

METRO PERFORMANCE GLASS LIMITED - RESULTS FOR THE 12 MONTHS ENDED 31 MARCH 2024
Stronger performance by Australian Glass Group (AGG) in Australia offset by weakness in the New Zealand business.

- FY24 revenue of \$239.3 million and NPAT of \$(27.5) million
- EBITDA (pre IFRS) of \$12.3 million, down from \$18.2 million in FY23
- EBIT of \$7.2 million (Earnings before interest, tax and significant items – restructuring costs and impairments)
- Significant items of \$(4.6) million relating to restructuring costs and the marketing of AGG
- Net debt reduced by \$7 million to \$53 million
- Company looking at capital raising and other alternatives to reduce debt
- Impairment of \$(20.9) million relating to NZ goodwill write down

\$m	New Zealand		Australia		Group	
	FY24	FY23	FY24	FY23	FY24	FY23
Revenue	159.6	186.7	79.7	76.8	239.3	263.5
EBITDA (pre IFRS) ¹					12.3	18.2
Segmental EBIT ²	1.3	6.3	6.8	6.4	(0.9)	(0.9)
EBIT ³					7.2	11.8
Goodwill Impairment					(20.9)	(10.0)
Other significant items					(4.6)	(2.0)
NPAT ⁴					(27.5)	(10.5)

Excluding significant items AGG delivered \$6.8 million EBIT for FY24 on a 3.8% increase in revenue to \$79.7 million, which included the deduction of a \$600,000 management fee paid to NZ. The NZ business revenue reduced by 14.6% to \$159.6 million and resulted in an EBIT of \$1.3 million.

Group debt reduced by \$7.0 million to \$53.0 million during the year. The board has also reviewed the carrying value of goodwill in the NZ business and has reduced this from \$20.9 million to \$0. This followed a write-down last year of \$10.0 million.

Notwithstanding the challenging market conditions, overall, this is an unsatisfactory result for the Group and the board has taken measures to address this performance and restore shareholder value. The poor performance has been driven by a number of factors but is not a reflection of the quality of our underlying business or the opportunities to address our performance in NZ. Significant pressure was felt in Highbrook, with the absorption of all North Island manufacturing. More positively, the South Island improved its performance year on year. Certainly, our people have worked hard and shown significant dedication to the task, and we are proud of their efforts.

¹ Earnings before interest, tax, depreciation and significant items (pre IFRS)

² Earnings before interest, tax, and significant items (FY24: Restructuring costs and impairment).

³ Earnings before interest, tax, and significant items (FY24: Restructuring costs and impairment).

⁴ NPAT after significant items (FY24: Restructuring costs and impairment)

While the board attempted to significantly reduce debt by running a sale process for AGG, this process was ultimately unsuccessful. At the same time significant restructuring was undertaken with the mothballing of the Wellington manufacturing facility. These actions resulted in significant abnormal costs which are not expected to be repeated.

During the year the board was refreshed and post year end the CEO resigned.

The board is committed to building a new strategy, empowering our people and actively managing our debt and capital requirements. The new board has undertaken a thorough review of the Group's operations and has developed a plan to meaningfully transform the business and reset its performance, particularly in NZ. I hope you can see the shrinking of the board, plain talking and honesty, along with a reduction of costs, as a sign of our first steps.

With the right capital structure we see opportunities for further targeted investment in NZ. We also have opportunities for accelerated growth in Australia which would require capital, should we choose this path.

We continue to explore and pursue options of reducing debt and hence we have not yet launched our planned capital raise. We intend to formalise the capital raise offer or alternative options in the coming weeks and this is expected to address the material uncertainty referred to in our annual accounts.

AGG has continued its steadily improving performance in Australia, notwithstanding market headwinds. Adapting some of the operational processes that have been so successful in Australia is the source of much of our confidence for our planned improvements in NZ. Despite being fiercely competitive and with a downward trend, we believe the market still has upside in New Zealand, particularly through the continued uptake of double-glazed low E as a result of the H1 regulation changes.

The Australian States and Territories have chosen different adoption dates of the relevant Energy Efficiency section of the NCC 2022. NSW was the first to adopt this from 1 Oct 2023 and we are now seeing the impact of these design-stage changes in current orders (roughly a 7 month lag time). A staged approach in Australia will give us more time to build capacity to make the most of these changes.

Despite some justified negative commentary, our recent operational review confirmed that the business has many happy customers, albeit some others in the North Island that would like improved delivery performance and some across the group that are concerned about our future. All these customers I have spoken to directly have given me commitment to their custom and expressed a desire for us to be successful in the future.

It is our responsibility to deliver to our dedicated teams the strategy and tools, so that the Company can achieve the performance it is capable of. This will help us navigate the current environment and lead the recovery of our financial performance on the back of excellence in customer delivery. It is a tough market, and we are expecting that to last for some time, particularly in NZ.

Our response is to both fix the NZ business and the group's capital structure, so that when the market improves both MPG and AGG will be well positioned to capitalise.

Simon Bennett
Executive director

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