

**Glaston Q1/2024: Net sales and comparable EBITA improved, markets remained challenging**

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# Content

- Q1/2024 highlights
- Market review
- Financial development
- Outlook 2024





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# Q1/2024 IN BRIEF



# Q1 2024 in brief

- Good first quarter despite the challenging market environment
- The Architectural glass markets continued to slow down
- The good demand for pre-processing technologies in China continued
- Order intake was down 18% year-on-year mainly due to lower orders in tempering and pre-processing technologies
- Net sales were up 9% to EUR 55.8 million
- Comparable EBITA improved and was EUR 3.6 million, EBITA margin 6.4%
- New CEO appointed: Toni Laaksonen expected to join by end of September



# Market environment in Q1

## EMEA

- The overall slowdown in the **Architectural** market continued with increasing uncertainty in Europe mainly due to higher financing costs. The customers' lower machinery utilization also affected investments
- The **Automotive** market continued to be slow
- In **Services** markets, steady demand for spare parts and field services

## Americas

- For **Architectural**, market activity was slow
- Demand among residential glass processors slowed down, whereas demand among commercial glass processors continued at a good level
- Positive market traction for Insulating Glass Technologies
- For **Automotive**, the market saw a slow start to the year
- For **Services**, demand was modest

## APAC

- For **Architectural**, the glass market continued to be soft
- In China, low demand for tempering and laminating equipment whereas demand for high-end Insulating Glass Technologies was strong
- For **Automotive**, and China mainly, the move to electric vehicles supported market growth
- In **Services**, demand for upgrades improved compared to the previous quarter



# Strategy

- New medium-term (3–5 years) timeframe for achieving the strategic targets
- The net sales and ROCE targets slightly updated
  - Glaston expects annual average growth to exceed the addressable equipment markets' growth
  - The updated target for comparable return on capital employed (ROCE) is above 16%
- The target for the comparable operating margin (EBITA) of 10% unchanged
- No major changes for the Must-win projects and Cornerstone initiatives
- No lost-time accidents in Q1



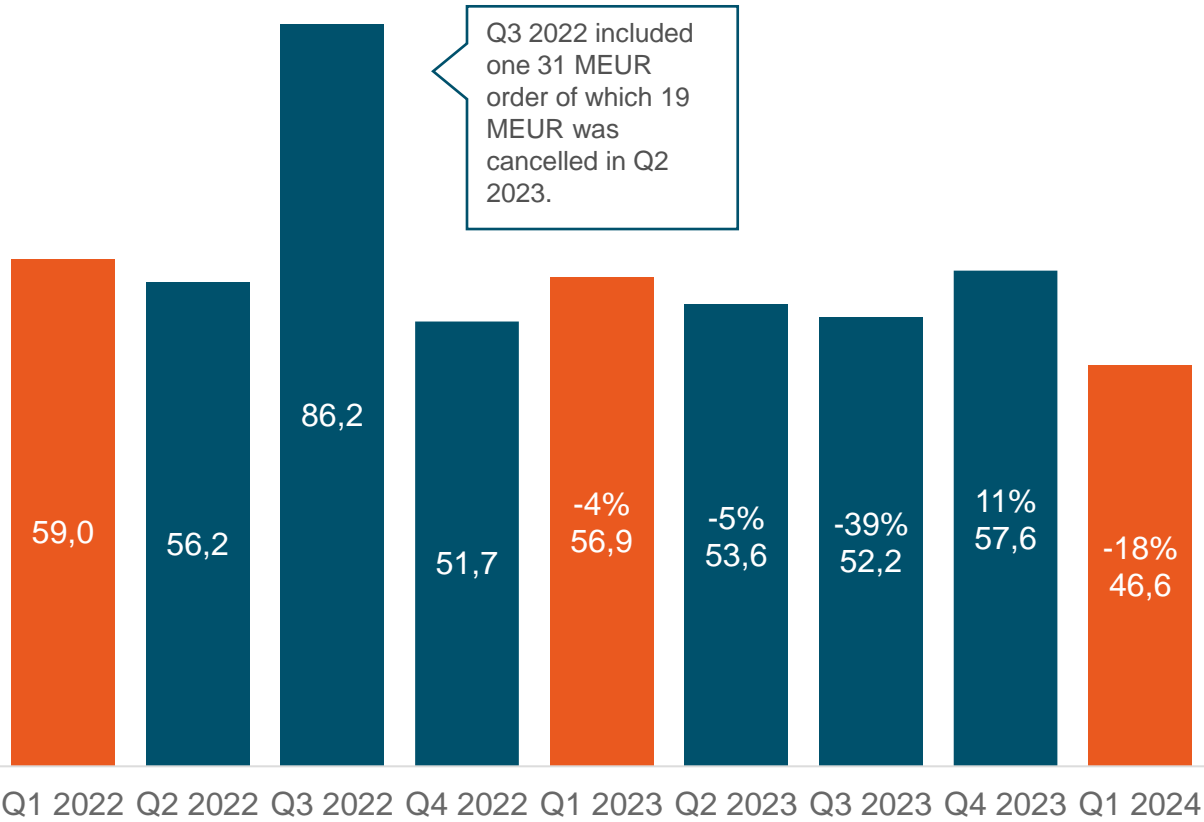
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# FINANCIAL DEVELOPMENT

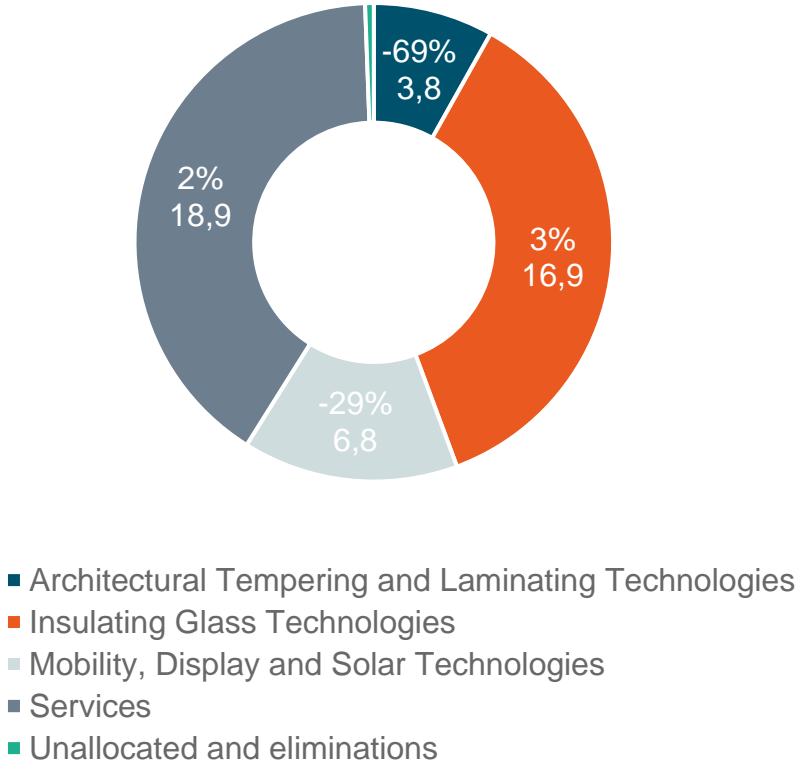


# New orders down by 18% compared to Q1 2023

Group orders received, MEUR and yoy%



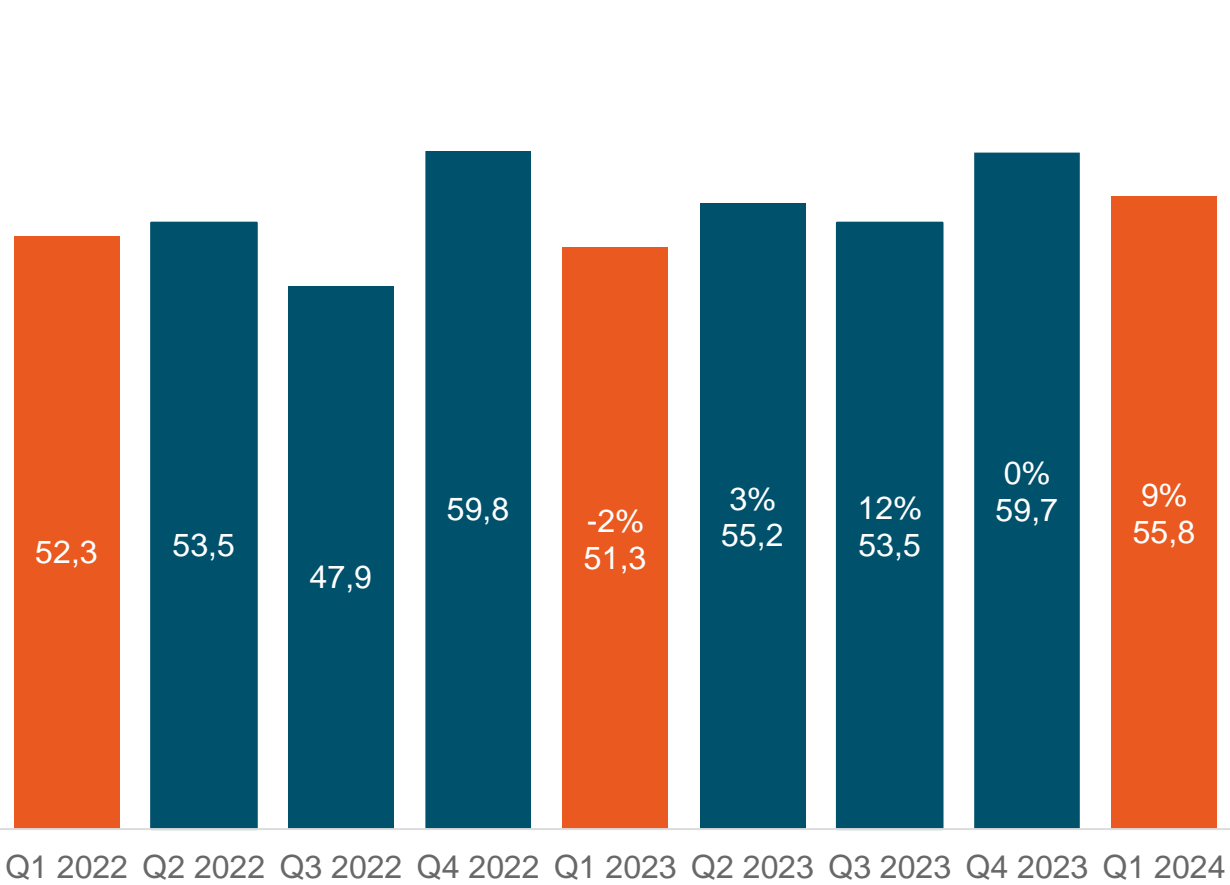
Q1 2024 orders received by product area, MEUR and yoy%



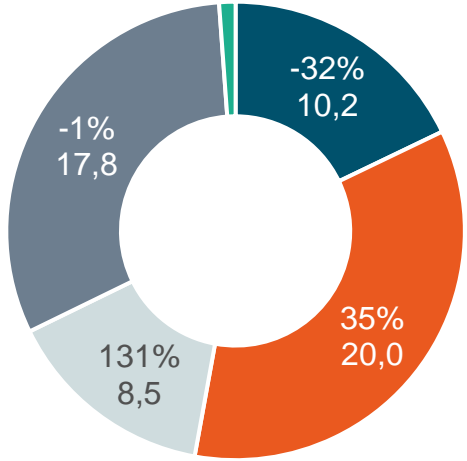


# Net sales grew strongly in Insulating Glass and Mobility, Display & Solar technologies

Group net sales, MEUR and yoy%



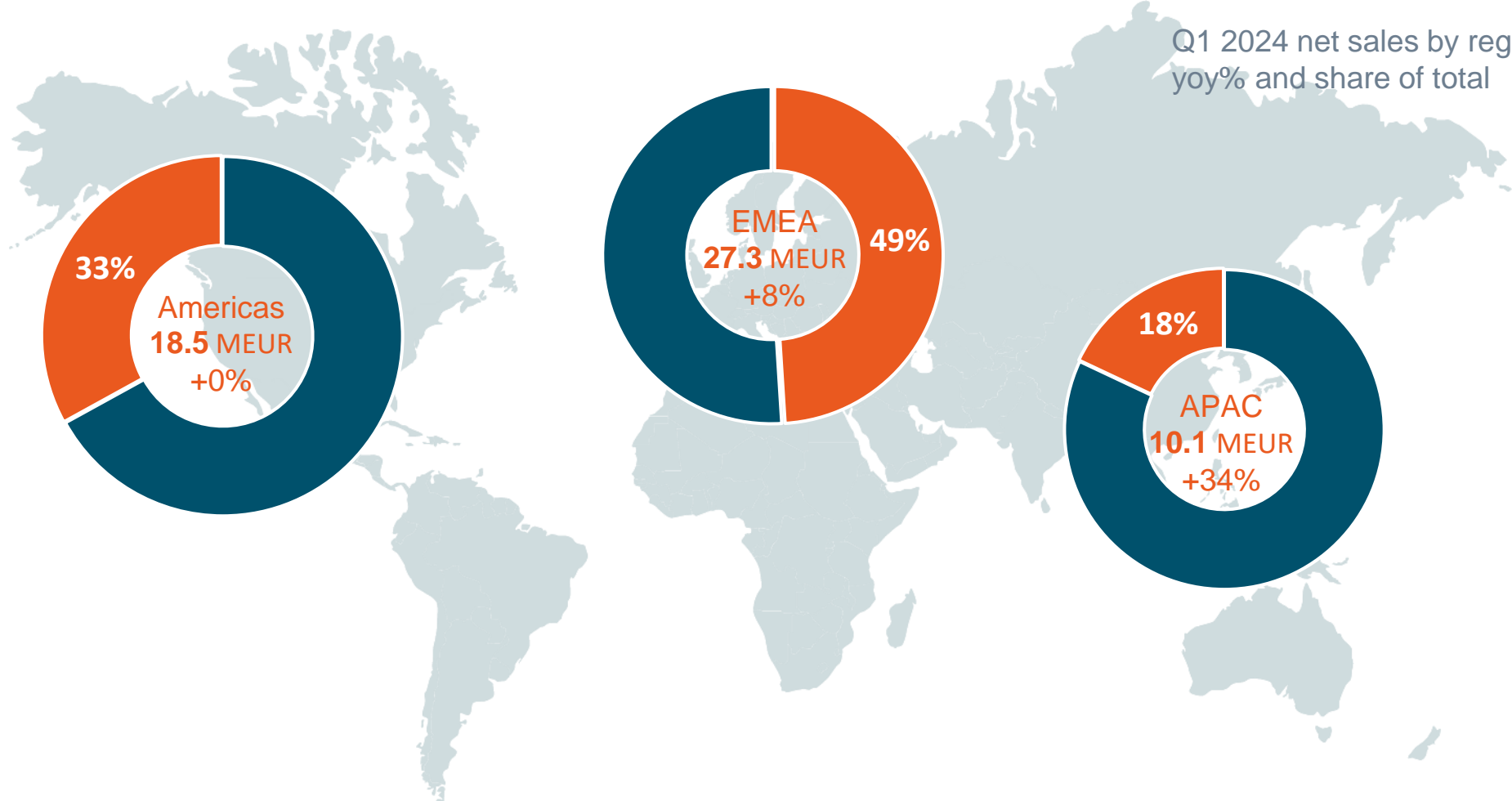
Q1 2024 net sales by product area, MEUR and yoy%



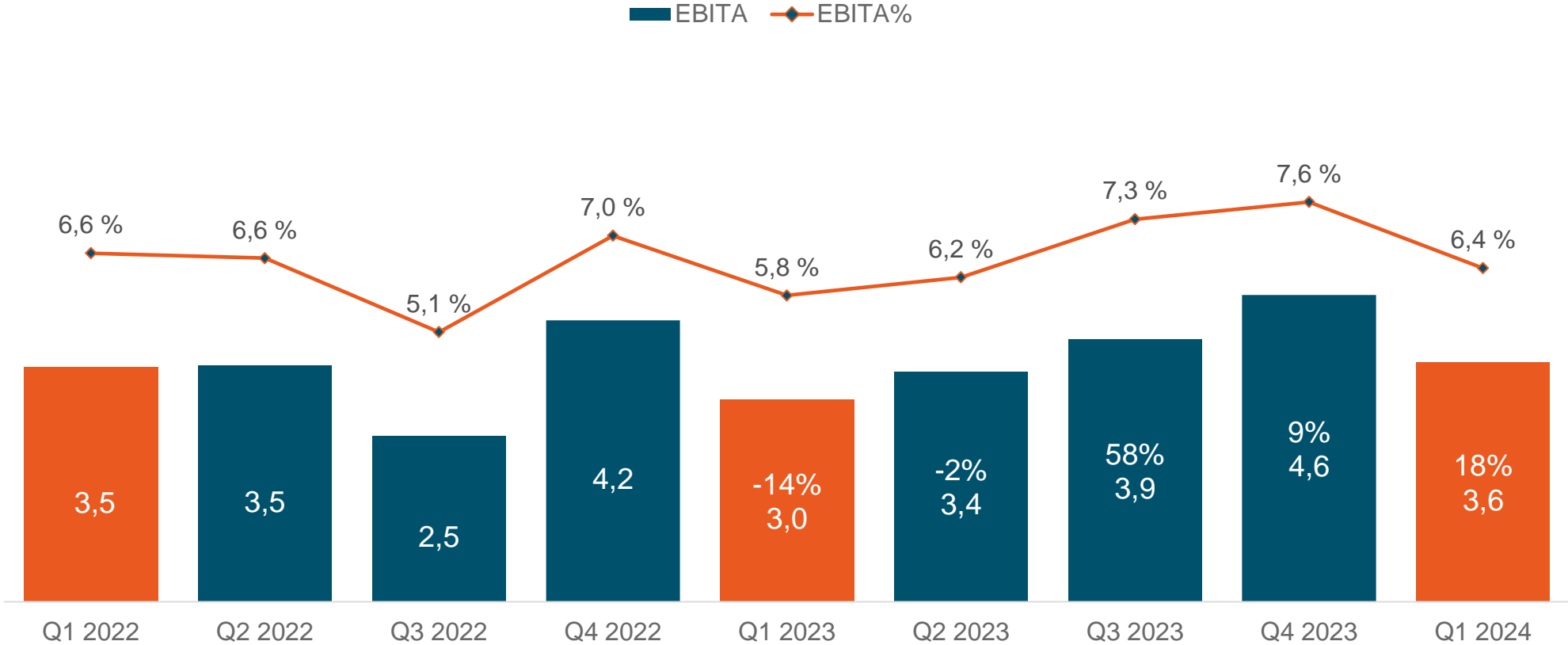
- Architectural Tempering and Laminating Technologies
- Insulating Glass Technologies
- Mobility, Display and Solar Technologies
- Services
- Unallocated and eliminations

# Net sales grew in EMEA and especially APAC, Americas flat

Q1 2024 net sales by region MEUR, yoy% and share of total



# Comparable EBITA and EBITA% improved from Q1 2023





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# REPORTING SEGMENTS



# Architecture – market slowdown continued

- Machine orders were down by 28%
  - Tempering and Laminating Technologies impacted the most by market uncertainty
  - Despite slower market situation good order intake for Insulating Glass machines. German factory running at full capacity and fully utilized for 2024
- Services order intake increased by 5%
- Net sales flat as Services net sales declined slightly. Insulating Glass Technologies growth compensated for the decline in Tempering and Laminating Technologies
- EBITA margin at 7.9% mainly driven by gross margin improvement in Machines and Services

MEUR	Q1 2024	vs Q1 2023*	FY 2023
<b>Order intake</b>	<b>34.7</b>	<b>-17.2%</b>	<b>165.8</b>
Order backlog	81.3	-34.2%	89.6 <sup>1)</sup>
<b>Net sales</b>	<b>42.5</b>	<b>-0.3%</b>	<b>175.1</b>
Comparable EBITA	3.4	3.0%	15.1
<b>Comparable EBITA%</b>	<b>7.9%</b>	<b>7.7%</b>	<b>8.6%</b>

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

1) The order backlog for Insulating Glass Technologies was adjusted in 2023 for the partial cancellation of one order, totaling EUR 19.4 million

# Mobility, Display & Solar – strong volume growth

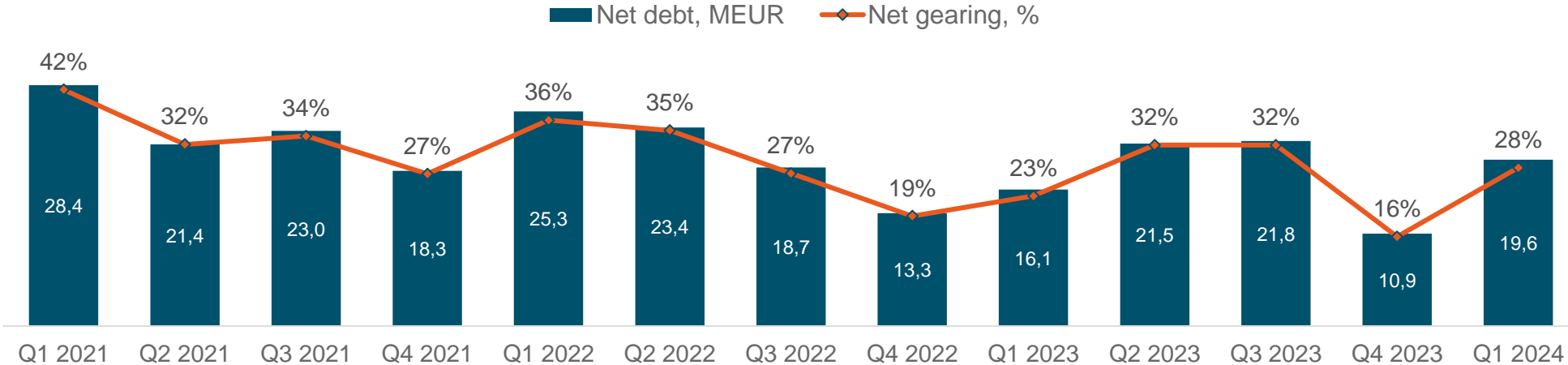
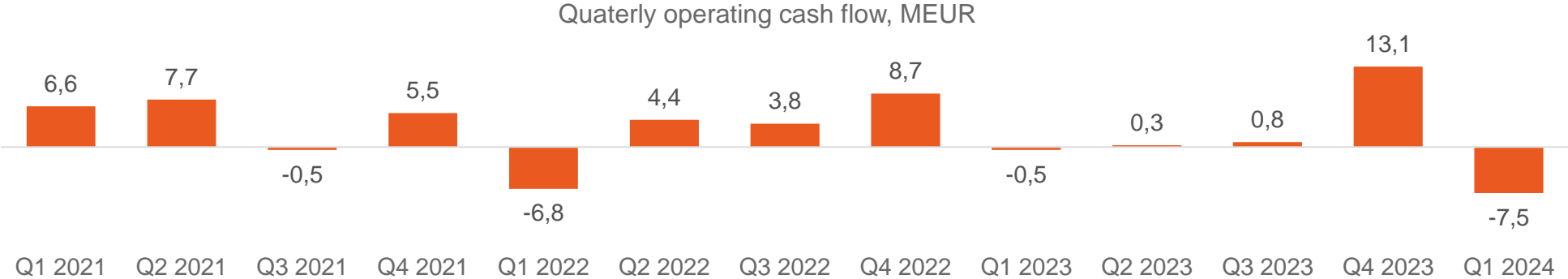
- Order intake down 21%. Good level of orders for China pre-processing equipment, elsewhere quiet
- Strong net sales improvement, +57% from the low level in Q1 2023
  - Machines net sales growing strongly, both in pre-processing and Mobility, Display & Solar Heat Treatment
  - Services net sales up 5%
- Profitability improving mainly due to higher volumes, margin improvement in machines as the localized supply chain in China had a positive impact. Services share declined strongly.

MEUR	Q1 2024	vs Q1 2023*	FY 2023
<b>Order intake</b>	<b>11.6</b>	<b>-20.5%</b>	<b>53.5</b>
Order backlog	20.1	30.7%	16.9
<b>Net sales</b>	<b>13.2</b>	<b>56.7%</b>	<b>43.6</b>
Comparable EBITA	0.1	127.6%	-0.5
<b>Comparable EBITA%</b>	<b>0.7%</b>	<b>-3.9%</b>	<b>-1.1%</b>

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

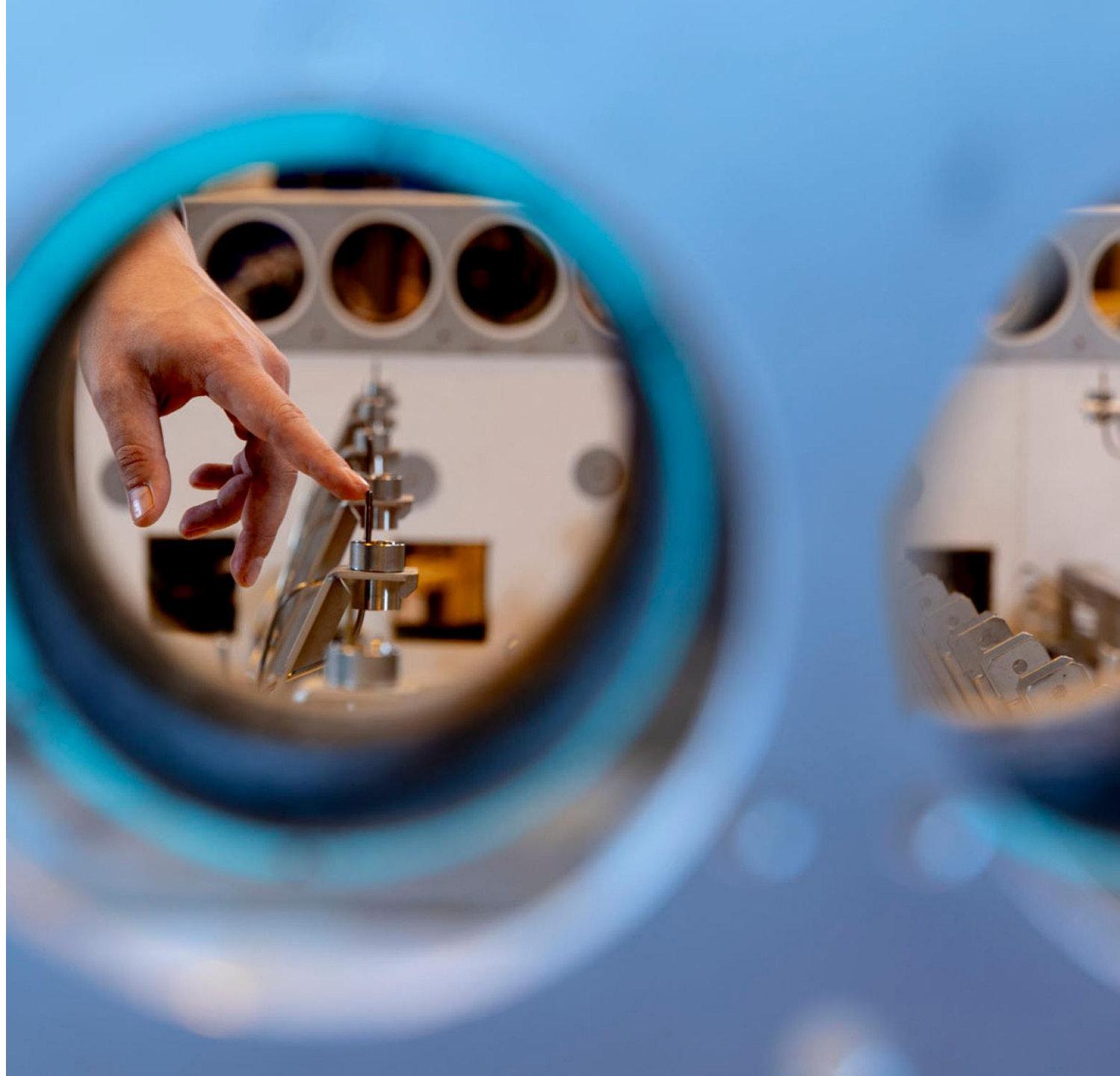


# Negative operating cash flow due to seasonality and lower order intake



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# OUTLOOK 2023



# Glaston's outlook remains unchanged

Glaston started the year with a lower order backlog than the previous year. However, given the expected slowly improving market activity during the year, Glaston Corporation estimates that its net sales and comparable EBITA will stay at the same level or increase slightly in 2024 from the levels reported for 2023.

In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.



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# QUESTIONS





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## Financial reports in 2024

**Half-year financial report January-June 2024, on Friday, 9 August 2024**

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



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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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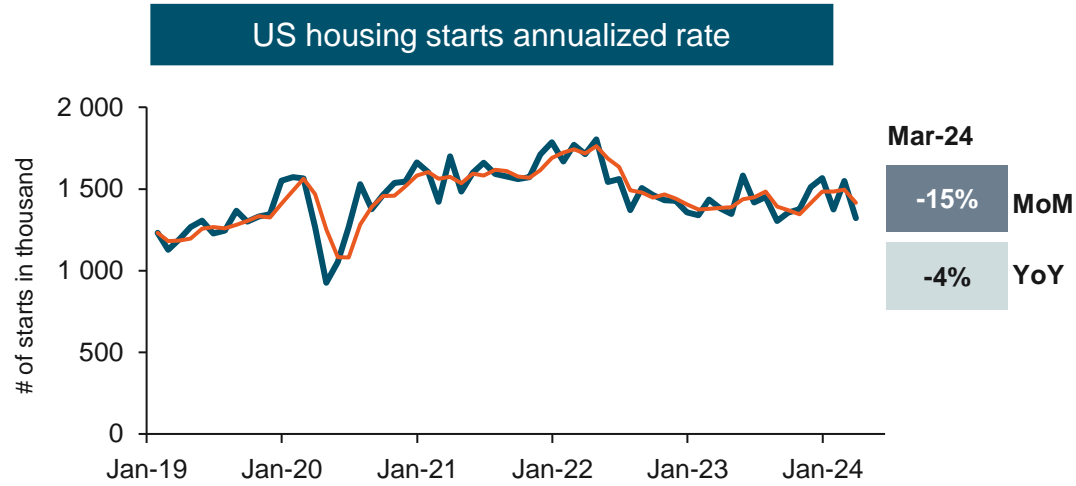
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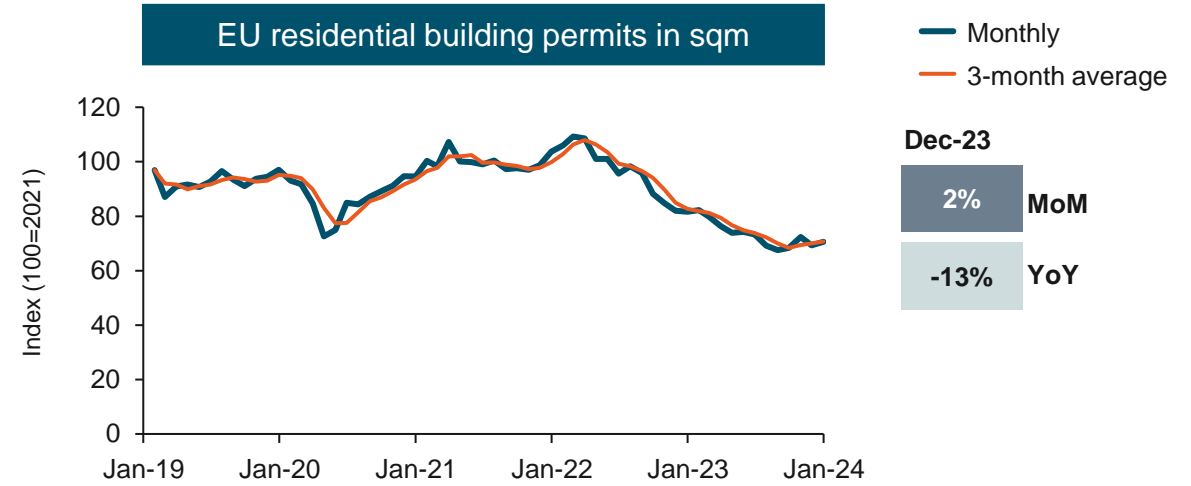
# APPENDIX



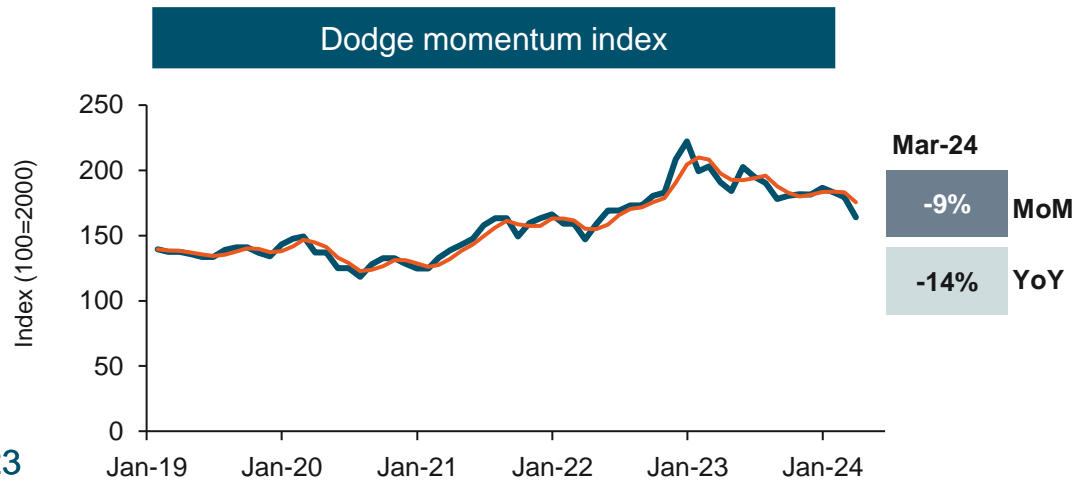
# US and EU architectural end-market indicators



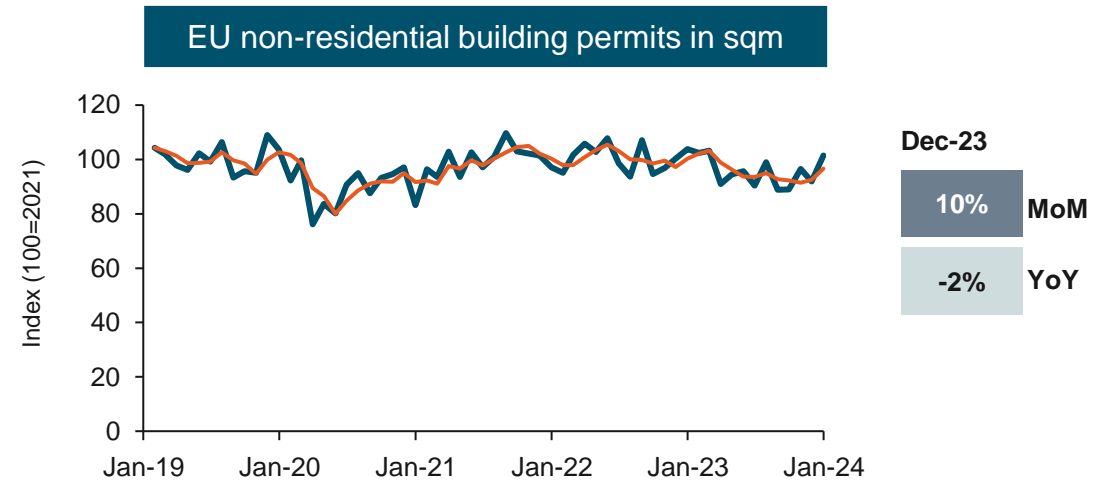
Source: FRED



Source: Eurostat



Source: Dodge construction network

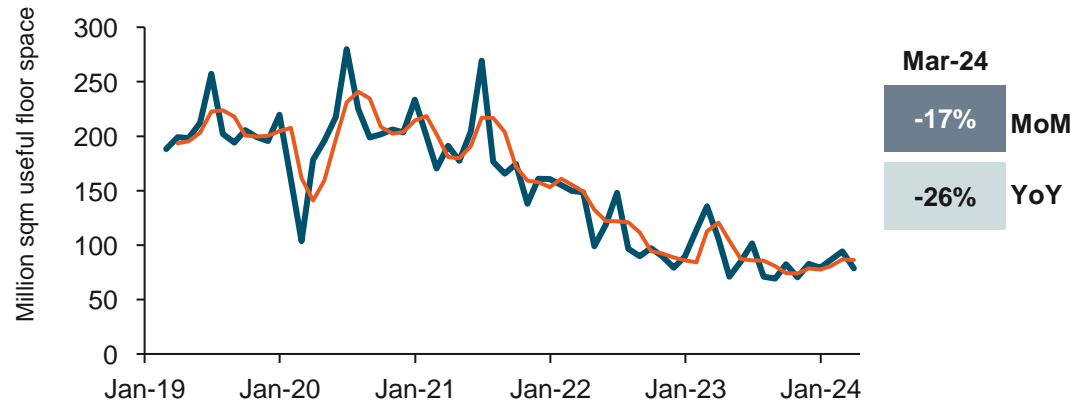


Source: Eurostat



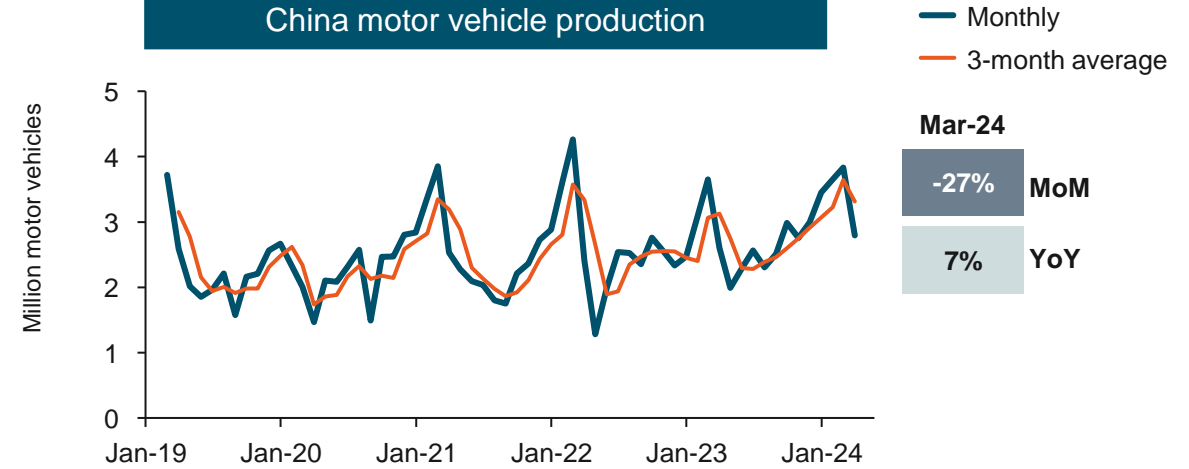
# APAC architectural and Mobility & Solar end-market indicators

China newly started real estate construction



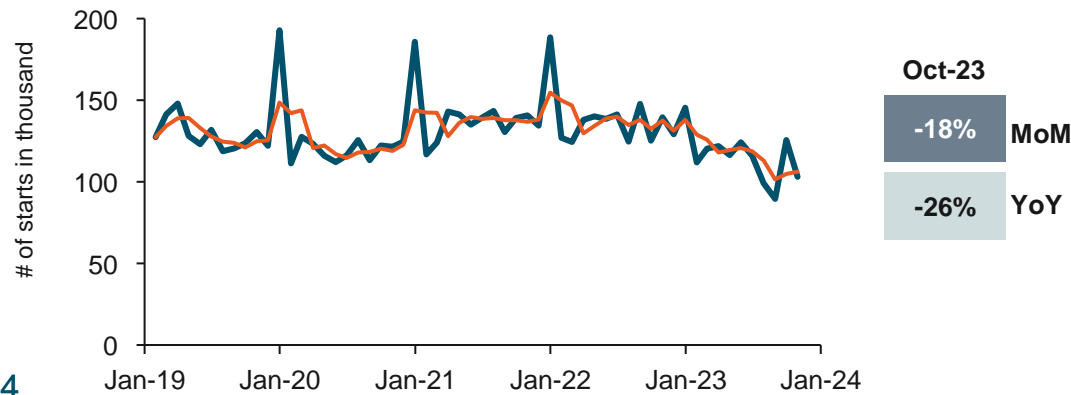
Source: China NBS, NB a separate January value not reported

China motor vehicle production



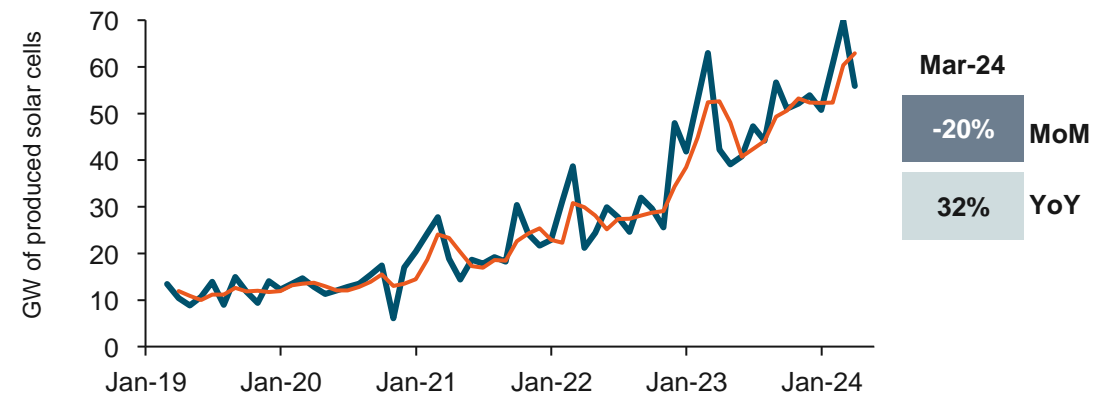
Source: China NBS, NB a separate January value not reported

APAC\* building permits



Source: FRED, Kosis \*) Japan, Korea, New Zealand, Australia

China PV cell production



Source: China NBS, NB a separate January value not reported



# New order highlights

- The **TPS® technology** continued to gain traction. Orders received for the first COMFORT TPS® Insulating Glass line and first VARIO TPS® line for thin quadruple Insulating Glass units (ultra-thin glass)
- Based on the good experience with repeatability and reliable quality results, a customer in Asia-Pacific ordered their **third FC Series tempering line**. The new line will be equipped with the Autopilot
- The good demand for Glaston's **Automotive pre-processing technology** in China continued with seven orders
- Orders received for the largest-ever **FC-zone** upgrade and the first **ProL-zone** lamination upgrade to Japan

