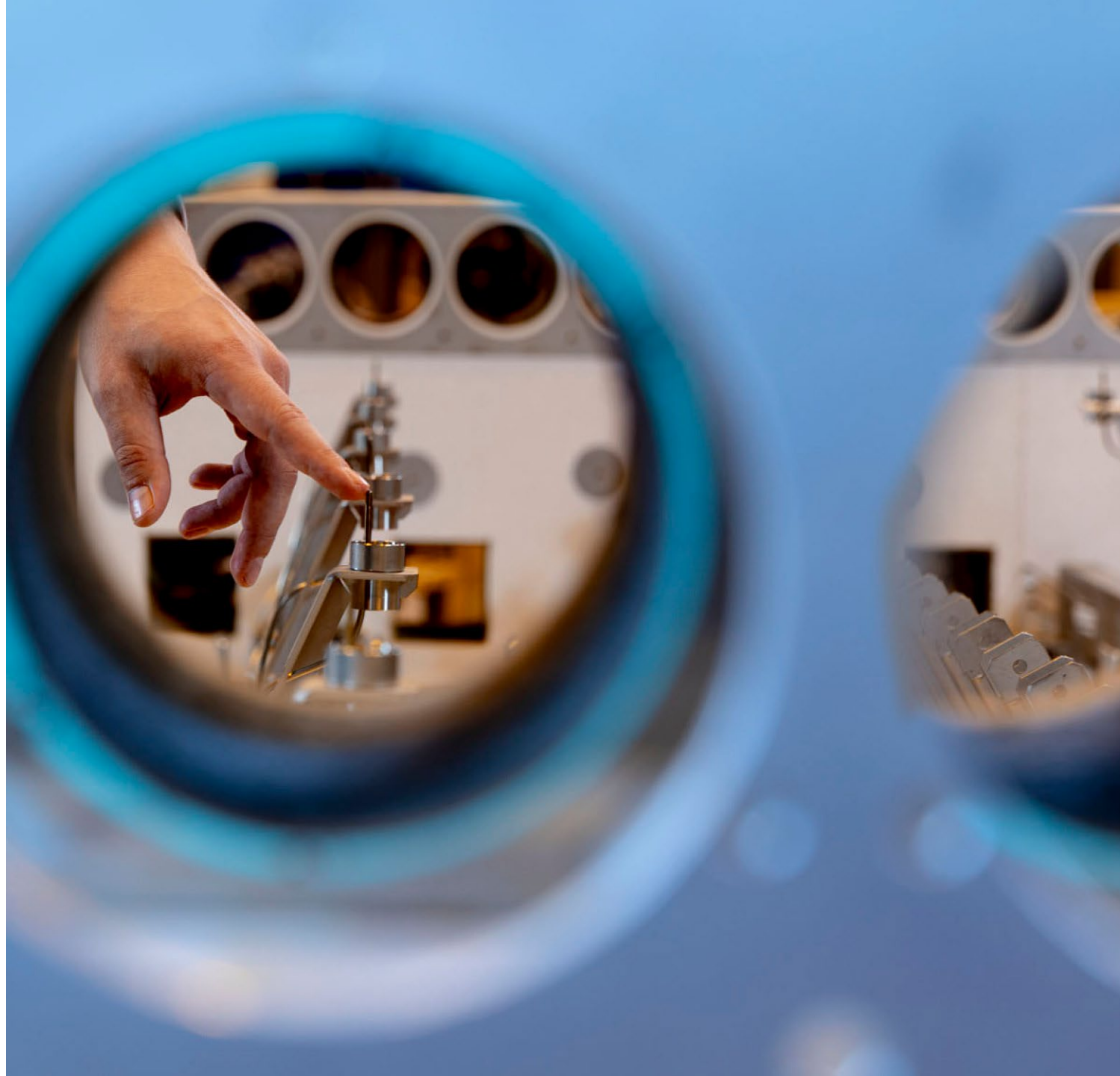
\*Yoy% change and for EBITA% comparison figure same period previous year

# Working capital increased due to seasonality and component stocking – negative cash flow and higher gearing



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# OUTLOOK 2022





# Glaston's outlook remains unchanged

- In 2021, Glaston's markets saw a strong recovery and growth. This positive development continued in the first quarter of 2022, indicating good development for both machines and services business. Glaston started the year with a 48% higher order backlog than in 2021 which supports Glaston's net sales and profitability development. In 2022, Glaston is focusing on the execution of its strategy, which will incur costs and capital expenditure ahead of the effect on revenue growth
- Currently, higher than normal uncertainty is related to the development of economic activity and customers' investments. The uncertainty is driven by several simultaneous factors, such as the supply chain disturbances that have become a longer-term challenge, the Russian invasion of Ukraine with its implications on energy and raw material prices, and the still ongoing COVID-19 pandemic
- Despite the prevailing uncertainties, Glaston Corporation expects market development to continue to be positive and estimates that its net sales and comparable EBITA will improve in 2022 from the levels reported for 2021. In 2021, Group net sales totaled EUR 182.7 million and comparable EBITA was EUR 11.1 million





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# QUESTIONS





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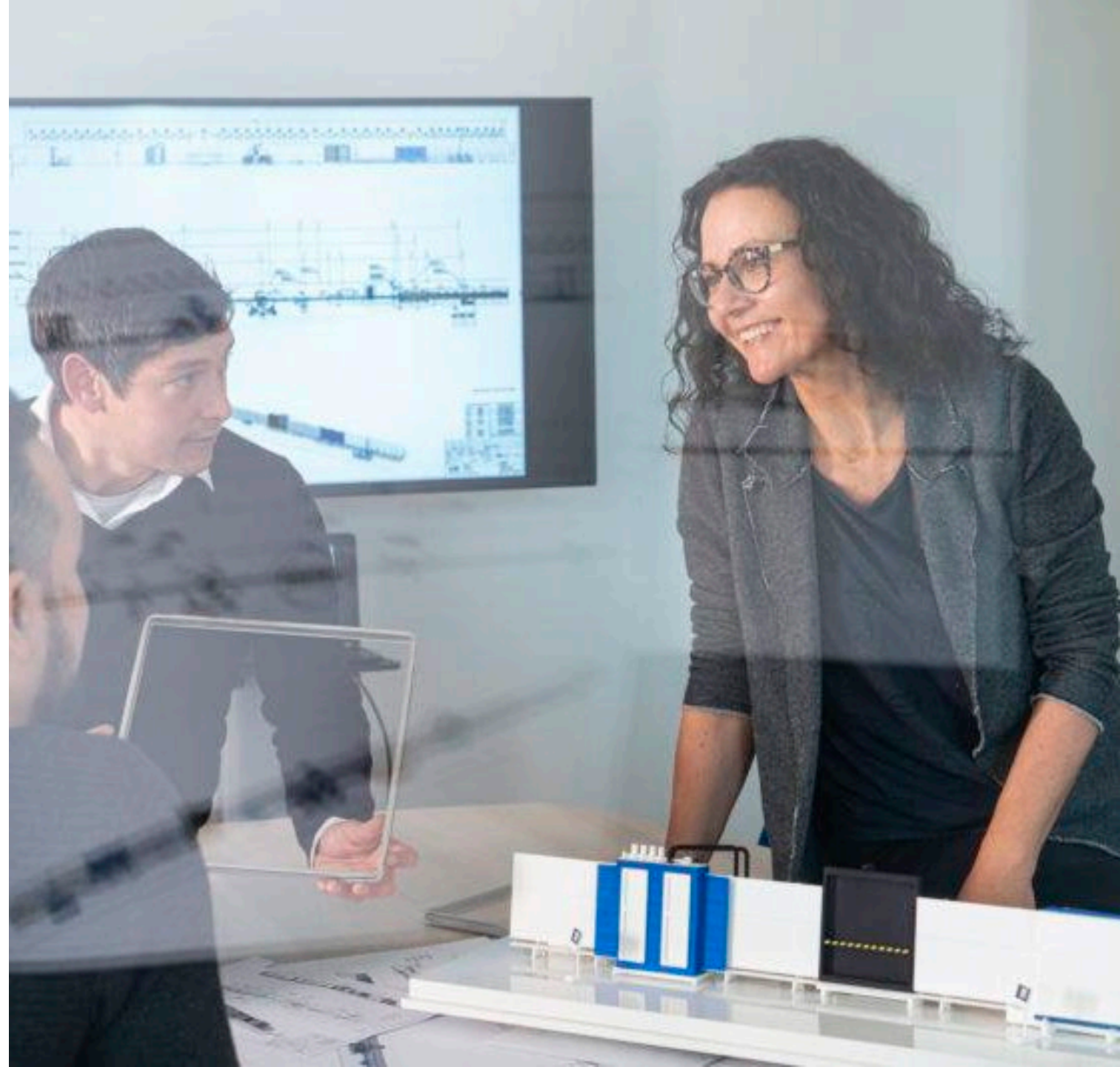
## Financial reports in 2022

**Half year financial report January-June 2022**

4 August 2022

**Interim report January-September 2022**

27 October 2022





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*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.*



> [www.glaston.net](http://www.glaston.net)

# Thank you!

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