



# Glaston Q1/2023:

**Solid performance  
in the Architectural  
business continued**

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**glaston**  
seeing it through®

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# Content

- Q1/2023 highlights
- Market review
- Financial development
- Outlook 2023





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# Q1/2023 HIGHLIGHTS



# Q1 2023 highlights

- Markets continuing at a good level despite growing market uncertainty
- Good profitability improvement in Heat Treatment business and positive order intake in the Automotive & Display business
- Order intake below the level of Q1/2022, but higher than in Q4/2022
- First-quarter net sales down by 2%, primarily due to low machine volume in the Automotive business
- Profitability was reasonable with comparable EBITA at EUR 3.0 million
- Glaston committed to set near-term science-based emission reductions targets



# Key Figures

	1–3/2023	1–3/2022	Change%	1–12/2022
Order intake	<b>56.9</b>	59.0	-3.6%	<b>253.0</b>
Order backlog	<b>139.0</b>	98.1	+41.7%	<b>138.3</b>
Net sales	<b>51.3</b>	52.3	-1.9%	<b>213.5</b>
Comparable EBITA	<b>3.0</b>	3.5	-13.8%	<b>13.6</b>
EBITA%	<b>5.8%</b>	6.6%		<b>6.4%</b>

# Market environment in Q1

## EMEA

- For **Insulating Glass**, the markets remained solid
- For **Heat Treatment**, demand continued at a good level
- For **Automotive**, the market in Europe was still very slow
- For **Services** markets, demand for daily services saw a slow quarter, whereas for upgrades good individual deals were closed

## Americas

- For **Insulating Glass**, demand was slower than in the previous quarter
- For **Heat Treatment**, good demand continued, driven by the architectural business
- For **Automotive**, the market continued to be good for special products such as recreational vehicles and heavy vehicles. Positive development also in the traditional automotive market
- For **Services**, market activity for upgrades continued to recover

## APAC

China:

- For **Insulating Glass**, a slow start to the year was noted
- For **Heat Treatment**, the market continued to be soft
- For **Automotive**, market activity continued at a good level

Elsewhere in the APAC region, the markets for new machines were slow. In **Services**, demand for daily flow services was strong



# Strategy progress

- Management review of strategy actions in order to ensure progress towards the strategic targets given the changed market environment
- No major changes for the must-win projects and cornerstone initiatives were identified, whereas some new potential opportunities were mapped into the strategy frame
- Ramping up the capabilities for the production of Automotive pre-processing equipment in Tianjin continued as planned
- Slight delay in creating the local automotive supply chain network in China
- Manufacturing of the new solar line in Tianjin proceeded according to plan but deliveries have been postponed upon the customer's request



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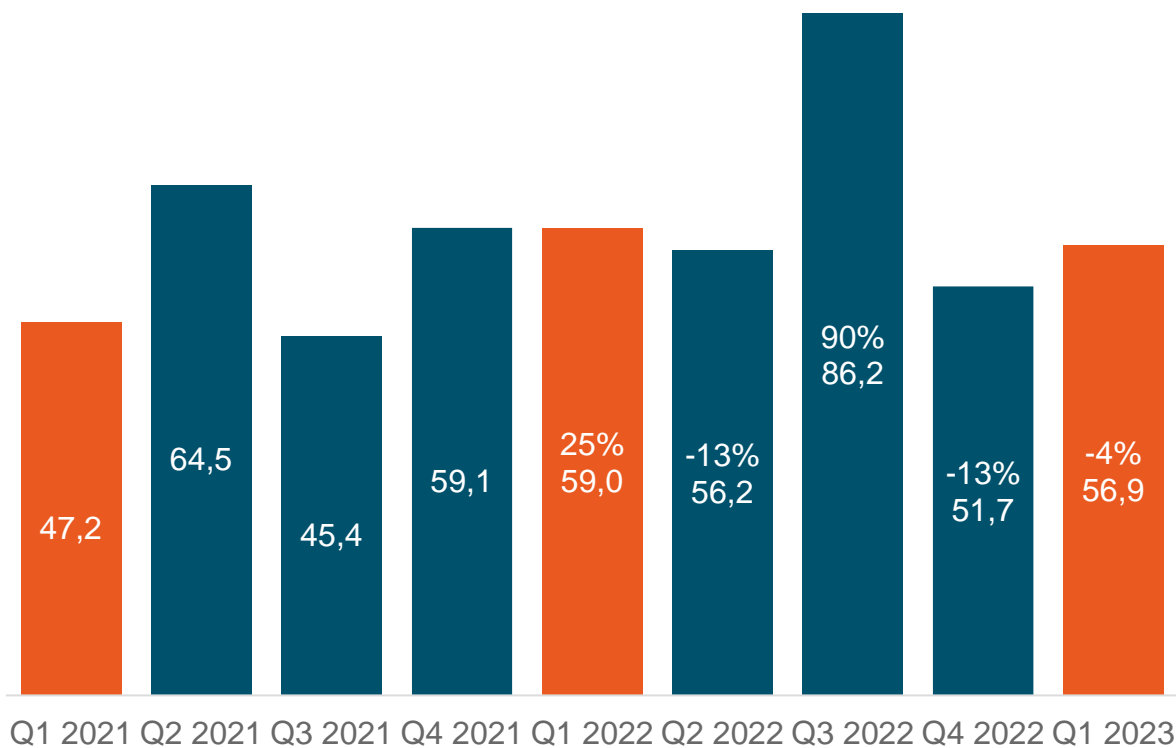
# FINANCIAL DEVELOPMENT



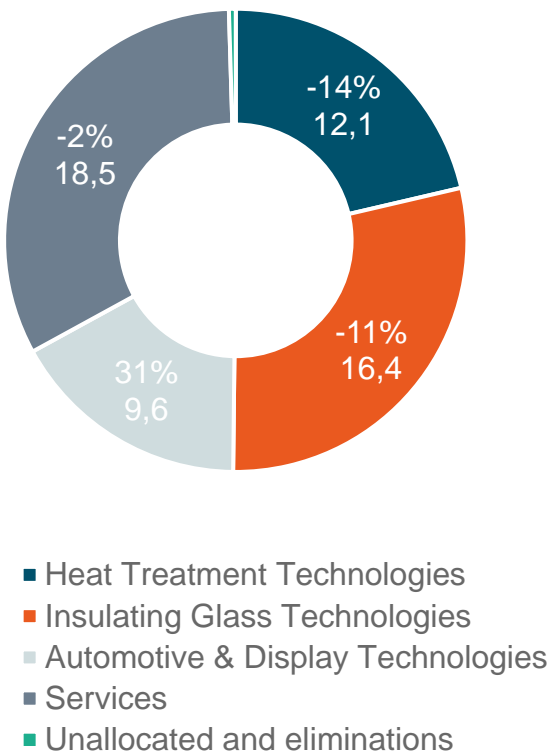


# Reasonable order intake supported by strong growth in Automotive & Display

Group orders received, MEUR and yoy%

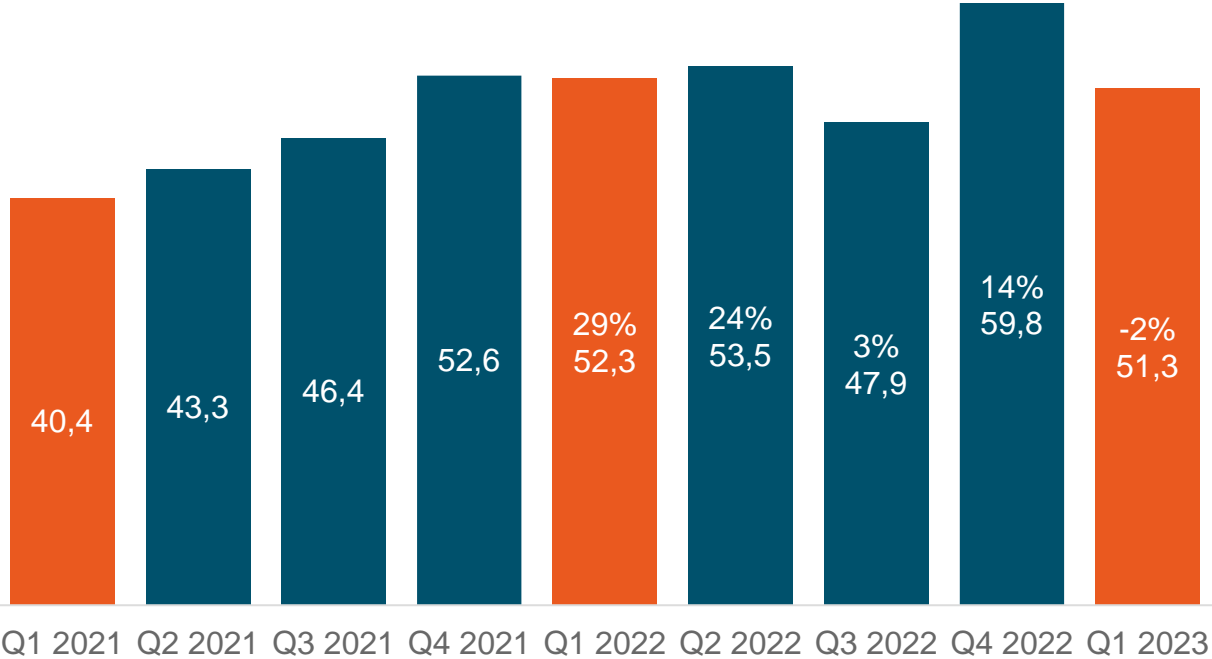


Q1 2023 orders received by product area, MEUR and yoy%

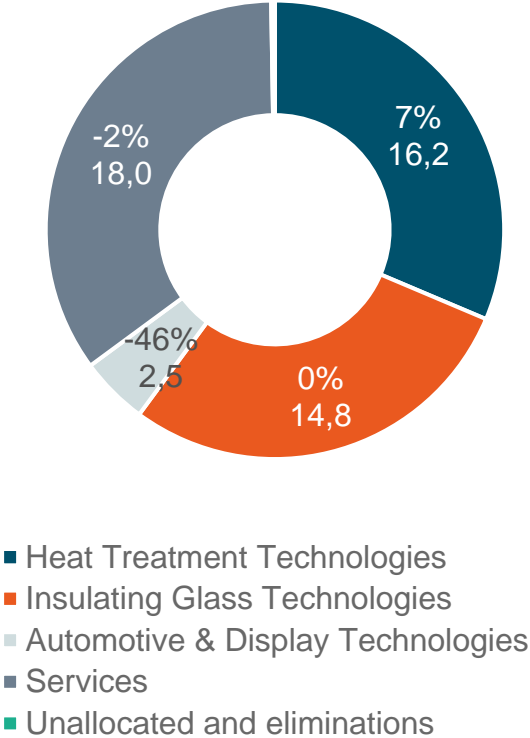


# Net sales slightly down driven by Automotive Technologies and Services Upgrades

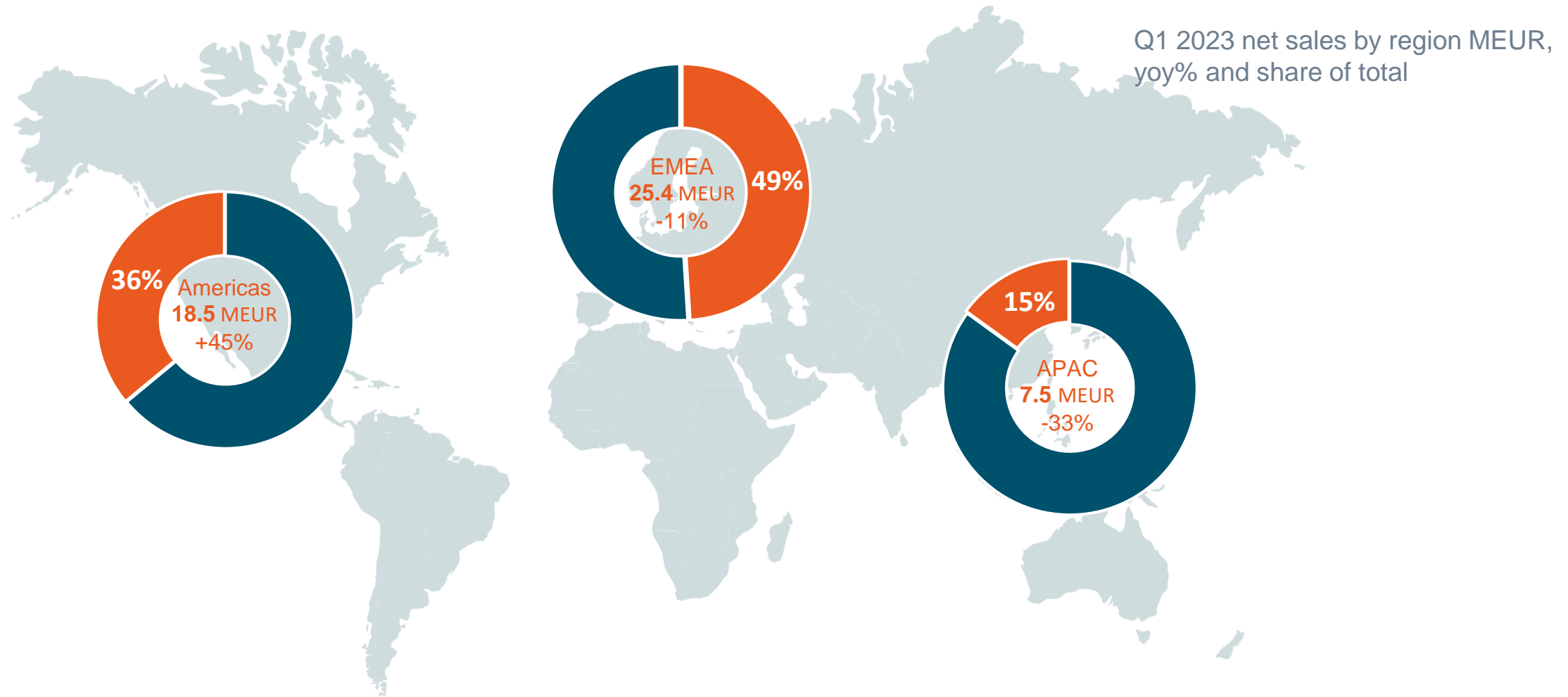
Group net sales, MEUR and yoy%



Q1 2023 net sales by product area, MEUR and yoy%

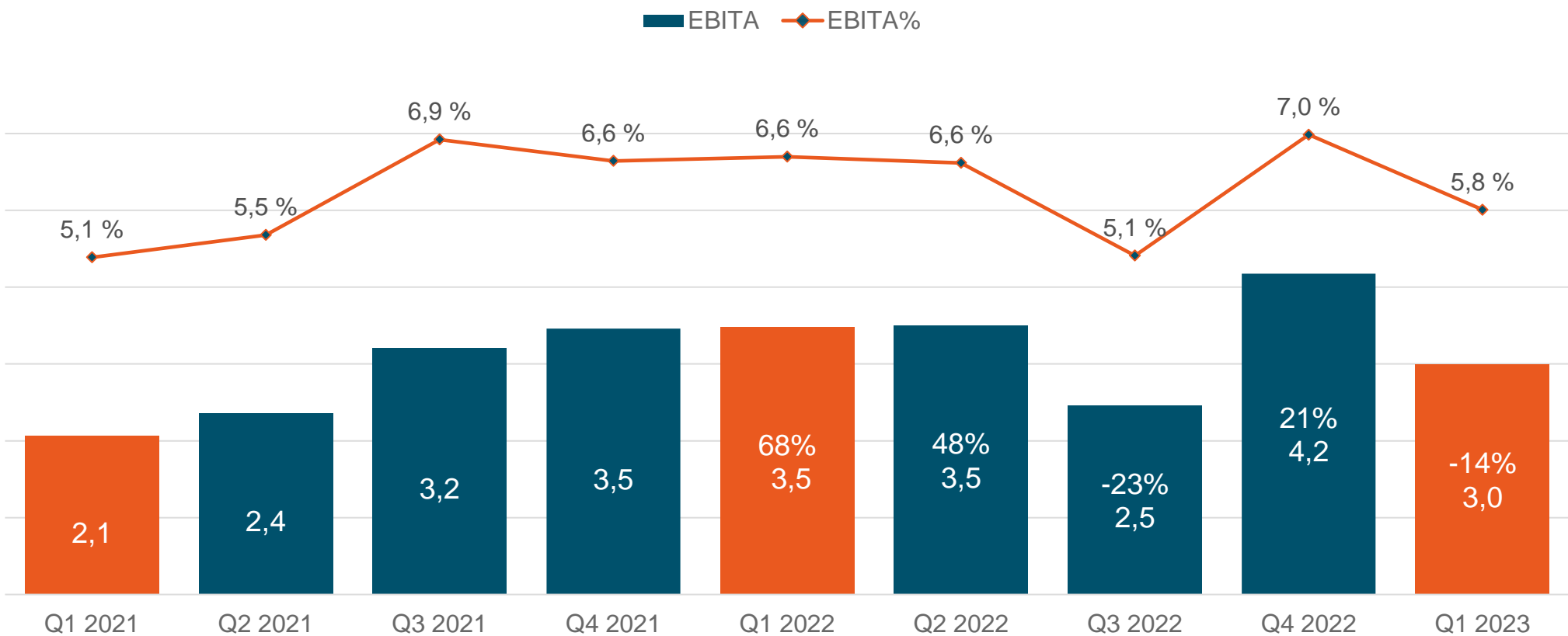


# Americas growing strongly, EMEA and APAC declining



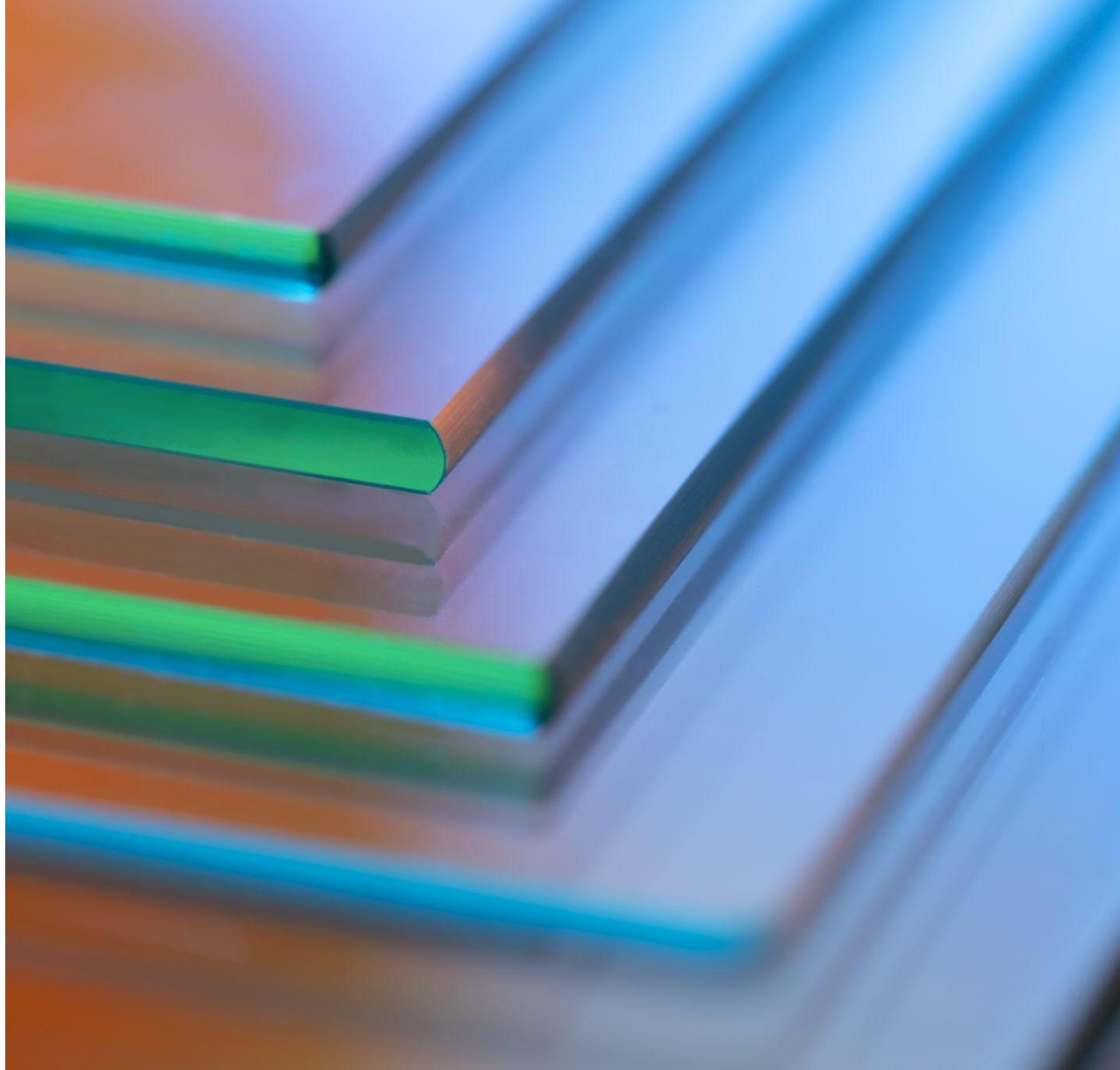


# Heat Treatment and Insulating Glass with solid profits, Automotive & Display loss taking the Group down



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# Reporting segments



# Heat Treatment – strong profitability

- Market activity continued at a good level despite increasing market uncertainty
- Some investments were pushed back and order intake was down 15%, upgrades order intake recovering further but still below previous year's high level
- Net sales on the same level as in the comparison period, machines up, services down by 13% due to low upgrades net sales
- Very strong improvement in machines margin which compensated for lower share of services and higher fixed costs

MEUR	1–3/2023	1–3/2022	Change%	1–12/2022
<b>Order intake</b>	<b>19.1</b>	22.4	-14.6%	95.1
Order backlog	51.1	44.1	15.8%	54.1
<b>Net sales</b>	<b>22.6</b>	22.5	0.3%	85.0
<b>Comparable EBITA</b>	<b>1.8</b>	1.5	15.9%	5.1
Comparable EBITA%	7.8%	6.8%		6.1%



# Insulating Glass – solid EBITA despite margin pressure

- Reflecting longer decision times, Q1 order intake was down 8%, slow start of year in services
- Net sales increased slightly, China net sales close to 60% lower than Q1 2022
  - Machines net sales flat
  - Services net sales up 4% due to the upgrades business scaling up
- Comparable EBITA (-18 %) and EBITA margin were down - somewhat lower margins both in machines and services businesses. In services, margin lower due to mix as upgrades business has lower margin than spare parts

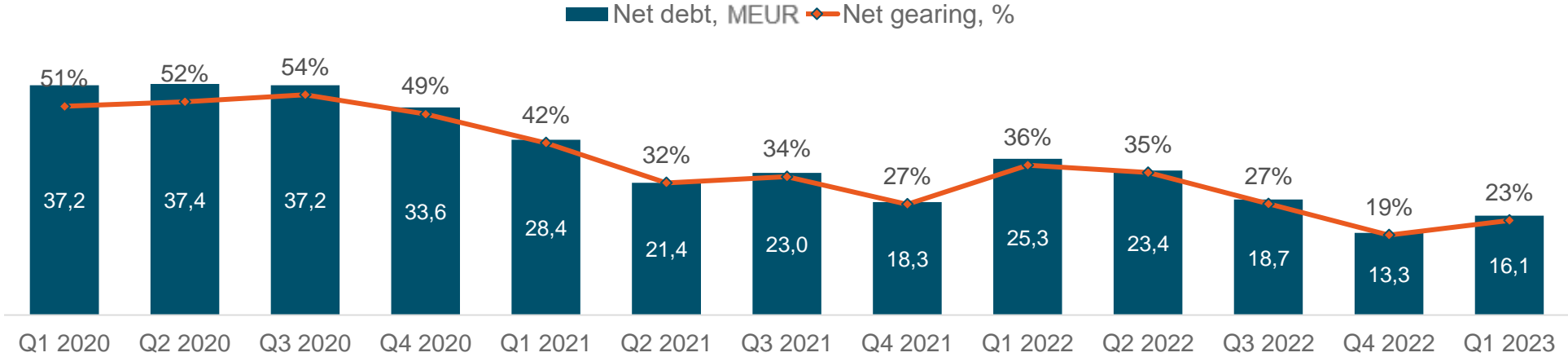
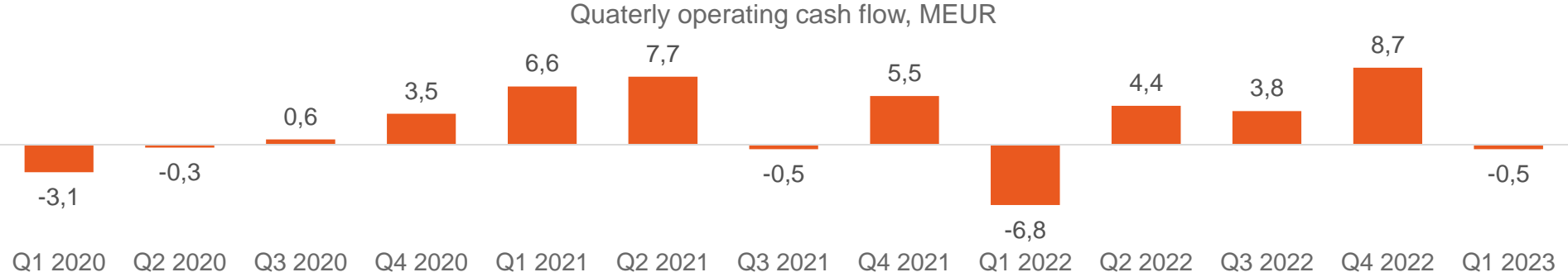
MEUR	1-3/2023	1-3/2022	Change%	1-12/2022
Order intake	23.5	25.5	-8.1%	126.6
Order backlog	76.4	40.6	88.3%	78.7
Net sales	21.9	21.5	2.0%	90.1
Comparable EBITA	1.5	1.9	-18.0%	6.8
Comparable EBITA%	7.1%	8.8%		7.5%

# Automotive & Display – low volume and production ramp-up in China led to a loss

- Strong order intake growth in both machines and services, machines boosted by one EUR 8 million order
- Net sales were down 19%, mainly due to a low order backlog at the end of 2022
- Comparable EBITA negative. Low machine net sales, low margin on the first deliveries from the Tianjin factory as well as higher fixed costs affected the segment's profitability development. Ramp-up in China and low capacity utilization in Switzerland increased fixed costs

MEUR	1–3/2023	1–3/2022	Change%	1–12/2022
<b>Order intake</b>	<b>14.0</b>	10.8	29.4%	30.4
Order backlog	<b>11.5</b>	13.3	-13.5%	5.5
<b>Net sales</b>	<b>6.6</b>	8.1	-18.9%	37.5
<b>Comparable EBITA</b>	<b>-0.4</b>	0.1	-529.5%	1.5
Comparable EBITA%	-5.7%	1.1%		4.1%

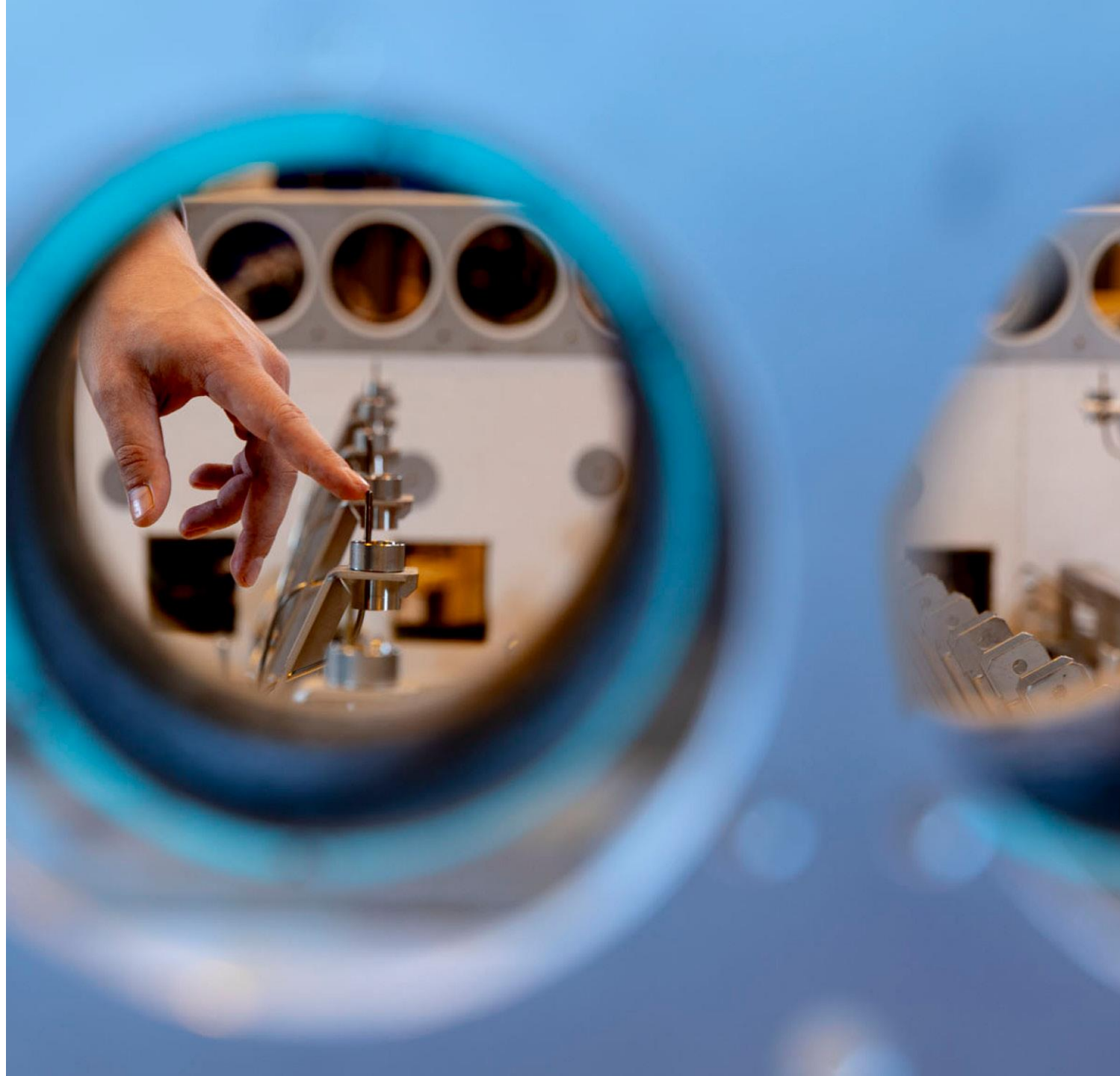
# As usual for Q1 working capital increased, cash flow negative but better than previous years





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# OUTLOOK 2023



# Glaston's outlook remains unchanged

Glaston entered 2023 with an order backlog 46 % higher than in the previous year, which supports the company's net sales and profitability development. The Automotive production ramp-up in China continues to have a negative impact on profitability in the second quarter of 2023.

Glaston Corporation estimates that its **net sales and comparable EBITA will improve in 2023 from the levels reported for 2022.**

In 2022, Group full-year net sales totaled EUR 213.5 million and comparable EBITA was EUR 13.6 million.



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# QUESTIONS





# Glass Performance Days

- Organized by Glaston, Glass Performance Days (GPD) is a forum dedicated to the development of the global glass industry through an exchange of ideas, concepts and innovations
- GPD brings together the entire glass industry, from researchers to architects, designers, glass producers, processors, equipment providers and end users

**Meet the industry at GPD!**

June 13-16 2023, Tampere, Finland





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## Financial reports in 2023

**Half year financial report January-June 2023,**  
on 1 August 2023

**Interim report January-September 2023,**  
on 26 October 2023



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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.*



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# Thank you!

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