Glaston Q2/2024:
Profitability supported by the service business, markets still challenging

August 9, 2024

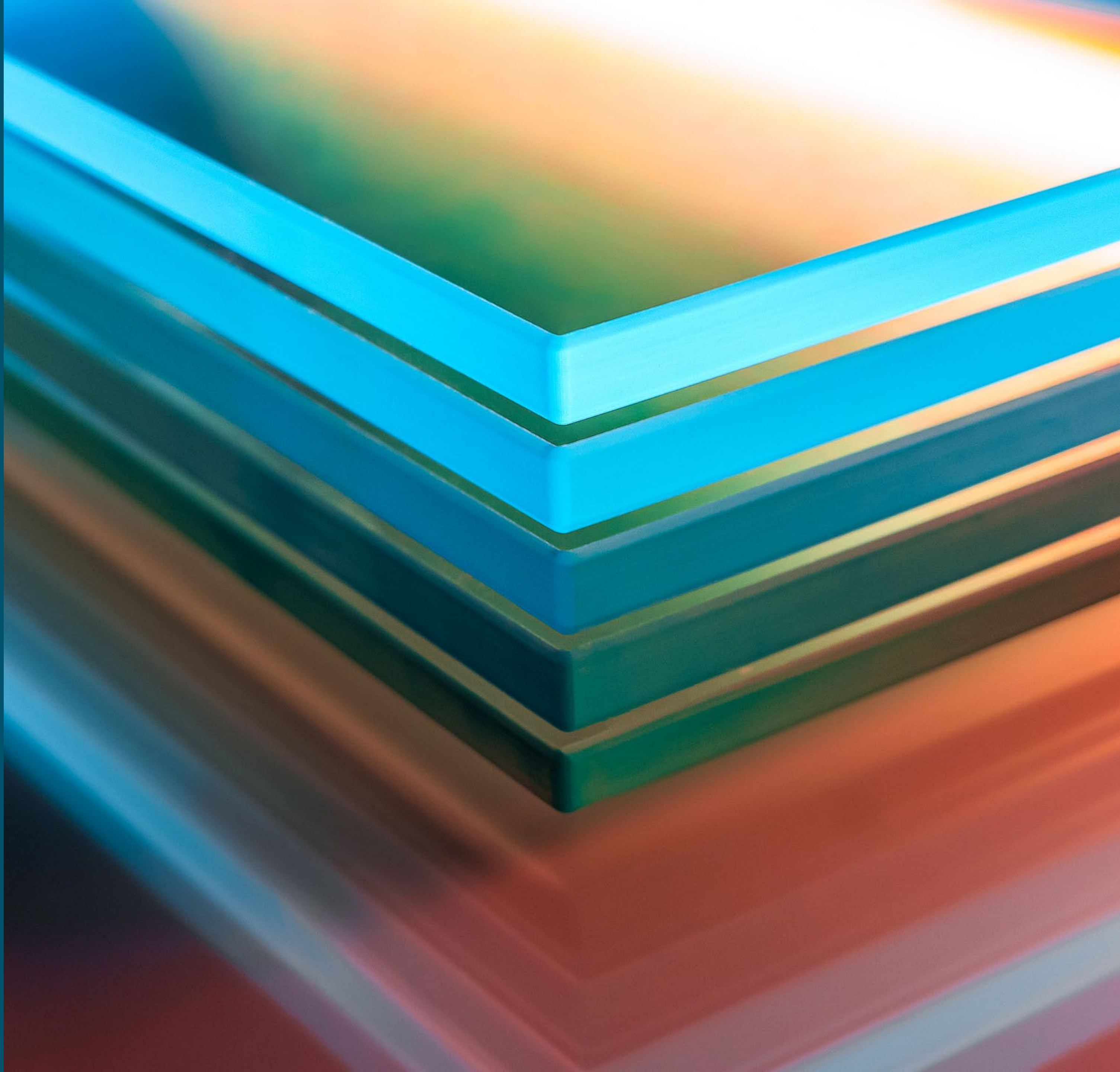
Antti Kaunonen, Interim CEO

Päivi Lindqvist, CFO

glaston
seeing it through®

Content

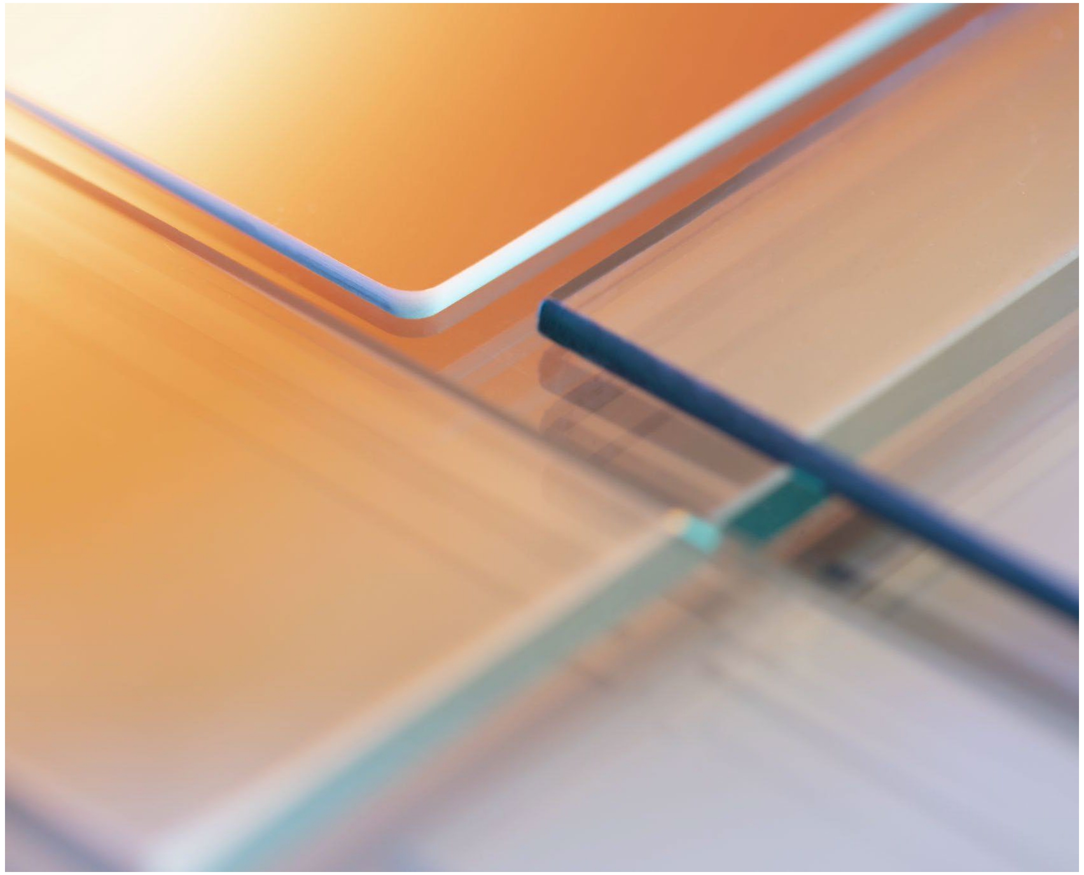
- Q2/2024 highlights
- Market review
- Financial development
- Outlook 2024



Q2/2024
IN BRIEF

Q2 2024 in brief

- In H1/2024, the Lost-Time-Injury-Frequency Rate was 2.6 (10.1) and the number of accidents was 2 (8)
- The market environment continued to be challenging
- The Architectural glass market remained slow however the tempering market picked up from Q1
- The good demand for pre-processing technologies in China continued but volatility is expected
- Order intake was down 6% year-on-year
  - Order intake for tempering and laminating equipment increased slightly
  - Order intake for insulating glass equipment decreased
- Net sales were down 10% to EUR 49.9 million
  - Services net sales up 10% representing 38% of net sales
- Comparable EBITA in line with the comparison period at EUR 3.3 (3.4) million, EBITA margin 6.6 (6.2) %



Market environment in Q2

EMEA

- The overall slowdown in the **Architectural** market continued
- Demand for tempering equipment picked up from the very low Q1 level
- The **Mobility** market continued to be slow
- In **Services** markets, customers' lower utilization rates affected demand

Americas

- For **Architectural**, market activity improved. Demand among commercial glass processors continued at a good level
- Demand for tempering equipment picked up whereas the low interest in insulating glass equipment continued
- For **Mobility**, the market remained slow
- For **Services**, demand for tempering upgrades picked up

APAC

- For **Architectural**, the glass market continued to be soft
- In China, low demand for tempering and laminating equipment continued whereas the TPS® spacer technology gained traction
- For **Mobility**, and China mainly, the move to electric vehicles supported market growth
- In **Services**, demand for upgrades improved compared to the previous quarter

Glaston plans to transfer all pre-processing production from Switzerland to China

- The mobility glass segment’s growth is fastest in Asia while being modest in other regions
- The aim of the plan is to streamline Glaston’s global production capabilities further, adjust capacity to meet customer demand and improve operational efficiencies
- The estimated costs of the production transfer are approximately EUR 6 million. The costs are expected to be incurred mainly in 2024 and 2025
- The annual net cost savings from the transfer would be over EUR 2 million by the end of 2025 and take place in several phases
- Sales and Services functions would remain in Bützberg, Switzerland
- The plan would affect an estimated 30 employees in Switzerland. The expected personnel increase in China is approximately 20 new employees
- The consultation process with employee representatives is expected to be completed by early September

Sustainability

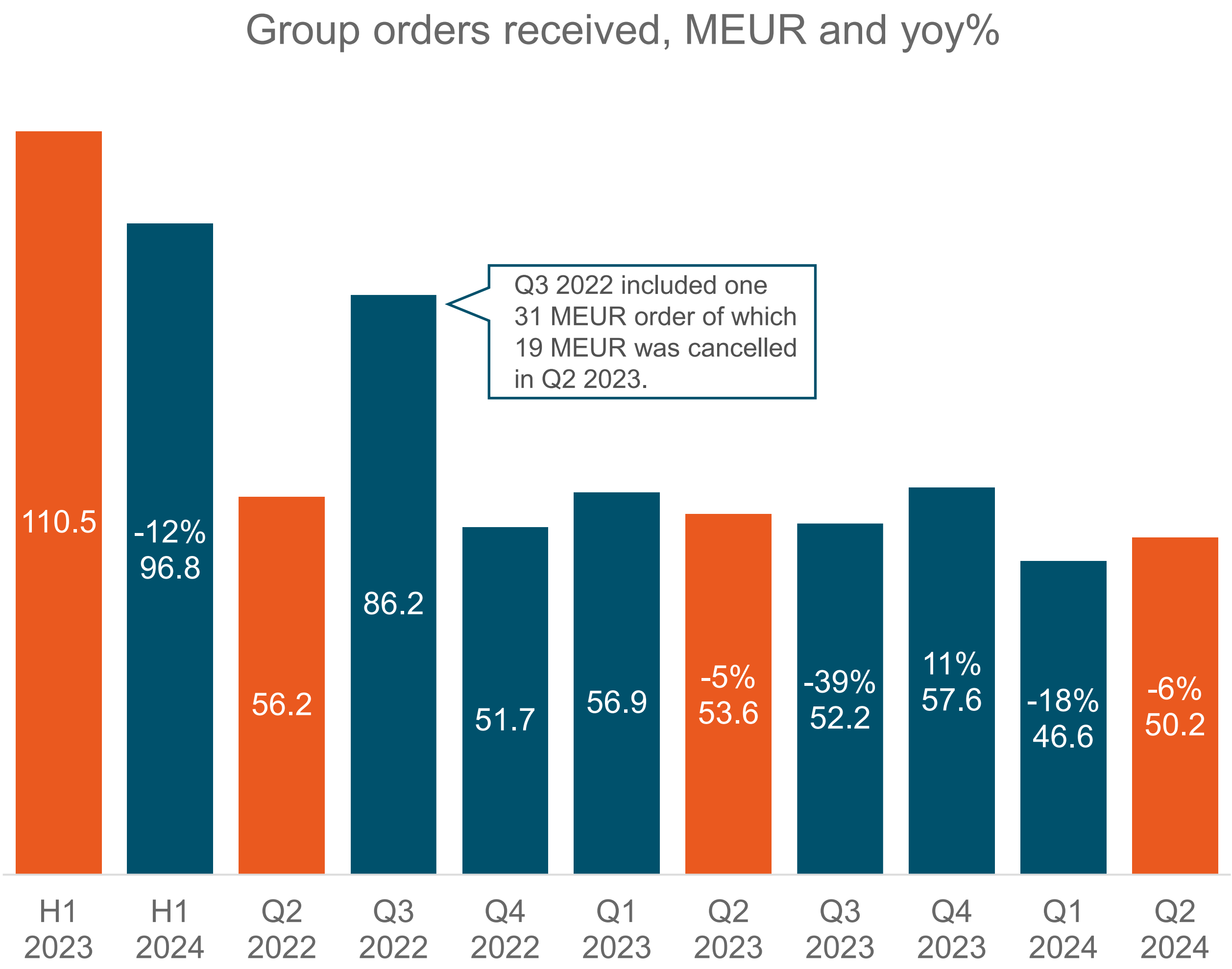
- In H1/2024, the Lost-Time-Injury-Frequency Rate was 2.6 (10.1) and the number of accidents was 2 (8)
- The 2023 carbon footprint calculations were finalized. Around 99% of Glaston's emissions are generated in the company's value chain (Scope 3). The most significant sources of emissions are the electricity consumed during the life cycle of the machines sold by Glaston (2023: 81%) and purchased products and services (2023: 17%)
- In June, the Science Based Target initiative (SBTi) approved Glaston's greenhouse gas emission reduction targets
- Glaston commits to reduce absolute **Scope 1 and 2 GHG emissions 50.4**% by FY2032 from a FY2022 base year and to reduce **Scope 3 GHG emissions by 58.1%** per square meter of sold machine processing capacity within the same timeframe

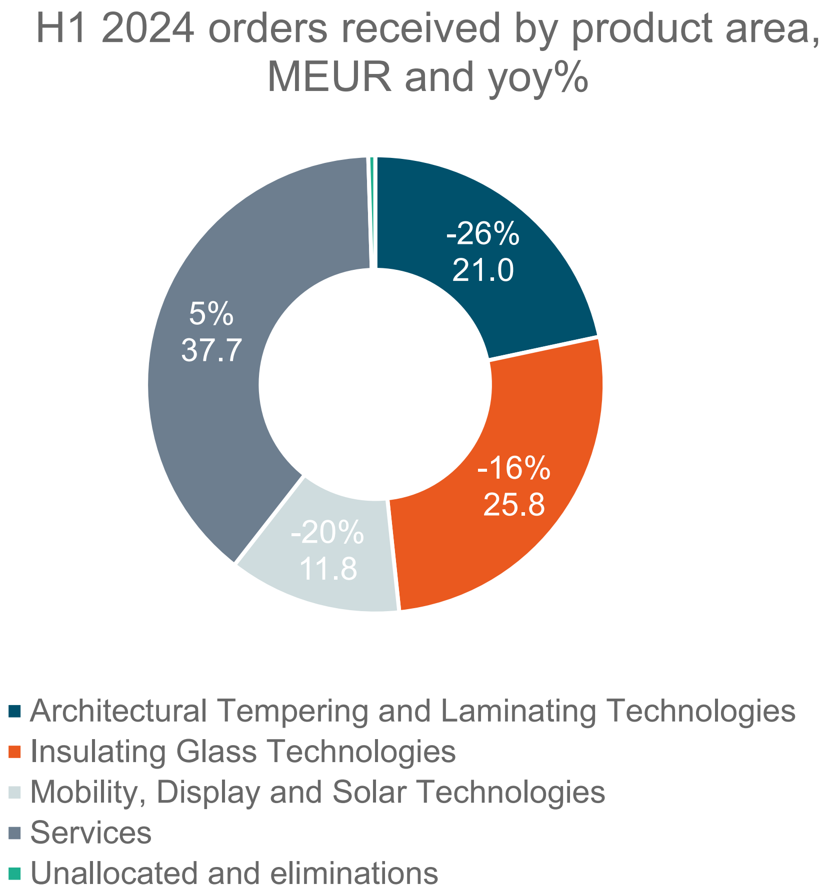
SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

FINANCIAL DEVELOPMENT

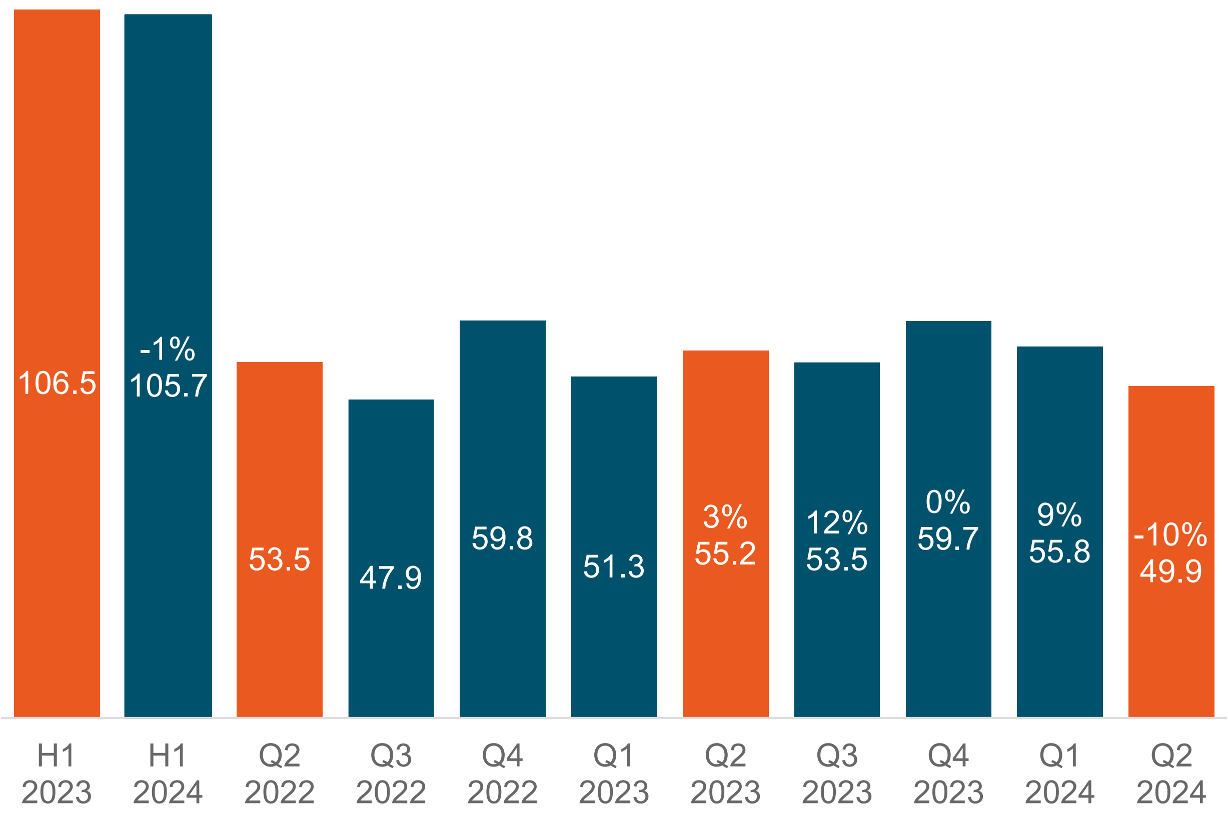
Challenging market continued to impact order intake



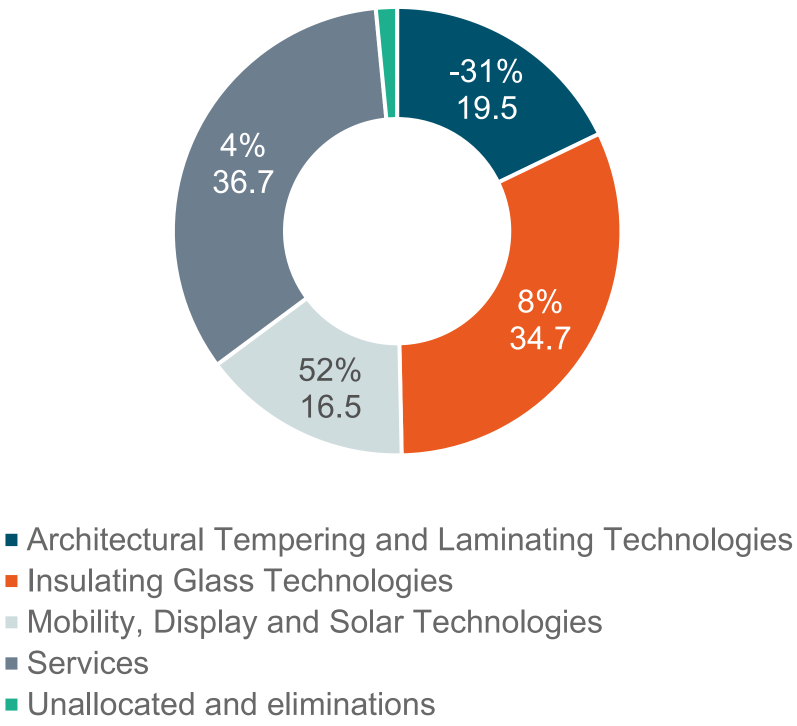


Decline in architectural technologies drove down the Group net sales in Q2

Group net sales, MEUR and yoy%

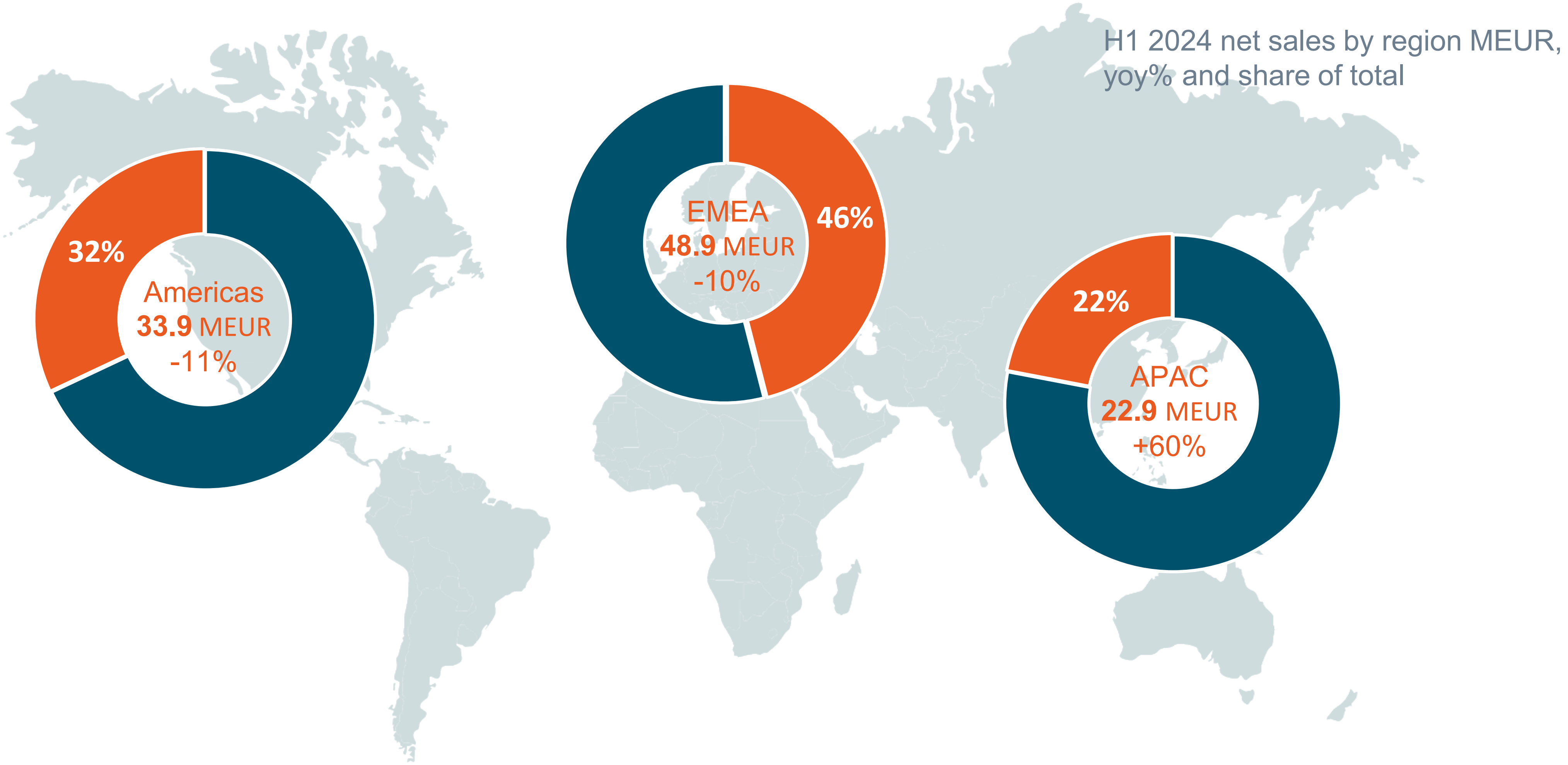


H1 2024 net sales by product area, MEUR and yoy%



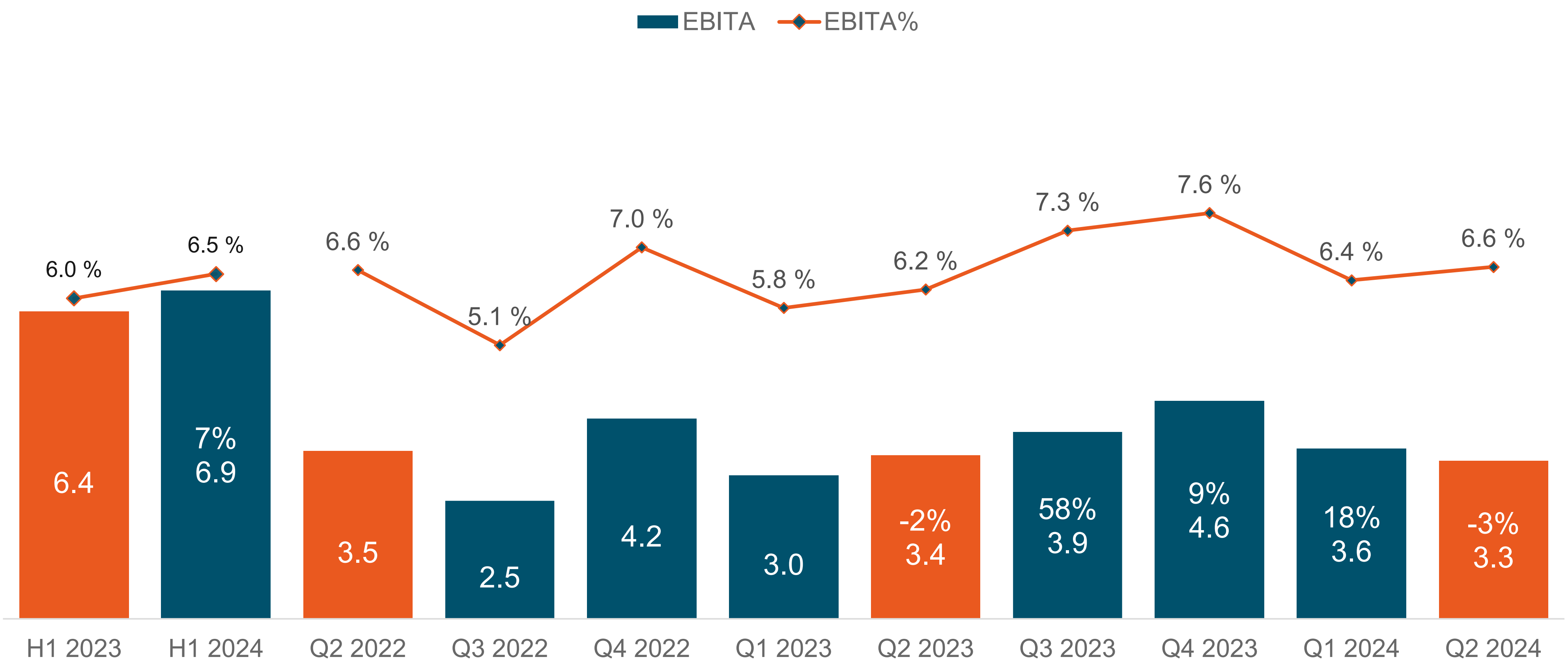
glaston

Strong growth in APAC, Americas and EMEA declining



glaston

Q2 comparable EBITA almost at 2023 level, EBITA% up



REPORTING SEGMENTS

Architecture – Good profitability despite low net sales

- Machine orders were down by 15%
  - Tempering and Laminating Technologies orders up yoy and recovered strongly from the very low Q1 level
  - Order intake for Insulating Glass machines fell due to market softness and timing of incoming orders
- Services order intake increased by 8%
- Net sales decreased in machines by 22%
  - Tempering and Laminating Technologies due to lower orders in earlier quarters
  - Insulating Glass due to timing of project acceptances
- Services slight growth and share at 37%
- EBITA margin improved despite lower sales contributed by machine margins, lower fixed costs and services share

MEUR	Q2 2024	vs Q2 2023*	H1 2024	H1 2023*
Order intake	**40.1**	**-8.0%**	**74.9**	**-12.5%**
Order backlog	84.4	-17.1%1)	84.4	-17.1%1)
Net sales	**36.7**	**-15.0%**	**79.2**	**-7.7%**
Comparable EBITA	3.1	-6.2%	6.4	-1.6%
Comparable EBITA%	**8.4%**	**7.6%**	**8.1%**	**7.6%**

* 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 – profitability still modest and supported by higher volume

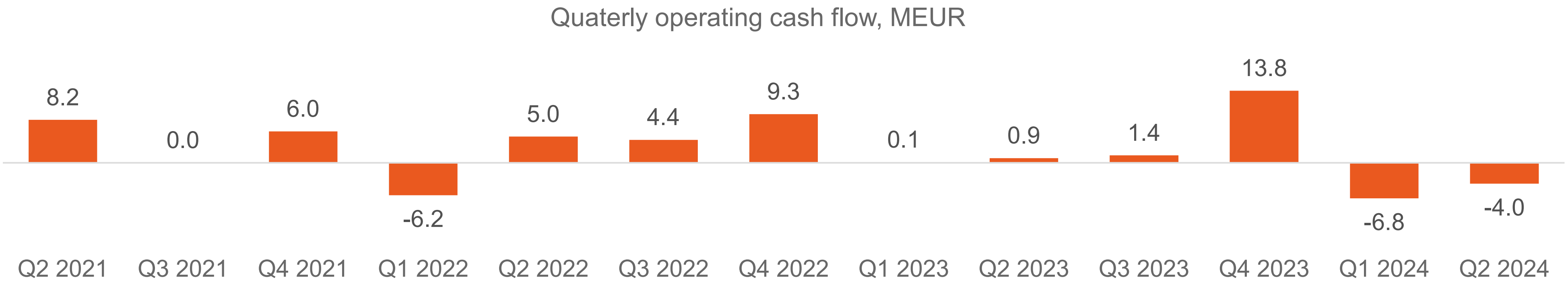
- Order intake up 2%. Machine orders flat. Services +8%
- Pre-processing technologies orders were down globally. China was up yoy but not at the high levels of previous quarters.
- Net sales up by 12% driven by higher volumes in both machines and services. Services growth +22% thanks to upgrades and spares
- Volume development drove profit increase. Gross margin for China delivered pre-processing lines have reached target levels but low volume in Switzerland and lower margin for first deliveries of new product introductions had an offsetting impact
- Higher services share and fixed costs also contributed positively

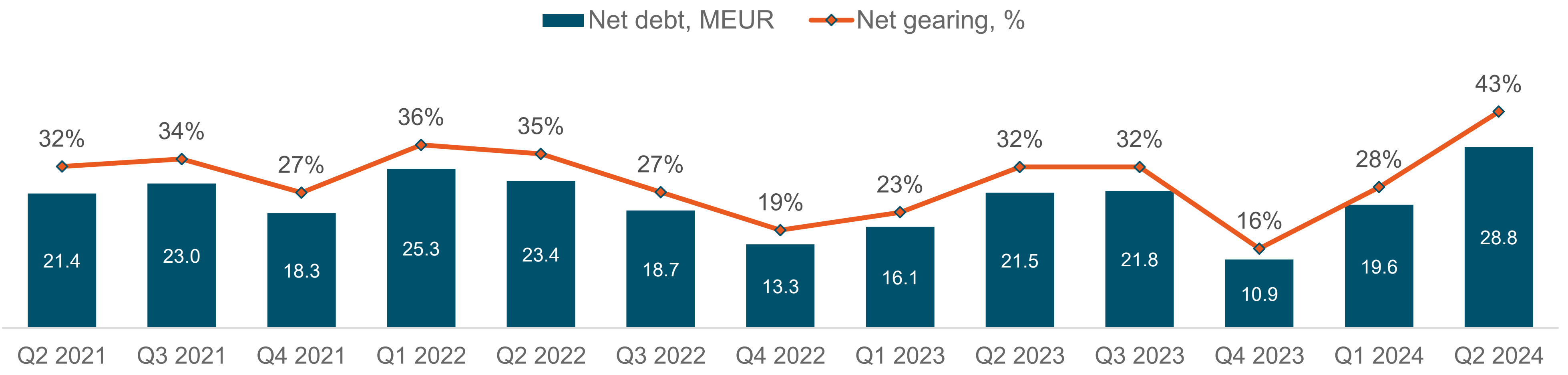
MEUR	Q2 2024	vs Q2 2023*	H1 2024	H1 2023*
Order intake	**9.8**	**2.1%**	**21.5**	**-11.5%**
Order backlog	16.7	26.1%	16.7	26.1%
Net sales	**13.0**	**12.2%**	**26.2**	**30.9%**
Comparable EBITA	0.2	764.9%	0.3	199.1%
Comparable EBITA%	**1.6%**	**0.2%**	**1.2%**	**-1.5%**

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

glaston

Cash flow and gearing burdened by working capital increase and capital return in Q2





Figures adjusted for the move of the payments of capitalized leasing contracts from operating cash flow to financial cash flow in the First half 2024 report

OUTLOOK 2024

Glaston specifies outlook for 2024

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.)

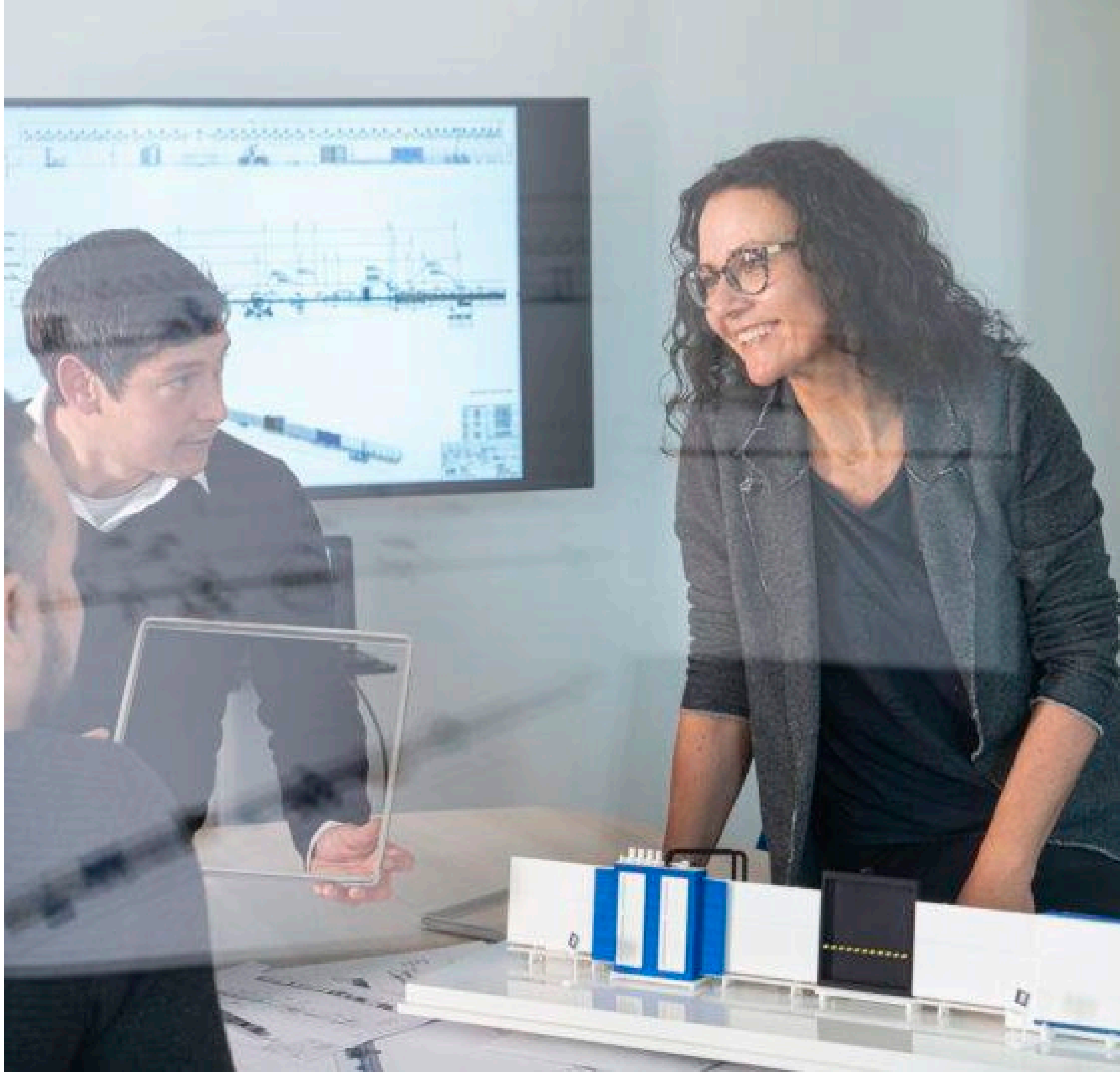
QUESTIONS

Toni Laaksonen

Glaston's new
President & CEO as of
August 12, 2024

Financial reports in 2024

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



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.

glaston

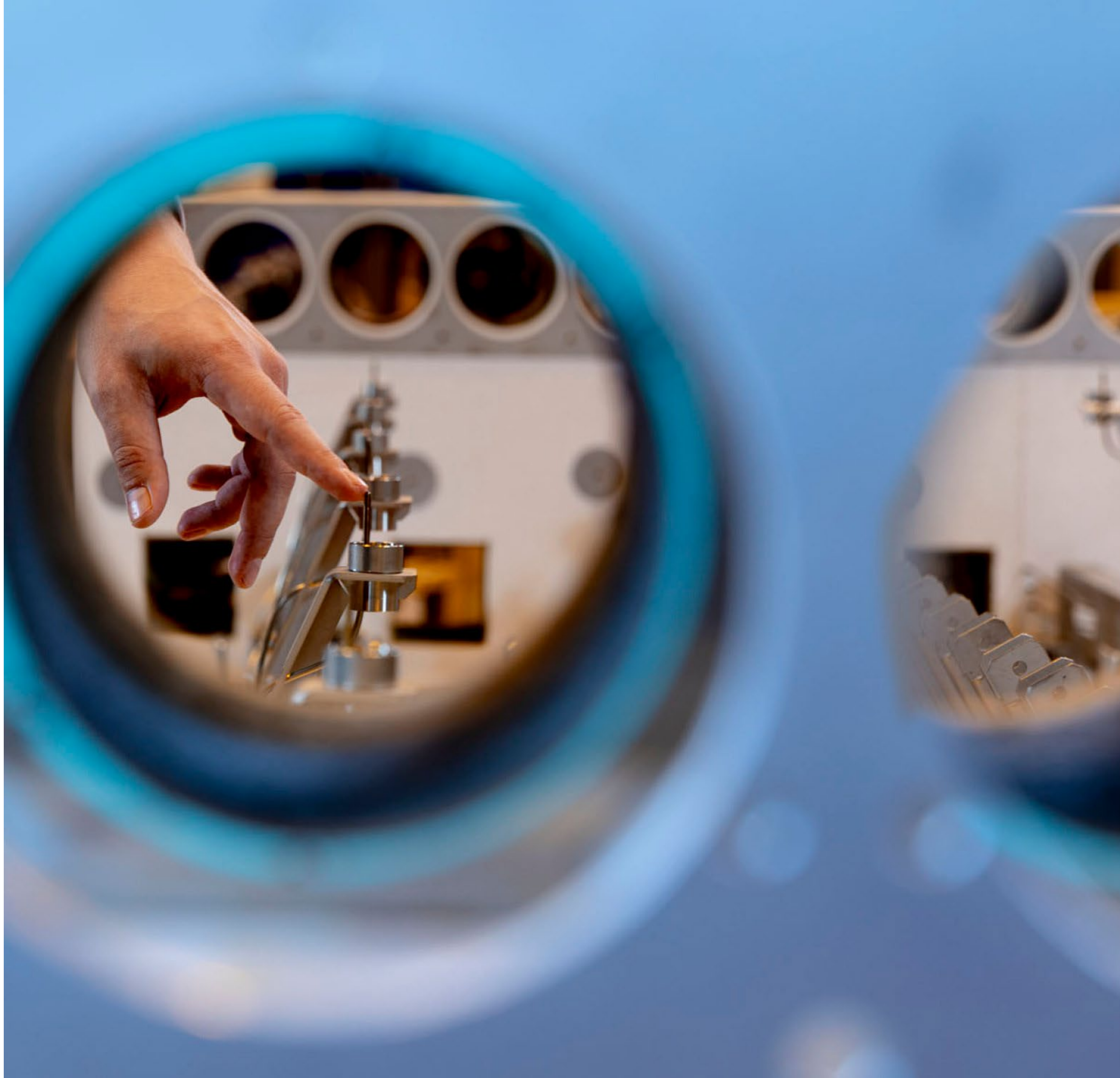
> www.glaston.net

Thank you!

IR-contact: pia.posio@glaston.net

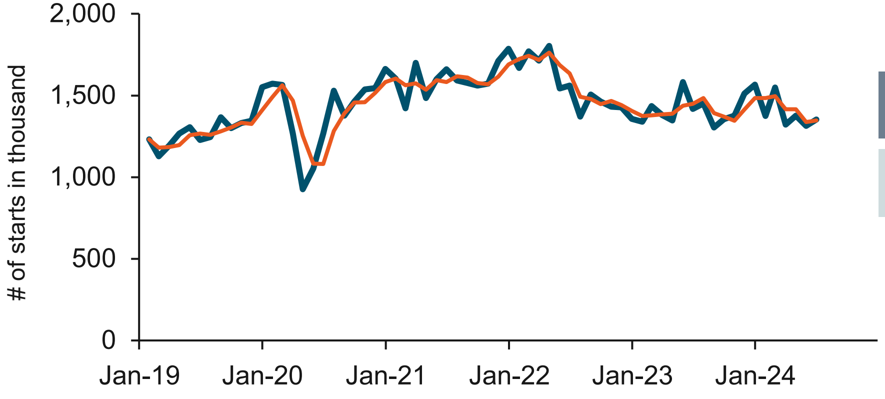
glaston
seeing it through®

APPENDIX



US and EU architectural end-market indicators

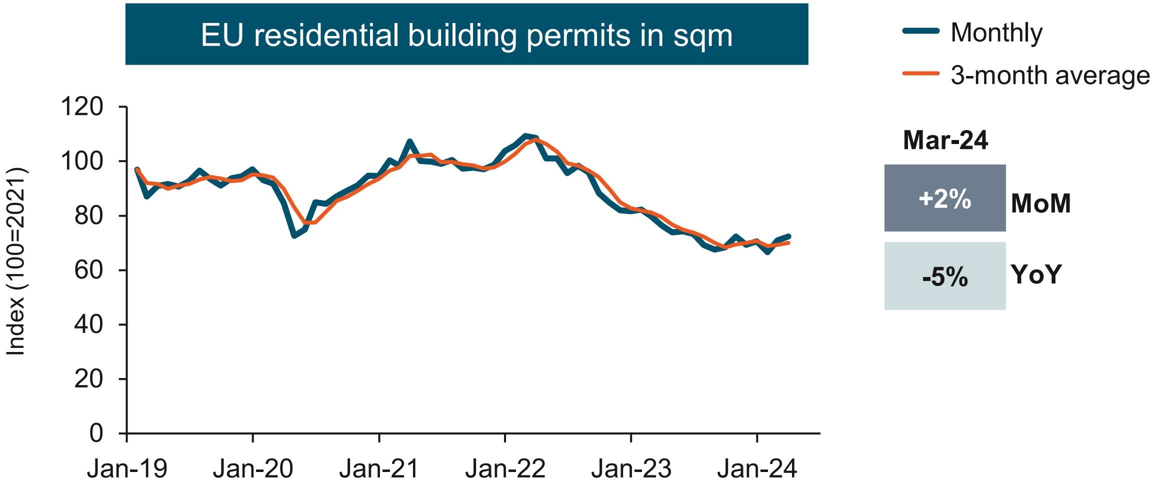
US housing starts annualized rate



Jun-24	
+3%	MoM
-5%	YoY

Source: FRED

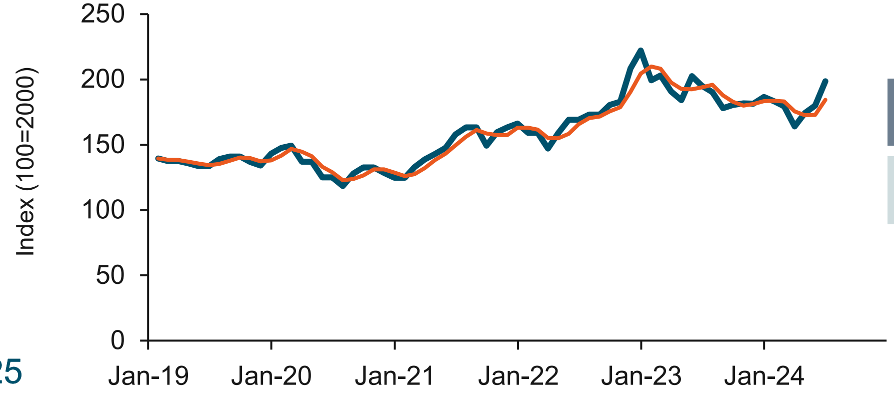
EU residential building permits in sqm



Mar-24	
+2%	MoM
-5%	YoY

Source: Eurostat

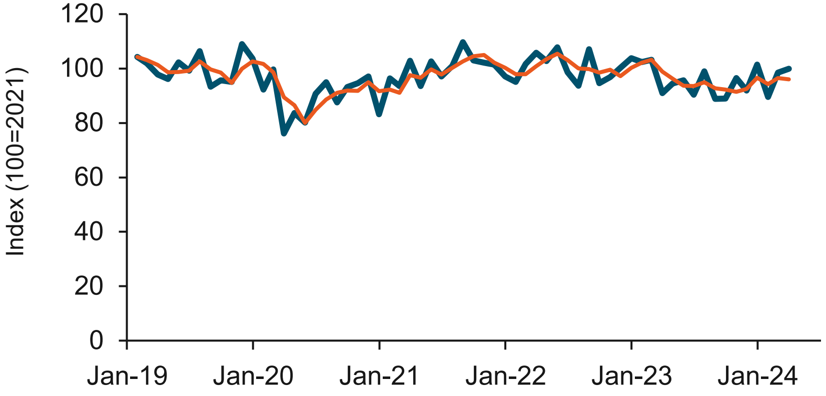
Dodge momentum index



Jun-24	
+10%	MoM
+2%	YoY

Source: Dodge construction network

EU non-residential building permits in sqm



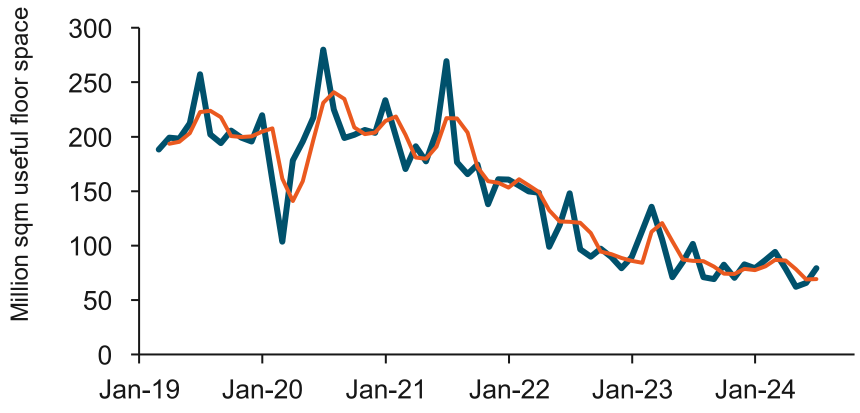
Mar-24	
+1%	MoM
+10%	YoY

Source: Eurostat

Architecture APAC and Mobility, Display, and Solar

APAC architectural and Mobility & Solar end-market indicators

China newly started real estate construction

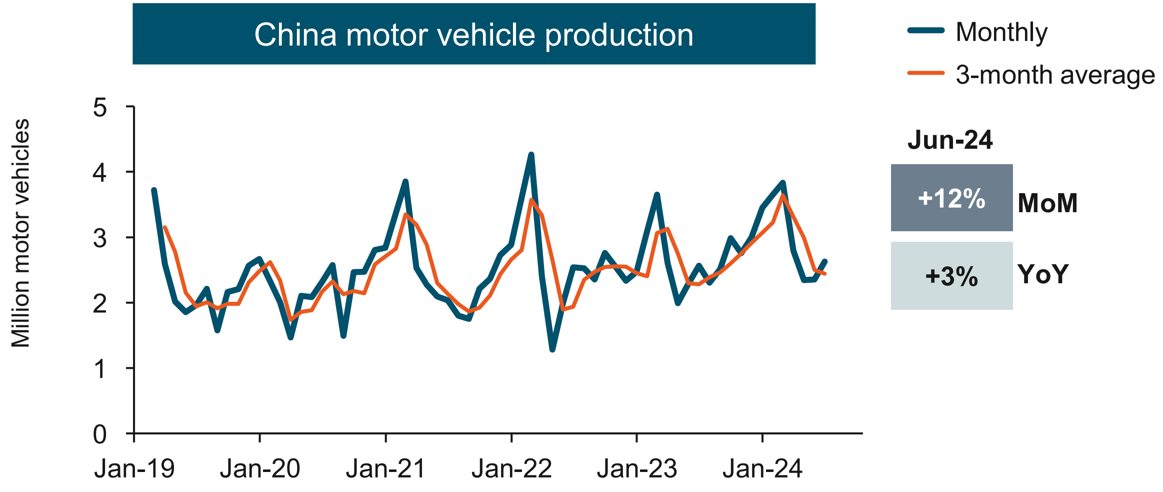


Jun-24

+21%	**MoM**
-22%	**YoY**

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

China motor vehicle production

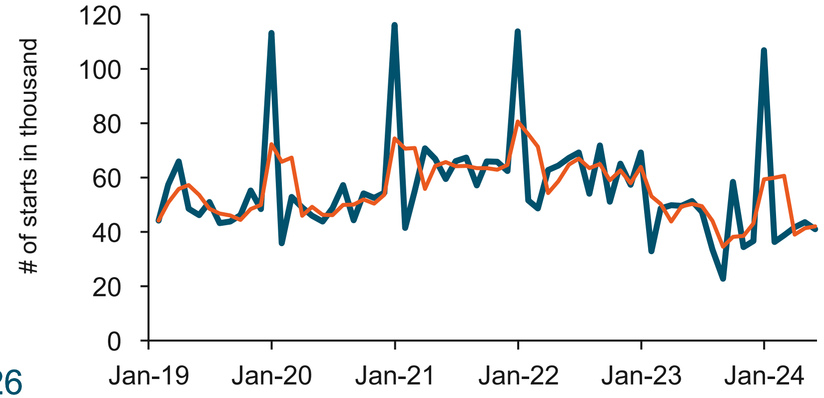


Jun-24

+12%	**MoM**
+3%	**YoY**

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

APAC* building permits

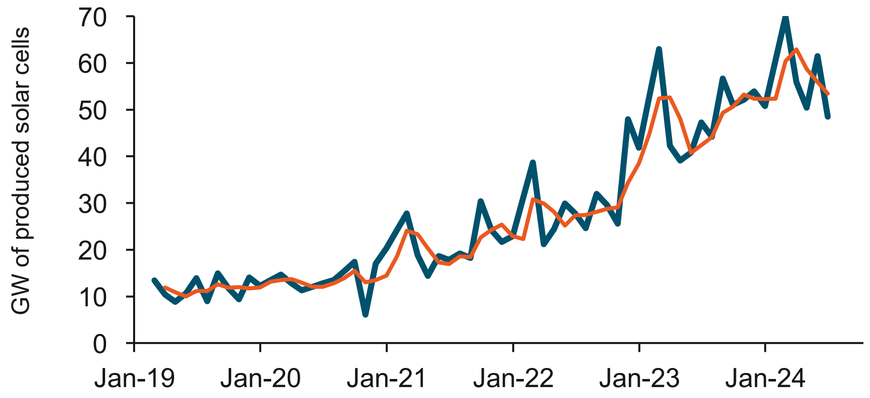


May-23

-6%	**MoM**
-20%	**YoY**

Source: FRED, Nzdata, Kosis *) Korea, New Zealand, Australia

China PV cell production



Jun-24

-21%	**MoM**
+3%	**YoY**

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