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Metroglass provides 1H25 results (unaudited)

Please refer to our half year results for the six months ended 30 September 2024.

Our revenue was down to $114 million, but in line with what we presented at the AGM, translating to a loss of $5 million. Our net debt increased from $53m to $55.2m, again as we suggested at AGM.

As predicted, there has been a fall in demand across the sectors we operate in. We are confident however that it doesn't reflect in market share, in so much as our revenue drop is less than the market fall and we have in fact increased market share.

When I think about the business performance, I do not dwell a great deal on the market. Our focus has been on our turnaround and the restructuring, reducing our cost base and our market positioning for success in the future. We are focused on getting quality product to our customers in full and on time.

Of course, we need the right capital base, which we have talked about. The business has too much debt for this stage of the economic cycle. It also continues to carry too much debt for what is a smaller NZ business, having lost market share and consequently revenue over the last few years in a very different competitive landscape.

Our primary responsibility is to understand and build a predictable and profitable business. We will not ask our shareholders for more capital to reduce debt, without confidence in our ability to deliver future returns, and we are confident.

Our turnaround plan has been simple. Restate and confirm Metro's commitment to be the best quality processed glass and the highest service levels in the market. With the pressure on our selling price, it was hard to fight for our market share with low service levels. In addition, we must reduce our cost and financial shape to ensure that we are ready and profitable at the bottom of the market cycle.

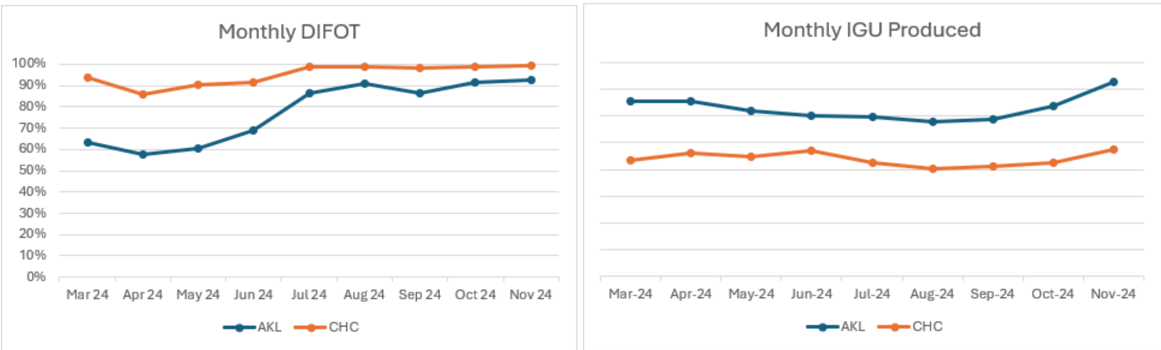
We have taken cost out where we can and continue to remain committed to this. We have finalised the closure of two larger processing factories and relocated and scaled into a smaller footprint with another one pending. We have taken circa $3 million of cost out in FY25 and a further $3 million looking forward to FY26.

We have been active and conscious in our choices about service offerings that do not add directly to our customers' needs, bringing about a leaning of the head office structure, with significant cost savings as we serve our immediate customer service functions as the extension of our plant. Our focus is on customers and product, in full - on time, to specification . We have come some way but we have further plans and we still have a great deal of work to do.

Our service delivery is now at all-time highs. I have personally received feedback that our customer satisfaction has improved across the country, from Whangarei to Invercargill. Our customers are very engaged and we are beginning to re-state our service and quality offer, which in turn we are confident will increase market share.

Since June we have been maintaining consistent DIFOT of 90%+ in both NZ sites, to match the benchmarks set and maintained in our Australian plants.

New Zealand DIFOT and throughput



Overall the Australian residential construction market remains soft, with market feedback that a recovery is expected to be inline with improving consent data, mid next year. NSW continues to push into the market, as penetration rates continue to show promise and offset some of the market volume reduction, against the reduced housing starts. The double glaze penetration gains are on the back of the new housing insulation standards. Prior capital spend to increase NSW capacity will be fundamental to the local supply.

AGG has continued to perform well despite the market headwinds, but has not been immune to the domestic construction downturn. Revenue and earnings have reduced over the last several months, however an upturn has been seen in November from this trend, as the business shifts to supplement volume outside of the softened core residential market.

AGG's November trajectory appears to have foreshadowed December's demand with similar positivity, notwithstanding pre-ordering for the imminent seasonal close.

I talked about our April loss in NZ at the AGM. Every month since our performance has improved and is now profitable. We expect MPG's second half loss to be much reduced as a result of our actions and we have confidence that as the cost and revenue initiatives flow through early next calendar year we will start FY26 strongly.

Our banking syndicate remains supportive, continuing to ensure the company has the time and space to raise capital and complete the NZ turnaround. Our facilities have been extended to the end of February 2025 as we work through the complexities associated with the announced transactions as well as consider appropriate alternatives. There is more on our plans to follow, but it is fair to say we have confidence to ask shareholders to invest again.

I am very grateful to our team. They have sacrificed overtime, gone without pay rises and yet worked harder than ever to deliver the performance we need to satisfy our customers. We are in good shape and getting better despite these difficult times.

ENDS

For further information please contact:

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