



January–
December 2020

Glaston Corporation

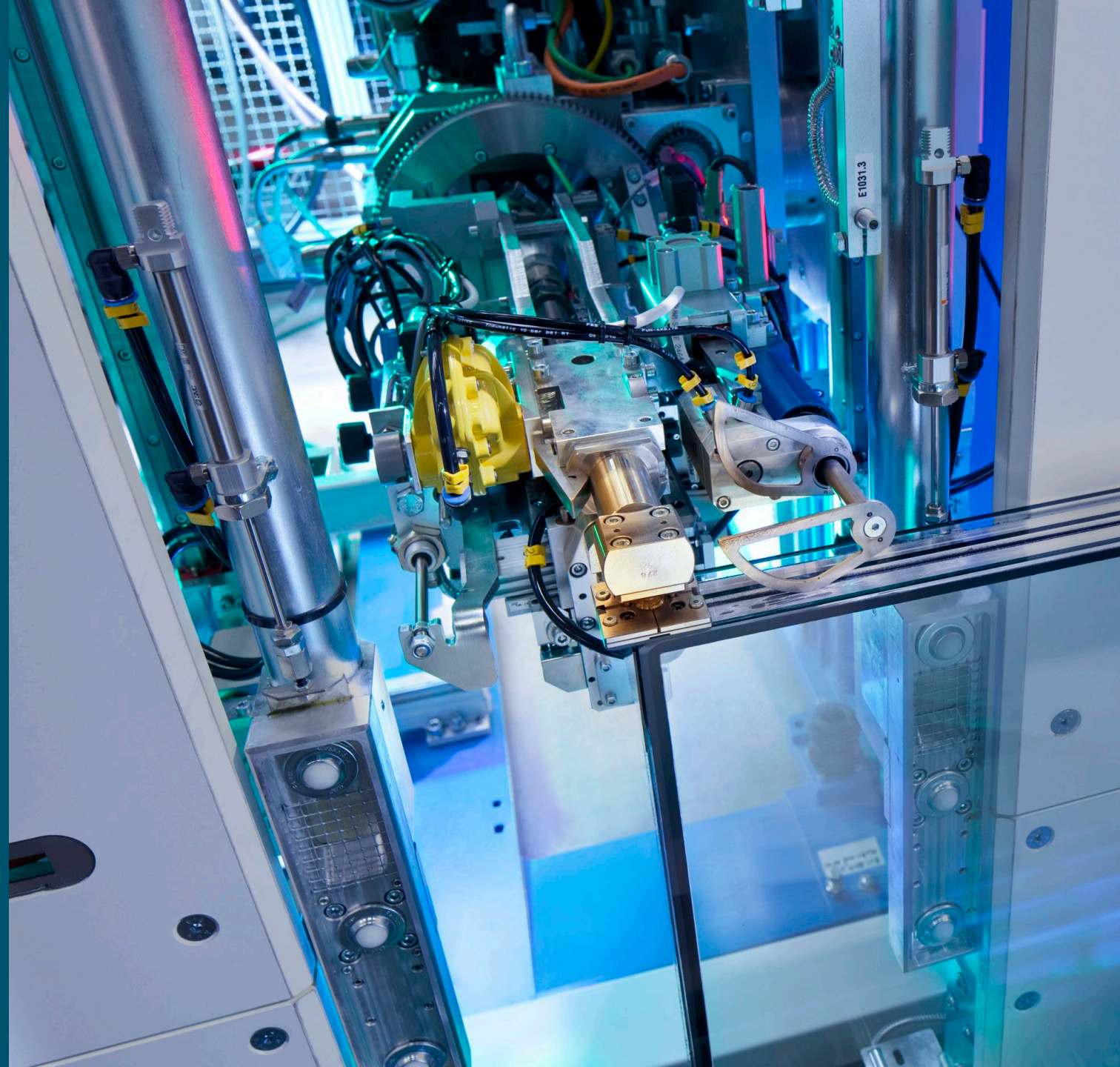
**Order intake improved
in Q4 compared to
previous quarters.**

**Comparable EBITA
satisfactory for an
exceptional year.**

glaston
seeing it through®

Content

- CEO introduction
- Q4/2020 highlights
- Financial development
- Outlook 2021



Anders Dahlblom

– new CEO & President

- Born 1974
- M.Sc. (Econ.)
- Strong track record within process and construction industry
- 20 years of experience in international business
- Worked for several PE owners and before joining Glaston for a US publicly traded company



New Chairman of the Board of Directors

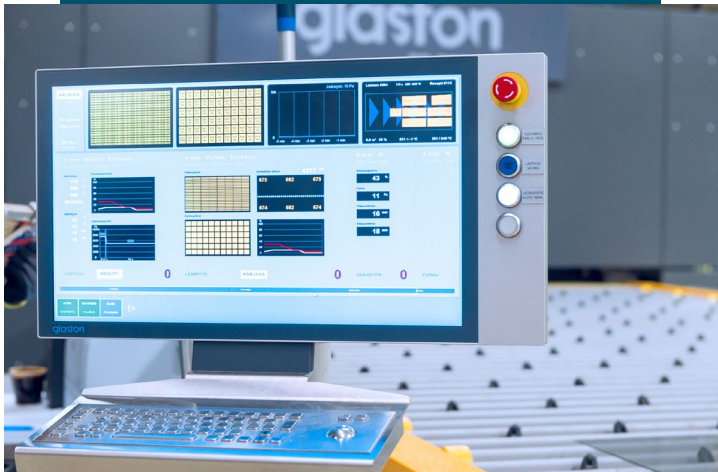
Veli-Matti Reinikkala

- Born 1957
- eMBA, Non-executive Director
- Independent of the company and its significant shareholders
- Various managerial positions at ABB Group in Switzerland, China and the US during the years 1993–2015
- Key positions of trust: Fortum Oyj, Deputy Chairman of the Board of Directors; UPM-Kymmene Oyj, Member of the Board of Directors, Chairman of the Remuneration Committee

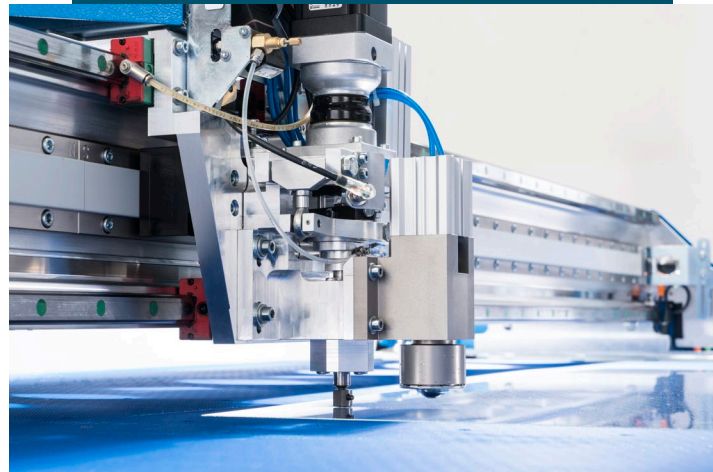


New segments as of 1 January 2021

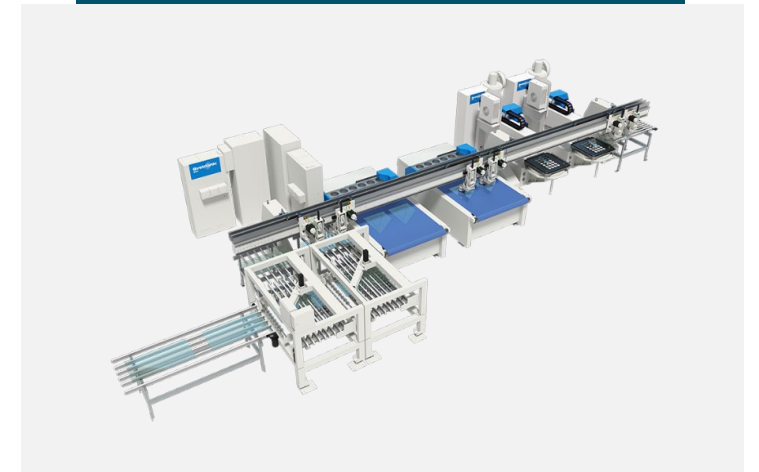
Glaston Heat Treatment Technologies



Glaston Insulating Glass Technologies



Glaston Automotive & Display Technologies





January–December 2020

Q4 / 2020 HIGHLIGHTS

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Q4 and full-year 2020 highlights

- Q4 **orders received** were up +6% compared to the same period in 2019
 - Q4: EUR 52.1 (49.2) million
 - FY: EUR 153.5 (pro forma 184.6) million
- **Net sales** for the fourth quarter and for the full year decreased
 - Q4: EUR 38.3 (47.3) million
 - FY: EUR 170.1 (pro forma 204.6) million
- Profitability in Q4 and for the full year was impacted by low sales volumes. **Comparable EBITA** was
 - Q4: EUR 2.1 (2.5) million
 - FY: EUR 7.7 (9.7, pro forma 12.1) million
- The Board of Directors proposes a **capital repayment** of EUR 0.02 per share



Architectural market Q4

EMEA



- Strong positive development continued in the Insulating Glass equipment market
- Driven by demand in Central Europe, the Heat Treatment equipment market saw a strong recovery and customers resumed their investment plans
- Services markets were active, particularly for spare parts services and equipment upgrades

Americas



- In North America, market recovery continued
- Heat Treatment equipment market activity clearly picked up in December
- The Insulating Glass equipment market saw a slight market recovery
- Services markets picked up compared to the previous quarter

Asia



- Market activity in China continued to grow; good development in the mid-range market for IG equipment
- Spare parts services experienced strong development in China
- Elsewhere in the APAC area, restrictions continued to be imposed, with a negative impact on equipment market activity
- Services markets developed positively

Automotive market Q4

- Activity in the automotive glass market increased in the fourth quarter, particularly in China, as automotive production returned close to pre-pandemic levels
- Demand was particularly noted in areas outside the traditional Automotive sector, from customers producing glass for other vehicles such as recreational vehicles (RV), and appliances
- The services markets were almost back to 2019 levels

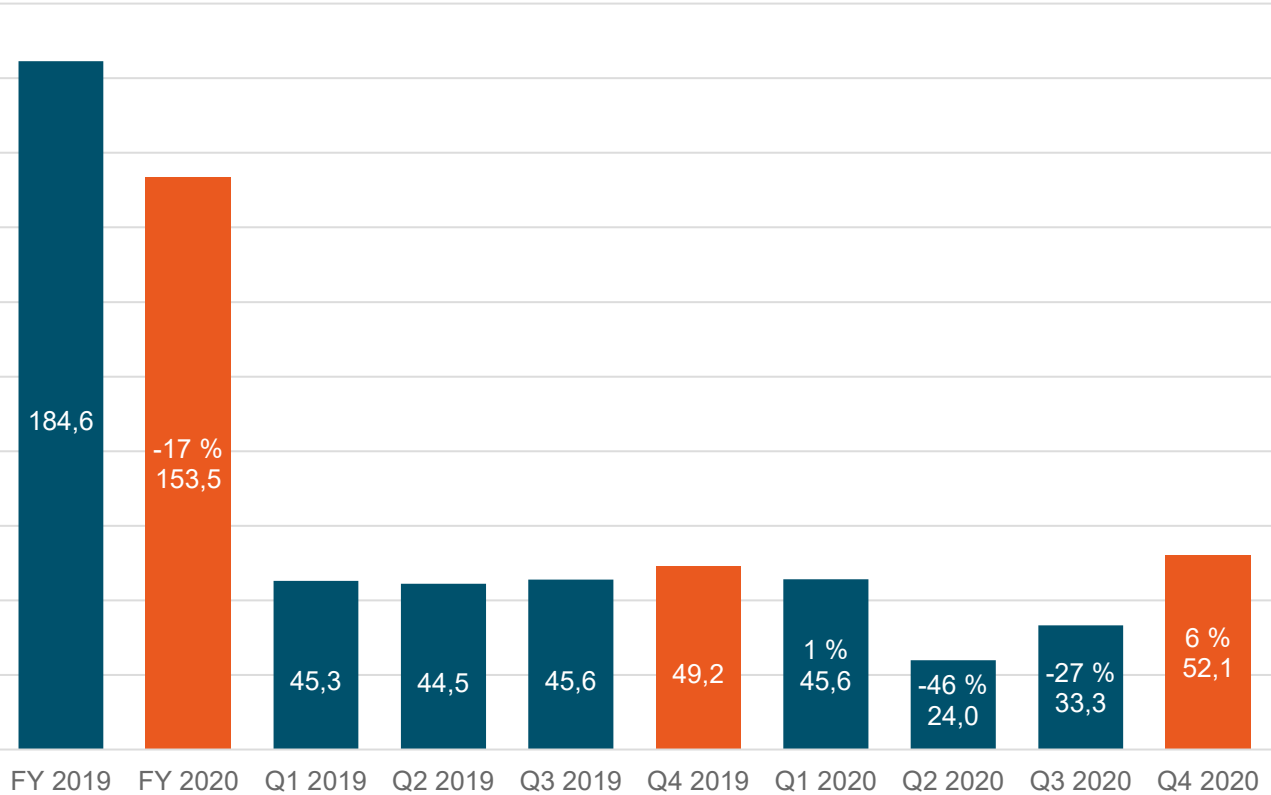


FINANCIAL DEVELOPMENT

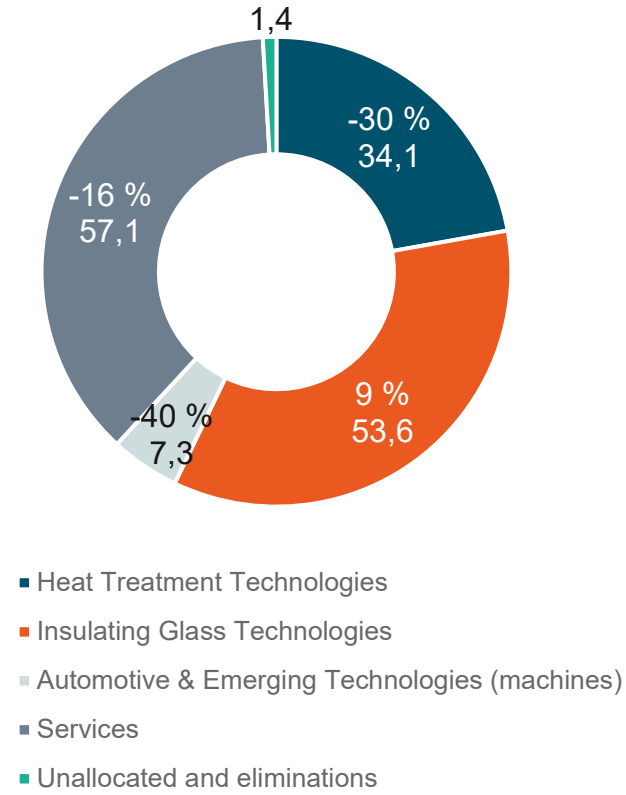


Group orders received recovered strongly in Q4 2020

Group orders received, M€ and yoy%

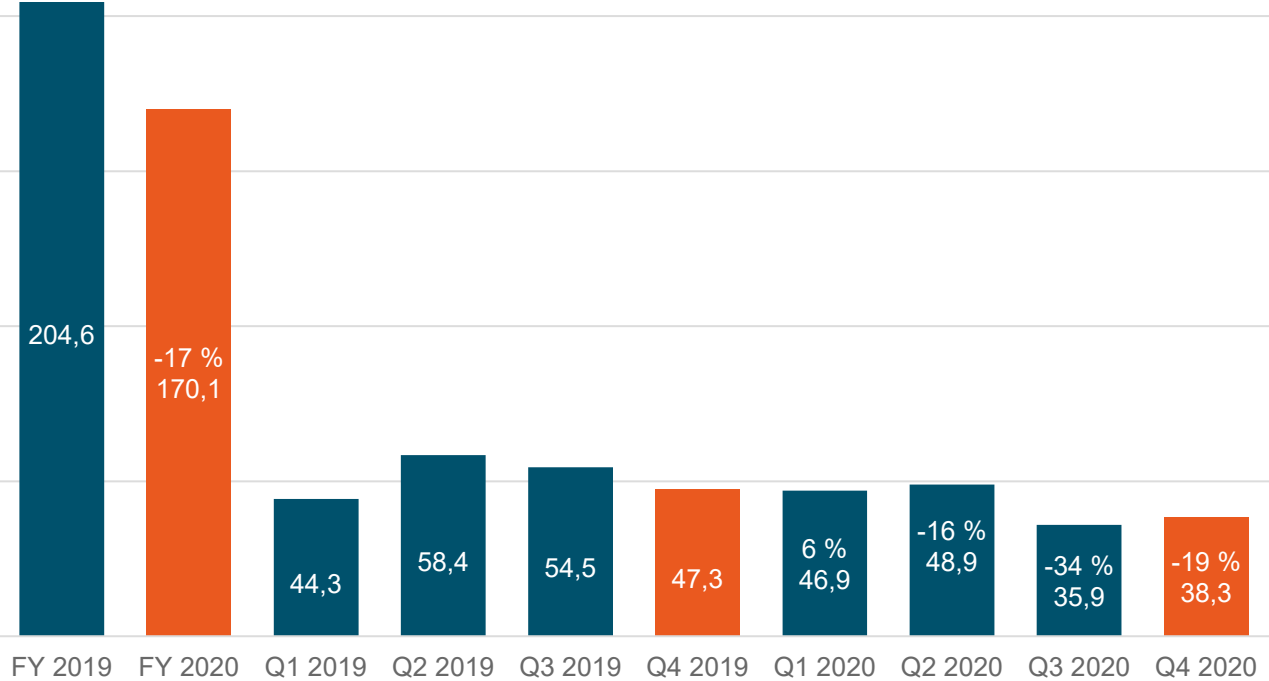


Orders received by product area, M€ and yoy%

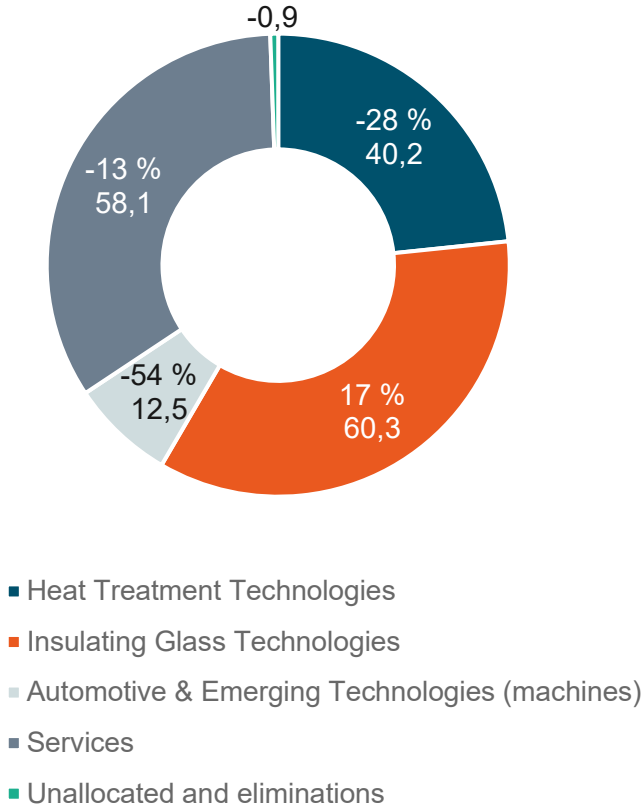


Group net sales in Q4 reflected the low order intake earlier in the year

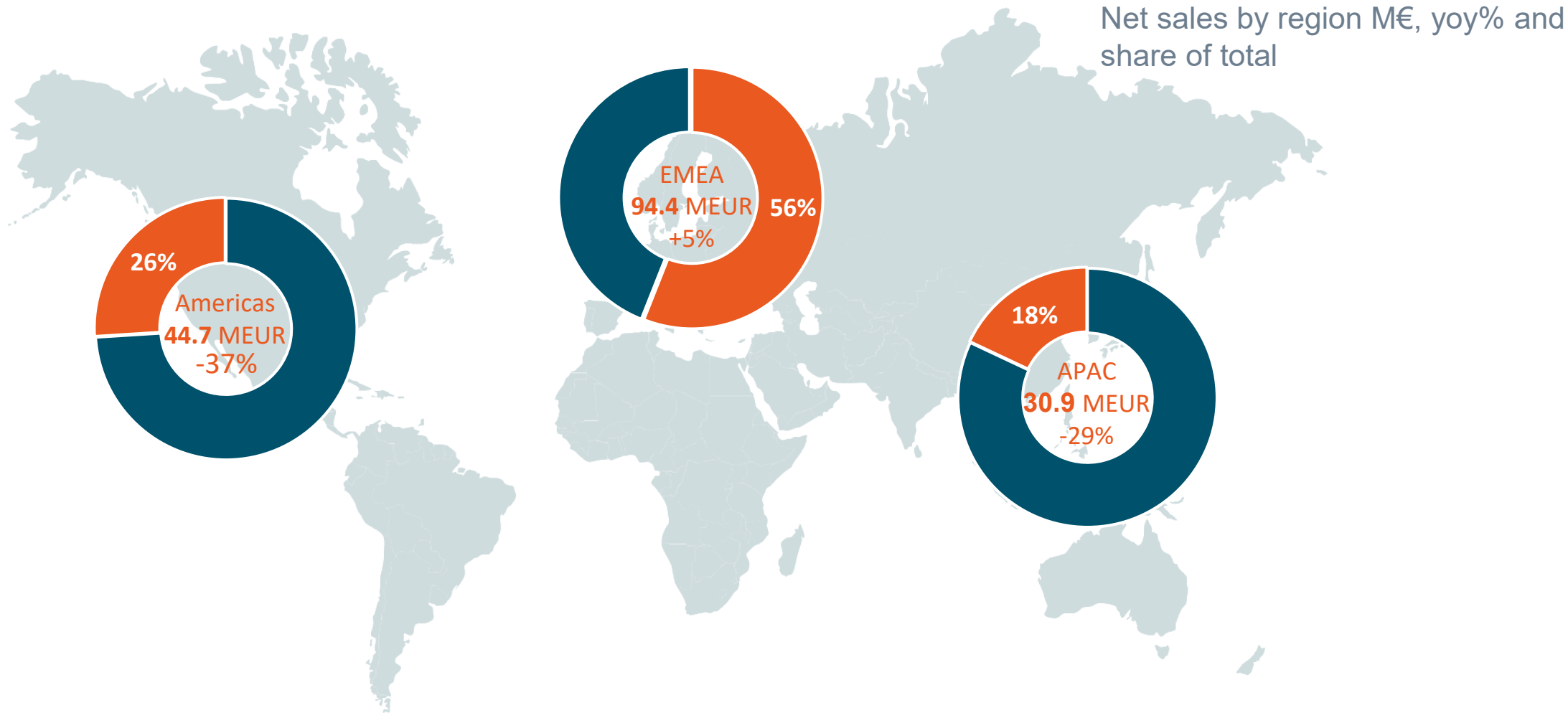
Group net sales, M€ and yoy%



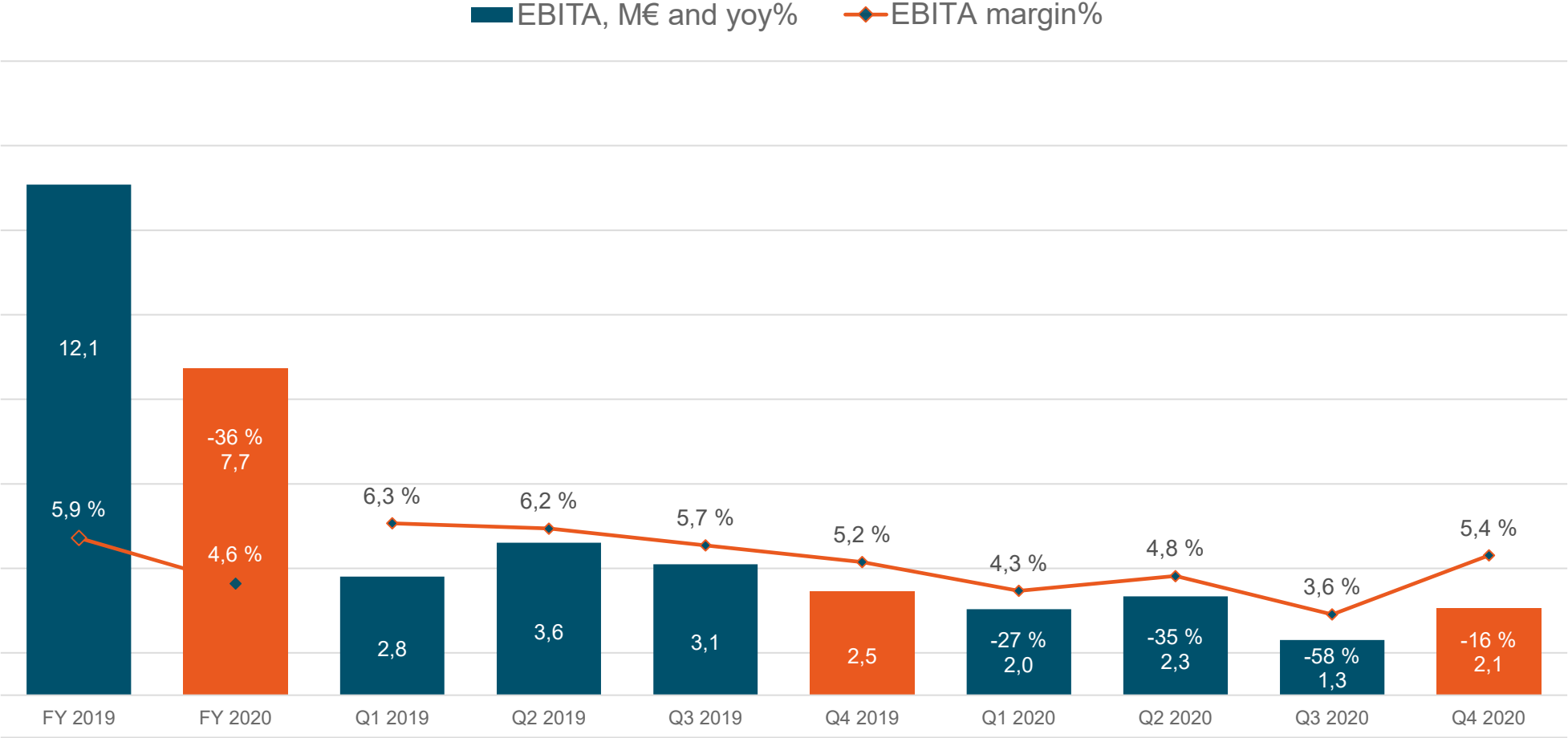
Net sales by product area, M€ and yoy%



EMEA region developed positively whereas other regions declined in 2020



Comparable EBITA recovered in Q4, full-year impacted by the volume decline



Heat Treatment



Orders recovered in Q4 2020

- After very low Q2 and especially Q3 order received approached more normalized levels in Q4
- Low order intake impacted net sales
- Volume decline was partly compensated by cost saving measures and EBITA margin was close to 2019 levels
- Order backlog lower than previous year and will impact volumes in H1 2021

MEUR	FY 2020	Chg*	Q4 2020	Chg*
Order intake	56.1	-26%	20.7	-10%
Order backlog	29.5	-16%		
Net sales	61.6	-25%	14.9	-28%
Comparable EBITA	2.4	-29%	0.9	-22%
Comparable EBITA%	3.9%	4.1%	6.0%	5.5%

*Yoy% change or comparison figure same period previous year

Insulating Glass



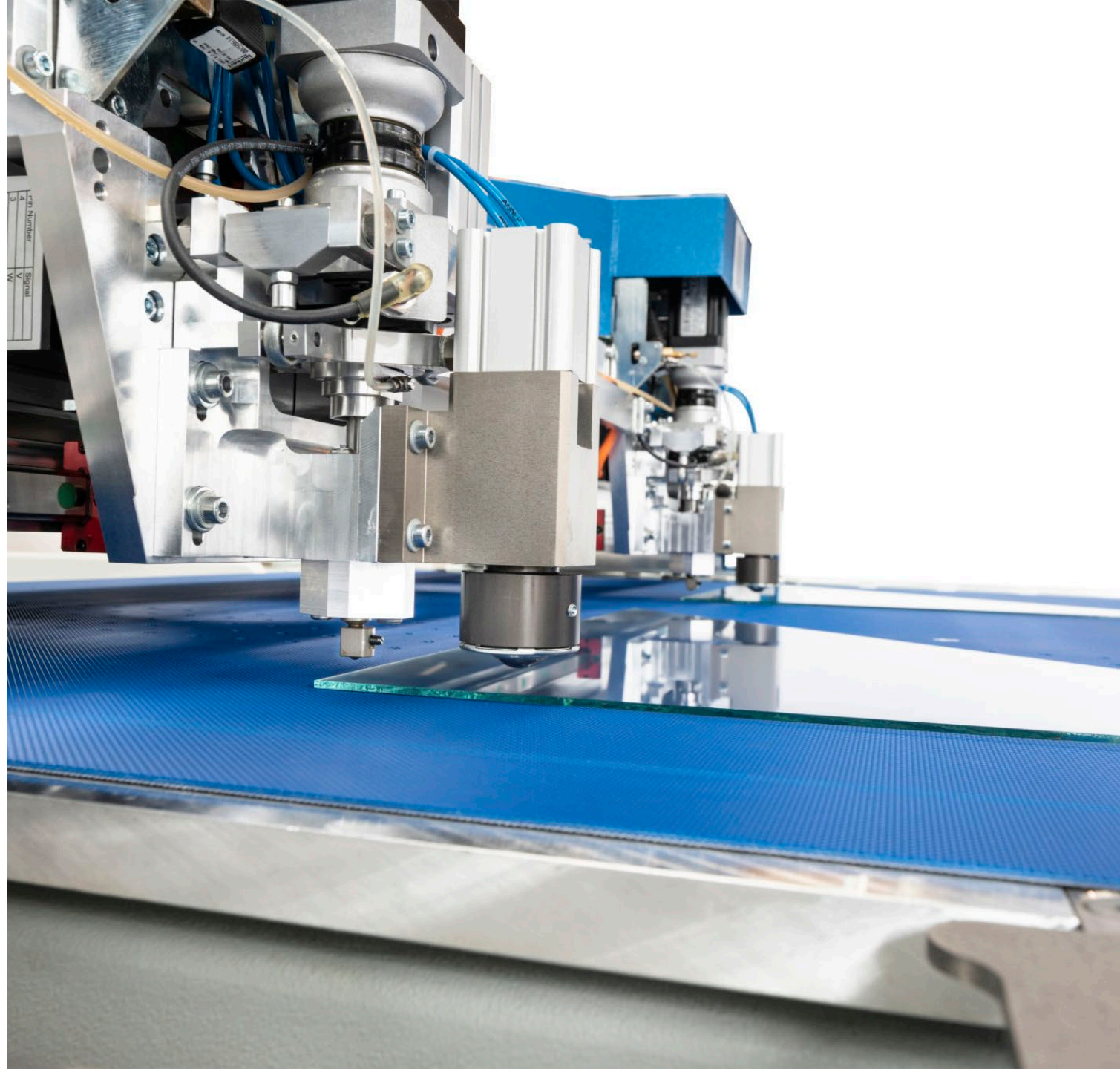
Strong performance throughout the year

- Full year order intake growth despite the circumstances, Q4 again beating earlier numbers
- Net sales improvement boosting EBITA, also EBITA margin higher than FY 2019
- Q4 relative margin strong but impacted by higher share Group overheads
- Especially H1 2020 benefited from delayed project revenue recognition while transitioning to IFRS accounting, comparison figures for H1 2021 high

MEUR	FY 2020	FY yoy%	Q4 2020	Q4 yoy%
Order intake	75.7	+4%	22.2	+23%
Order backlog	26,1	-16%		
Net sales	81.9	+11%	18.0	+24%
Comparable EBITA	7.3	+18%	1.6	+2%
Comparable EBITA%	8.9%	8.3%	9.2%	11.2%

Yoy% change or comparison figure same period previous year

Automotive & Emerging Technologies



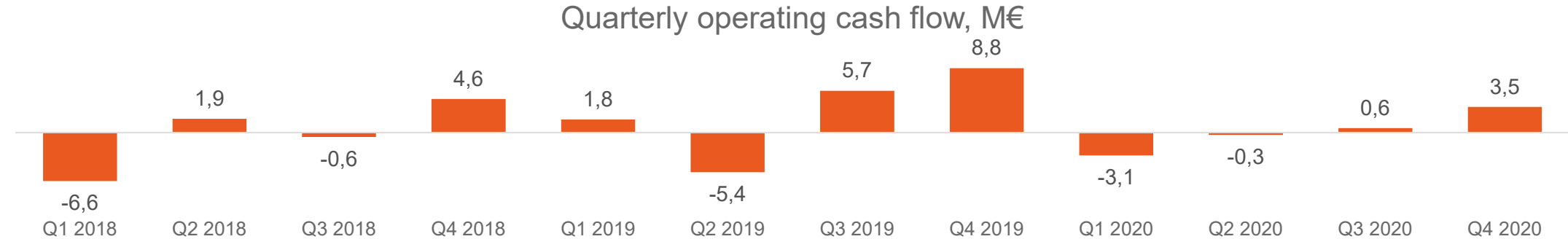
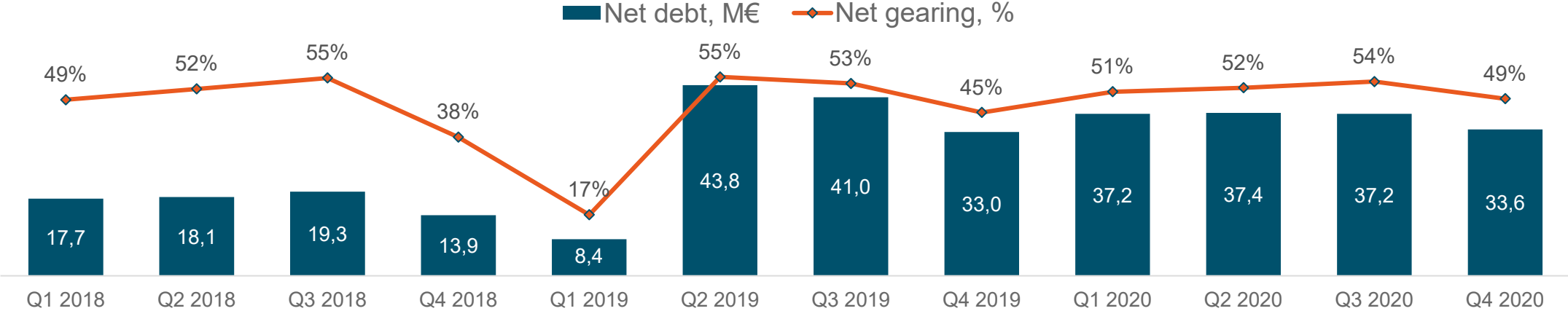
Making progress from low levels

- After long period of low order intake several smaller machine orders were received in Q4, also services saw clear recovery
- Net sales were suffering as a result of the period with low order intake
- EBITA turned to a clear loss after profitable 2019
- Part of the impact from volume decline was offset by adjusting the capacity with short-time work in Switzerland

MEUR	FY 2020	FY yoy%	Q4 2020	Q4 yoy%
Order intake	20.2	-32%	8.8	+14%
Order backlog	8.3	-34%		
Net sales	24.6	-44%	4.9	-59%
Comparable EBITA	-2.1	>neg	-0.6	neg
Comparable EBITA%	-8.4%	5.9%	-12.3%	-1.8%

Yoy% change or comparison figure same period previous year

Good working capital performance contributed to positive cash flow and net debt returned to end of 2019 level



PRIORITIES AND OUTLOOK 2021



Key priorities 2021

- Strategy review
 - Value creation
 - Where to play and customer experience
 - Profitable organic growth
- Realize full potential of integration
 - Commercial potential, equipment and services
 - Ways of working and operational excellence
- Leadership and execution
 - One aligned Glaston team
 - Clear targets and prioritization
- Sustainability



GLASTON'S OUTLOOK FOR 2021

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



QUESTIONS



Financial reports in 2021

Interim report January-March 2021

Thursday, 29 April 2021

Half year financial report January-June 2021

Thursday, 5 August 2021

Interim report January-September 2021

Thursday, 28 October 2021

Financial Statements 2020 and Annual Report 2020

Week 12

Annual General Meeting

Tuesday 13 April 2021



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



> www.glaston.net

Thank you!

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