Q3 2024

Glaston Corporation

INTERIM REPORT

January – September 2024

seeing it through®

Glaston's interim report January−September 2024: Another solid quarter despite an uncertain environment

JULY–SEPTEMBER 2024 IN BRIEF

- Orders received totaled EUR 52.8 (52.2) million
- Net sales totaled EUR 55.4 (53.5) million
- Comparable EBITA was EUR 4.2 (3.9) million, i.e. 7.5 (7.3)% of net sales
- The operating result (EBIT) was EUR 2.2 (1.7) million
- Comparable earnings per share were EUR 0.028 (0.026)

JANUARY–SEPTEMBER 2024 IN BRIEF

- Orders received totaled EUR 149.6 (162.7) million
- Net sales totaled EUR 161.1 (160.0) million
- Comparable EBITA was EUR 11.0 (10.3) million, i.e. 6.8 (6.4)% of net sales
- The operating result (EBIT) was EUR 5.2 (5.5) million
- Comparable earnings per share were EUR 0.067 (0.065)

GLASTON'S OUTLOOK FOR 2024:

The cautious development in the architectural glass processing equipment market continued in the third quarter and the market is expected to remain soft during the rest of the year. For mobility glass processing equipment, the market in China has been in a growth mode but is expected to be volatile. Amid global economic uncertainty and continued geopolitical tensions, higher-than-normal uncertainty exists concerning customers' decision-making.

Glaston Corporation 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 on-going structural cost-saving actions support profitability. In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.

President & CEO Toni Laaksonen:

"Glaston performed well in the third quarter despite the challenging market environment. The cautious development in the Architectural market continued, which, in particular, affected the EMEA and Americas regions. In China, the activity in pre-processing technologies was good.

The third-quarter order intake was EUR 52.8 million, up by 5% compared to the previous quarter and on the same level as in the July−September period in 2023. Received orders in the Mobility, Display and Solar segment were up by 59% and compensated for the 13% decline in the Architecture segment. The order intake for Tempering and Laminating Technologies increased by 72% from a very low comparison period, whereas order intake for Insulating Glass Technologies fell 48% year-on-year. Service's order intake saw an increase of 6%.

Net sales were up by 4% to EUR 55.4 million driven by growth in Insulating Glass Technologies and Mobility, Display and Solar Technologies. Service's net sales were on the same level as in the comparison period and its share of net sales was 38%. Profitability continued to improve. Comparable EBITA was up by 7% year-on-year to EUR 4.2 million, corresponding to a margin of 7.5%.

Currently, Asia is clearly the fastest-developing mobility market. Aiming at further streamlined global production and improved operational efficiency as well as improved capability to serve our customers globally close to their markets, we started the transfer of all production of pre-processing equipment from Glaston Switzerland to our factory in Tianjin, China. Since the announcement in August, the actions have progressed as planned and currently, the inventory shipment to Tianjin is in progress. In Switzerland, a consultation procedure with employee representatives has been completed and the social plan agreed upon. As a result, approximately 30 employees in Switzerland will leave the company by the end of 2025.

My first quarter at Glaston and the glass processing industry can be summarized as very positive. I have had the opportunity to meet many Glaston teams and customers worldwide. Glaston has numerous strengths to stand on. I have noticed the process and technology know-how that spreads through the company as well as the vast competence of our employees. When meeting with customers, I have received positive feedback for, in particular, our technology expertise, products and innovations - many of them developed in cooperation with our customers and partners. On this note, we have joined forces with Corning Incorporated, one of the world's leading innovators in materials science, for ultra-thin glass processing, utilizing Glaston's new processing method suitable for installing thin glass into triple-insulating glass units. Thin triple insulating glass generates high interest due to its sustainable and environmentally friendly end product advantages.

During my first weeks in my role, I have also identified opportunities, such as further improvement in operational excellence and efficiency, not to forget the many opportunities for the Services business growth.

Today, we announced a plan for organizational changes to further accelerate strategy execution. With industry-leading customer support and service as our goal, we will strengthen our resources in the customer interface and increase our investments in service capabilities. We will continue optimizing our global operations and supply chain to accelerate profitability development and reach additional operational efficiencies.

For the final quarter, we expect market activity to remain slow. Supported by our product development investments and new product launches, our top priorities for the rest of the year are securing the order intake and project deliveries according to expectations."

GLASTON GROUP'S KEY FIGURES

MEUR	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Orders received	52.8	52.2	1.2%	149.6	162.7	8.0%	220.3
of which service operations	19.3	18.2	5.5%	57.0	54.2	5.1%	74.4
of which service operations, %	36.5%	35.0%		38.1%	33.3%		33.8%
Order book at end of period	101.7	112.3	-9.4%	101.7	112.3	-9.4%	106.5
Net sales	55.4	53.5	3.6%	161.1	160.0	0.7%	219.7
of which service operations	21.1	20.9	1.0%	57.8	56.0	3.1%	76.0
of which service operations, %	38.0%	39.0%		35.8%	35.0%		34.6%
EBITDA	4.3	3.6	20.1%	11.5	11.0	4.2%	15.7
Items affecting comparability [1]	0.9	1.4	-32.1%	2.7	2.4	13.6%	3.3
Comparable EBITDA	5.2	4.9	5.6%	14.2	13.4	5.9%	19.0
Comparable EBITDA, %	9.4%	9.3%		8.8%	8.4%		8.7%
Comparable EBITA	4.2	3.9	6.9%	11.0	10.3	6.9%	14.9
Comparable EBITA, %	7.5%	7.3%		6.8%	6.4%		6.8%
Operating result (EBIT)	2.2	1.7	30.8%	5.2	5.5	-5.7%	8.1
Profit/loss for the period	1.3	0.8	62.5%	2.7	2.8	-4.2%	5.0
Comparable earnings per share, EUR	0.028	0.026	7.3%	0.067	0.065	2.8%	0.104
Cash flow from operating activities	8.8	1.4	529.1%	-2.0	2.5	-181.1%	16.3
Return on capital employed (ROCE), %, (annualized)				7.0%	7.2%	-	8.1%
Comparable return on capital employed (ROCE), %, (annualized)				11.0%	10.9%		12.7%
Equity ratio, %				43.8%	43.8%		45.2%
Net gearing, %				32.2%	32.3%		15.8%
Number of employees at end of period				800	803	-0.4%	802

1) + cost, - income

OPERATING ENVIRONMENT

Architectural glass equipment

In the July−September period, the Architectural market remained 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. 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, the residential market showed some signs of a slowdown. In Asia, market activity improved in many countries.

The tempering market activity was stable, however at a relatively low level in all market areas. 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. Demand for laminating equipment remained low.

Demand for insulating glass equipment was affected by the unfavorable development of key architectural economic indicators and the general slowdown of the market. Due to the weak development of the residential markets in the US and Europe, investment decisions were postponed. In China, the technology shift in insulating glass technologies towards the Thermo Plastic Spacer (TPS®) technology supported demand for Glaston's products. Elsewhere in the Asia-Pacific region, the insulating glass line investment activity in general developed positively.

Mobility, Display & Solar glass equipment

Supported by the transition to electric vehicles, China remained the most active mobility market. A significant part of the investment demand in China is driven by the high expectations for electric vehicle sales outside of China. However, potential trade sanctions, by the EU in particular, increase market uncertainty and cause volatility. In the rest of the world, the markets remained slow.

Due to customers looking for capacity expansion, the good demand for Glaston's pre-processing equipment continued in China. Demand outside China remained low. Driven primarily by equipment renewals and secondarily by capacity expansions, cautiously growing demand was noted for heat treatment equipment, mainly outside of China.

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

July−September

Despite the sluggish Architectural market, the Group's orders received were EUR 52.8 (52.2) million, up by 1% year-on-year. Orders received for Architectural Tempering and Laminating Technologies were up 72% from the low comparison period, while orders for Insulating Glass Technologies were down by 48%. For Mobility, Display and Solar Technologies, order intake saw good growth and was up by 125%. Service's order intake was up by 6% compared to the same period in the previous year.

Orders received, EUR million	7–9/2024	7–9/2023	Change%	1–9/2024	1–9/2023	Change%	1–12/2023
Architecture	36.3	41.8	-13.2%	111.2	127.4	-12.8%	165.8
Mobility, Display & Solar	16.3	10.2	59.3%	37.7	34.5	9.5%	53.5
Total segments	**52.6**	**52.1**	**1.0%**	**148.9**	**161.9**	**-8.0%**	**219.2**
Unallocated and eliminations	0.2	0.1	71.3%	0.7	0.8	-11.4%	1.0
Total Glaston Group	**52.8**	**52.2**	**1.2%**	**149.6**	**162.7**	**-8.0%**	**220.3**

January−September

Order intake was down 8% compared to the corresponding period in 2023 and totaled EUR 149.6 (162.7) million. Orders received for Architectural Tempering and Laminating Technologies were down by 9% due to the low order intake in the previous quarters of the year. Orders received for Insulating Glass Technologies were down by 30% because of the weaker performance in the April−September period. For Mobility, Display and Solar Technologies, order intake was up by 16%. Services' order intake was up by 5% year-on-year.

Order book

At the end of the third quarter, the order book stood at EUR 101.7 (112.3) million and was 9% lower than in the corresponding period in 2023. The Architecture segment's order book totaled EUR 81.6 (99.7) million, representing 80% of the Group's order book, while the Mobility, Display & Solar segment's order book totaled EUR 20.1 (12.6) million or 20% of the Group's total.

Net sales and profitability

July−September

The Group's net sales were up 4% from the corresponding period in 2023 and totaled EUR 55.4 (53.5) million, mainly due to the strong growth in Mobility, Display and Solar technologies. The Architecture segment's net sales were down by 4% from the comparison period and totaled EUR 41.8 (43.5) million. Net sales in the Mobility, Display & Solar segment were up by 37% to EUR 13.5 (9.8) million. Services' net sales were on the same level as in the comparison period.

Of total net sales, the Architecture segment accounted for 75% and the Mobility, Display & Solar segment for 24%. Geographically, the EMEA region accounted for 43%, the Americas for 25%, and the APAC region for 32% of third-quarter net sales.

Comparable EBITA was up by 7% and was EUR 4.2 (3.9) million, i.e. 7.5 (7.3)% of net sales. Higher machine volume impacted positively whereas lower machines margin had a negative effect. The Architecture segment's comparable EBITA was down by 4% with unchanged EBITA margin. The Mobility, Display & Solar segment had a turnaround from a loss-making comparison period and comparable EBITA improved to EUR 0.3 million.

The comparable operating result was EUR 3.1 (3.1) million, i.e. 5.7 (5.7)% of net sales. The third-quarter operating result was EUR 2.2 (1.7) million. Items affecting comparability amounting to EUR -0.9 (-1.4) million were recognized and were mainly related to restructuring costs and legal costs of a patent dispute in the US. Financial income and expenses were EUR -0.5 (-0.5) million. The result before taxes was EUR 1.6 (1.1) million. The result for the third quarter was EUR 1.3 (0.8) million and earnings per share were EUR 0.016 (0.010). The comparable earnings per share were EUR 0.028 (0.026).

January−September

The Group's net sales were slightly higher than in the corresponding period in 2023 and totaled EUR 161.1 (160.0) million as the decline in the Architecture segment was compensated by the growth in the Mobility, Display & Solar segment. Affected by the softer order intake in the previous quarters, the Architecture segment's net sales were down 6% from the comparison period and totaled EUR 121.0 (129.4) million. Net sales in the Mobility, Display & Solar segment were up 33% to EUR 39.7 (29.9) million. Services' net sales were up by 3% from the comparison period.

Comparable EBITA amounted to EUR 11.0 (10.3) million, i.e. 6.8 (6.4)% of net sales. Higher volume and services margin were the main contributors to the profit improvement.

The comparable operating result was EUR 7.9 (7.9) million, i.e. 4.9 (4.9)% of net sales. The operating result was EUR 5.2 (5.5) million. Items affecting comparability totaled EUR -2.7 (-2.4) million and were mainly related to a patent dispute in the US and restructuring costs. Financial income and expenses were EUR -1.4 (-0.7) million. The result before taxes was EUR 3.5 (4.4) million. The result for the January−September period was EUR 2.7 (2.8) million.

Earnings per share were EUR 0.032 (0.033) and comparable earnings per share were EUR 0.067 (0.065).

Reporting segment Architecture

Architecture segment's third quarter in brief:

- Markets remained soft
- Order intake down 13% due to a decline in Insulating Glass Technologies
- Net sales down 4%. EBITA-margin stable at 9.2%

Architecture KEY RATIOS EUR million	7–9/2024	7–9/2023	Change%	1–9/2024	1–9/2023	Change%	1–12/2023
Orders received	36.3	41.8	-13.2%	111.2	127.4	-12.8%	165.8
of which service operations	13.8	12.8	7.7%	41.9	39.3	6.7%	55.0
of which service operations, %	38.1%	30.7%		37.7%	30.8%		33.2%
Order book at end of period	81.6	99.7	-18.2%	81.6	99.7	-18.2 %	89.6
Net sales	41.8	43.5	-4.0%	121.0	129.4	-6.5%	175.1
of which service operations	15.3	15.7	-2.2%	41.7	41.8	-0.1%	56.8
of which service operations, %	36.7%	36.0%		34.5%	32.3%		32.4%
Comparable EBITA	3.8	4.0	-4.1%	10.3	10.6	-2.6%	15.1
Comparable EBITA, %	9.2%	9.2%		8.5 %	8.2%		8.6%
Operating result (EBIT)	2.6	2.6	-0.9%	6.0	7.4	-19.1%	10.4
Operating result (EBIT), %	6.2%	6.0%		4.9%	5.7%		5.9%

Orders received

July–September
The slowdown in the Architectural market was reflected in the segment's order intake, which was EUR 36.3 (41.8) million, down 13% compared to the same period in 2023. The Architectural Tempering and Laminating Technologies order intake was up 72% to EUR 10.5 (6.1) million, with among others several orders for the new FC Series E tempering line. The order intake for Insulating Glass Technologies fell 48% and was EUR 11.9 (22.9) million due to the unfavorable development of the residential markets in the US and Europe. However, the TPS® spacer technology continued to gain traction as did the market for lighter-weight insulating glass units. Service's orders were up 8% with steady development for tempering upgrades. Among the most significant were two zone upgrades for a ProL laminating line and an RC tempering line respectively. The customers' lower utilization rates continued to affect demand for spare parts and field services.

January–September
The Architectural market was slower than expected. The order intake decreased by 13% compared to the corresponding period in the previous year and totaled EUR 111.2 (127.4) million. Architectural Tempering and Laminating Technologies orders were down by 9% and Insulating Glass Technologies down by 30%. Service orders were up by 7%.

Order book
The order book decreased by 18% and stood at EUR 81.6 (99.7) million at the end of the period.

Financial development

July–September
The segment's net sales fell by 4% and were EUR 41.8 (43.5) million. Net sales for Architectural Tempering and Laminating Technologies declined by 20% due to lower order intake in earlier quarters whereas for Insulating Glass Technologies net sales were up by 6%. Service net sales were on the same level as in the comparison period. Comparable EBITA was EUR 3.8 (4.0) million, i.e. 9.2 (9.2)% of net sales. Comparable EBITA declined due to volume development. Services margin improvement more than offset the decline in machines margin.

January–September
The segment's net sales were down by 6% and totaled EUR 121.0 (129.4) million due to the decline in Tempering and Laminating Technologies. Comparable EBITA was EUR 10.3 (10.6) million, i.e. 8.5 (8.2)% of net sales. The positive development in machine and services margins as well as the higher services share contributed positively to profitability.

Reporting segment Mobility, Display & Solar

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

- Chinese mobility market was active. The segment's new orders were up by 59%
- Strong growth in net sales, profitability improved
- The transfer of the pre-processing equipment production from Switzerland to China proceeded in line with the plans

Mobility, Display & Solar KEY RATIOS EUR million	7–9/2024	7–9/2023	Change%	1–9/2024	1–9/2023	Change%	1–12/2023
Orders received	16.3	10.2	59.3%	37.7	34.5	9.5%	53.5
of which service operations	5.4	5.4	0.3%	15.1	14.9	1.1%	19.3
of which service operations, %	33.2%	52.8%		39.9%	43.2%		36.2%
Order book at end of period	20.1	12.6	59.8%	20.1	12.6	59.8%	16.9
Net sales	13.5	9.8	37.1%	39.7	29.9	33.0%	43.6
of which service operations	5.7	5.2	10.8%	16.0	14.2	12.6%	19.2
of which service operations, %	42.5%	52.6%		40.4%	47.7%		44.0%
Comparable EBITA	0.3	-0.1	310.1%	0.6	-0.4	233.1%	-0.5
Comparable EBITA, %	2.1%	-1.4%		1.5%	-1.5%		-1.1%
Operating result (EBIT)	-0.4	-1.0	54.2%	-1.0	-2.1	53.8%	-2.5
Operating result (EBIT), %	-3.3%	-9.8%		-2.5%	-7.1%		-5.7%

Orders received

July–September
Driven by the strong demand in China, several automotive pre-processing line orders from Chinese customers were received and the segment's order intake was up by 59% to EUR 16.3 (10.2) million. Also, a CNC96 upgrade order was received from a key stakeholder, which is expected to boost the upgrade business going forward.

January–September
The segment's order intake was up by 10% year-on-year, totaling EUR 37.7 (34.5) million. Good development was noted for Automotive Pre-Processing Technologies. Order intake for Automotive Heat Treatment Technologies was on the same level as in the comparison period. Demand outside China was weak.

Order book
The segment's order book increased by 60% and stood at EUR 20.1 (12.6) million at the end of the period.

Financial development

July–September
The Mobility, Display & Solar segment's net sales were up by 37% and were EUR 13.5 (9.8) million due to the improving order intake in the previous quarters. Services' net sales increased by 11% driven by upgrades. Comparable EBITA was slightly positive at EUR 0.3 (-0.1) million, i.e. 2.1 (-1.4)% of net sales. Profitability improvement was mainly due to higher volume both in machines and services. Lower machine margin and lower share of services impacted negatively.

January–September
The segment's net sales increased by 33% to EUR 39.7 (29.9) million. Comparable EBITA was EUR 0.6 (-0.4) million, i.e. 1.5 (-1.5)% of net sales, and was mainly due to the strong net sales growth, especially in machines. This more than offset the negative impacts of margin decline and product mix.

Production transfer

In August, the plan to transfer production of all glass pre-processing equipment from Glaston Switzerland to Tianjin, China was announced. Since the announcement, the actions have progressed as planned and the inventory shipment to Tianjin has started. In Switzerland, the consultation procedure with employee representatives was completed and the social plan was agreed upon.

Financial position, cash flow and financing

At the end of September, Glaston Group's balance sheet total was EUR 190.6 (197.9) million. Intangible assets amounted to EUR 75.3 (76.9) million, of which goodwill was EUR 58.1 (58.4) million. At the end of the period, property, plant, and equipment amounted to EUR 22.8 (23.1) million and inventories to EUR 37.7 (37.3) million.

The comparable return on capital employed (ROCE) was 11.0 (10.9)%.

At the end of September, the company's net gearing was 32.2 (32.3)%. The equity ratio was the same as in the comparison period 43.8% (43.8)%. Net interest-bearing debt totaled EUR 21.6 (21.8) million.

The third-quarter cash flow from operating activities, before the change in working capital, was EUR 5.1 (3.9) million. Cash flow from the change in working capital was EUR 3.6 (-2.5) million, which was mainly due to increase in advance payments. Cash flow from operating activities was EUR 8.8 (1.4) million. Cash flow from investing activities was EUR -0.8 (-1.3) million. Net cash flow from financing activities was EUR -1.1 (-0.9) million.

Capital expenditure and product development

Glaston Group's January−September gross capital expenditure totaled EUR 2.6 (5.4) million and was primarily related to product development. Depreciation and amortization of property, plant, and equipment, and intangible assets totaled EUR 6.3 (5.6) million.

In product development, preparations for the industry's leading event, the glasstec exhibition organized in October 2024, continued. At the event, Glaston will showcase its latest innovations such as the Glaston ProL SPEED version of the laminating line where each part of the line has been specifically designed to combine fast and efficient movements with easy changeovers between different glass types and sizes, thicknesses and shapes. ProL SPEED significantly increases the overall efficiency and productivity of the line. In flat glass tempering, Glaston FC Series E is the latest advancement in the product family. Targeted at the mid-segment, this line comes with an advanced and efficient circulated air convection system, Glaston Bora, which allows the processing of all types of glass with the highest energy efficiency. Thanks to the system's optimized heating and cooling, energy consumption is brought to the lowest levels.

In insulating glass technologies, the new Glaston TPS® PRO solution features a new control system and production process subsequence for as much as 15% higher yield. Also relying on the TPS® technology, a new processing method suitable for installing thin glass down to 0.5 mm thickness as the middle pane into triple insulating glass units will be introduced. A third new TPS® technology innovation is the Glaston MUNTIN'MASTER for TPS® lines, which automates the correct setting of muntins in TPS® IG units. The advanced solution replaces manual work, boosting precision and efficiency with speed by using innovative embedding technology.

Also to be introduced is the automatic loading solution for glass tempering lines, which improves workflow efficiency and minimizes idle time, and reduces energy consumption while the Batch Building Instructor guides operators on how to most efficiently position glasses on the loading table based on specific process requirements.

In January−September, research and product development expenditure, excluding depreciation, totaled EUR 7.8 (6.4) million, of which EUR 1.3 (2.6) million was capitalized. Research and product development expenditure amounted to 4.8 (4.0)% of net sales.

Organization & Personnel

Due to the transfer of the production of all pre-processing equipment from Glaston Switzerland to Glaston Tianjin, a consultation procedure with employee representatives following local processes was conducted in Switzerland. As a result of this procedure, approximately 30 employees will leave the company by the end of 2025. Previously Glaston had estimated that the plan could affect an estimated 30 employees.

Glaston Group had 800 (803) employees on September 30, 2024. The Architecture segment employed 617 (634) and the Mobility, Display & Solar segment employed 182 (168) people.

Changes to the Executive Leadership Team

On August 12, 2024, Toni Laaksonen took up his position as President and CEO of Glaston Corporation. On the same date, Antti Kaunonen, a member of the Board of Directors, stepped down from the role as interim CEO and resumed his position as a member of the Board's People and Remuneration Committee.

STRATEGY

Glaston seeks to lead the global glass processing industry forward with innovative technologies and lifecycle solutions. To remain at the forefront of glass processing equipment and service development, Glaston continuously makes significant investments in innovation and developing its technology portfolio.

At the center of Glaston's product development is the automation of core tempering and laminating processes and the production of insulating glass. In line with the strategy, several new product development projects were entering the launch phase ahead of glasstec, the industry's major biennial trade exhibition.

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 voting right. Glaston Corporation's share capital on September 30, 2024, was EUR 12.7 (12.7) million.

			No. of shares	Share turnover, EUR million
GLA1V			84,289,911	6.4
	Highest	Lowest	Closing	Average price *)
Share price	0.98	0.72	0.83	0.87
			30.9.2024	30.9.2023
Market value			69.9	65.6
Number of shareholders			7,408	7,668
Foreign ownership, %			27.8	27.4

*) trading-weighted average

ANNUAL GENERAL MEETING 2024

The Annual General Meeting (AGM) was held on April 9, 2024, in Helsinki. The AGM decided to pay a return of capital of EUR 0.05 per share, which was paid on April 25, 2024. In addition, the AGM agreed on all other items on the agenda in line with the proposals made by the Shareholders' Nomination Board and the Board of Directors. The resolutions of the AGM 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 continue 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.

Supported by the transition to electric vehicles, China is the mobility market's most active region. Outside China, demand is well below typical levels and recovery is not expected soon. In China, the market has been in a growth mode but is expected to be volatile. Glaston closely follows this development.

The tightened monetary policy by central banks to tackle inflation has led to higher financing costs for customers and increased consideration for new investments or operating cost savings. The more recent interest rate cuts have not so far changed customers cautious investment behaviour. Due to increasing market uncertainty and higher financing costs, customers may also wish to postpone or cancel their orders. Furthermore, the uncertain market conditions could adversely affect customers' payment capabilities. Continued geopolitical uncertainties and rising tensions between the West and China could lead to polarization, unexpected trade restrictions, disturbances and increasing uncertainty over demand for Glaston's products and services.

Glaston continuously monitors the global economy's development outlook 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 continues restructuring its organization. Despite close follow-up and monitoring, there could be a risk of not being able to harness the planned operational, 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 October 10, 2024, Glaston disclosed that Robert Prange, a member of the Executive Leadership Team and SVP Automation & SCM, had decided to leave the company on October 13, 2024, to pursue new opportunities outside Glaston.

On October 30, 2024, Glaston disclosed a plan to reorganize the company structure targeting extended focus on strengthening customer experience, especially in Services, ensuring continued positive profitability development and reaching additional operational efficiencies by optimizing global operations and supply chain management. More information is available in the stock exchange release published on October 30, 2024, at 8.15 a.m.

GLASTON’S OUTLOOK FOR 2024

The cautious development in the architectural glass processing equipment market continued in the third quarter and the market is expected to remain soft during the rest of the year. For mobility glass processing equipment, the market in China has been in a growth mode but is expected to be volatile. Amid global economic uncertainty and continued geopolitical tensions, higher-than-normal uncertainty exists concerning customers’ decision-making.

Glaston Corporation 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 on-going structural cost-saving actions support profitability. In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.

GLASTON CORPORATION

INTERIM FINANCIAL REPORT 1 JANUARY – 30 SEPTEMBER 2024

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
Net sales	**55.4**	**53.5**	3.6%	**161.1**	**160.0**	0.7%	**219.7**
Other operating income	0.4	0.4		1.5	1.8		2.5
Changes in inventories of finished goods and work in progress	0.0	-2.4		4.8	2.8		1.6
Own work capitalized	0.3	0.0		0.5	0.5		0.6
Materials	-22.5	-19.3		-68.7	-69.1		-94.9
Personnel expenses	-16.7	-16.3		-51.7	-50.9		-69.2
Other operating expenses	-12.6	-12.3		-36.0	-34.1		-44.6
Depreciation amortization and impairment	-2.1	-1.9		-6.3	-5.6		-7.6
Operating result	**2.2**	**1.7**	30.8%	**5.2**	**5.5**	-5.7%	**8.1**
Financial items, net	-0.5	-0.5		-1.4	-0.7		-0.8
Interest expenses on lease liabilities	-0.1	-0.1		-0.3	-0.3		-0.4
Result before income taxes	**1.6**	**1.1**	44.4%	**3.5**	**4.4**	-21.1%	**6.9**
Income taxes	-0.3	-0.3		-0.8	-1.6		-1.8
Profit / loss for the period	**1.3**	**0.8**	62.5%	**2.7**	**2.8**	-4.2%	**5.0**
Earnings per share, EUR	0.016	0.010		0.032	0.033		0.060

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit / loss for the period	**1.3**	**0.8**	**2.7**	**2.8**	**5.0**
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	-0.4	0.5	-0.1	-0.1	-0.3
Cash flow hedges	0.0	-0.5	-0.4	0.1	0.3
Cash flow hedges, taxes	0.0	0.1	0.1	-0.1	-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	**-0.4**	**0.1**	**-0.5**	**-0.1**	**-0.2**
Total comprehensive income for the reporting period	**0.9**	**1.0**	**2.2**	**2.7**	**4.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

EUR million	30.9.2024	30.9.2023	31.12.2023
Assets			
Non-current assets			
Goodwill	58.1	58.4	58.2
Other intangible assets	17.2	18.5	18.9
Property, plant and equipment	22.8	23.1	23.2
Right-of-use assets	5.9	6.0	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	3.1	2.2	1.6
Total non-current assets	**108.4**	**108.8**	**108.2**
Current assets			
Inventories	37.7	37.3	35.8
Trade and other receivables	21.3	23.3	18.6
Contract assets	10.9	17.2	13.7
Total receivables	32.2	40.5	32.3
Cash equivalents	12.3	11.3	20.2
Total current assets	**82.2**	**89.1**	**88.3**
Total assets	**190.6**	**197.9**	**196.5**

EUR million	30.9.2024	30.9.2023	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	-0.2
Other unrestricted equity reserves	0.1	0.4	0.5
Retained earnings	-47.9	-52.3	-50.5
Exchange difference	4.6	4.9	4.7
Total equity	**67.2**	**67.5**	**69.3**
Non-current liabilities			
Non-current interest-bearing liabilities	23.0	21.8	19.9
Non-current lease liabilities	4.7	5.5	5.1
Non-current interest-free liabilities and provisions	0.5	0.4	0.4
Deferred tax liabilities	10.2	9.9	9.6
Total non-current liabilities	**38.5**	**37.5**	**35.0**
Current liabilities			
Current interest-bearing liabilities	4.0	4.0	4.0
Current lease liabilities	2.2	1.9	2.0
Current provisions	4.8	4.4	3.5
Trade and other current interest-free payables	71.5	80.6	81.2
Contract liabilities	0.5	0.8	0.4
Liabilities for current tax	1.9	1.2	1.0
Total current liabilities	**84.9**	**92.9**	**92.2**
Total liabilities	**123.4**	**130.4**	**127.2**
Total equity and liabilities	**190.6**	**197.9**	**196.5**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Cash flows from operating activities					
Cash flow before change in net working capital	5.1	3.9	11.2	10.6	14.8
Change in net working capital	3.6	-2.5	-13.2	-8.1	1.5
Net cash flow from operating activities	**8.8**	**1.4**	**-2.0**	**2.5**	**16.3**
Cash flow from investing activities					
Purchases of non-current assets	-0.8	-1.3	-2.6	-5.4	-7.5
Proceeds from sale of other non-current assets	0.0	0.0	0.0	0.1	0.2
Net cash flow from investing activities	**-0.8**	**-1.3**	**-2.6**	**-5.3**	**-7.3**
Cash flow before financing	7.9	0.1	-4.6	-2.8	6.4
Cash flow from financing activities					
Acquisition of treasury shares	-	-0.2	-	-0.2	-0.2
Increase in non-current liabilities	5.0	-	5.0	-	-
Decrease in non-current liabilities	-	-	-	-	-
Changes in loan receivables (increase - / decrease +)	-	-	-	-	-
Increase in short-term liabilities	-	-	5.4	-	-
Decrease in short-term liabilities	-5.4	-0.0	-7.4	-2.0	-4.0
Repayment of leasing liabilities[1]	-0.7	-0.6	-2.1	-1.9	-2.5
Return of capital	-	-0.0	-4.2	-3.4	-3.4
Net cash flow from financing activities	**-1.1**	**-0.9**	**-3.3**	**-7.5**	**-7.6**
Effect of exchange rate changes	-0.7	0.1	0.0	-0.7	-0.9
Net change in cash and cash equivalents	**6.2**	**-0.7**	**-7.9**	**-10.9**	**-2.1**
Cash and cash equivalents at the beginning of period	6.1	12.0	20.2	22.2	22.2
Cash and cash equivalents at the end of period	12.3	11.3	12.3	11.3	20.2
Net change in cash and cash equivalents	**6.2**	**-0.7**	**-7.9**	**-10.9**	**-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	2.7	-0.1	**2.2**
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 September 2024	**12.7**	**0.1**	**97.8**	**-0.2**	**0.1**	**-47.9**	**4.6**	**67.2**

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	-	-	-	-	0.0	2.8	-0.1	**2.7**
Acquisition of of own shares	-	-	-	-0.2	-	-	-	**-0.2**
Disposal of own shares	-	-	-	-	-	-	-	**-**
Share-based incentive plan	-	-	-	-	-	0.0	-	**0.0**
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 September 2023	**12.7**	**0.1**	**102.0**	**-0.2**	**0.4**	**-52.3**	**4.9**	**67.5**

KEY RATIOS	30.9.2024	30.9.2023	31.12.2023
EBITDA, as % of net sales	7.1%	6.9%	7.2%
Comparable EBITDA, as % of net sales	8.8%	8.4%	8.7%
Operating profit (EBIT), as % of net sales	3.2%	3.4%	3.7%
Comparable EBITA, as % of net sales	6.8%	6.4%	6.8%
Profit / loss for the period, as % of net sales	1.6%	1.7%	2.3%
Gross capital expenditure, EUR million	2.6	5.4	7.5
Gross capital expenditure, as % of net sales	1.6%	3.4%	3.4%
Equity ratio, %	43.8%	43.8%	45.2%
Gearing, %	50.5%	49.1%	44.8%
Net gearing, %	32.2%	32.3%	15.8%
Net interest-bearing debt, EUR million	21.6	21.8	10.9
Capital employed, end of period, EUR million	101.1	100.6	100.4
Return on equity, %	5.2%	5.4%	7.3%
Return on capital employed, %	7.0%	7.2%	8.1%
Comparable Return on capital employed, %	11.0%	10.9%	12.7%
Number of personnel, average	808	803	804
Number of personnel, end of period	800	803	802

PER SHARE DATA	30.9.2024	30.9.2023	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	84 040	84 040
Number of shares, average, excluding treasury shares (1.000)	84 072	84 278	84 218
EPS, total, basic and diluted, EUR	0.032	0.033	0.060
Comparable EPS, total, basic and diluted, EUR	0.067	0.065	0.104
Equity attributable to owners of the parent per share, EUR	0.80	0.80	0.82
Return of capital per share, EUR	-	-	0.05
Return of capital yield / share, %	-	-	6.8%
Price per earnings per share (P/E) ratio	26.3	23.7	12.3
Price per equity attributable to owners of the parent per share	1.04	0.97	0.89
Market capitalization of registered shares, EUR million	69.9	65.6	61.9
Share turnover, %, number of shares traded, % of the average registered number of shares	8.8%	6.3%	8.5%
Number of shares traded, (1.000)	7 439	5 333	7 180
Closing price of the share, EUR	0.83	0.78	0.74
Highest quoted price, EUR	0.98	1.09	1.09
Lowest quoted price, EUR	0.72	0.78	0.73
Volume-weighted average quoted price, EUR	0.87	0.95	0.89

The reconciliation of alternative performance measures

Items affecting comparability

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Re-structuring	-0.4	-1.2	-1.5	-2.0	-2.1
Other	-0.5	-0.2	-1.3	-0.4	-1.2
Items affecting comparability	**-0.9**	**-1.4**	**-2.7**	**-2.4**	**-3.3**

Comparable operating result (EBIT) and EBITA

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Operating result	2.2	1.7	5.2	5.5	8.1
Items affecting comparability[1)]	0.9	1.4	2.7	2.4	3.3
Comparable EBIT	**3.1**	**3.1**	**7.9**	**7.9**	**11.4**
Operating result	**2.2**	**1.7**	**5.2**	**5.5**	**8.1**
Amortization[1)]	1.0	0.8	3.0	2.3	3.2
EBITA	**3.2**	**2.5**	**8.1**	**7.8**	**11.4**
Purchase price allocation, depreciation[1)]	0.1	0.1	0.2	0.2	0.2
Items affecting comparability[1)]	0.9	1.4	2.7	2.4	3.3
Comparable EBITA	**4.2**	**3.9**	**11.0**	**10.3**	**14.9**
% of net sales	7.5%	7.3%	6.8%	6.4%	6.8%

1) + cost, - income

Comparable ROCE% and EPS

EUR million	1-9/2024	1-9/2023	1-12/2023
Profit/loss for the period before taxes	3.5	4.4	6.9
Financial expenses	1.8	1.1	1.4
Purchase price allocation[1)]	1.0	1.0	1.4
Total	6.3	6.6	9.7
Total annualized	8.4	8.8	9.7
Items affecting comparability[1)]	2.7	2.4	3.3
Total	11.1	11.2	12.9
Equity	67.2	67.5	69.3
Interest bearing liabilities	33.9	33.1	31.1
Avg (1.1.and end of period)	100.7	102.3	102.2
Comparable ROCE%	**11.0%**	**10.9%**	**12.7%**
Profit/loss for the period	2.7	2.8	5.0
Purchase price allocation[1)]	1.0	1.0	1.4
Items affecting comparability[1)]	2.7	2.4	3.3
-tax	-0.7	-0.7	-0.9
Total	5.7	5.5	8.8
Number of shares, average	84.1	84.3	84.2
Comparable earnings per share, EUR	**0.067**	**0.065**	**0.104**

1) + cost, - income

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**.** This interim report is 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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architecture	36.3	41.8	111.2	127.4	165.8
Mobility, Display & Solar	16.3	10.2	37.7	34.5	53.5
Total segments	**52.6**	**52.1**	**148.9**	**161.9**	**219.2**
Unallocated and eliminations	0.2	0.1	0.7	0.8	1.0
Total Glaston Group	**52.8**	**52.2**	**149.6**	**162.7**	**220.3**

Net sales

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architecture	41.8	43.5	121.0	129.4	175.1
Mobility, Display & Solar	13.5	9.8	39.7	29.9	43.6
Total segments	**55.3**	**53.4**	**160.7**	**159.2**	**218.7**
Unallocated and eliminations	0.2	0.1	0.4	0.8	1.0
Total Glaston Group	**55.4**	**53.5**	**161.1**	**160.0**	**219.7**

Comparable EBITA

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architecture	3.8	4.0	10.3	10.6	15.1
Mobility, Display & Solar	0.3	-0.1	0.6	-0.4	-0.5
Total segments	**4.1**	**3.9**	**10.9**	**10.1**	**14.6**
Unallocated and eliminations	0.1	0.0	0.2	0.2	0.3
Total Glaston Group	**4.2**	**3.9**	**11.0**	**10.3**	**14.9**
Comparable EBITA %	7.5%	7.3%	6.8%	6.4%	6.8%

Comparable EBITA %

	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architecture	9.2%	9.2%	8.5%	8.2%	8.6%
Mobility, Display & Solar	2.1%	-1.4%	1.5%	-1.5%	-1.1%
Total segments	**7.4%**	**7.2%**	**6.8%**	**6.4%**	**6.7%**
Unallocated and eliminations	34.5%	29.9%	36.5%	26.0%	26.5%
Total Glaston Group	**7.5%**	**7.3%**	**6.8%**	**6.4%**	**6.8%**

Operating result (EBIT)

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architecture	2.6	2.6	6.0	7.4	10.4
Mobility, Display & Solar	-0.4	-1.0	-1.0	-2.1	-2.5
Total segments	**2.1**	**1.6**	**5.0**	**5.3**	**7.9**
Unallocated and eliminations	0.1	0.0	0.2	0.2	0.3
Total Glaston Group	**2.2**	**1.7**	**5.2**	**5.5**	**8.1**
Operating result %	4.0%	3.1%	3.2%	3.4%	3.7%

Segment assets

EUR million	1-9/2024	1-9/2023	1-12/2023
Architecture	140.0	140.1	139.2
Mobility, Display & Solar	34.2	43.2	34.4
Total segment assets	**174.2**	**183.3**	**173.6**
Other assets	16.3	14.6	22.9
Total assets	**190.6**	**197.9**	**196.5**

Segment liabilities

EUR million	1-9/2024	1-9/2023	1-12/2023
Architecture	64.2	66.1	72.4
Mobility, Display & Solar	12.4	19.4	12.6
Total segment liabilities	**76.6**	**85.5**	**85.0**
Other liabilities	46.8	44.9	42.1
Total liabilities	**123.4**	**130.4**	**127.2**

Personnel at the end of the period

	1-9/2024	1-9/2023	1-12/2023
Architecture	617	634	630
Mobility, Display & Solar	182	168	171
Others	1	1	1
Total personnel at the end of the period	**800**	**803**	**802**

Personnel by region	1-9/2024	1-9/2023	1-12/2023
Finland	209	213	214
Germany	288	277	282
Other EMEA	89	105	100
Asia	169	158	158
Americas	45	50	48
Total personnel at the end of the period	**800**	803	**802**

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

Orders received

EUR million	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	36.3	40.1	34.7	38.3	41.8	43.6	42.0
Mobility, Display & Solar	16.3	9.8	11.6	19.0	10.2	9.6	14.6
Total segments	**52.6**	**50.0**	**46.4**	**57.3**	**52.1**	**53.3**	**56.6**
Unallocated and eliminations	0.2	0.2	0.3	0.2	0.1	0.4	0.3
Total Glaston Group	**52.8**	**50.2**	**46.6**	**57.6**	**52.2**	**53.6**	**56.9**

Order book

EUR million	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	81.6	84.4	81.3	89.6	99.7	101.9	123.7
Mobility, Display & Solar	20.1	16.7	20.1	16.9	12.6	13.3	15.4
Total segments	**101.7**	**101.2**	**101.4**	**106.5**	**112.3**	**115.2**	**139.0**
Unallocated and eliminations	-	-	-	-	-	-	-
Total Glaston Group	**101.7**	**101.2**	**101.4**	**106.5**	**112.3**	**115.2**	**139.0**

Net sales

EUR million	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	41.8	36.7	42.5	45.7	43.5	43.2	42.6
Mobility, Display & Solar	13.5	13.0	13.2	13.7	9.8	11.6	8.4
Total segments	**55.3**	**49.7**	**55.7**	**59.5**	**53.4**	**54.8**	**51.0**
Unallocated and eliminations	0.2	0.1	0.1	0.2	0.1	0.4	0.3
Total Glaston Group	**55.4**	**49.9**	**55.8**	**59.7**	**53.5**	**55.2**	**51.3**

Comparable EBITA

EUR million	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	3.8	3.1	3.4	4.5	4.0	3.3	3.3
Mobility, Display & Solar	0.3	0.2	0.1	0.0	-0.1	0.0	-0.3
Total segments	**4.1**	**3.3**	**3.5**	**4.5**	**3.9**	**3.3**	**2.9**
Unallocated and eliminations	0.1	0.0	0.1	0.1	0.0	0.1	0.1
Total Glaston Group	**4.2**	**3.3**	**3.6**	**4.6**	**3.9**	**3.4**	**3.0**
Comparable EBITA %	7.5%	6.6%	6.4%	7.6%	7.3%	6.2%	5.8%

Comparable EBITA %

	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	9.2%	8.4%	7.9%	9.9%	9.2%	7.6%	7.7%
Mobility, Display & Solar	2.1%	1.6%	0.7%	-0.2%	-1.4%	0.2%	-3.9%
Total segments	**7.4%**	**6.6%**	**6.2%**	**7.6%**	**7.2%**	**6.0%**	**5.8%**
Unallocated and eliminations	34.5%	2.3%	75.7%	28.5%	29.9%	26.7%	23.1%
Total Glaston Group	**7.5%**	**6.6%**	**6.4%**	**7.6%**	**7.3%**	**6.2%**	**5.8%**

Operating result (EBIT)

EUR million	7-9/2024	4-6/2024	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	2.6	1.3	2.1	3.0	2.6	2.3	2.5
Mobility, Display & Solar	-0.4	-0.2	-0.3	-0.3	-1.0	-0.5	-0.7
Total segments	**2.1**	**1.0**	**1.8**	**2.6**	**1.6**	**1.8**	**1.8**
Unallocated and eliminations	0.1	0.0	0.1	0.1	0.0	0.1	0.1
Total Glaston Group	**2.2**	**1.0**	**1.9**	**2.7**	**1.7**	**1.9**	**1.9**
Operating result %	4.0%	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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architectural Tempering and Laminating Technologies	10.5	6.1	31.5	34.4	41.7
Insulating Glass Technologies	11.9	22.9	37.8	53.7	69.1
Mobility, Display and Solar Technologies	10.9	4.8	22.7	19.6	34.1
Services	19.3	18.2	57.0	54.2	74.4
Unallocated and eliminations	0.2	0.1	0.7	0.8	1.0
Glaston Group, total	**52.8**	**52.2**	**149.6**	**162.7**	**220.3**

Order book by product area

EUR million	30.9.2024	30.9.2023	31.12.2023
Architectural Tempering and Laminating Technologies	34.2	36.4	26.9
Insulating Glass Technologies	40.9	58.6	57.0
Mobility, Display and Solar Technologies	19.3	11.8	16.3
Services	7.3	5.4	6.3
Unallocated and eliminations	-	-	-
Glaston Group, total	**101.7**	**112.3**	**106.5**

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Net sales by product area

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Architectural Tempering and Laminating Technologies	9.1	11.4	28.5	39.6	53.3
Insulating Glass Technologies	18.3	17.3	53.0	49.5	67.2
Mobility, Display and Solar Technologies	8.3	4.7	24.8	15.6	24.7
Services	21.1	20.9	57.8	56.0	76.0
Unallocated and eliminations	-1.3	-0.7	-2.9	-0.8	-1.5
Glaston Group, total	**55.4**	**53.5**	**161.1**	**160.0**	**219.7**

NET SALES BY REGION

Geographical distribution of net sales EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Americas	14.1	17.0	48.0	55.0	72.4
EMEA	23.7	29.0	72.6	83.2	113.4
APAC	17.6	7.5	40.5	21.8	33.9
Glaston Group, total	**55.4**	**53.5**	**161.1**	**160.0**	**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 30.9.2024	15.0	10.0	25.0
Committed credit facilities 31.12.2023	3.0	22.0	25.0

Net interest bearing debt

EUR million	30.9.2024	30.9.2023	31.12.2023
Loans from financial institutions	27.0	25.8	24.0
Lease liabilities	7.0	7.4	7.1
Cash	12.3	11.3	20.2
Total	**21.7**	**21.8**	**10.9**
Net gearing, %	**32.2**	**32.3**	**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 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 September 2024, 27.6 (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
30.9.2024	12.9	9.9	1.2	1.3	0.4	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	1-9/2024	1-9/2023	1-12/2023
Carrying amount at beginning of the period	23.2	22.6	22.6
Additions	1.0	2.1	2.7
Disposals	-0.0	-0.1	-0.2
Depreciation and amortization	-1.4	-1.4	-1.9
Reclassification and other changes	-0.0	-	-0.0
Exchange differences	-0.0	-0.1	-0.1
Carrying amount at end of the period	22.8	23.1	23.2

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

Changes in intangible assets

EUR million	1-9/2024	1-9/2023	1-12/2023
Carrying amount at beginning of the period	77.2	76.1	76.1
Additions	1.6	3.3	4.8
Disposals	-0.2	-	-0.1
Depreciation and amortization	-3.0	-2.3	-3.2
Reclassification and other changes	-0.0	0.0	0.0
Exchange differences	-0.1	-0.3	-0.4
Carrying amount at end of the period	75.5	76.8	77.2

4. LEASES

LEASES IN THE BALANCE SHEET

EUR million

Right-of-use assets	1-9/2024	1-9/2023	1-12/2023
Carrying amount at beginning of the period	5.9	6.2	6.2
Additions	2.1	1.7	2.1
Depreciation expense	-2.1	-1.8	-2.5
Carrying amount at end of the period	5.9	6.0	5.9

Lease liabilities EUR million	1-9/2024	1-9/2023	1-12/2023
Carrying amount at beginning of the period	7.1	7.6	7.6
Additions	1.9	1.7	2.1
Interest expense	0.3	0.3	0.4
Rental payment	-2.4	-2.2	-2.9
Carrying amount at end of the period	7.0	7.4	7.1

LEASES IN PROFIT AND LOSS STATEMENT

EUR million	1-9/2024	1-9/2023	1-12/2023
Depreciation of right-of-use assets	-2.0	-1.8	-2.5
Interest expense on lease liabilities	-0.3	-0.3	-0.4
Short-term lease expense	-0.4	-0.4	-0.5
Total amounts recognised in profit or loss	**-2.8**	**-2.6**	**-3.4**

5. CONTINGENT LIABILITIES

EUR million	30.9.2024	30.9.2023	31.12.2023
Mortgages and pledges			
On own behalf	314.1	314.1	314.1
Guarantees			
On own behalf	9.9	10.8	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.

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6. DERIVATIVE INSTRUMENTS

EUR million	30.9.2024		30.9.2023		31.12.2023	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	14.1	0.1	22.8	-0.4	14.4	0.2
Interest rate derivatives						
Interest rate derivatives	22.0	0.2	12.0	0.7	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.

In August 2024 Glaston entered into an additional 3-year interest rate swap with a nominal value of EUR 10 million to hedge a variable rate loan. The new swap has a forward start from the expiry of the EUR 12 million value swap expiring in October 2025. Interest rate swaps are subject to hedge accounting.

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	30.9.2024				30.9.2023				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												
Other shares	-	-	0.0	**0.0**	-	-	0.0	**0.0**	-	-	0.0	**0.0**
Currency forward contracts	-	0.2	-	**0.2**	-	0.2	-	**0.2**	-	0.5	-	**0.5**
Interest rate derivatives	-	0.3	-	**0.3**	-	0.7	-	**0.7**	-	0.4	-	**0.4**
Total	**-**	**0.5**	**0.0**	**0.5**	**-**	**0.9**	**0.0**	**0.9**	**-**	**0.9**	**0.0**	**0.9**
Liabilities												
Currency forward contracts	-	-0.0	-	**-0.0**	-	-0.6	-	**-0.6**	-	-0.0	-	**-0.0**
Interest rate derivatives	-	-0.1	-	**-0.1**	-	-	-	**-**	-	-	-	**-**
Total	**-**	**-0.1**	**-**	**-0.1**	**-**	**-0.6**	**-**	**-0.6**	**-**	**-0.0**	**-**	**-0.0**

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