A man with curly hair and a beard, wearing a blue denim jacket over a green shirt and blue jeans, is captured mid-jump on a rooftop terrace. He has one arm raised in a celebratory gesture. The background shows a modern building with a curved facade and a cloudy sky.

# Glaston Q3 2023: Net sales growth led to strong profitability in the third quarter

26 October 2023

Anders Dahlblom, CEO

Päivi Lindqvist, CFO

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# Q3/2023 HIGHLIGHTS



# Q3 2023 highlights

- Market activity in the architectural glass segment further slowed down, mainly in the EMEA region
- Modest order intake for Heat Treatment equipment while Insulating Glass saw a pick-up from the previous quarter
- The unsatisfactory development in Automotive & Display continued, however the received orders grew
- Third-quarter net sales were up by 12% with good development in both Heat Treatment and Insulating Glass
- Strong profitability development with EBITA margin at 7.3%
- Actions initiated to adjust operations in Finland and Switzerland
- Glaston's refined organization came into effect on 1 October



# Key Figures

MEUR	7–9/2023	7–9/2022	Change%	1–9/2023	1–9/2022	Change%	1–12/2022
Order intake	52.2	86.2	-39.4%	162.7	201.4	-19.2%	253.0
Order backlog*)	112.3	142.3	-21.1%	112.3	142.3	-21.1%	138.3
Net sales	53.5	47.9	11.6%	160.0	153.7	4.1%	213.5
Comparable EBITA	3.9	2.5	58.3%	10.3	9.4	9.2%	13.6
EBITA%	7.3%	5.1%		6.4%	6.1%		6.4%

\*) The June 2023 order backlog for Insulating Glass Technologies was adjusted for the partial cancellation of orders with one customer, totaling EUR 19.4 million

# Market environment in Q3

## EMEA

- Mainly due to the slowdown in the residential markets especially in Europe, the markets for **Insulating Glass** and **Heat Treatment** continued to soften
- For **Automotive**, the market in Europe was still very slow
- For **Services** markets, demand for upgrades was slow, whereas demand for spare parts was strong

## AMERICAS

- For **Insulating Glass**, the market showed a turnaround after a weaker H1
- For **Heat Treatment**, the Americas was the most active market
- For **Automotive**, the market continued to be good for special products such as recreational vehicles and heavy vehicles
- For **Services**, demand for spare parts and field services was modest. Demand for upgrades was low

## APAC

- In China, demand for **architectural glass** continued to be soft due to the downturn in the real estate market. However, demand for high-end Insulating Glass equipment was good
  - 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 spare parts and field services was strong

# Strategy execution

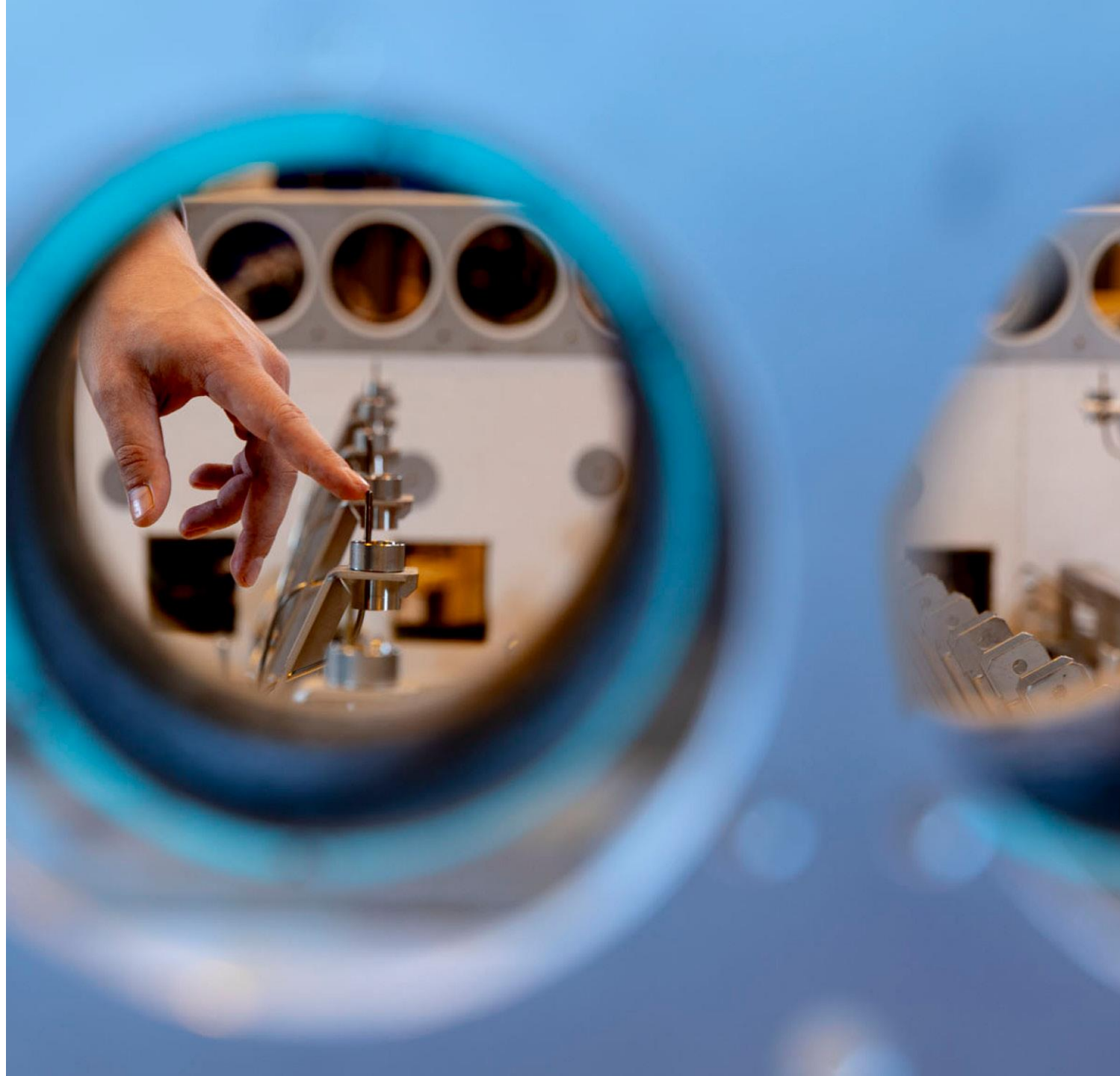
- To accelerate strategy implementation and to better serve the customers, Glaston has reorganized its structure
- As of 1 October, Glaston has two Business Areas - **Architecture** and **Mobility, Display & Solar** - and two new global Business Functions - **Automation & Innovation** and **Sourcing & Supply Chain Management (SCM)**
- Ramping up the production capabilities of Automotive standard pre-processing equipment in Tianjin, China continued as planned
- The creation of the local automotive supply chain network in China is slightly delayed. However, local sourcing continued to improve
- A follow-up order for one CHF Solar tempering line received in China





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# FINANCIAL DEVELOPMENT

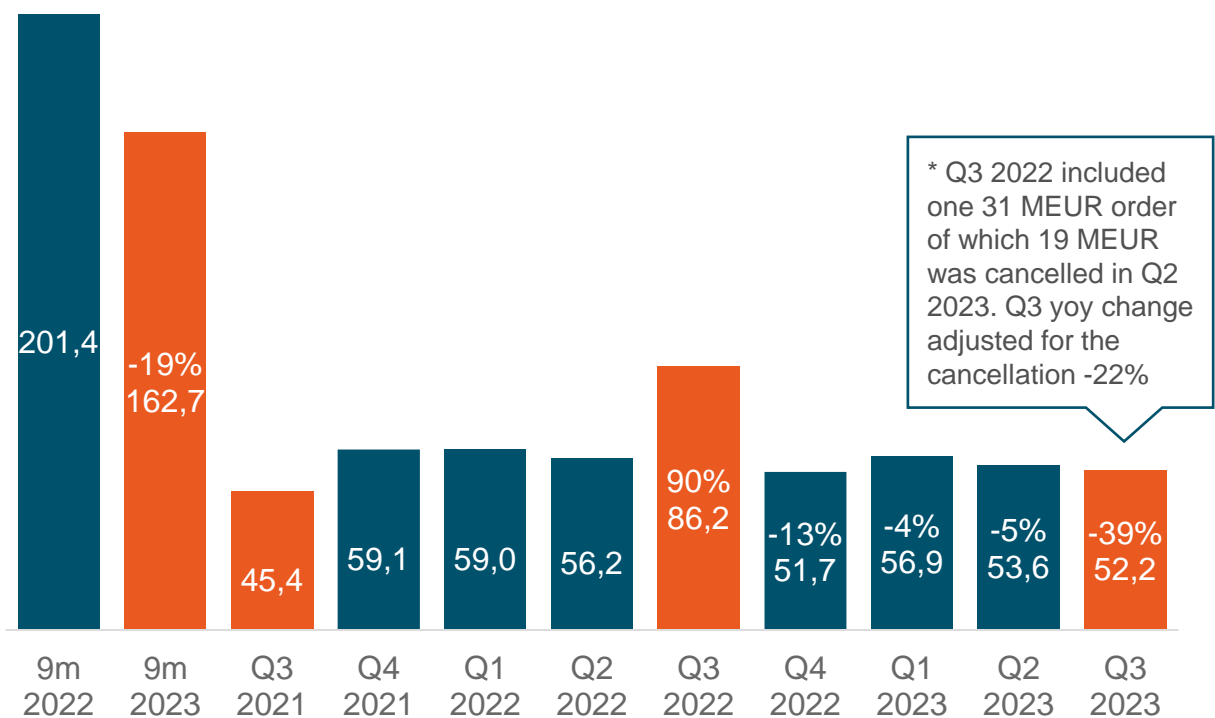




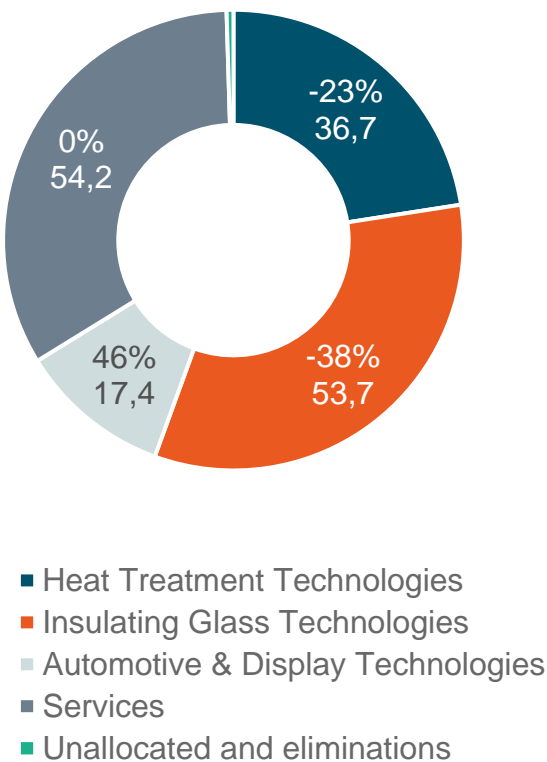
# New orders at good level despite the softer market

## Record-high orders in the comparison period\*

Group orders received, MEUR and yoy%

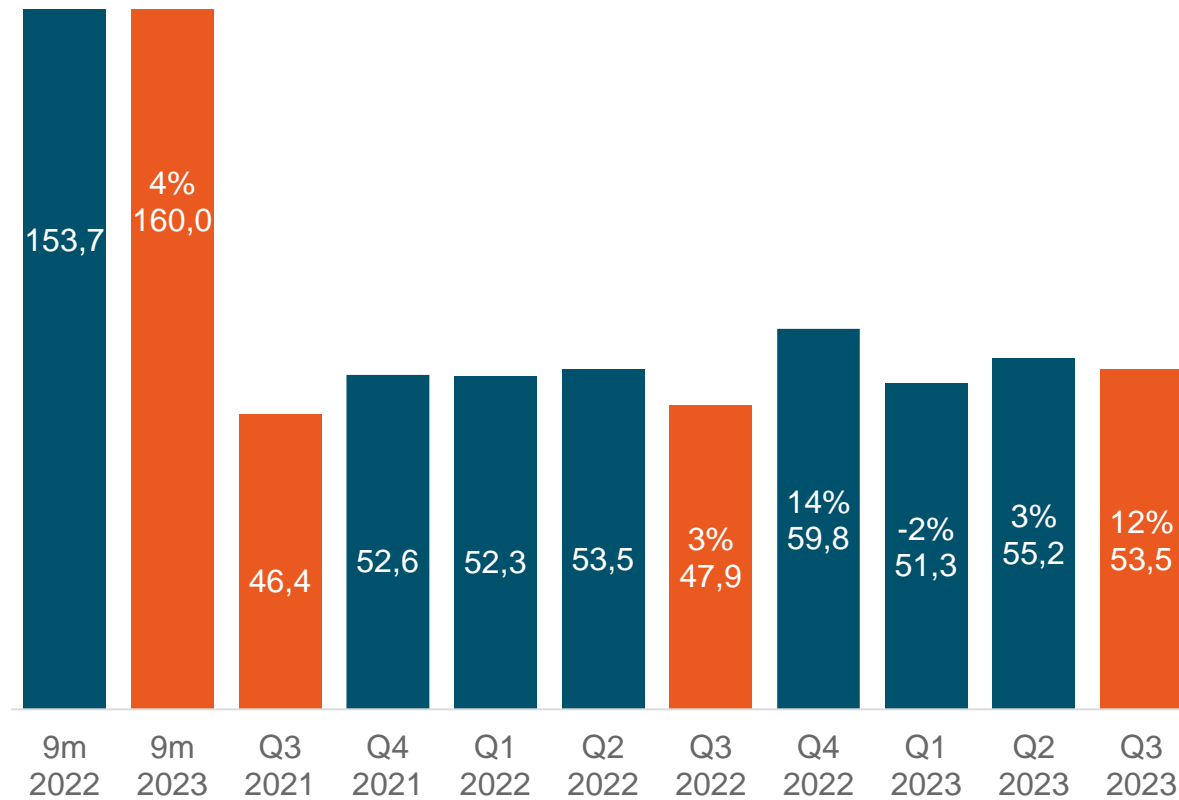


9m 2023 orders received by product area, MEUR and yoy%

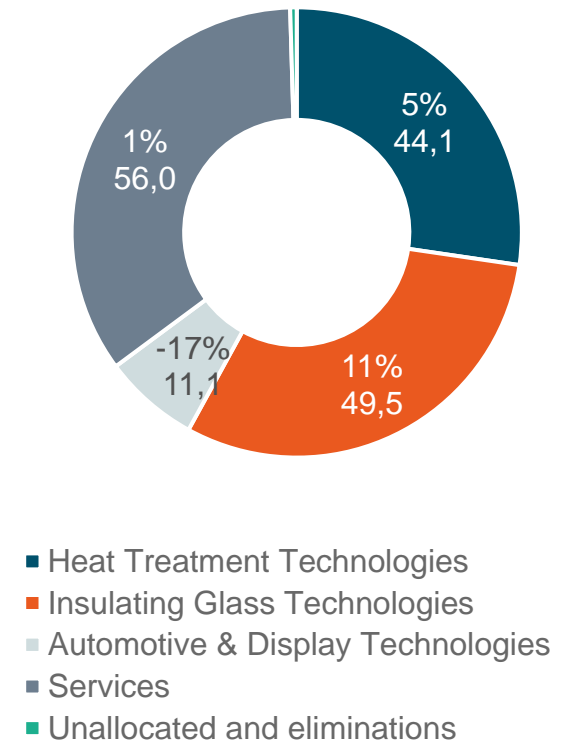


# 12% net sales growth against weaker comparison

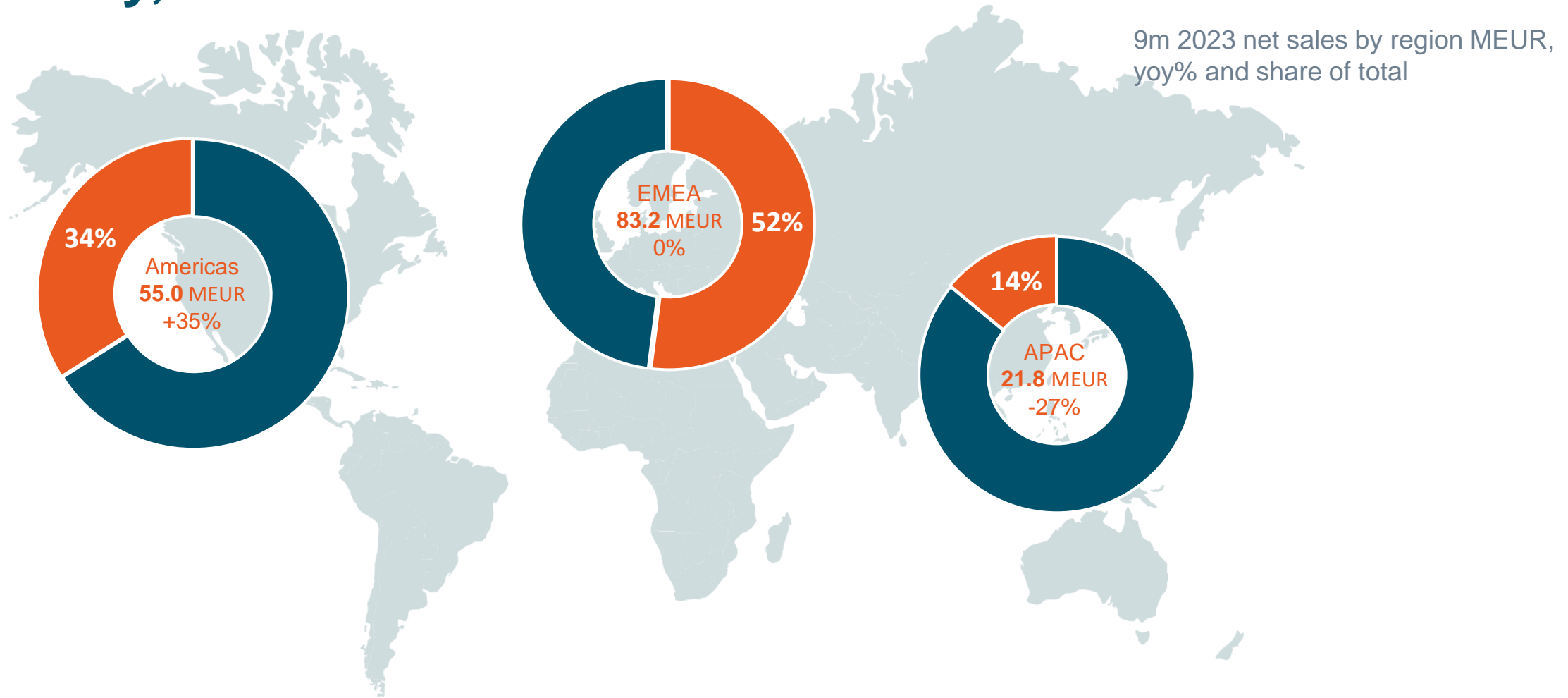
Group net sales, MEUR and yoy%



9m 2023 net sales by product area, MEUR and yoy%

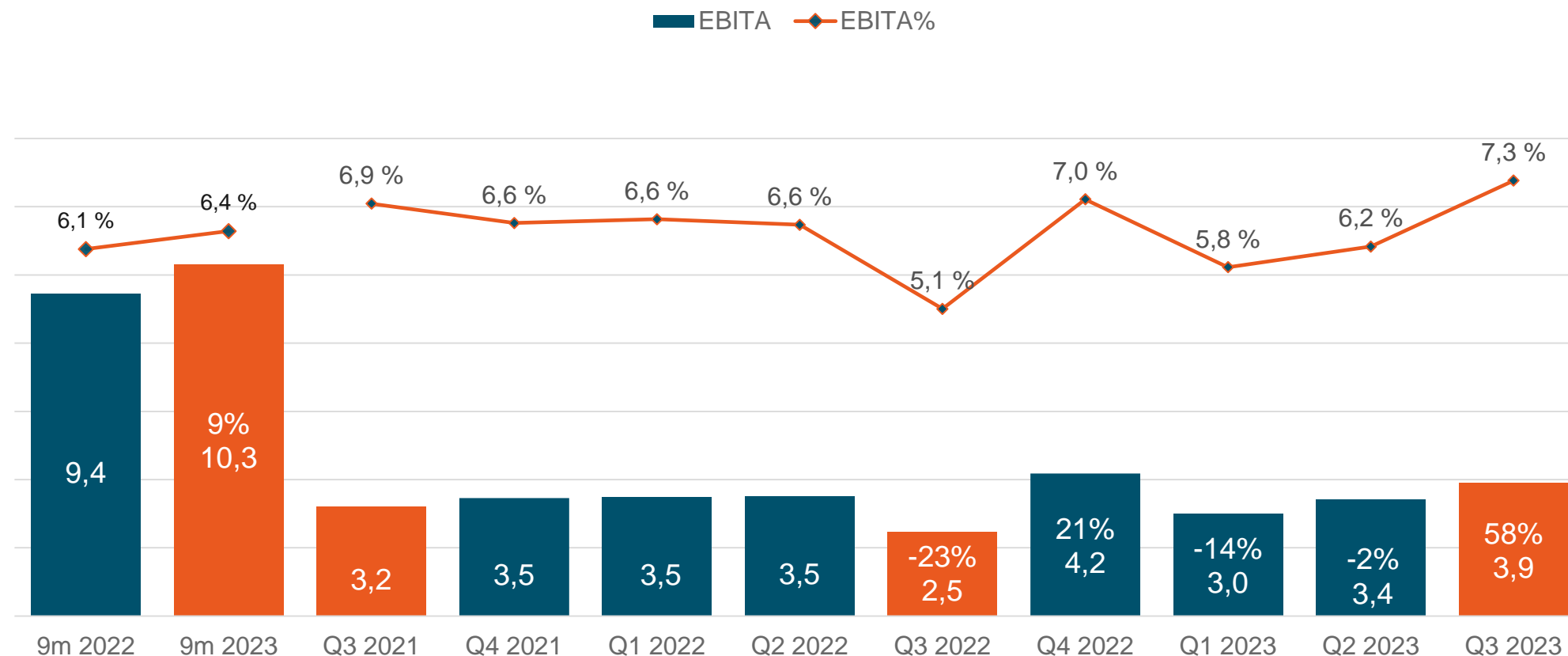


# Americas accelerated further, EMEA continued recovery, APAC decline moderated



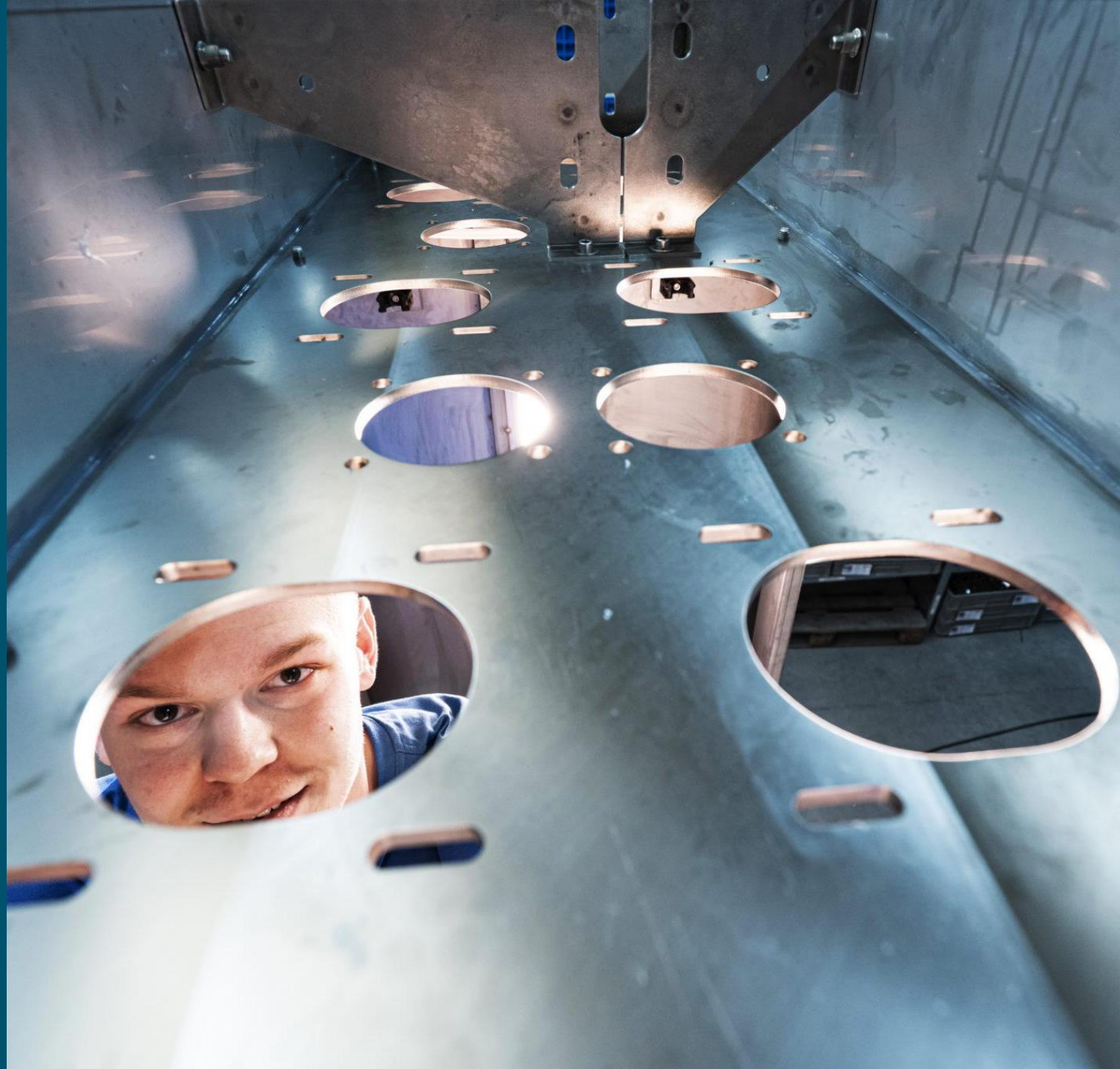


# Strong profitability in Q3 – Insulating Glass and Heat Treatment with clear year-on-year improvements



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# REPORTING SEGMENTS



# Heat Treatment – strong growth, profitability continued at improved levels

- Market softness and timing impacted machines orders, which were down by 61%
- Services order intake increased by 16%
- Net sales grew by 20%
  - Machines net sales up by 29% against weak comparison
  - Services net sales up by 10%
- EBITA margin at 7.1% and clearly up from previous year mainly driven by volume increase
- Measures to adjust the segment's operations and costs were taken to reflect the softening market situation

MEUR	Q3 2023	vs Q3 2022*	1-9/ 2023	vs 1-9/ 2022*
<b>Order intake</b>	<b>13.4</b>	<b>-43.7%</b>	<b>56.2</b>	<b>-19.3%</b>
Order backlog	42.9	-17.6%	42.9	-17.6%
<b>Net sales</b>	<b>21.6</b>	<b>20.5%</b>	<b>64.5</b>	<b>1.9%</b>
<b>Comparable EBITA</b>	<b>1.5</b>	<b>103.7%</b>	<b>4.6</b>	<b>13,5%</b>
Comparable EBITA%	7.1%	4.2%	7.2%	6.5%

\* yoy% change and for EBITA% the comparison period margin level



# Insulating Glass – excellent margin progress

- Orders at good level though clearly behind the record order intake in the comparison period
  - Machines orders down 22% if adjusted for the cancelled orders in comparison period
  - Services orders up 14%
- Net sales were up 12% with over 10% growth in both machines and services. Healthy order book and strong spare parts sales supporting
- Volume growth boosted profitability. Margin progression both in machines and services compensated for the lower services share

MEUR	Q3 2023	vs Q3 2022*	1-9/ 2023	vs 1-9/ 2022*
<b>Order intake</b>	<b>30.2</b>	<b>-45.1%</b>	<b>75.4</b>	<b>-29.7%</b>
Order backlog	59.8	-26.2%	59.8**	-26.2%
<b>Net sales</b>	<b>24.6</b>	<b>12.5%</b>	<b>71.2</b>	<b>10.5%</b>
<b>Comparable EBITA</b>	<b>2.4</b>	<b>156.0%</b>	<b>5.8</b>	<b>38.8%</b>
Comparable EBITA%	9.6%	4.2%	8.2%	6.5%

\* yoy% change and for EBITA% the comparison period margin level

\*\* The June 2023 order backlog adjusted for the partial cancellation of orders with one customer, totaling EUR 19.4 million

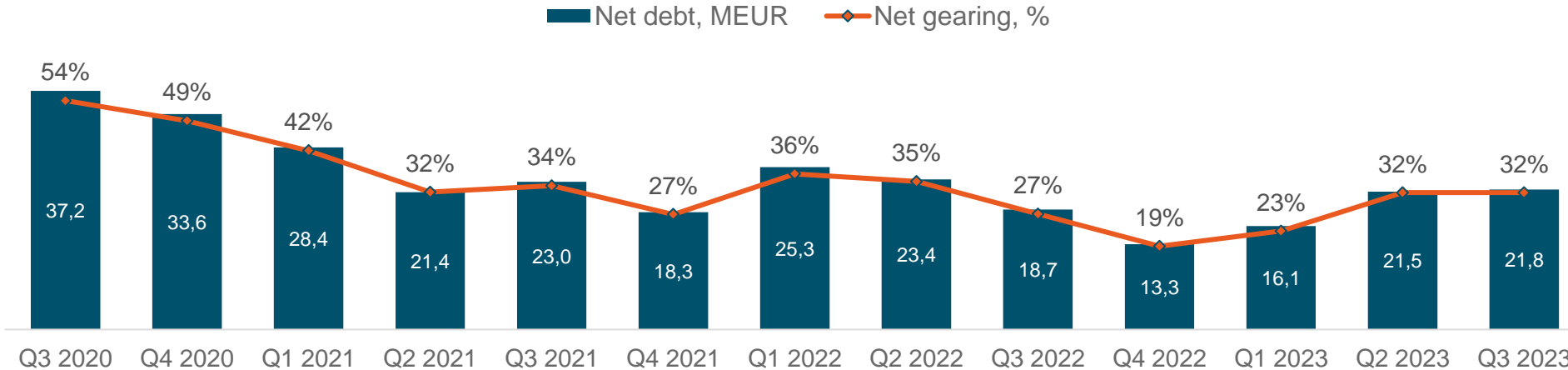
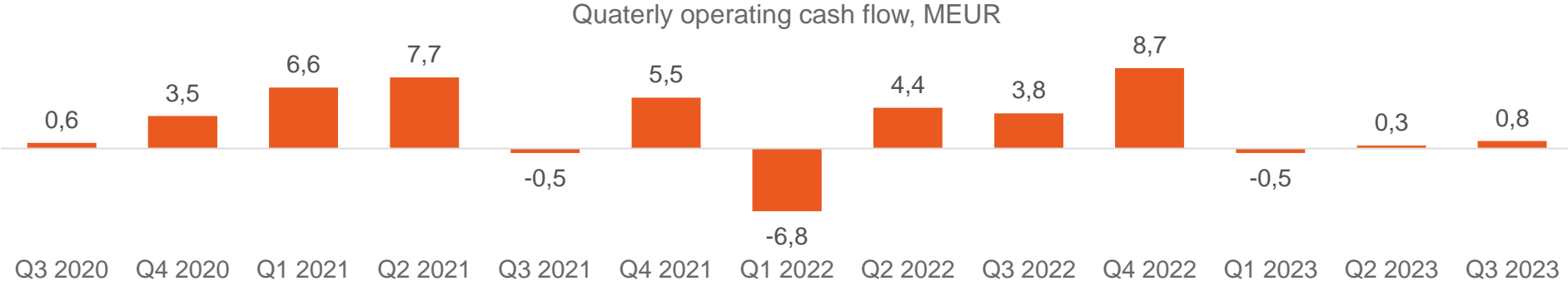
# Automotive & Display – low volume and ramp-up of supply chain in China burdened profitability

- Order intake low but higher than previous year, services orders +10%
- Net sales down by 9%
  - Machines net sales down by 23% reflecting low orders after Q1 2023
  - Services net sales in modest growth (+1%)
- Profitability was burdened by the lower machines volume and higher fixed costs. Low machines margins were compensated by higher services share and margin
- Due to weaker market prospects and profitability challenges, some cost adjustment measures were taken in Switzerland

MEUR	Q3 2023	vs Q3 2022*	1-9/ 2023	vs 1-9/ 2022*
<b>Order intake</b>	<b>8.5</b>	<b>18.6%</b>	<b>30.3</b>	<b>26.9%</b>
Order backlog	9.6	4.3%	9.6	4.3%
<b>Net sales</b>	<b>7.2</b>	<b>-9.3%</b>	<b>23.6</b>	<b>-7.3%</b>
<b>Comparable EBITA</b>	<b>0.0</b>	<b>-105.4%</b>	<b>-0.4</b>	<b>-131.7%</b>
Comparable EBITA%	-0.5%	9.1%	-1.6%	4.6%

\* yoy% change and for EBITA% the comparison period margin level

# Further increase in working capital, gearing same level as previous quarter





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# OUTLOOK 2023



# Glaston's outlook for 2023:

## Net sales estimate specified, comparable EBITA estimate unchanged

Due to the prevailing uncertainties, Glaston Corporation specifies its net sales estimate and expects net sales in 2023 to grow marginally or to be on the same level as reported for 2022. Glaston continues to estimate that comparable EBITA will increase to EUR 13.7–15.7 million.

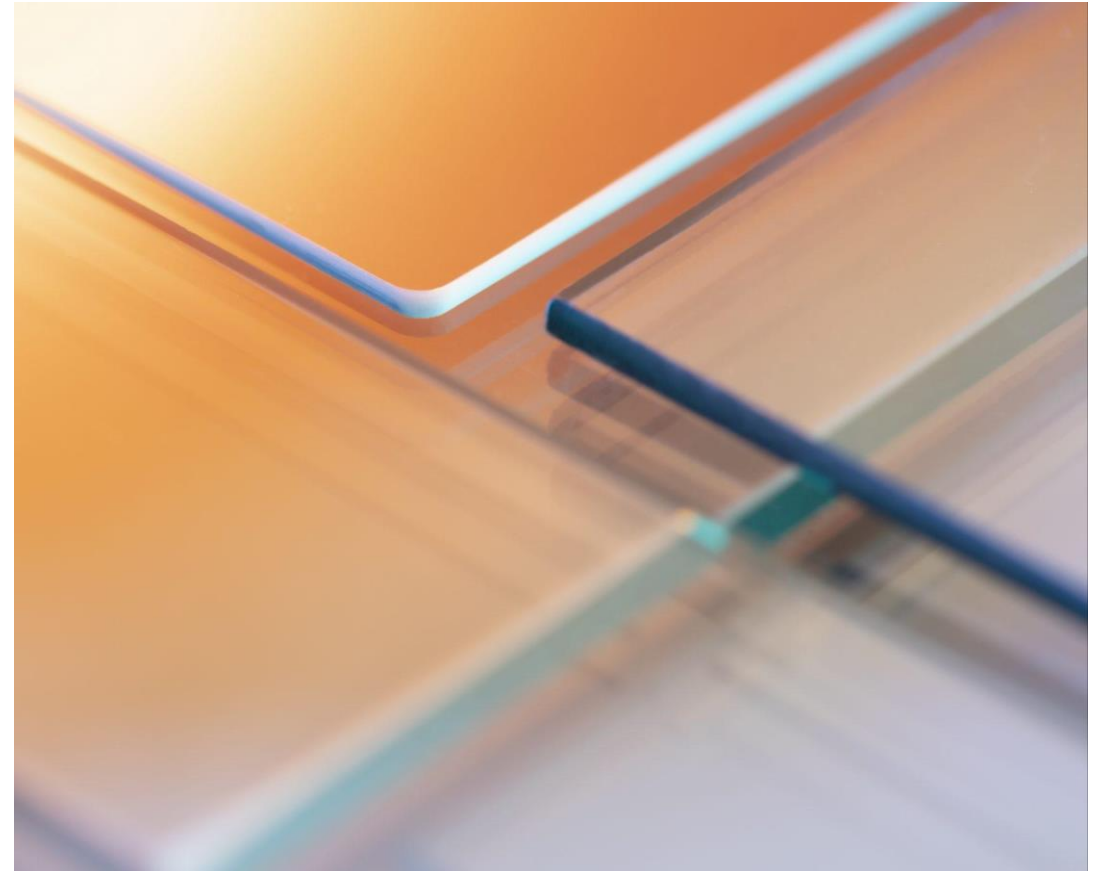
In 2022, the Group's full-year net sales totaled EUR 213.5 million and comparable EBITA was EUR 13.6 million.

(Previous outlook: Despite the prevailing uncertainties, Glaston estimates that its net sales will increase in 2023 from the levels reported for 2022 and estimates comparable EBITA to increase to EUR 13.7–15.7 million.)



# Capital Markets Day 21 November 2023

- Glaston hosts a Capital Markets Day on 21 November in Helsinki, at 9.00 EET
- In the CMD 2023, Glaston's 2021–2025 strategy execution and developments in the new Business Areas will be discussed as well as the market trends in the glass processing industry
- The event can be joined onsite or online
- More information and registration [here](#)





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QUESTIONS



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## Financial reports in 2024

**Financial Statement Bulletin 2023,**  
on Thursday, 15 February 2024

**Interim report January-March 2024,**  
on Friday, 3 May 2024

**Half year financial report 2024,**  
on Friday, 9 August 2024

**Interim report January-September 2024,**  
on Wednesday, 30 October 2024



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*This Q3/2023 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.*





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

# Thank you!

IR-contact: [pia.posio@glaston.net](mailto:pia.posio@glaston.net)

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