

METRO PERFORMANCE GLASS

2023 Annual Shareholders' Meeting

1 August 2023



Metro Performance Glass Board of Directors



Jenn Bestwick

Independent Non-Executive Director, Member of the
Audit and Risk Committee

Appointed: May 2022



Mark Eglinton

Independent Non-Executive Director, Chair of the
People and Culture Committee

Appointed: April 2020



Peter Griffiths

Independent Non-Executive Chair, Member of the
People and Culture Committee

Appointed: September 2016



Julia Mayne

Independent Non-Executive Director, Member of the
Audit and Risk Committee

Appointed: September 2021



Graham Stuart

Independent Non-Executive Director, Chair of the
Audit and Risk Committee

Appointed: December 2019

Today's agenda

1. Welcome and introductions
2. Chair's address
3. Chief Executive's address
4. General business and shareholder questions
5. Formal business and resolutions



Chair's address





Key messages

- A challenging FY23 for Metroglass, with an overhang from Covid-19, as supply chains disruption continued to affect operating and inventory efficiency. Focus remained on supporting customers. Legacy debt remains.
- Gross margin improved through Q4 FY23 supported by increased pricing and easing freight costs. FY23 net debt increased driven by requirements in working capital.
- Construction market softening has emerged earlier than expected. The business completed a cost-out programme to size the business in line with changes in demand which is expected to deliver annualised savings of \$8.0 – \$9.0m.
- Capital programme on LowE furnace capacity in NZ and DGU processing in AGG was well timed to service demand from the new building code changes. The NZ market's glass sales mix has begun to shift to high-performing LowE, in line with H1
- Australian Glass Group (AGG) achieved a milestone year with significant improvements in profitability supported by consistent operational stability and customer satisfaction
- A sale process for Australian Glass Group began

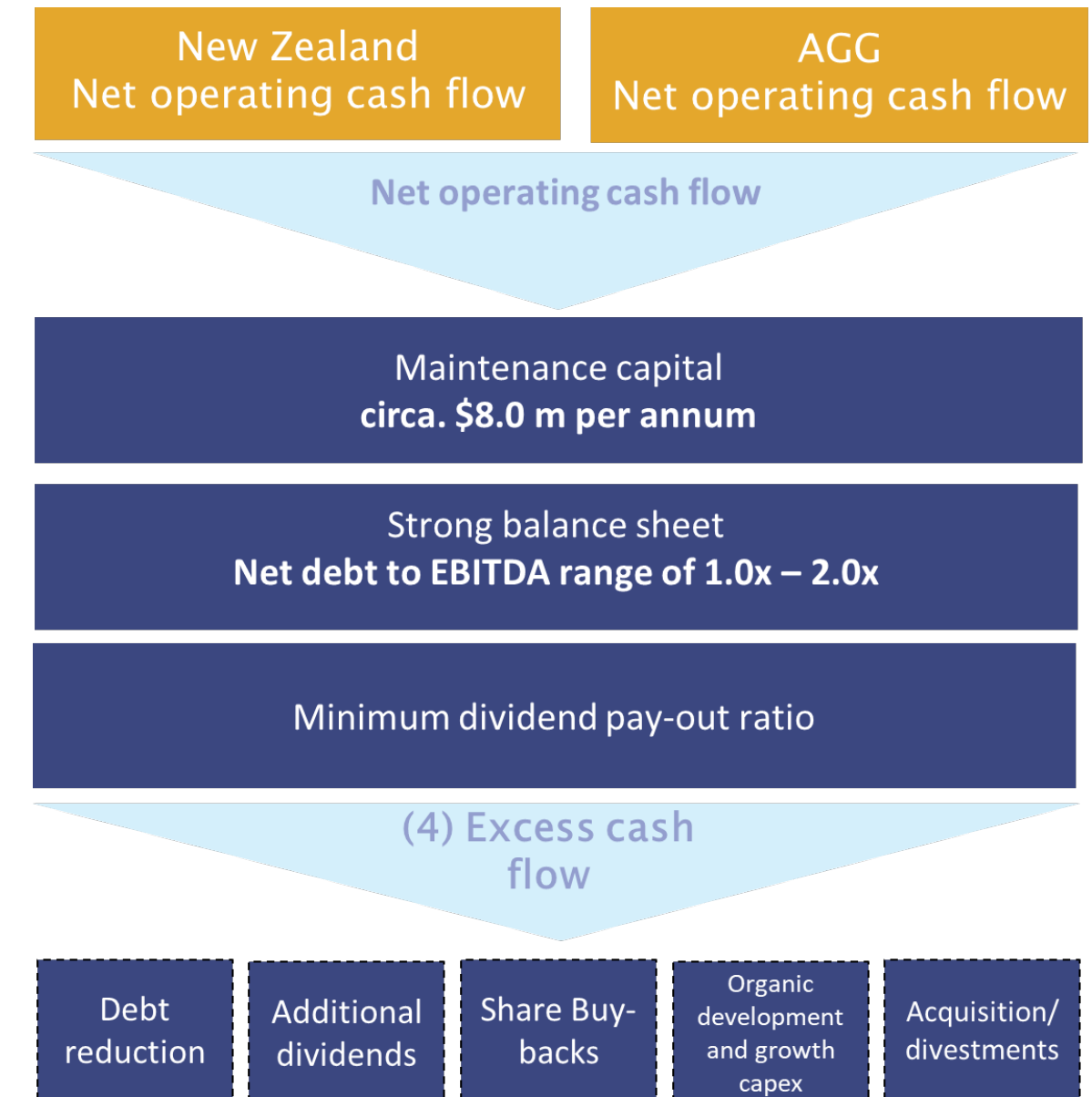


Capital structure

- It is the board's intention to return to dividends as free cash flow becomes available inline with Metroglass' capital management framework.
- Metroglass remain focused on reducing the Group's leverage to below 1.5x net debt to EBITDA. On 31 March 2023 this was 3.2x reducing to 2.7x in June 2023.

AGG divestment update

- In February 2023 Metroglass announced its intention to divest AGG operations. Advisors are retained and the sale process remains underway.
- A range of non-binding offers were received in June and several parties entered due diligence; this process is expected to conclude soon.
- The board will carefully consider final offers and if thought acceptable, in achieving the goal of significantly reducing debt, will bring the offer to shareholders for consideration at an Extraordinary Shareholder Meeting (ESM).

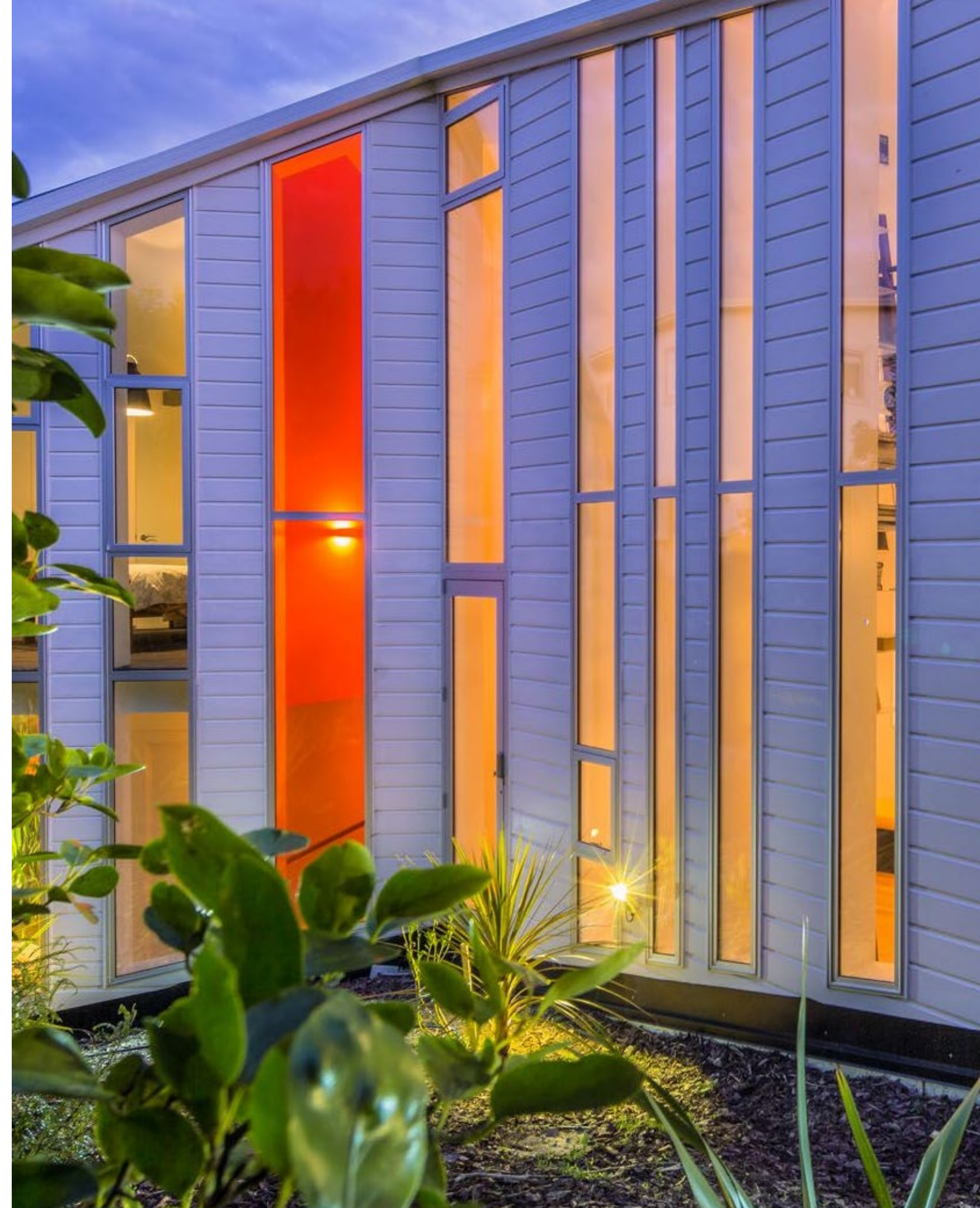


Chief Executive's address



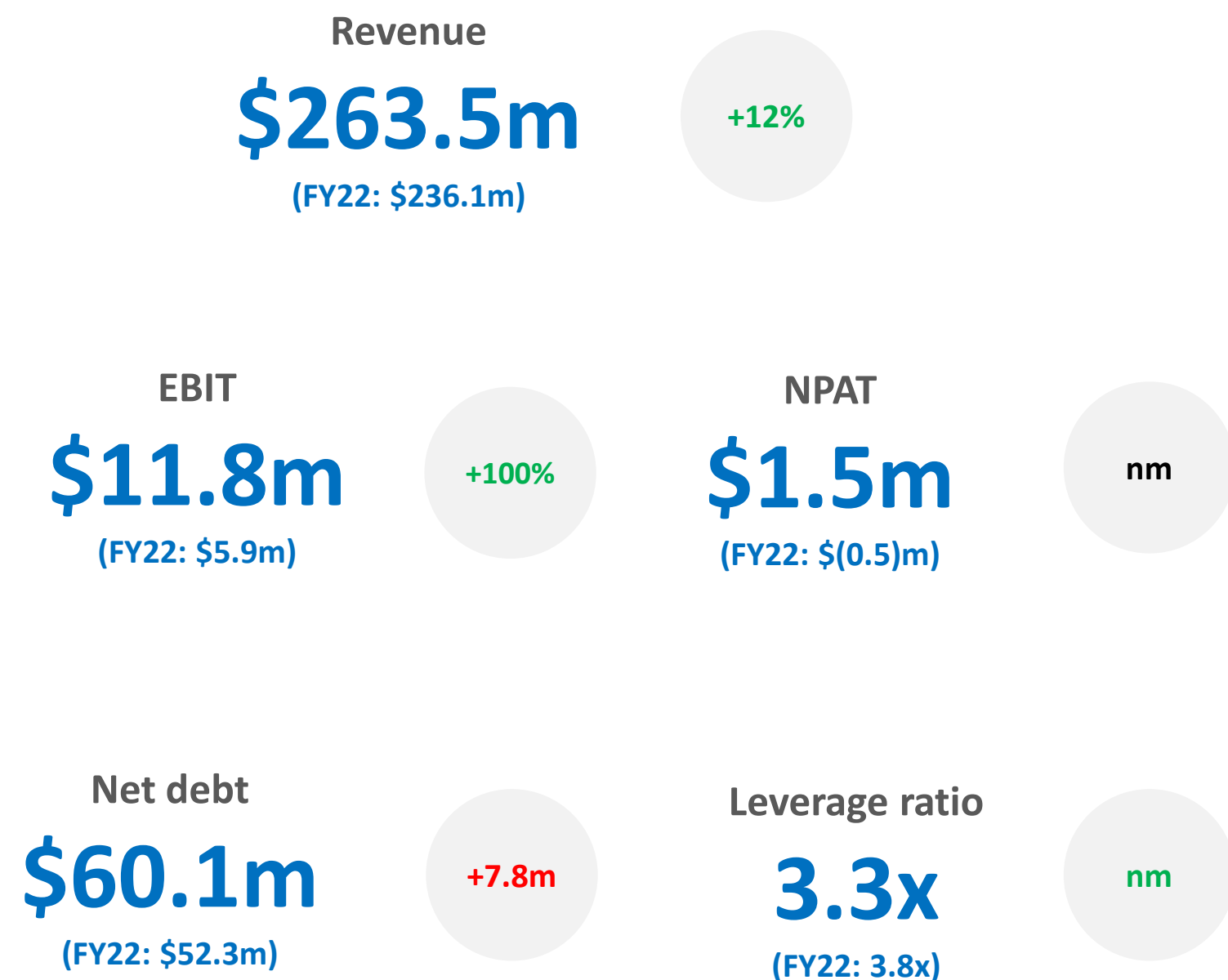
The Group remains resilient and is focused on its strategic priorities

- New Zealand is recovering its gross margin and working capital reductions as supply chain disruptions and rising input costs abate . However, the debt legacy from Covid remains.
- Key window manufacturer and commercial segments remained resilient, achieving year on year improvements. The Retrofit segment receded following consecutive years of growth.
- AGG achieved a milestone year with significant improvements in profitability supported by consistent operational stability and customer satisfaction
- Improvements in safety leadership and performance, with the Total Recordable Injury Frequency Rate¹ (TRIFR) reducing to 2.5 in FY23, from 5.5 in the prior year
- Metroglass' achieved CarbonReduce certification from Toitu Envirocare for its first carbon profile (Base year: FY22). Group carbon emissions of 21,693 tCO₂e.



Financial highlights

GROUP¹



NEW ZEALAND²



AUSTRALIA



¹ Unless otherwise stated, results are shown in NZ\$m and before significant items.

² The full segment note is available in the unaudited financial statements.

Nm = no measure














Trading update: April to June 2023¹

Activity remains at softer levels in the first quarter (YTD) with progress made on debt and working capital reductions

- YTD Group revenue is similar to the prior year as glass processed volumes in New Zealand business remain at a softer level than the prior year and the Australian business continuing its momentum above the prior year.
- Competitive dynamics remain heightened in our markets; however, pricing is supporting margin recovering. Gross profit improved 7% on the prior comparable period.
- Net debt reduced from \$60m at 31 March 2023, to approximately \$55m at 30 June 2023, driven by reductions to working capital.

Key metrics¹

	NZ	AU	Group
Glass Processed ²	 (24%)	 3%	
Revenue	 (9%)	 20%	
Gross profit %	 7%	 7%	
Processing and overhead costs	 (8%)	 11%	
Working capital	 (9%)	 0%	
Net debt ³			 -\$5m (9%)

¹ Based on unaudited management accounts and compared to April to June 2022

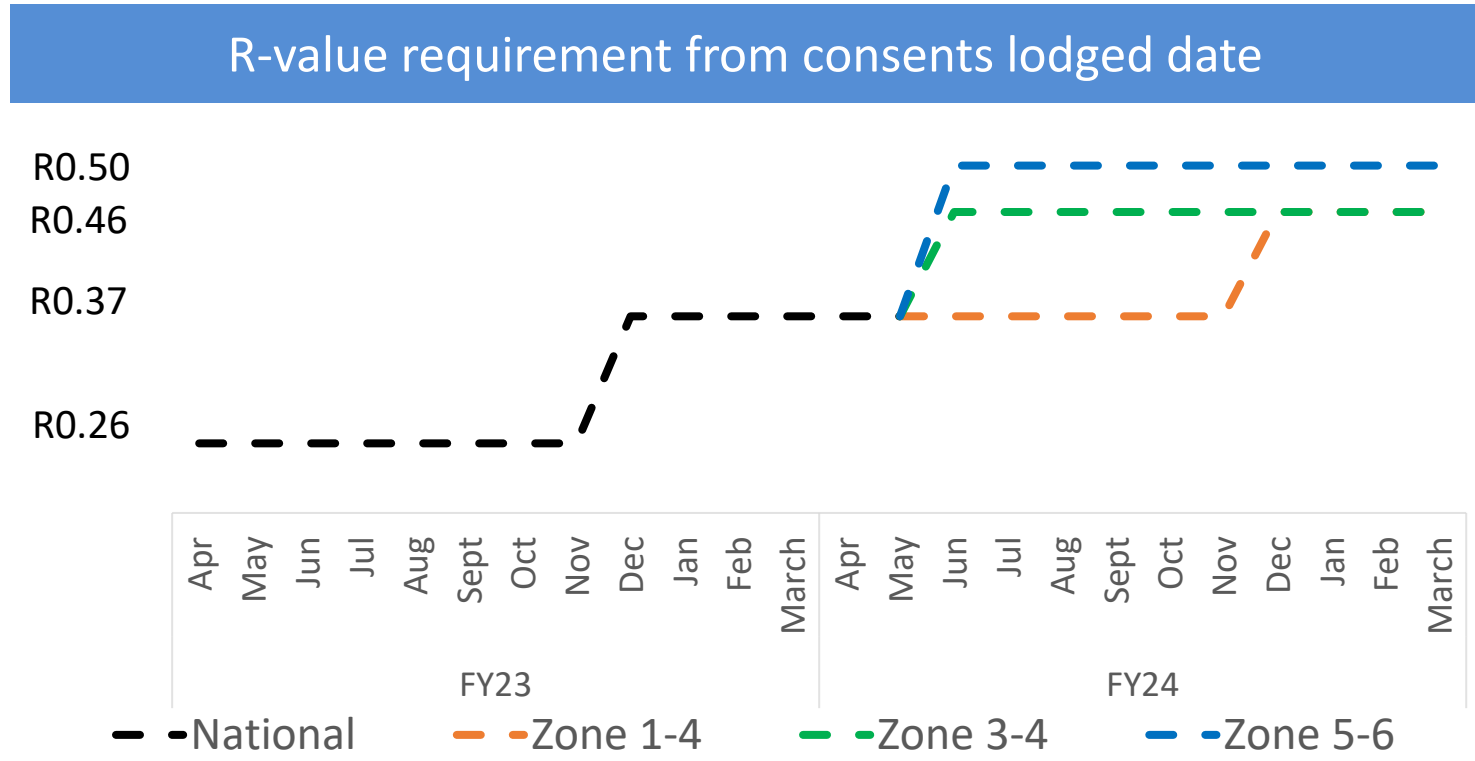
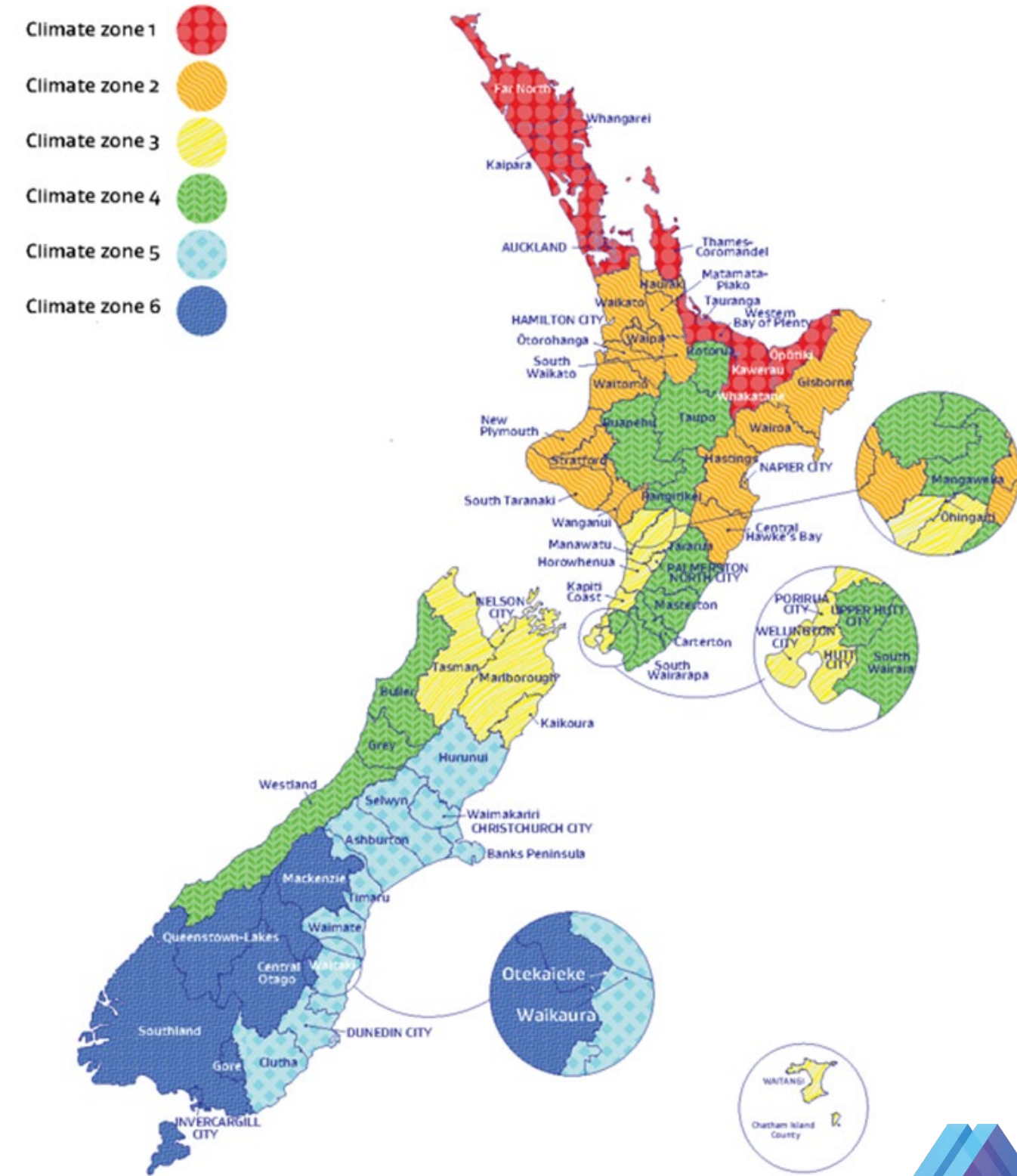
² Total m2 cut – average per day

³ compared to 31 March 2023

H1 transition and Metroglass' strong proposition: Code change

- New building code compliance increase all zones, in three phases:
- **November 2022:** All zones increasing 42% on today's thermal performance to R0.37
- **May 2023,** split into 3 R value requirements, with the coldest areas requiring R0.50 (an increase of 92% on today's thermal performance)
- and a final step in **November 2023.** which brings zone 1 & 2 inline with 3 & 4, at a thermal performance of R0.46 (an increase of 77% on today's thermal performance)
- Almost universally require the use of Low Emissivity (LowE) glass to comply.

New Zealand climate zones

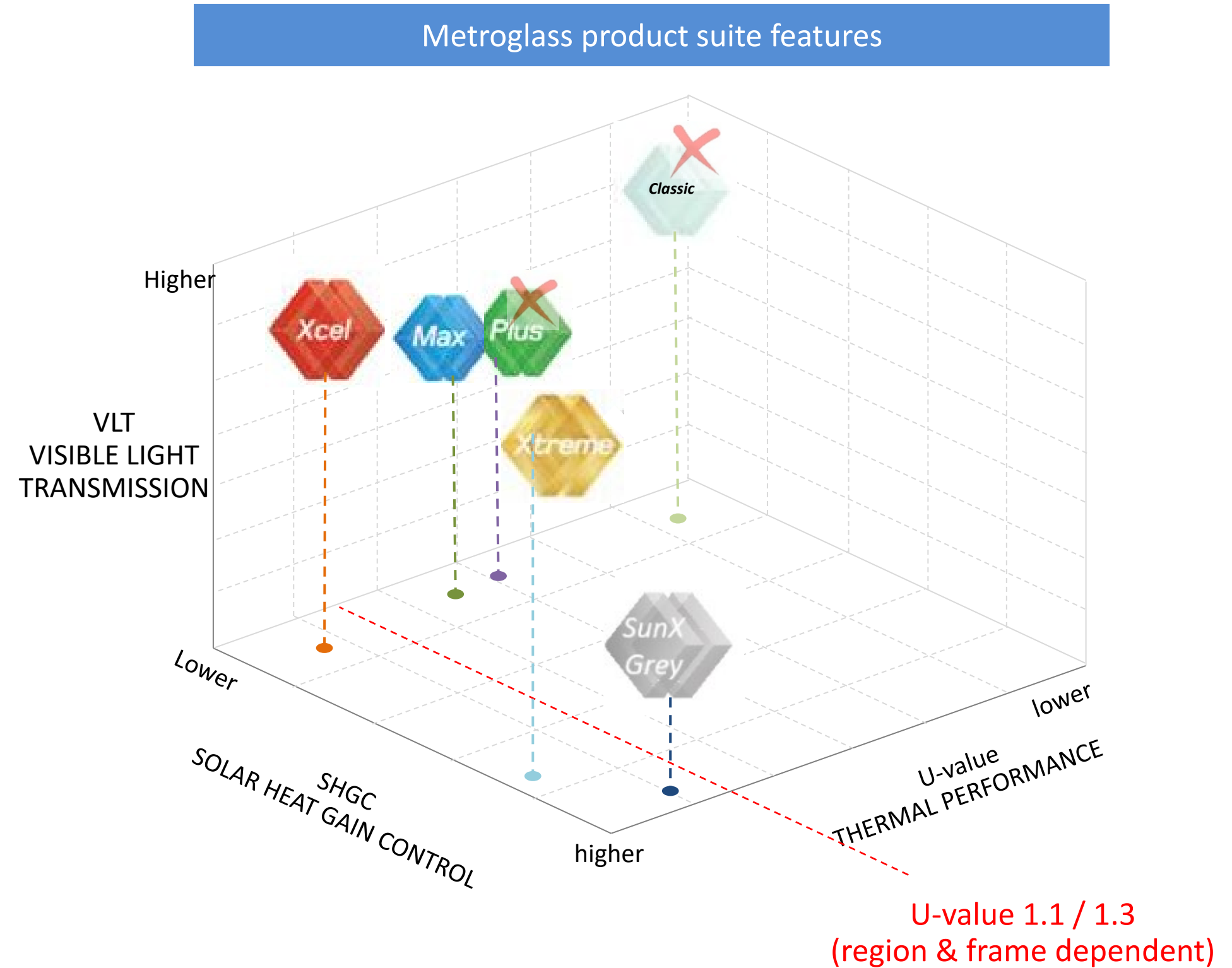


H1 transition and Metroglass' strong proposition: Product suite

At its core, glass performance can be summarised across three performance attributes:

- VLT (light transmission)
- SHGC (solar heat gain control)
- U-value (thermal performance)

H1 changes mean a standard LowE offer will have a U-value of 1.1 to achieve compliance NZ-wide.



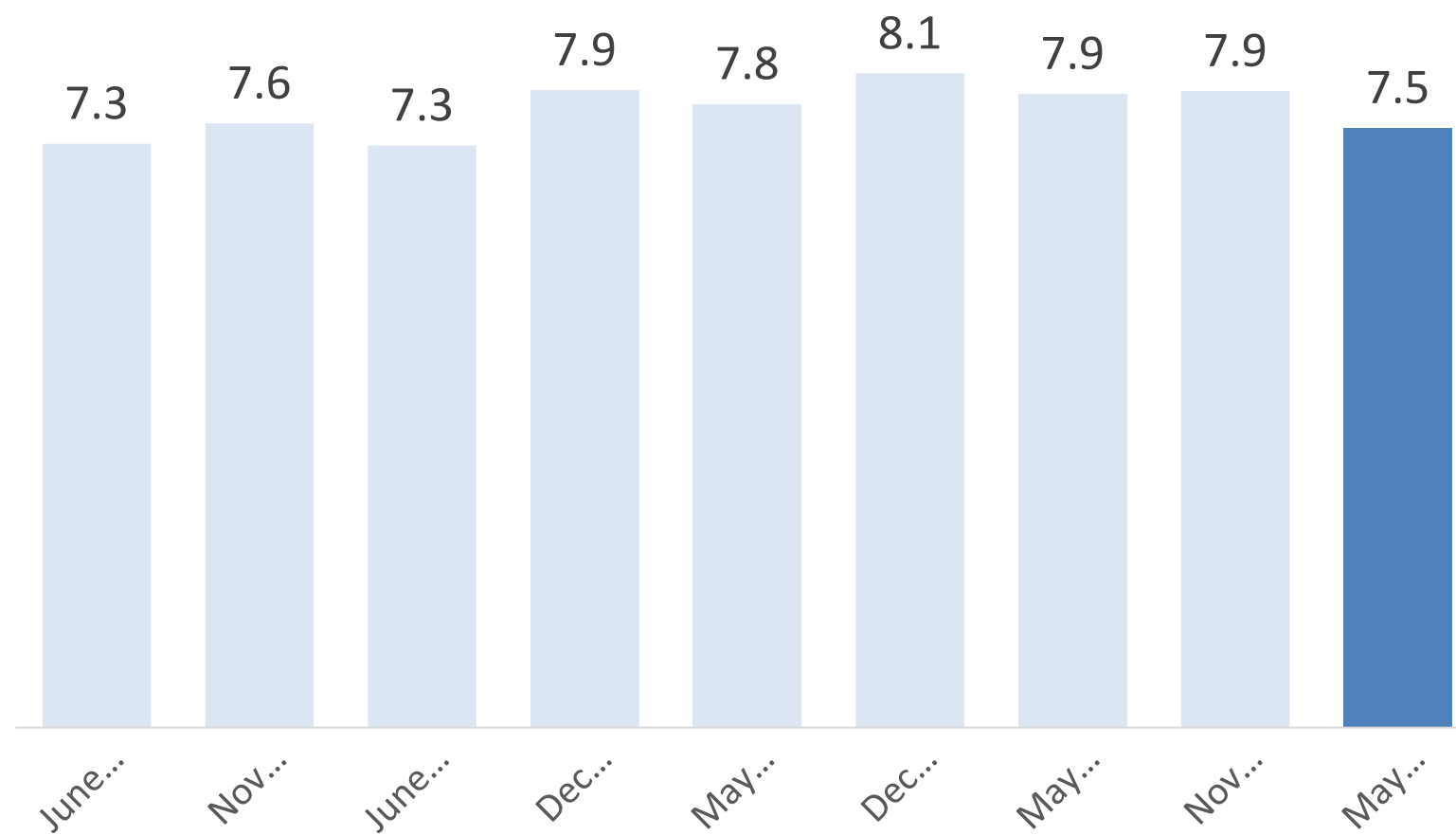
FY23 investments in double glazing processing and Low E glass mean we are well positioned for the residential building regulation changes

- Furnaces commissioned in Highbrook and Christchurch in late 2022 debottlenecking double-glazing processing
- Installed a series of modifications that deliver immediate efficiency and quality improvements
- Commissioned a second double-glazing line in AGG Victoria
- The glass processing equipment from Mount Maunganui utilised at AGG

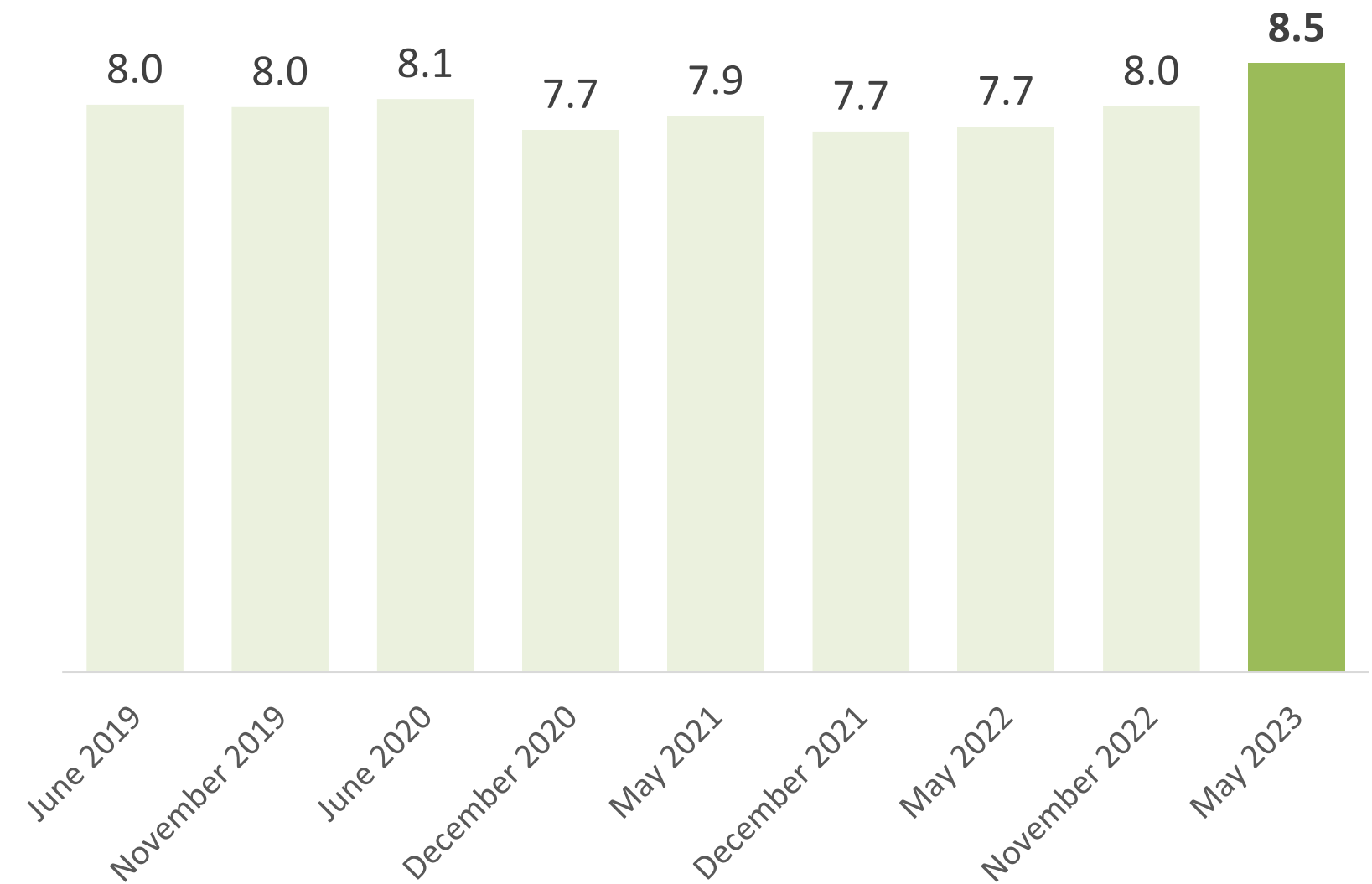


Our customers continue to rate our service positively and guide our initiatives to improve

New Zealand



Australia



¹ Survey question: "On a scale of 1 to 10, how likely are you to recommend Metroglass to a friend or colleague?"



The medium-term outlook is uncertain, but Metro has plans in place to respond

New Zealand

- The 12-month rolling residential consents has continued to decline, and while above estimated industry capacity, uncertainty remains on the number of dwellings ultimately constructed in FY24 and beyond.
- Activity levels in key markets are expected to remain stable at the softer levels for at least the next 4 months. Economic headwinds may accelerate a further activity decline at the end of 2023 and into 2024.
- Metroglass continues to refine plans to continue the improvement of NZ business' profitability.
- The cost out programme will deliver operational and financial benefits through FY24.
- With reduced disruption to the international supply chain combined with the increasing demand for Low E products, the level of financial performance in the first half of FY24 is expected to be better than the pcp.

Australia

- The number of detached dwelling commencements continues to decline in all states; However the increasing use of double-glazing in residential buildings is likely to partially offset the declines in overall residential construction activity.
- As previously announced, For the 12 months to 31 March 2024, management forecasts are for AGG to achieve revenue, EBITDA and EBIT of approximately AUD 79.0 million, AUD 11.5 million, AUD 7.5 million¹ respectively.

Group Guidance for the 6 months to 30 September 2023 (1H 24)

- Net Debt is expected to be in the range of \$53.0 to \$55.0 million
- Earnings before interest and tax (EBIT) is expected to be better than the prior comparable period of FY23.



General business and shareholder questions





Resolutions



Resolution 1: Auditor remuneration

To consider and, if thought fit, pass the following ordinary resolution: ***That the Board be authorised to fix the fees and expenses of PwC as Auditor for the ensuing year.***

Resolution 2: Graham Stuart

Metro Performance Glass constitution and NZX Listing Rule 2.7.1 require that any director appointed by the board must retire from office at the next annual meeting but is eligible to seek election.

Director Graham Stuart retires in accordance with this requirement and offers himself for election.



Resolution 3: Mark Eglinton

Metro Performance Glass constitution and NZX Listing Rule 2.7.1 require that any director appointed by the board must retire from office at the next annual meeting but is eligible to seek election.

Director Mark Eglinton retires in accordance with this requirement and offers himself for election.





Thank you.



Contact information

Metro Performance Glass Limited

5 Lady Fisher Place, East Tamaki, Auckland 2013

Ph: + 64 9 927 3000

www.metroglass.co.nz/

Simon Mander – Chief Executive Officer

Simon.Mander@metroglass.co.nz

(+64) 029 636 2661

Liam Hunt – Investor Relations

Liam.hunt@metroglass.co.nz

(+64) 022 010 4377

Disclaimer

This presentation (“**Presentation**”) has been prepared by Metro Performance Glass Limited (Company Number 5267882) (“**Metro Performance Glass**”).

Please do not read this Presentation in isolation

This presentation contains some forward looking statements about Metro Performance Glass and the environment in which the company operates. Forward looking statements can generally be identified by the use of forward looking words such as “anticipate”, “expect”, “likely”, “intend”, “should”, “could”, “may”, “propose”. “will”, “believe”, “forecast”, “estimate”, “outlook”, “target”, “guidance” and other similar expressions. Forward looking statements, opinions and estimates provided in this presentation are inherently uncertain and are based on assumptions and estimates which are subject to certain risks, uncertainties and change without notice. Because these statements are forward looking, Metro Performance Glass’ actual results could differ materially. Any past performance information in this presentation should not be relied upon as (and is not) an indication of future performance. Media releases, management commentary and analysts presentations are all available on the company’s website. Please read this presentation in the wider context of material previously published by Metro Performance Glass.

There is no offer or investment advice in this Presentation

This presentation is not an offer of securities, or a proposal or invitation to make any such offer. It is not investment advice or a securities recommendation, and does not take into account any person’s individual circumstances or objectives. Every investor should make an independent assessment of Metro Performance Glass on the basis of independent expert financial advice. All information in this presentation is current at the date of this presentation, and all currency amounts are in NZ dollars, unless otherwise stated. Metro Performance Glass is under no obligation to, and does not undertake to, update the information in this Presentation, including any assumptions.

Disclaimer

To the maximum extent permitted by law, Metro Performance Glass and its affiliates and related bodies corporate, officers, employees, agents and advisors make no representation or warranty (express or implied) as to the currency, accuracy, reliability or completeness of the information in this presentation and disclaim all liability for the information (whether in tort (including negligence) or otherwise) to you or any other person in relation to this presentation, including any error in it.

