Q2 2024

Glaston Corporation
Half-year financial report
January – June 2024

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Glaston's half-year financial report January–June 2024: Profitability was supported by the services business, markets still challenging

APRIL–JUNE 2024 IN BRIEF

- Orders received totaled EUR 50.2 (53.6) million
- Net sales totaled EUR 49.9 (55.2) million
- Comparable EBITA was EUR 3.3 (3.4) million, i.e. 6.6 (6.2)% of net sales
- The operating result (EBIT) was EUR 1.0 (1.9) million
- Comparable earnings per share were EUR 0.021 (0.020)

JANUARY–JUNE 2024 IN BRIEF

- Orders received totaled 96.8 (110.5) million
- Net sales totaled EUR 105.7 (106.5) million
- Comparable EBITA was EUR 6.9 (6.4) million, i.e. 6.5 (6.0)% of net sales
- The operating result (EBIT) was EUR 3.0 (3.8) million
- Comparable earnings per share were EUR 0.039 (0.039)

GLASTON SPECIFIES OUTLOOK FOR 2024

In the second quarter of the year, the cautious development in the architectural glass processing equipment markets continued. The earlier expected market recovery has been delayed and the markets are now anticipated to recover towards the end of 2024 at the earliest. For mobility glass processing equipment, the market in China is expected to grow with increased short-term volatility. Amid global economic uncertainty and continued geopolitical tensions, higher-than-normal uncertainty exists concerning customers' decision-making.

Glaston Corporation specifies its outlook and estimates that its net sales will stay at the same level as in 2023. Comparable EBITA is estimated to amount to EUR 14.5−16.0 million. The net sales growth is curbed by the delayed market recovery whereas the planned structural cost-saving actions support profitability. In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.

(Previous outlook: 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.)

Interim CEO Antti Kaunonen:

"In the second quarter, the challenging market environment continued. The Architectural market remained slow. Customers' cautiousness caused by the slowdown of residential markets in Europe and the US also impacted the demand for Insulating Glass (IG) technologies. Demand for tempering and laminating equipment picked up clearly from the previous quarter's very modest level. In China, the good demand for pre-processing technologies continued but the markets are expected to be volatile.

Due to the softer Architectural market, Glaston's second-quarter order intake was down 6% year-on-year. The order intake for tempering and laminating technologies increased slightly, whereas order intake for insulating glass technologies fell compared to the comparison period. As demand for upgrades picked up, Services' order intake saw an increase. In the second quarter, Glaston's main market areas, EMEA and the US, had a come-back after a weaker first quarter.

Second-quarter net sales were down 10% to EUR 49.9 million, primarily due to lower net sales in the machine business of the Architecture segment. Service achieved good growth and its net sales share was at 38%. Comparable EBITA was in line with the level of the comparison period at EUR 3.3 million. The EBITA margin, 6.6%, improved compared to both the previous quarter (6.4%) and the corresponding period in 2023 (6.2%). The growth of the Services business supported profitability development.

Our good progress in sustainability continued. Promoting sustainable development is an integral part of our business strategy as our technologies enable more energy-efficient and safe glass products. We are committed to systematically reducing our carbon footprint and as one of the first glass processing technology companies in the world, we received the Science Based Target initiative's (SBTi) approval for our greenhouse gas emission reduction targets.

Occupational safety is also high on our agenda, and zero lost-time accidents has been set as the Group-wide occupational safety target. Our systematic efforts to improve safety at work is progressing, and during the first half of the year, two lost-time accidents were reported. In the first half of 2023, eight lost-time accidents were reported.

Asia and China, in particular, are the fastest-growing mobility glass processing equipment markets. To further streamline our global production, adjust capacity to meet customer demand, and improve operational efficiencies while serving customers close to their markets, we announced earlier this week the plan to transfer all production of pre-processing equipment from Glaston Switzerland to our factory in Tianjin, China. The estimated costs of the planned production transfer are approximately EUR 6 million. Based on the initial analysis, the annual net cost savings from the transfer would take place in several phases and reach over EUR 2 million by the end of 2025.

In the first half of 2024, the Architectural market softened and currently, there are no clear signs of imminent change. During the rest of the year, our priority is to secure the order intake and project deliveries. We have already initiated cash and cost-control actions and these will continue throughout the year. If needed, we will take further measures. At the same time, we will keep the focus on growing the service business.

Glaston's new President and CEO Toni Laaksonen will take up his position on August 12, 2024. As of the same date, I will step down from the role as interim CEO but will continue as a member of the Board of Directors. For my part, I would like to give thanks for the opportunity and interesting period as interim CEO while wishing Toni welcome to the company."

GLASTON GROUP'S KEY FIGURES

MEUR	4-6/2024	4-6/2023	Change %	1-6/2024	1-6/2023	Change %	1-12/2023
Orders received	50.2	53.6	-6.5%	96.8	110.5	-12.4%	220.3
of which service operations	18.8	17.5	7.8%	37.7	35.9	4.9%	74.4
of which service operations, %	37.5%	32.6%		39.0%	32.5%		33.8%
Order book at end of period	101.2	115.2	-12.2%	101.2	115.2	-12.2%	106.5
Net sales	49.9	55.2	-9.7%	105.7	106.5	-0.8%	219.7
of which service operations	18.9	17.2	10.2%	36.7	35.1	4.4%	76.0
of which service operations, %	37.9%	31.1%		34.7%	33.0%		34.6%
EBITDA	3.2	3.8	-16.6%	7.2	7.5	-3.5%	15.7
Items affecting comparability (1	1.2	0.7	79.5%	1.8	1.0	76.1%	3.3
Comparable EBITDA	4.4	4.5	-2.1%	9.0	8.5	6.0%	19.0
Comparable EBITDA, %	8.8%	8.1%		8.5%	8.0%		8.7%
Comparable EBITA	3.3	3.4	-3.5%	6.9	6.4	6.8%	14.9
Comparable EBITA, %	6.6%	6.2%		6.5%	6.0%		6.8%
Operating result (EBIT)	1.0	1.9	-45.2%	3.0	3.8	-21.9%	8.1
Profit/loss for the period	0.5	0.9	-43.9%	1.3	2.0	-31.8%	5.0
Comparable earnings per share, EUR	0.021	0.020	5.0%	0.039	0.039	-0.0%	0.104
Cash flow from operating activities	-4.0	0.9	-522.9%	-10.8	1.1	-1095.0%	16.3
Return on capital employed (ROCE), %, (annualized)				6.0%	7.5%		8.1%
Comparable return on capital employed (ROCE), %, (annualized)				9.1%	9.9%		12.7%
Equity ratio, %				43.4%	44.8%		45.2%
Net gearing, %				43.4%	32.2%		15.8%
Number of employees at end of period				823	817	0.7%	802

1) + cost, - income

OPERATING ENVIRONMENT

Architectural glass equipment

In the April−June period, the Architectural market was slow. The Architectural glass processing equipment market follows the residential and commercial glass market development, and key market indicators, such as building permits, were lower than forecasted at the beginning of the year. Higher interest rates have slowed down the real-estate market and reduced investment opportunities for the entire sector. As a result of weaker market prospects and continuing economic uncertainty, customers' investment hesitation continued. EMEA suffered the majority of market uncertainty. In the Americas, market activity improved while in China, the Architectural glass market continued to be soft with low demand for tempering and laminating lines.

The tempering market activity saw a recovery compared to the first quarter of the year while the laminating equipment market remained at a low level. In Europe, demand for tempering equipment, which is mainly capacity-driven, was affected by customers' lower machinery utilization and overcapacity in the market for basic tempered glass. In the Americas, demand for tempering equipment was good while in China, low demand for tempering lines continued. The importance of features such as energy efficiency and automation was highlighted even further.

Affected by the weaker-than-anticipated architectural economic indicators and the overall Architectural market being in a waiting mode, the markets for Insulating Glass equipment slowed down in the second quarter. Investment decisions were postponed due to the unfavorable development of the residential markets in Europe and the US. In China, the technology shift in insulating glass technologies towards the Thermo Plastic Spacer (TPS®) spacer technology supported demand for Glaston's products with several customers moving to this technology. Elsewhere in the Asia-Pacific (APAC) region, the slight increase in market activity that was noted in the first quarter continued.

For Services, customers' lower utilization rates affected demand for spare parts and field services, while demand for tempering upgrades picked up in the US and China.

Mobility, Display & Solar glass equipment

Supported by the transition to electric vehicles, the Chinese mobility market remained active. There is however increased uncertainty arising from the increase of trade restrictions. In the rest of the world, the markets remained low.

Due to customers looking for capacity expansion, the good demand for Glaston's pre-processing equipment continued in China. Elsewhere, mainly upgrades gained traction. Driven primarily by equipment renewals and secondarily by capacity expansions, cautiously growing demand was noted in the Mobility Heat Treatment segment.

After a slow start to the year, the Services market picked up. In EMEA, the quarter saw growing demand for pre-processing upgrades and the newer upgrade offering gained interest. In North America, the market remained slow but demand for pre-processing spare parts picked up.

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

April–June
The Architectural market improved slightly in the second quarter after a very slow first quarter of the year. The Group's orders received were EUR 50.2 (53.6) million, down 6% as compared to April–June 2023. Orders received for Architectural Tempering and Laminating Technologies were up 6% while orders for Insulating Glass Technologies were down 38%. For Mobility, Display and Solar Technologies, order intake was on the same level as in the comparison period. Services' order intake was up 8% compared to the same period in the previous year.

Orders received, EUR million	4–6/2024	4–6/2023	Change%	1–6/2024	1–6/2023	Change%	1–12/2023
Architecture	40.1	43.6	-8.0%	74.9	85.6	-12.5%	165.8
Mobility, Display & Solar	9.8	9.6	2.1%	21.5	24.3	-11.5%	53.5
Total segments	**50.0**	**53.3**	**-6.2%**	**96.3**	**109.9**	**-12.3%**	**219.2**
Unallocated and eliminations	0.2	0.4	-46.8%	0.5	0.7	-27.3%	1.0
Total Glaston Group	**50.2**	**53.6**	**-6.5%**	**96.8**	**110.5**	**-12.4%**	**220.3**

January–June
Order intake was down 12% compared to the corresponding period in 2023 and totaled EUR 96.8 (110.5) million. Orders received for Architectural Tempering and Laminating Technologies were down 26% due to the low order intake in the first quarter. Orders received for Insulating Glass Technologies were down 16% because of the weaker performance in the April–June period. For Mobility, Display and Solar Technologies, order intake was down 20%. Services' order intake was up 5% compared to the previous year.

Order book
At the end of the period, the order book was 12% lower than in the corresponding period in 2023 and stood at EUR 101.2 (115.2) million. The Architecture segment's order book totaled EUR 84.4 (101.9) million, representing 83% of the Group's order book, while the Mobility, Display & Solar segment's order book totaled EUR 16.7 (13.3) million or 17% of the Group's total.

Net sales and profitability

April–June
The Group's net sales were down 10% from the corresponding period of the previous year and totaled EUR 49.9 (55.2) million mainly due to the decline in the machines business of the Architecture segment. The Architecture segment's net sales were down 15% from the comparison period and totaled EUR 36.7 (43.2) million. Net sales in the Mobility, Display & Solar segment were up 12% to EUR 13.0 (11.6) million. Services' net sales were up 10% from the comparison period.

Of total net sales, the Architecture segment accounted for 74% and the Mobility, Display & Solar segment for 26%. Geographically, the EMEA region accounted for 43%, the Americas for 31%, and the APAC region for 26% of second-quarter net sales.

Comparable EBITA was almost at the same level as in the previous year at EUR 3.3 (3.4) million, i.e. 6.6 (6.2)% of net sales. The impact of the lower net sales was compensated by the growth in the higher-margin services business, lower fixed costs and the higher margin in the machines business. The Architecture segment's EBITA was down 6% but the EBITA margin improved. The Mobility, Display & Solar segment's EBITA and EBITA margin improved slightly.

The Group's comparable operating result was EUR 2.3 (2.6) million, i.e. 4.5 (4.7)% of net sales. The second-quarter operating result was EUR 1.0 (1.9) million. Items affecting comparability amounting to EUR -1.2 (-0.7) million were recognized and were mainly related to restructuring costs and legal costs related to a patent dispute in the US. Financial income and expenses were EUR -0.4 (0.0) million. The result before taxes was EUR 0.5 (1.8) million. The result for the second quarter was EUR 0.5 (0.9) million and earnings per share were EUR 0.006 (0.011). The comparable earnings per share were EUR 0.021 (0.020).

January–June
The Group's net sales were on the same level as in the corresponding period of the previous year and totaled EUR 105.7 (106.5) million, as the growth in the Mobility, Display & Solar segment compensated for the decline in the Architecture segment. The Architecture segment's net sales were down 8% from the comparison period and totaled EUR 79.2 (85.9) million. Net sales in the Mobility, Display & Solar segment were up 31% to EUR 26.2 (20.0) million. Services' net sales were up 4% from the comparison period.

The Group's comparable EBITA amounted to EUR 6.9 (6.4) million, i.e. 6.5 (6.0)% of net sales. The higher margin in the machines business and lower fixed costs contributed to the profit improvement.

The comparable operating result was EUR 4.7 (4.8) million, i.e. 4.5 (4.5)% of net sales. The Group's operating result was EUR 3.0 (3.8) million. Items affecting comparability totaled EUR -1.8 (-1.0) million and were mainly related to legal costs related to a patent dispute in the US and restructuring costs. Financial income and expenses amounted to EUR -0.9 (-0.3) million. The result before taxes was EUR 1.9 (3.3) million. The January–June result was EUR 1.3 (2.0) million. Earnings per share were EUR 0.016 (0.023) and comparable earnings per share were EUR 0.039 (0.039).

Reporting segment Architecture

Architecture segment’s second quarter in brief:

- Cautious market development continued
- Order intake down 8% due to lower order intake for Insulating Glass Technologies
- Net sales down 15%, EBITA-margin improving

Architecture KEY RATIOS EUR million	4–6/2024	4–6/2023	Change%	1–6/2024	1–6/2023	Change%	1–12/2023
Orders received	40.1	43.6	-8.0%	74.9	85.6	-12.5%	165.8
of which service operations	14.0	13.0	7.8%	28.1	26.4	6.2%	55.0
of which service operations, %	35.0%	29.8%		37.5%	30.9%		33.2%
Order book at end of period	84.4	101.9[1)]	-17.1%	84.4	101.9[)]	-17.1%	89.6[1)]
Net sales	36.7	43.2	-15.0%	79.2	85.9	-7.7%	175.1
of which service operations	13.6	12.8	6.0%	26.4	26.1	1.1%	56.8
of which service operations, %	37.1%	29.7%		33.3%	30.4%		32.4%
Comparable EBITA	3.1	3.3	-6.2%	6.4	6.6	-1.6%	15.1
Comparable EBITA, %	8.4%	7.6%		8.1%	7.6%		8.6%
Operating result (EBIT)	1.3	2.3	-45.1%	3.4	4.8	-29.0%	10.4
Operating result (EBIT), %	3.4%	5.3%		4.3%	5.6%		5.9%

[1)] The order backlog for Insulating Glass Technologies was adjusted in 2023 for the partial cancellation of orders with one customer, totaling EUR 19.4 million.

Orders received

April–June

The slowdown in the Architectural market was reflected in the segment’s order intake, which was down 8% compared to the same period in 2023 at EUR 40.1 (43.6) million. The Architectural Tempering and Laminating Technologies order intake recovered from the very low Q1 level. For the second quarter, it was up 6% to EUR 17.2 (16.2) million, with several orders for the FC Series tempering line as well as one order for the new FC Series E tempering line. The order intake for Insulating Glass Technologies fell 38% and was EUR 8.9 (14.4) million due to the unfavorable development of the residential markets in the US and Europe and timing of incoming orders. Services’ orders were up 8% with good development for tempering upgrades.

January–June

The Architectural market was slower than expected. The order intake decreased by 12% compared to the corresponding period in the previous year and totaled EUR 74.9 (85.6) million. Architectural Tempering and Laminating Technologies orders were down by 26% and Insulating Glass Technologies fell by 16%. Services’ orders were up 6%.

Order book

The order book decreased by 17% and stood at EUR 84.4 (101.9) million at the end of the period.

Financial development

April–June

The segment’s net sales fell by 15% and totaled EUR 36.7 (43.2) million. Net sales for Architectural Tempering and Laminating Technologies declined due to lower order intake in earlier quarters and for Insulating Glass Technologies mainly due to the timing of a large number of project acceptances in the first quarter rather than the second. Services’ net sales were up 6%. Comparable EBITA was EUR 3.1 (3.3) million, i.e. 8.4 (7.6)% of net sales. EBITA declined due to lower machines volume. EBITA margin improved as the higher machines margin, higher services share and lower fixed costs contributed positively.

January–June

The segment’s net sales were down 8% and totaled EUR 79.2 (85.9) million as net sales declined, particularly in Tempering & Laminating Technologies. Comparable EBITA was EUR 6.4 (6.6) million, i.e. 8.1 (7.6)% of net sales. The higher margin in the machines business and lower fixed costs impacted profit positively. The higher share of the services business further improved the EBITA margin.

Reporting segment Mobility, Display & Solar

Mobility, Display & Solar segment's second quarter in brief:

- The positive development in China for pre-processing equipment continued
- New orders were up 2%
- Net sales were up 12%, profitability continued to improve

Mobility, Display & Solar KEY RATIOS EUR million	4–6/2024	4–6/2023	Change%	1–6/2024	1–6/2023	Change%	1–12/2023
Orders received	9.8	9.6	2.1%	21.5	24.3	-11.5%	53.5
of which service operations	4.8	4.4	8.0%	9.6	9.5	1.5%	19.3
of which service operations, %	48.9%	46.2%		44.9%	39.2%		36.2%
Order book at end of period	16.7	13.3	26.1%	16.7	13.3	26.1%	16.9
Net sales	13.0	11.6	12.2%	26.2	20.0	30.9%	43.6
of which service operations	5.3	4.3	22.5%	10.3	9.1	13.6%	19.2
of which service operations, %	40.7%	37.3%		39.3%	45.3%		44.0%
Comparable EBITA	0.2	0.0	764.9%	0.3	-0.3	199.1%	-0.5
Comparable EBITA, %	1.6%	0.2%		1.2%	-1.5%		-1.1%
Operating result (EBIT)	-0.2	-0.5	55.9%	-0.5	-1.2	53.5%	-2.5
Operating result (EBIT), %	-1.6%	-4.2%		-2.1%	-5.9%		-5.7%

Orders received

April–June
Driven by growth in Heat Treatment Technologies and services, the segment's order intake was up by 2% to EUR 9.8 (9.6) million. Orders for automotive pre-processing lines, though declining globally, increased in China but did not reach the high levels of the previous two quarters. A significant order from Americas for the MATRIX windshield bending line was booked. Services' orders were up 8%.

January–June
The segment's order intake was down by 12% compared to the corresponding period in the previous year, totaling EUR 21.5 (24.3) million. The order intake decline has taken place in the Automotive pre-processing technologies, where demand outside China has been very weak.

Order book

The segment's order book increased by 26% and stood at EUR 16.7 (13.3) million at the end of the period.

Financial development

April–June
The Mobility, Display & Solar segment's net sales were up 12% and were EUR 13.0 (11.6) million due to higher volume in both machines and services. Services' net sales increased by 22% driven by upgrades and spare parts. Comparable EBITA was slightly positive at EUR 0.2 (0.0) million, i.e. 1.6 (0.2)% of net sales. Profitability improvement was mainly due to volume increase. Gross margins for pre-processing lines delivered from China have reached the target levels but the impact was offset by the negative impact of low volume in Switzerland and lower margins for first deliveries of new product introductions.

January–June
The segment's net sales increased by 31% to EUR 26.2 (20.0) million, with growth of the machines business proving especially strong in the first quarter. Comparable EBITA was EUR 0.3 (-0.3) million, i.e. 1.2 (-1.5)% of net sales, and was mainly due to the increased volume partly offset by a lower margin in both machines and services business.

Financial position, cash flow and financing

At the end of June, Glaston Group's balance sheet total was EUR 186.9 (196.5) million. Intangible assets amounted to EUR 76.3 (76.7) million, of which goodwill was EUR 58.4 (58.2) million. At the end of the period, property, plant and equipment amounted to EUR 22.7 (23.0) million and inventories to EUR 38.8 (37.4) million.

The comparable return on capital employed (ROCE) was 9.1 (9.9)%.

At the end of June, the company's net gearing was 43.4 (32.2)% and the equity ratio was 43.4 (44.8)%. Net interest-bearing debt totaled EUR 28.8 (21.5) million.

Second-quarter cash flow from operating activities, before the change in working capital, was EUR 1.4 (3.5) million. Cash flow from the change in working capital was negative at EUR 5.4 (-2.6) million, which was mainly due to the lower order intake and consequent decrease in advance payments. Cash flow from operating activities was EUR -4.0 (0.9) million. Cash flow from investing activities was EUR -1.0 (-2.2) million, and cash flow from financing activities was EUR -1.5 (-6.0) million. A return of capital of EUR 4.2 million was paid in April.

Capital expenditure and product development

Gross capital expenditure totaled EUR 1.8 (4.1) million and was primarily related to product development. Depreciation and amortization of property, plant, and equipment, and intangible assets totaled EUR -4.3 (-3.7) million.

Automation continued to be the leading theme in product development, with a focus on projects and innovations related to the automation of core products and further development of robotic and operator-free machine operations. The development of new features for existing machines to enable the production of new products and to increase productivity continued as well as the development of new retrofit solutions for improved performance for existing machines. Features for online quality monitoring during the production process were also one of the key focus areas in product development.

In the review period, the first thin triple IG line that can process glass down to 0.5 mm thickness as the middle pane in the triple IG unit, started production at the customer's site. The final IG product can be similar to double IG in thickness and weight but has the performance of triple IG units. This makes it very well-suited for retrofitting existing windows. In addition, the first ACTIVE'SEALER sealing robots for IG lines were installed at the customers' premises. The next step is to extend the product range with additional sizes. The first CNC96 retrofit solutions for old CHAMP pre-processing lines were delivered at the end of the second quarter. With a state-of-the-art user interface offering new features, the customer can operate the machine for many years to come. Preparations for the industry's leading event, the glasstec exhibition, continued. At the event, Glaston will showcase its latest innovations.

In January−June, research and product development expenditure, excluding depreciation, totaled EUR 5.0 (4.1) million, of which EUR 1.2 (1.9) million was capitalized. Research and product development expenditure amounted to 4.7 (3.9)% of net sales.

Personnel

Glaston Group had a total of 823 (817) employees on June 30, 2024. The Architecture segment employed 631 (648) and the Mobility, Display & Solar segment employed 191 (168) people.

Changes to the Executive Leadership Team

Toni Laaksonen was appointed President and CEO of Glaston Corporation in March 2024. On August 1, 2024, Glaston announced that he will take up the position on August 12, 2024. Board member Antti Kaunonen steps down from the role as interim as of August 12, 2024 but continues as a member of the Board of Directors and will resume his position as a member of the Board's People and Remuneration Committee.

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On April 25, 2024, Glaston informed that Artturi Mäki, SVP Services and member of the Executive Leadership Team had decided to leave the company on 30 April 2024 to pursue new opportunities outside Glaston. As of May 1, 2024, interim CEO Antti Kaunonen in addition to his interim CEO role temporarily took the role of leading Glaston's Services business. More information is available in the stock exchange release dated April 25, 2024.

STRATEGY

Due to the significant changes in the global economy and Glaston's markets starting to soften in 2023, Glaston announced in February 2024 that the timeframe for achieving the strategic targets had been adjusted from 2025 to the medium-term (3−5 years), except for the emissions reduction targets with a timeframe up to 2032. The net sales and ROCE targets were also slightly updated. Glaston expects annual average net sales 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% remained unchanged. More information is available in the stock exchange release published on February 15, 2024.

SUSTAINABILITY

As the innovative frontrunner in its industry, Glaston's ambition is to remain at the forefront of moving the industry towards a more sustainable future.

Glaston's 2023 carbon footprint calculations were finalized during the first quarter of 2024. Scope 1 and 2 emissions from Glaston's own operations represent a small fraction of Glaston's total emissions. The majority, around 99%, of all emissions associated with Glaston's activities arise in the company's value chain (Scope 3). The most significant sources of emissions are the electricity consumed during the life cycle of the machines manufactured by Glaston (81%) and emissions arising from purchased products and services (17%).

In June, the Science Based Target initiative (SBTi) approved Glaston's greenhouse gas emission reduction targets and the company commits to reduce absolute Scope 1 and 2 GHG emissions 50.4% by FY2032 from a FY2022 base year. Glaston also commits to reduce Scope 3 GHG emissions by 58.1% per square meter of sold machine processing capacity within the same timeframe.

In order to achieve the emissions reduction targets for its own operations, Glaston intends to phase out the use of natural gas and other fossil energy sources and to continue to significantly increase the proportion of renewable energy. To achieve the Scope 3 target, Glaston will continue to develop its processes and products in cooperation with its suppliers, vendors and customers.

For occupational safety, Glaston's target is zero lost-time accidents. In the first half of the year, the Lost-Time-Injury-Frequency Rate was 2.6 (10.1) as two lost-time accidents were registered.

Glaston, as part of the Ahlström Collective Impact initiative, continued its support of UNICEF's global educational program in 2024, reinforcing its commitment to children's education worldwide. At the beginning of the year, as a network member, Glaston participated in a study by UNICEF Finland on implementing children's rights in Finnish-listed companies. Based on the study's findings, Glaston has further developed its responsibility work.

GOVERNANCE

Shares and shareholders

Glaston Corporation's shares are listed on the Nasdaq Helsinki Small Cap list. The trading code is GLA1V and the ISIN code is FI4000369657. Each share entitles its holder to one vote and a voting right. Glaston Corporation's share capital on June 30, 2024, was EUR 12.7 (12.7) million.

			No. of shares and votes	Share turnover, EUR million
GLA1V			84,289,911	5.5
	Highest	Lowest	Closing	Average price *)
Share price	0.98	0.72	0.87	0.87
			30.6.2024	30.6.2023
Market value			73.5	81.3
Number of shareholders			7,465	7,842
Foreign ownership, %			27.8	27.4

*) trading-weighted average

Flagging notification

On April 5, 2024, Glaston received a notification pursuant to chapter 9, section 5 of the Securities Market Act from OP-Rahastoyhtiö Oy, according to which the ownership of OP-Suomi Pienyhtiöt fund had decreased below the threshold of 5 percent.

Share-based incentive plan

For key employees, Glaston has a share-based incentive plan for the period 2022−2026. The Performance Share Plan comprises three performance periods: the calendar years 2022−2024, 2023−2025, and 2024−2026. The Board of Directors decides on the plan's performance criteria and the performance levels at the beginning of each performance period.

Performance Period 2024−2026
The potential reward for the performance period 2024−2026 is based on the Glaston Group's cumulative comparable EBITA, cumulative services net sales, and cumulative earnings per share during January 1, 2024−December 31, 2026.

In total, 18 key employees, including the company's key executive leaders, belong to the plan's target group in the performance period 2024–2026.

Additional information, including essential terms and conditions of the plan, is available in the stock exchange release dated January 27, 2022.

Annual General Meeting

The Annual General Meeting of Glaston Corporation was held on April 4, 2024, in Helsinki. The AGM adopted the financial statements and discharged the members of the Board of Directors and the President & CEOs from liability for the financial year 2023. The AGM resolved to approve the Board of Directors' proposal to pay a return of capital of EUR 0.05 per share. The return of capital was paid on April 25, 2024.

The AGM adopted the Remuneration Report and the Remuneration Policy for governing bodies. The resolutions of the aforementioned are advisory. The AGM decided to elect seven members to the Board of Directors. The AGM re-elected as members of the Board of Directors the current members of the Board of Directors: Veli-Matti Reinikkala, Sebastian Bondestam, Antti Kaunonen, Sarlotta Narjus, Arja Talma, Tero Telaranta and Michael Willome. The AGM resolved that the annual remuneration of the Members of the Board of Directors is as follows: the Chair of the Board of Directors EUR 74,000, the Deputy Chair EUR 45,000 and the other members of the Board of Directors EUR 35,000.

The AGM re-elected KPMG Oy Ab as the company's auditor. The auditing firm has announced that the auditor in charge of the audit is Authorised Public Accountant Lotta Nurminen. The resolutions of the Annual General Meeting are available in the stock exchange release dated April 9, 2024.

SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES

The ongoing uncertainty in the global business environment and its impact on the Architectural market continues to constitute the main short-term risk for Glaston. Demand for Glaston's products and services in the Architecture Business Area is affected by general economic cycles, particularly the level of activity within the construction industry. The construction market is expected to develop unevenly. Cautious development is predicted to continue in Europe and China. Elsewhere in Asia and in the Americas, and particularly in North America, the prospects are somewhat better.

The tightened monetary policy by central banks to tackle inflation has led to higher financing costs for investments, thereby leading to increased consideration for new investments or operating cost savings. Due to increasing market uncertainty and higher financing costs, customers may also wish to postpone or cancel their orders. Furthermore, the softening market conditions could adversely affect customers' payment capabilities. Geopolitical risks and uncertainties and rising tensions between the West and China could lead to polarization and unexpected trade restrictions and disturbances, resulting in increased uncertainty over demand for Glaston's products and services.

Glaston continuously monitors the development outlook of the global economy and its impact on the progress of its markets. The short-term risks are mainly linked to the development of global investment demand. If the weaker demand environment continues, this would affect Glaston's net sales and earnings in the machines businesses with a delay of four to nine months. Any material slowdown in the demand for services would have a faster impact. Tighter availability and the higher cost of financing may also increase customer-related credit risks.

Glaston delivers projects which involve risks related to engineering, project execution, and installation. Failure to plan or manage these projects could lead to higher-than-estimated costs, revenue recognition delays, or disputes with customers.

To accelerate the strategy execution, Glaston's new organization came into effect on October 1, 2023. Despite close follow-up and monitoring, there could be a risk of not being able to harness the planned financial and strategy execution benefits. Leadership and change management are key in mitigating the risk.

Major supply chain disruptions may impact the company's performance as component scarcity may cause revenue recognition delays, whereas heavily increasing prices of raw materials may add to short-term profitability pressure.

Labor shortages and employee turnover are concerns in the market. Glaston's ability to maintain a high level of job satisfaction among its employees and also attract new employees is further emphasized.

Glaston's long-term strategic and operational risks and uncertainties are described in detail in the Annual Review 2023 in the Report of the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

On August 7, 2024, Glaston announced the plan to transfer production for all glass pre-processing equipment from Glaston Switzerland to Tianjin, China. The aim is to streamline Glaston's global production capabilities further, adjust capacity to meet customer demand, and improve operational efficiencies while serving customers close to their markets.

The estimated costs of the planned production transfer are approximately EUR 6 million. Based on the initial analysis, the annual net cost savings from the transfer would take place in several phases and reach over EUR 2 million by the end of 2025.

More information is available in the stock exchange release published on August 7, 2024.

GLASTON SPECIFIES OUTLOOK FOR 2024

In the second quarter of the year, the cautious development in the architectural glass processing equipment markets continued. The earlier expected market recovery has been delayed and the markets are now anticipated to recover towards the end of 2024 at the earliest. For mobility glass processing equipment, the market in China is expected to grow with increased short-term volatility. Amid global economic uncertainty and continued geopolitical tensions, higher-than-normal uncertainty exists concerning customers’ decision-making.

Glaston Corporation specifies its outlook and estimates that its net sales will stay at the same level as in 2023. Comparable EBITA is estimated to amount to EUR 14.5−16.0 million. The net sales growth is curbed by the delayed market recovery whereas the planned structural cost-saving actions support profitability. In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.

(Previous outlook: 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.)

GLASTON CORPORATION

HALF-YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2024

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	4-6/2024	4-6/2023	Change, %	1-6/2024	1-6/2023	Change, %	1-12/2023
Net sales	**49.9**	**55.2**	-9.7%	**105.7**	**106.5**	-0.8%	**219.7**
Other operating income	0.4	0.7		1.1	1.4		2.5
Changes in inventories of finished goods and work in progress	2.4	2.6		4.9	5.2		1.6
Own work capitalized	0.1	0.1		0.1	0.5		0.6
Materials	-22.1	-26.1		-46.2	-49.8		-94.9
Personnel expenses	-17.5	-17.9		-35.1	-34.6		-69.2
Other operating expenses	-10.1	-10.8		-23.4	-21.8		-44.6
Depreciation amortization and impairment	-2.1	-1.9		-4.3	-3.7		-7.6
Operating result	**1.0**	**1.9**	-45.2%	**3.0**	**3.8**	-21.9%	**8.1**
Financial items, net	-0.4	0.0		-0.9	-0.3		-0.8
Interest expenses on lease liabilities	-0.1	-0.1		-0.2	-0.2		-0.4
Result before income taxes	**0.5**	**1.8**	-70.6%	**1.9**	**3.3**	-43.5%	**6.9**
Income taxes	0.0	-0.9		-0.5	-1.3		-1.8
Profit / loss for the period	**0.5**	**0.9**	-43.9%	**1.3**	**2.0**	-31.8%	**5.0**
Earnings per share, EUR	0.006	0.011		0.016	0.023		0.060

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Profit / loss for the period	**0.5**	**0.9**	**1.3**	**2.0**	**5.0**
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	0.4	-0.2	0.3	-0.6	-0.3
Cash flow hedges	-0.1	0.2	-0.5	0.6	0.3
Cash flow hedges, taxes	0.0	-0.1	0.1	-0.2	-0.2
Other comprehensive income that will not be reclassified subsequently to profit or loss:					
Actuarial gains and losses arising from defined benefit plans	-	-	-	-	-0.1
Taxes on actuarial gains and losses arising from defined benefit plans	-	-	-	-	0.0
Other comprehensive income for the reporting period	**0.3**	**-0.1**	**0.0**	**-0.2**	**-0.2**
Total comprehensive income for the reporting period	**0.8**	**0.8**	**1.3**	**1.7**	**4.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	30.6.2024	30.6.2023	31.12.2023
Assets			
Non-current assets			
Goodwill	58.4	58.2	58.2
Other intangible assets	17.9	18.5	18.9
Property, plant and equipment	22.7	23.0	23.2
Right-of-use assets	6.4	6.4	5.9
Financial assets measured at fair value through other comprehensive income	0.0	0.0	0.0
Loan and other non-current receivables	1.3	0.6	0.5
Deferred tax assets	3.2	2.1	1.6
Total non-current assets	**109.9**	**108.9**	**108.2**
Current assets			
Inventories	38.8	37.4	35.8
Trade and other receivables	20.4	22.4	18.6
Contract assets	11.7	15.8	13.7
Total receivables	32.1	38.2	32.3
Cash equivalents	6.1	12.0	20.2
Total current assets	**77.1**	**87.6**	**88.3**
Total assets	**186.9**	**196.5**	**196.5**

EUR million	30.6.2024	30.6.2023	31.12.2023
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Other restricted equity reserves	0.1	0.1	0.1
Reserve for invested unrestricted equity	97.8	102.0	102.0
Treasury shares	-0.2	-	-0.2
Other unrestricted equity reserves	0.1	0.7	0.5
Retained earnings	-49.2	-53.0	-50.5
Exchange difference	5.1	4.4	4.7
Total equity	**66.3**	**66.8**	**69.3**
Non-current liabilities			
Non-current interest-bearing liabilities	17.9	21.7	19.9
Non-current lease liabilities	5.3	5.8	5.1
Non-current interest-free liabilities and provisions	0.5	0.3	0.4
Deferred tax liabilities	10.5	9.3	9.6
Total non-current liabilities	**34.2**	**37.2**	**35.0**
Current liabilities			
Current interest-bearing liabilities	9.4	4.0	4.0
Current lease liabilities	2.2	1.9	2.0
Current provisions	4.0	4.0	3.5
Trade and other current interest-free payables	68.7	79.8	81.2
Contract liabilities	0.3	1.1	0.4
Liabilities for current tax	1.7	1.7	1.0
Total current liabilities	**86.4**	**92.5**	**92.2**
Total liabilities	**120.6**	**129.7**	**127.2**
Total equity and liabilities	**186.9**	**196.5**	**196.5**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Cash flows from operating activities					
Cash flow before change in net working capital	1.4	3.5	6.1	6.7	14.8
Change in net working capital	-5.4	-2.6	-16.8	-5.6	1.5
Net cash flow from operating activities	**-4.0**	**0.9**	**-10.8**	**1.1**	**16.3**
Cash flow from investing activities					
Purchases of non-current assets	-1.0	-2.3	-1.8	-4.1	-7.5
Proceeds from sale of other non-current assets	-	0.1	-	0.1	0.2
Net cash flow from investing activities	**-1.0**	**-2.2**	**-1.8**	**-4.0**	**-7.3**
Cash flow before financing	-5.0	-1.3	-12.5	-2.9	6.4
Cash flow from financing activities					
Acquisition of treasury shares	-	-	-	-	-0.2
Increase in non-current liabilities	-	-	-	-	-
Decrease in non-current liabilities	-	-	-	-	-
Changes in loan receivables (increase - / decrease +)	-	-	-	-	-
Increase in short-term liabilities	5.4	-	5.4	-	-
Decrease in short-term liabilities	-2.0	-2.0	-2.0	-2.0	-4.0
Repayment of leasing liabilities[1]	-0.7	-0.6	-1.4	-1.2	-2.5
Return of capital	-4.2	-3.4	-4.2	-3.4	-3.4
Net cash flow from financing activities	**-1.5**	**-6.0**	**-2.2**	**-6.6**	**-7.6**
Effect of exchange rate changes	0.5	-0.6	0.7	-0.8	-0.9
Net change in cash and cash equivalents	**-6.1**	**-7.9**	**-14.0**	**-10.2**	**-2.1**
Cash and cash equivalents at the beginning of period	12.2	19.9	20.2	22.2	22.2
Cash and cash equivalents at the end of period	6.1	12.0	6.1	12.0	20.2
Net change in cash and cash equivalents	**-6.1**	**-7.9**	**-14.0**	**-10.2**	**-2.1**

[1] Previously included in cash flow from operating activities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Other restr. equity	Reserve for inv. unrestr. equity	Treasury shares	Other unrestr. equity	Ret. earnings	Exch. diff.	Total equity
Equity on 1 January, 2024	**12.7**	**0.1**	**102.0**	**-0.2**	**0.5**	**-50.5**	**4.7**	**69.3**
Total compr. income for the period	-	-	-	-	-0.4	1.3	0.3	1.3
Acquisition of treasury shares	-	-	-	-0.1	-	-	-	**-0.1**
Disposal of treasury shares	-	-	-	0.1	-	-	-	**0.1**
Share-based incentive plan	-	-	-	-	-	-0.1	-	**-0.1**
Taxes on share-based incentive plan	-	-	-	-	-	-0.0	-	**-0.0**
Return of capital	-	-	-4.2	-	-	-	-	**-4.2**
Other changes	-	-	-	-	-	-0.0	-	**0.0**
Equity at 30 June 2024	**12.7**	**0.1**	**97.8**	**-0.2**	**0.1**	**-49.2**	**5.1**	**66.3**

EUR million	Share capital	Other restr. equity	Reserve for inv. unrestr. equity	Treasury shares	Other unrestr. equity	Ret. earnings	Exch. diff.	Total equity
Equity on 1 January, 2023	**12.7**	**0.1**	**105.3**	**-**	**0.4**	**-55.0**	**5.0**	**68.4**
Total compr. income for the period	-	-	-	-	0.4	2.0	-0.6	**1.7**
Acquisition of of own shares	-	-	-	-	-	-	-	**-**
Disposal of own shares	-	-	-	-	-	-	-	**-**
Share-based incentive plan	-	-	-	-	-	0.1	-	**0.1**
Taxes on share-based incentive plan	-	-	-	-	-	-0.0	-	**-0.0**
Return of capital	-	-	-3.4	-	-	-	-	**-3.4**
Other changes	-	0.0	-	-	-	-0.1	-	**-0.1**
Equity at 30 June 2023	**12.7**	**0.1**	**102.0**	**-**	**0.7**	**-53.0**	**4.4**	**66.8**

KEY RATIOS	30.6.2024	30.6.2023	31.12.2023
EBITDA, as % of net sales	6.8%	7.0%	7.2%
Comparable EBITDA, as % of net sales	8.5%	8.0%	8.7%
Operating profit (EBIT), as % of net sales	2.8%	3.6%	3.7%
Comparable EBITA, as % of net sales	6.5%	6.0%	6.8%
Profit / loss for the period, as % of net sales	1.3%	1.8%	2.3%
Gross capital expenditure, EUR million	1.8	4.1	7.5
Gross capital expenditure, as % of net sales	1.7%	3.8%	3.4%
Equity ratio, %	43.4%	44.8%	45.2%
Gearing, %	52.6%	50.1%	44.8%
Net gearing, %	43.4%	32.2%	15.8%
Net interest-bearing debt, EUR million	28.8	21.5	10.9
Capital employed, end of period, EUR million	101.2	100.3	100.4
Return on equity, %	4.0%	5.8%	7.3%
Return on capital employed, %	6.0%	7.5%	8.1%
Comparable Return on capital employed, %	9.1%	9.9%	12.7%
Number of personnel, average	807	801	804
Number of personnel, end of period	823	817	802

PER SHARE DATA	30.6.2024	30.6.2023	31.12.2023
Number of registered shares, end of period (1.000)	84 290	84 290	84 290
Number of registered shares, end of period, excluding treasury shares (1.000)	84 066	84 290	84 040
Number of shares, average, excluding treasury shares (1.000)	84 074	84 290	84 218
EPS, total, basic and diluted, EUR	0.016	0.023	0.060
Comparable EPS, total, basic and diluted, EUR	0.039	0.039	0.104
Equity attributable to owners of the parent per share, EUR	0.79	0.79	0.82
Return of capital per share, EUR[1)]	-	-	0.05
Return of capital yield / share, %	-	-	6.8%
Price per earnings per share (P/E) ratio	54.8	41.4	12.3
Price per equity attributable to owners of the parent per share	1.11	1.22	0.89
Market capitalization of registered shares, EUR million	73.5	81.3	61.9
Share turnover, %, number of shares traded, % of the average registered number of shares	7.5%	4.4%	8.5%
Number of shares traded, (1.000)	6 335	3 718	7 180
Closing price of the share, EUR	0.87	0.96	0.74
Highest quoted price, EUR	0.98	1.09	1.09
Lowest quoted price, EUR	0.72	0.90	0.73
Volume-weighted average quoted price, EUR	0.87	0.98	0.89

The reconciliation of alternative performance measures

Items affecting comparability

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Re-structuring	-0.8	-0.5	-1.0	-0.8	-2.1
Other	-0.4	-0,2	-0.7	-0.2	-1.2
Items affecting comparability	**-1.2**	**-0.7**	**-1.8**	**-1.0**	**-3.3**

Comparable operating result (EBIT) and EBITA

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Operating result	1.0	1.9	3.0	3.8	8.1
Items affecting comparability[1)]	1.2	0.7	1.8	1.0	3.3
Comparable EBIT	**2.3**	**2.6**	**4.7**	**4.8**	**11.4**
Operating result	**1.0**	**1.9**	**3.0**	**3.8**	**8.1**
Amortization[1)]	1.0	0.8	2.0	1.5	3.2
EBITA	**2.0**	2.7	**5.0**	5.3	**11.4**
Purchase price allocation[1)]	0,1	0.1	0.1	0.1	0.2
Items affecting comparability[1)]	1.2	0.7	1.8	1.0	3.3
Comparable EBITA	**3.3**	**3.4**	**6.9**	**6.4**	**14.9**
% of net sales	6.6%	6.2%	6.5%	6.0%	6.8%

[1)] + cost, - income

Comparable ROCE% and EPS

EUR million	1-6/2024	1-6/2023	1-12/2023
Profit/loss for the period before taxes	1.9	3.3	6.9
Financial expenses	1.2	0.5	1.4
Purchase price allocation[1)]	0.7	0.7	1.4
Total	3.7	4.5	9.7
Total annualized	7.4	9.1	9.7
Items affecting comparability[1)]	1.8	1.0	3.3
Total	9.2	10.1	12.9
Equity	66.3	66.8	69.3
Interest bearing liabilities	34.9	33.5	31.1
Avg (1.1.and end of period)	100.8	102.1	102.2
Comparable ROCE%	**9.1%**	**9.9%**	**12.7%**
Profit/loss for the period	1.3	2.0	5.0
Purchase price allocation[1)]	0.7	0.7	1.4
Items affecting comparability[1)]	1.8	1.0	3.3
-tax	-0.5	-0.3	-0.9
Total	3.3	3.3	8.8
Number of shares, average	84.1	84.3	84.2
Comparable earnings per share, EUR	**0.039**	**0.039**	**0.104**

[1)] + cost, - income

glaston
seeing it through

Per share data

Earnings per share (EPS):
Net result attributable to owners of the parent / Average number of shares outstanding

Diluted earnings per share:
Net result attributable to owners of the parent / Average diluted number of shares outstanding

Dividend per share*:
Dividends paid / Number of issued shares at end of the period

Dividend payout ratio*:
(Dividend per share x 100) / Earnings per share

Dividend yield per share*:
(Dividend per share x 100) / Share price at end of the period

Equity attributable to owners of the parent per share:
Equity attributable to owners of the parent at end of the period / Number of shares at end of the period, excluding treasury shares

Average trading price:
Shares traded (EUR) / Shares traded (volume)

Price per earnings per share (P/E):
Share price at end of the period / Earnings per share (EPS)

Price per equity attributable to owners of the parent per share:
Share price at end of the period / Equity attributable to owners of the parent per share

Share turnover:
The proportion of number of shares traded during the period to weighted average number of shares, excluding treasury shares

Market capitalization:
Number of shares at end of the period x share price at end of the period

Number of shares at period end:
Number of issued shares - treasury shares

*The definition is also applied with return of capital

Financial ratios

EBITDA:
Profit / loss before depreciation, amortization, and impairment

Operating result (EBIT):
Profit / loss after depreciation, amortization, and impairment

Cash and cash equivalents:
Cash + other financial assets (includes cash and cash equivalents at amortized cost)

Net interest-bearing debt:
Interest-bearing liabilities (includes interest-bearing liabilities at amortized cost) - cash and cash equivalents

Financial expenses:
Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities

Equity ratio. %:
Equity (Equity attributable to owners of the parent + non-controlling interest) x 100 / (Total assets - advance payments received)

Gearing, %:
(Interest-bearing liabilities x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Net gearing, %:
(Net interest-bearing debt x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Return on capital employed, % (ROCE):
(Profit / loss before taxes + financial expenses x 100) / (Equity + interest-bearing liabilities, average of 1 January and end of the reporting period)

Return on equity, % (ROE):
(Profit / loss for the reporting period x 100) /Equity (Equity attributable to owners of the parent + non-controlling interest), average of 1 January and end of the reporting period

Other alternative performance measures

Comparable EBIT:
Operating result after depreciation, amortization, and impairment, +/- items affecting comparability+ large, expensed cloud-computing investments

Comparable EBITDA:
Operating result before depreciation, amortization, and impairment, +/- items affecting comparability+ large, expensed cloud-computing investments

Comparable EBITA:
Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability+ large, expensed cloud-computing investments

Comparable return on capital employed, % (Comparable ROCE):
(Profit / loss before taxes + amortization of purchase price allocations +/- items affecting comparability + financial expenses x 100) / (Equity + interest-bearing liabilities, average of 1 January and end of the reporting period)

Comparable earnings per share (Comparable EPS):
Net result attributable to owners of the parent +/- (items affecting comparability+ amortization of purchase price allocations) net of tax / Average number of shares outstanding

Items affecting comparability:

Items affecting comparability are adjusted for non-business transactions or changes in valuation items when they arise from restructuring, acquisitions and disposals, related integration and separation costs, sale or impairment of assets. These may include staff reductions, rationalization of the product range, restructuring of the production structure, and reduction of premises.

Impairment losses on goodwill, gains or losses on disposals due to changes in the group structure, exceptionally large gains or losses on tangible and intangible assets, exceptional compensations for damages and legal proceedings are restated as an item affecting comparability.

NOTES

Basis of preparation

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34. The interim report has followed the same IFRS accounting principles as in the previous consolidated financial statements 2023**.** Quarterly information and interim reports are not audited.
As a result of rounding differences, the figures presented in the tables may not add up to the total.

1. SEGMENT INFORMATION

Orders received

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architecture	40.1	43.6	74.9	85.6	165.8
Mobility, Display & Solar	9.8	9.6	21.5	24.3	53.5
Total segments	**50.0**	**53.3**	**96.3**	**109.9**	**219.2**
Unallocated and eliminations	0.2	0.4	0.5	0.7	1.0
Total Glaston Group	**50.2**	**53.6**	**96.8**	**110.5**	**220.3**

Net sales

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architecture	36.7	43.2	79.2	85.9	175.1
Mobility, Display & Solar	13.0	11.6	26.2	20.0	43.6
Total segments	**49.7**	**54.8**	**105.5**	**105.9**	**218.7**
Unallocated and eliminations	0.1	0.4	0.3	0.7	1.0
Total Glaston Group	**49.9**	**55.2**	**105.7**	**106.5**	**219.7**

Comparable EBITA

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architecture	3.1	3.3	6.4	6.6	15.1
Mobility, Display & Solar	0.2	0.0	0.3	-0.3	-0.5
Total segments	**3.3**	**3.3**	**6.8**	**6.3**	**14.6**
Unallocated and eliminations	0.0	0.1	0.1	0.2	0.3
Total Glaston Group	**3.3**	**3.4**	**6.9**	**6.4**	**14.9**
Comparable EBITA %	6.6%	6.2%	6.5%	6.0%	6.8%

Comparable EBITA %

	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architecture	8.4%	7.6%	8.1%	7.6%	8.6%
Mobility, Display & Solar	1.6%	0.2%	1.2%	-1.5%	-1.1%
Total segments	**6.6%**	**6.0%**	**6.4%**	**5.9%**	**6.7%**
Unallocated and eliminations	2.3%	26.7%	37.8%	25.2%	26.5%
Total Glaston Group	**6.6%**	**6.2%**	**6.5%**	**6.0%**	**6.8%**

Operating result (EBIT)
EUR million

	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architecture	1.3	2.3	3.4	4.8	10.4
Mobility, Display & Solar	-0.2	-0.5	-0.5	-1.2	-2.5
Total segments	**1.0**	**1.8**	**2.9**	**3.6**	**7.9**
Unallocated and eliminations	0.0	0.1	0.1	0.2	0.3
Total Glaston Group	**1.0**	**1.9**	**3.0**	**3.8**	**8.1**
Operating result %	2.1%	3.5%	2.8%	3.6%	3.7%

Segment assets
EUR million

	1-6/2024	1-6/2023	1-12/2023
Architecture	144.2	143.2	139.2
Mobility, Display & Solar	32.5	38.1	34.4
Total segment assets	**176.7**	**181.4**	**173.6**
Other assets	10.2	15.1	22.9
Total assets	**186.9**	**196.5**	**196.5**

Segment liabilities
EUR million

	1-6/2024	1-6/2023	1-12/2023
Architecture	64.0	68.9	72.4
Mobility, Display & Solar	9.1	16.1	12.6
Total segment liabilities	**73.2**	**85.1**	**85.0**
Other liabilities	47.5	44.6	42.1
Total liabilities	**120.6**	**129.7**	**127.2**

Personnel at the end of the period

	1-6/2024	1-6/2023	1-12/2023
Architecture	631	648	630
Mobility, Display & Solar	191	168	171
Others	1	1	1
Total personnel at the end of the period	**823**	**817**	**802**

Personnel by region	1-6/2024	1-6/2023	1-12/2023
Finland	221	223	214
Germany	287	277	282
Other EMEA	93	103	100
Asia	172	164	158
Americas	50	50	48
Total personnel at the end of the period	**823**	**817**	**802**

ORDERS RECEIVED, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS

Orders received

EUR million	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	40.1	34.7	38.3	41.8	43.6	42.0
Mobility, Display & Solar	9.8	11.6	19.0	10.2	9.6	14.6
Total segments	**50.0**	**46.4**	**57.3**	**52.1**	**53.3**	**56.6**
Unallocated and eliminations	0.2	0.3	0.2	0.1	0.4	0.3
Total Glaston Group	**50.2**	**46.6**	**57.6**	**52.2**	**53.6**	**56.9**

Order book

EUR million	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	84.4	81.3	89.6	99.7	101.9	123.7
Mobility, Display & Solar	16.7	20.1	16.9	12.6	13.3	15.4
Total segments	**101.2**	**101.4**	**106.5**	**112.3**	**115.2**	**139.0**
Unallocated and eliminations	-	-	-	-	-	-
Total Glaston Group	**101.2**	**101.4**	**106.5**	**112.3**	**115.2**	**139.0**

Net sales

EUR million	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	36.7	42.5	45.7	43.5	43.2	42.6
Mobility, Display & Solar	13.0	13.2	13.7	9.8	11.6	8.4
Total segments	**49.7**	**55.7**	**59.5**	**53.4**	**54.8**	**51.0**
Unallocated and eliminations	0.1	0.1	0.2	0.1	0.4	0.3
Total Glaston Group	**49.9**	**55.8**	**59.7**	**53.5**	**55.2**	**51.3**

Comparable EBITA

EUR million	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	3.1	3.4	4.5	4.0	3.3	3.3
Mobility, Display & Solar	0.2	0.1	0.0	-0.1	0.0	-0.3
Total segments	**3.3**	**3.5**	**4.5**	**3.9**	**3.3**	**2.9**
Unallocated and eliminations	0.0	0.1	0.1	0.0	0.1	0.1
Total Glaston Group	**3.3**	**3.6**	**4.6**	**3.9**	**3.4**	**3.0**
Comparable EBITA %	6.6%	6.4%	7.6%	7.3%	6.2%	5.8%

Comparable EBITA %

	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	8.4%	7.9%	9.9%	9.2%	7.6%	7.7%
Mobility, Display & Solar	1.6%	0.7%	-0.2%	-1.4%	0.2%	-3.9%
Total segments	**6.6%**	**6.2%**	**7.6%**	**7.2%**	**6.0%**	**5.8%**
Unallocated and eliminations	2.3%	75.7%	28.5%	29.9%	26.7%	23.1%
Total Glaston Group	**6.6%**	**6.4%**	**7.6%**	**7.3%**	**6.2%**	**5.8%**

Operating result (EBIT)

EUR million	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	1.3	2.1	3.0	2.6	2.3	2.5
Mobility, Display & Solar	-0.2	-0.3	-0.3	-1.0	-0.5	-0.7
Total segments	**1.0**	**1.8**	**2.6**	**1.6**	**1.8**	**1.8**
Unallocated and eliminations	0.0	0.1	0.1	0.0	0.1	0.1
Total Glaston Group	**1.0**	**1.9**	**2.7**	**1.7**	**1.9**	**1.9**
Operating result %	2.1%	3.4%	4.5%	3.1%	3.5%	3.7%

ORDERS RECEIVED, ORDER BOOK AND NET SALES BY PRODUCT AREAS

Orders received by product area

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architectural Tempering and Laminating Technologies	17.2	16.2	21.0	28.3	41.7
Insulating Glass Technologies	8.9	14.4	25.8	30.8	69.1
Mobility, Display and Solar Technologies	5.0	5.2	11.8	14.8	34.1
Services	18.8	17.5	37.7	35.9	74.4
Unallocated and eliminations	0.2	0.4	0.5	0.7	1.0
Glaston Group, total	**50.2**	**53.6**	**96.8**	**110.5**	**220.3**

Order book by product area

EUR million	30.6.2024	30.6.2023	31.12.2023
Architectural Tempering and Laminating Technologies	29.7	42.3	26.9
Insulating Glass Technologies	46.7	53.1	57.0
Mobility, Display and Solar Technologies	16.2	12.2	16.3
Services	8.6	7.6	6.3
Unallocated and eliminations	-	-	-
Glaston Group, total	**101.2**	**115.2**	**106.5**

glaston
seeing it through

Net sales by product area

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Architectural Tempering and Laminating Technologies	9.3	13.3	19.5	28.3	53.3
Insulating Glass Technologies	14.7	17.5	34.7	32.3	67.2
Mobility, Display and Solar Technologies	8.0	7.2	16.5	10.9	24.7
Services	18.9	17.2	36.7	35.1	76.0
Unallocated and eliminations	-1.0	0.1	-1.7	0.0	-1.5
Glaston Group, total	**49.9**	**55.2**	**105.7**	**106.5**	**219.7**

NET SALES BY REGION

Geographical distribution of net sales EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Americas	15.4	19.5	33.9	38.0	72.4
EMEA	21.7	28.9	48.9	54.3	113.4
APAC	12.8	6.8	22.9	14.3	33.9
Glaston Group, total	**49.9**	**55.2**	**105.7**	**106.5**	**219.7**

2. FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is managed through the effective use of advance payments in order to reduce the amount of working capital tied up in the operations. A special focus is set on working capital management and the development is monitored regularly. Short- and long-term cash planning is part of group companies' operational activity together with the Group Treasury. As a measurement for the liquidity risk are the Group's liquid funds and unused credit facilities. Group Treasury reports the Group's liquidity position regularly to the management and to the Board of Directors of Glaston Corporation.

The covenants in use are net interest-bearing debt to equity (gearing ratio) and interest-bearing debt to EBITDA (leverage). Group treasury is responsible for monitoring the covenants and reports the situation regularly to management and the Board of Directors of Glaston Corporation. All covenant terms have been met.

Glaston Corporation signed a long-term financing agreement in March 2022. The financing agreement consists of a EUR 30 million long-term loans as well as a EUR 25 million revolving credit facility. The agreement was for three years and included two one-year options for extension of the loan period. In February 2024, the second of the two one-year options of the financing agreement was utilized and the loan period for the EUR 18 million long-term loan and for the revolving credit facility was extended until March 2027.

EUR million	In use	Unused	Total
Committed credit facilities 30.6.2024	10.0	15.0	25.0
Committed credit facilities 31.12.2023	3.0	22.0	25.0

Net interest bearing debt

EUR million	30.6.2024	30.6.2023	31.12.2023
Loans from financial institutions	27.4	25.7	24.0
Lease liabilities	7.5	7.8	7.1
Cash	6.1	12.0	20.2
Total	**28.8**	**21.5**	**10.9**
Net gearing, %	**43.4**	**32.2**	**15.8**

Credit risk

The Group becomes exposed to credit and counterparty risks when it grants payment time to the customers. The creditworthiness of these counterparties may decrease and affect Group's result. Credit risk management is conducted in accordance with the Group's Credit Management Policy.

The estimate made for doubtful receivables is based on a review of all trade receivables outstanding on the reporting date as well as on an assessment of the impairment of financial assets based on expected credit losses.

Risk management is performed together with the business management with the objective of avoiding major credit risk concentrations and to verify, that sufficient guarantees and collaterals are received. The Group reduces its credit risk by using letters of credit and various types of guarantees received from the customers to secure the receivables. In addition, the Group uses advance payments to reduce risk and accelerate fund inflows.

At the end of June 2024, 30.9 (13.7 on 31.12.2023) percent of the Group's trade receivables were secured by LCs and other collaterals received.

Ageing analysis of trade receivables EUR million			**Past due**			
	Carrying amount of trade receivables after recognizing allowance account	Not past due	< 30 days	31-180 days	181-360 days	> 360 days
30.6.2024	12.6	9.1	1.3	1.9	0.0	0.2
31.12.2023	11.2	7.7	1.9	1.5	0.1	-0.0

3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Changes in property, plant and equipment

EUR million	1-6/2024	1-6/2023	1-12/2023
Carrying amount at beginning of the period	23.2	22.6	22.6
Additions	0.5	1.6	2.7
Disposals	-0.0	-0.1	-0.2
Depreciation and amortization	-0.9	-1.0	-1.9
Reclassification and other changes	-	-	-0.0
Exchange differences	-0.1	-0.2	-0.1
Carrying amount at end of the period	22.7	23.0	23.2

At the end of June 2024, Glaston had no contractual commitments for the acquisition of property, plant and equipment.

Changes in intangible assets

EUR million	1-6/2024	1-6/2023	1-12/2023
Carrying amount at beginning of the period	77.2	76.1	76.1
Additions	1.3	2.5	4.8
Disposals	0.4	-	-0.1
Depreciation and amortization	-2.0	-1.5	-3.2
Reclassification and other changes	-0.7	0.0	0.0
Exchange differences	0.0	-0.5	-0.4
Carrying amount at end of the period	76.3	76.7	77.2

4. LEASES

LEASES IN THE BALANCE SHEET

EUR million

Right-of-use assets	1-6/2024	1-6/2023	1-12/2023
Carrying amount at beginning of the period	5.9	6.2	6.2
Additions	1.9	1.4	2.1
Depreciation expense	-1.4	-1.2	-2.5
Carrying amount at end of the period	6.4	6.4	5.9

Lease liabilities EUR million	1-6/2024	1-6/2023	1-12/2023
Carrying amount at beginning of the period	7.1	7.6	7.6
Additions	1.8	1.4	2.1
Interest expense	0.2	0.2	0.4
Rental payment	-1.6	-1.4	-2.9
Carrying amount at end of the period	7.5	7.8	7.1

LEASES IN PROFIT AND LOSS STATEMENT

EUR million	1-6/2024	1-6/2023	1-12/2023
Depreciation of right-of-use assets	-1.3	-1.2	-2.5
Interest expense on lease liabilities	-0.2	-0.2	-0.4
Short-term lease expense	-0.3	-0.3	-0.5
Total amounts recognised in profit or loss	**-1.9**	**-1.7**	**-3.4**

5. CONTINGENT LIABILITIES

EUR million	30.6.2024	30.6.2023	31.12.2023
Mortgages and pledges			
On own behalf	314.1	314.1	314.1
Guarantees			
On own behalf	9.2	13.0	11.9
On behalf of others	0.3	0.2	0.3

Mortgages and pledges include EUR 21.6 million shares in group companies.

Glaston Group can be a defendant or plaintiff in a number of legal proceedings incidental to those operations. The Group does not expect the outcome of any unmentioned legal proceedings currently pending, either individually or in the aggregate, to have a material adverse effect upon the Group's consolidated financial position or results of operations.

6. DERIVATIVE INSTRUMENTS

EUR million	30.6.2024		30.6.2023		31.12.2023	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	11.0	-0.2	19.3	0.2	14.4	0.2
Interest rate derivatives						
Interest rate derivatives	12.0	0.4	12.0	0.6	12.0	0.4

Glaston hedges foreign currency-denominated sales and cash flows of binding orders received with currency forwards. In fulfilling the conditions of hedge accounting, cash flow hedge accounting under IFRS 9 is applied with respect to currency derivatives.

Derivative instruments are used only for currency and interest rate hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value include derivatives. Other financial instruments at fair value through profit or loss can include mainly Glaston's current investments, which are classified as held for trading i.e. which have been acquired or incurred principally for the purpose of selling them in the near future.

Fair values of publicly traded derivatives are calculated based on quoted market rates at the end of the reporting period (fair value hierarchy level 1). All Glaston's derivatives are publicly traded.

Financial assets measured at fair value through other comprehensive income include listed investments are measured at the market price at the end of the reporting period (fair value hierarchy level 2). Investments, for which fair values cannot be measured reliably, such as unlisted equities, are reported at cost or at cost less impairment (fair value hierarchy level 3).

Fair value measurement hierarchy:

Level 1 = quoted prices in active markets

Level 2 = other than quoted prices included within Level 1 that are observable either directly or indirectly

Level 3 = not based on observable market data

During the reporting period there were no transfers between levels 1 and 2 of the fair value hierarchy. During the reporting period there were no changes in the valuation techniques of levels 2 or 3 of the fair value hierarchy.

Financial instruments measured at fair value and included in level 3 of fair value hierarchy, had no effect on the profit or loss of the reporting period or on other comprehensive income. These financial instruments are not measured at fair value on recurring basis.

Fair value hierarchy, fair values

EUR million	30.6.2024				30.6.2023				31.12.2023			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Assets												
Listed shares	-	-	0.0	**0.0**	-	-	0.0	**0.0**	-	-	0.0	**0.0**
Currency forward contracts	-	0.0	-	**0.0**	-	0.2	-	**0.2**	-	0.2	-	**0.2**
Interest rate derivatives	-	0.4	-	**0.4**	-	0.7	-	**0.7**	-	0.7	-	**0.7**
Total	**-**	**0.4**	**0.0**	**0.4**	**-**	**0.9**	**0.0**	**0.9**	**-**	**0.9**	**0.0**	**0.9**
Liabilities												
Currency forward contracts	-	-0.2	-	**-0.2**	-	-0.1	-	**-0.1**	-	-0.0	-	**-0.0**
Interest rate derivatives	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Total	**-**	**-0.2**	**-**	**-0.2**	**-**	**-0.1**	**-**	**-0.1**	**-**	**-0.0**	**-**	**-0.0**