

Metro Performance Glass

Annual Shareholders' Meeting

24 August 2018

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Agenda

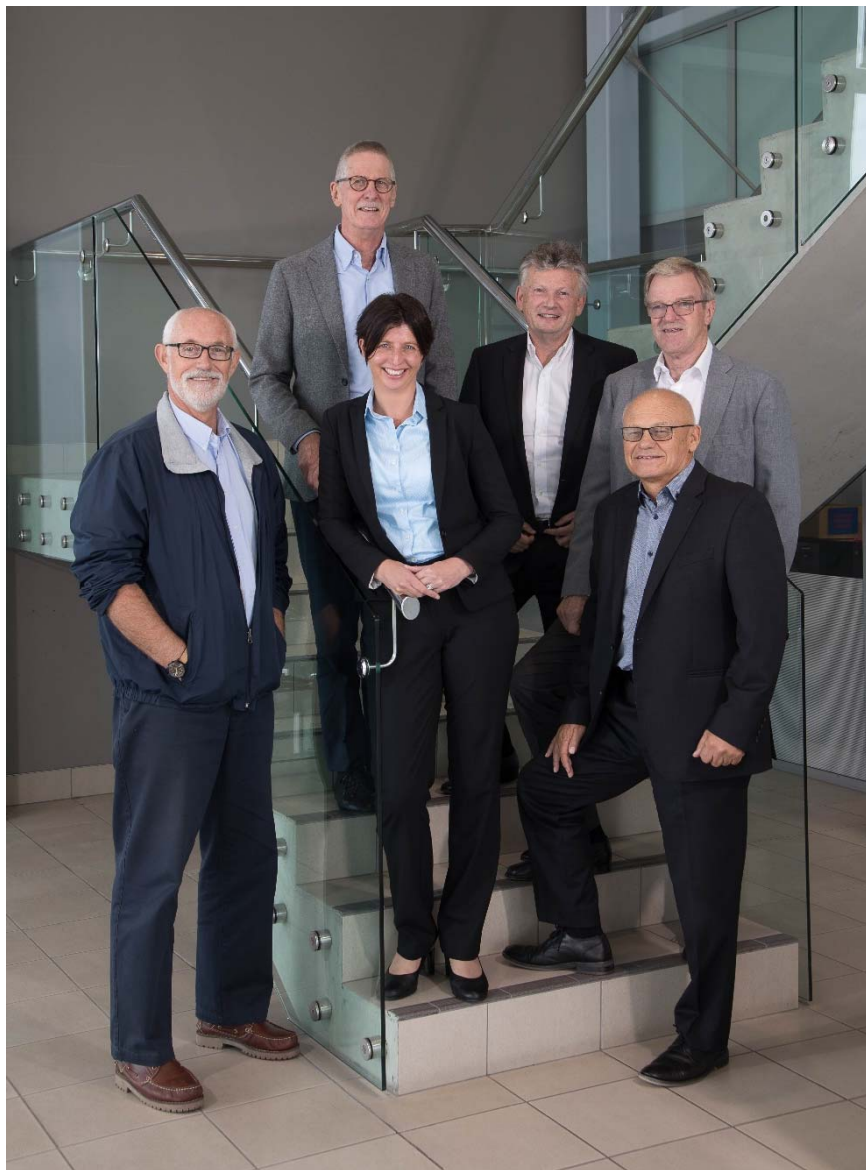
1. **Chair's address**
2. **Chief Financial Officer's address**
3. **General business and shareholder questions**
4. **Ordinary business and resolutions**
5. **Voting**
6. *Refreshments*



1. Chair's Address



Board of directors



From left to right:

1. Peter Griffiths

Independent, non-executive Chair
Member of Audit and Risk Committee
Appointed: September 2016

2. Russell Chenu

Independent, non-executive Director
Member of Audit and Risk Committee
Appointed: July 2014

3. Angela Bull

Independent, non-executive Director
Chair of People and Culture Committee
Appointed: May 2017

4. Rhys Jones

Independent, non-executive Director
Member of People and Culture Committee
Appointed: April 2018

5. Gordon Buswell

Independent, non-executive Director
Member of People and Culture Committee
Appointed: October 2015

6. Willem (Bill) Roest

Independent, non-executive Director
Chair of Audit and Risk Committee
Appointed: July 2014

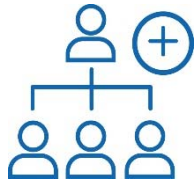
Metroglass is focused on optimising and enhancing its internal capability to execute on the opportunities ahead

Metroglass' purpose is to be a customer-dedicated organisation that delivers market-differentiated glass products and glazing services

Our four strategic objectives:



1. Delivering market leading service to our customers



2. Developing our organizational capabilities



3. Maintaining our scale position via product and channel leadership



4. Leveraging our scale and assets to deliver lowest total delivered cost

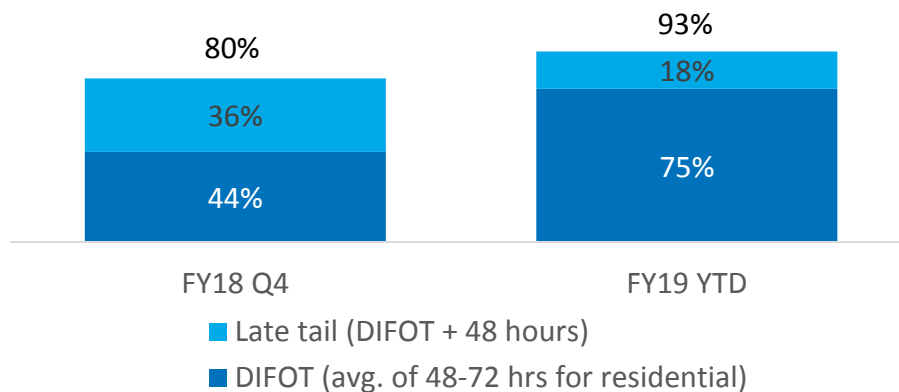
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Delivering market leading service to our customers



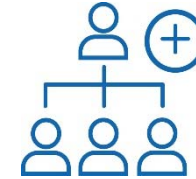
- Service is a key differentiator for our customers and critical to their success and profitability
- The New Zealand and Australian businesses are equipped to satisfy anticipated market demands over the next 24 months, and will focus on processing and installation efficiency, productivity and reliability

Example: Highbrook DIFOT %



2

Developing our organizational capabilities



- Improving our ability to execute against these strategic initiatives is critical
- Following a number of years of rapid growth, a greater focus will be placed on investing in our people and their capabilities as well as on our support systems

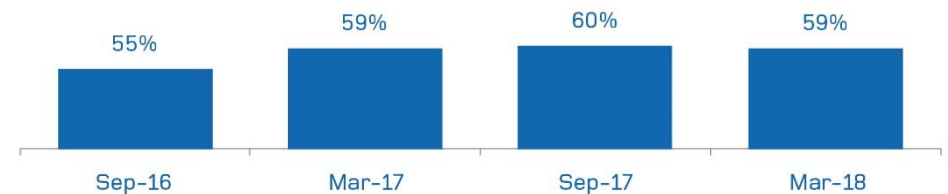
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Maintaining our scale position via product and channel leadership

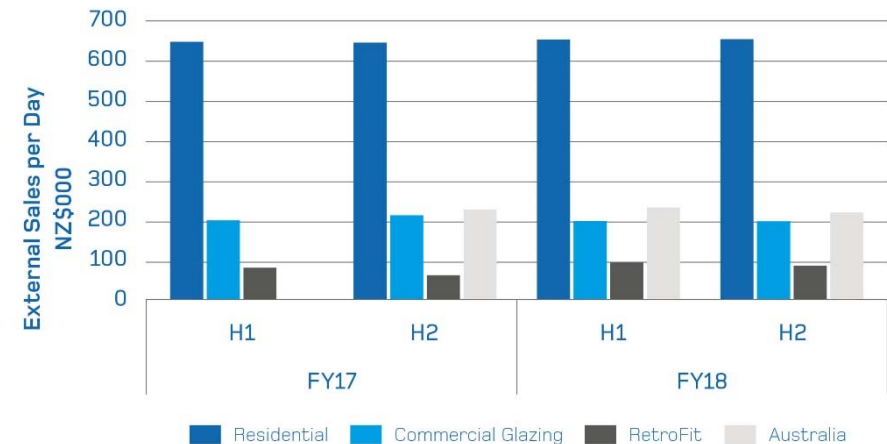


- Metroglass has grown to service more than 55% of the NZ flat-glass market. Scale is an important advantage in this market, providing significant manufacturing, procurement and distribution advantages
- Glass is a rapidly evolving product, and we have invested to keep pace with the rate of change. We will continue to drive product leadership in 'NZ first' products through ongoing market research and innovation
- We will maintain our multiple channels to the different key market segments, which offer varied cycle exposure and growth opportunities
- AGG will use its significant new double glazing capacity and improved supply chain to deliver profitable growth in the South East Australian market

NZ GLASS CATEGORY SHARE



DAILY SALES (NZ\$000)

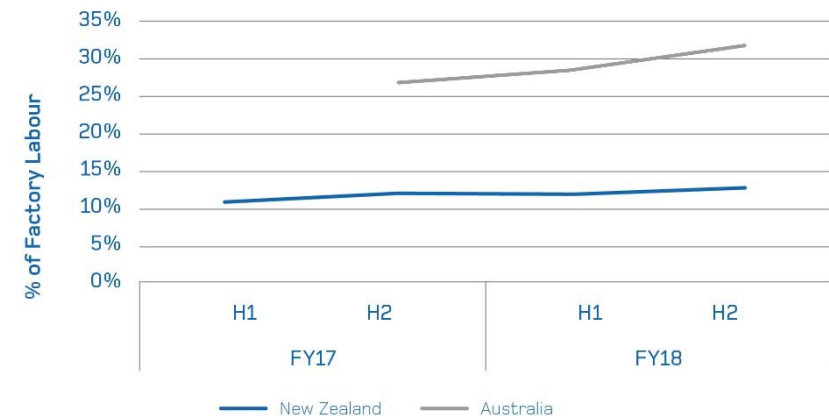


4 Leveraging our scale and assets to deliver lowest total delivered cost







- A persistent focus on increasing efficiency and automation and lowering costs is essential for the long-term sustainability of our business, and to enable us to compete successfully against imports and changing industry dynamics

FACTORY LABOUR % NET REVENUE



What do FY19/FY20 look like?

-  Dedication to excellent customer service (but not being all things to all people)
-  We will maintain our product leadership position, with a broad product offering, existing routes to market, and our current geographic spread
-  Deeply embedded best practice production culture. We have the equipment and are focussed on building and sustaining excellent people across the business
-  Capital management discipline will generate strong cash flows, with capital spend at maintenance levels, inventory being optimised, and Group debt reducing

Trading update and outlook for FY19

FY19 year to date trading:

- *New Zealand:*
 - We are pleased with the clear improvements made in increasing 'people' capabilities and in delivering sustained improvements in service levels
 - Despite variable market conditions, financial performance in New Zealand is on-target and ahead of the same period last year
- *Australia:*
 - Unfortunately Australia is not in the same position. Our recent capital investment program, related equipment commissioning and the opening of the new Tasmanian plant highlighted gaps in organisational capability
 - A refreshed Australian senior leadership team is now in place, including an Acting AGG CEO and new General Managers in New South Wales and Victoria
 - We continue to have strong belief in what this business can achieve over time. Service levels are now improving and we're focussed on building the required capabilities to achieve better returns, however as we've observed in New Zealand this will take time
- *Group:* Sales in line with last year, but EBIT is behind as a direct result of the Australian results

FY19 Group outlook:

- Currently expect Group EBIT to be at the lower end of previously provided target range of \$30 - \$33 million, with some risk around our Australian results as noted above
- Further update will be provided alongside the Company's half year results in November

Simon Mander appointed as Metroglass' new CEO

- Simon will join Metroglass in January 2019
- Experienced and inclusive people leader, with a strong track record in both New Zealand manufacturing and building materials
- Most recent role: CEO of Tru-Test Corporation Ltd, a world leading New Zealand based ag-tech company
- Has also held senior positions with Fletcher Building, DS Smith, Carter Holt Harvey, Partners in Performance, Lion Nathan and McKinsey. He was also a director of NZX listed Wellington Drive Technologies for 9 years
- Simon has a trade background in aircraft engineering and holds a Bachelor of Engineering (Mech) from Auckland University
- He also represented New Zealand in yachting on a number of occasions including in the International 470 class at the 1988 Olympic Games





2. Chief Financial Officer's Address

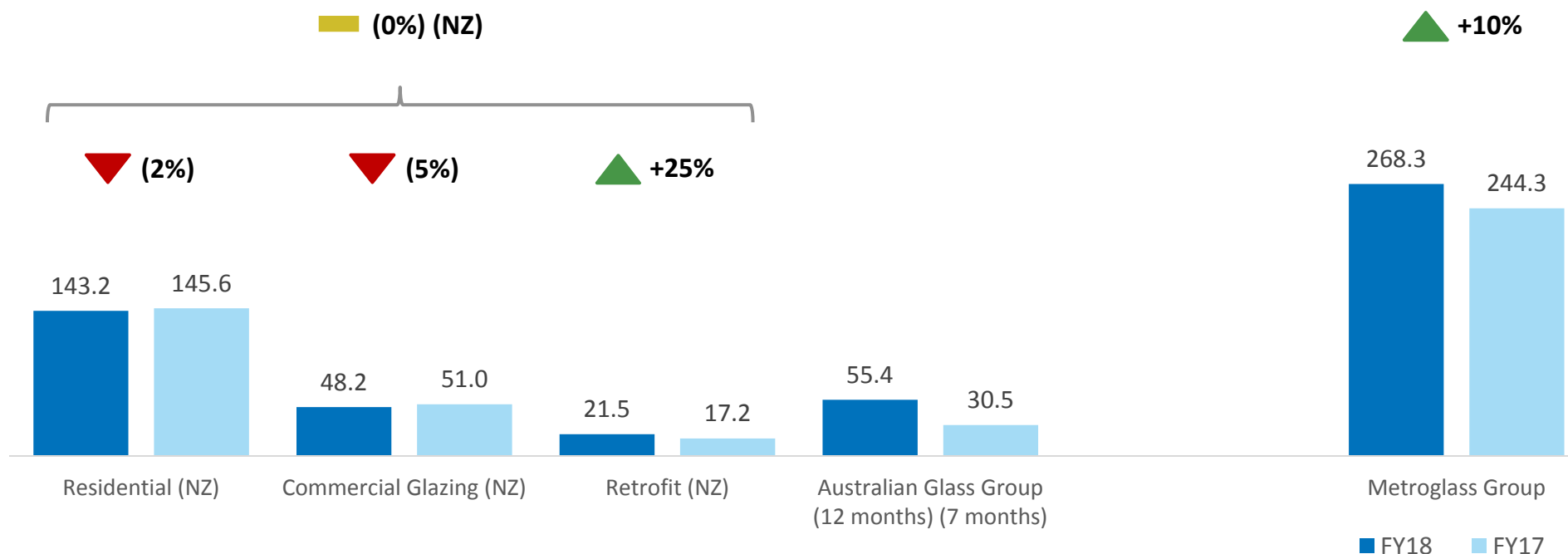


FY18: Full year result highlights

- 1 Group revenue of \$268.3m (+10%) including a full 12 months of trading from AGG. EBIT of \$28.0m (-15%) and NPAT of \$16.3m (-16%) impacted by significant items
- 2 Strong operating cash flow of \$33.6 million (+92%); net debt flat at \$94.3m
- 3 Soft NZ construction activity resulted in flat NZ sales; RetroFit revenue grew +25%
- 4 Australian revenue supported by Victorian double glazing sales, however capital programme disruptions impacted financial results in the final quarter of FY18
- 5 Completed a \$20.6m capital programme involving all plants, and a greenfield Tasmanian plant
- 6 Declared a fully-imputed final dividend of 3.8 cps, bringing total FY18 dividends to 7.4 cps
- 7 Conducted a strategic review of the business
- 8 Changes at board and senior management level

FY18: Group revenue

Metroglass Group revenue (NZ\$ million)^{1,2}

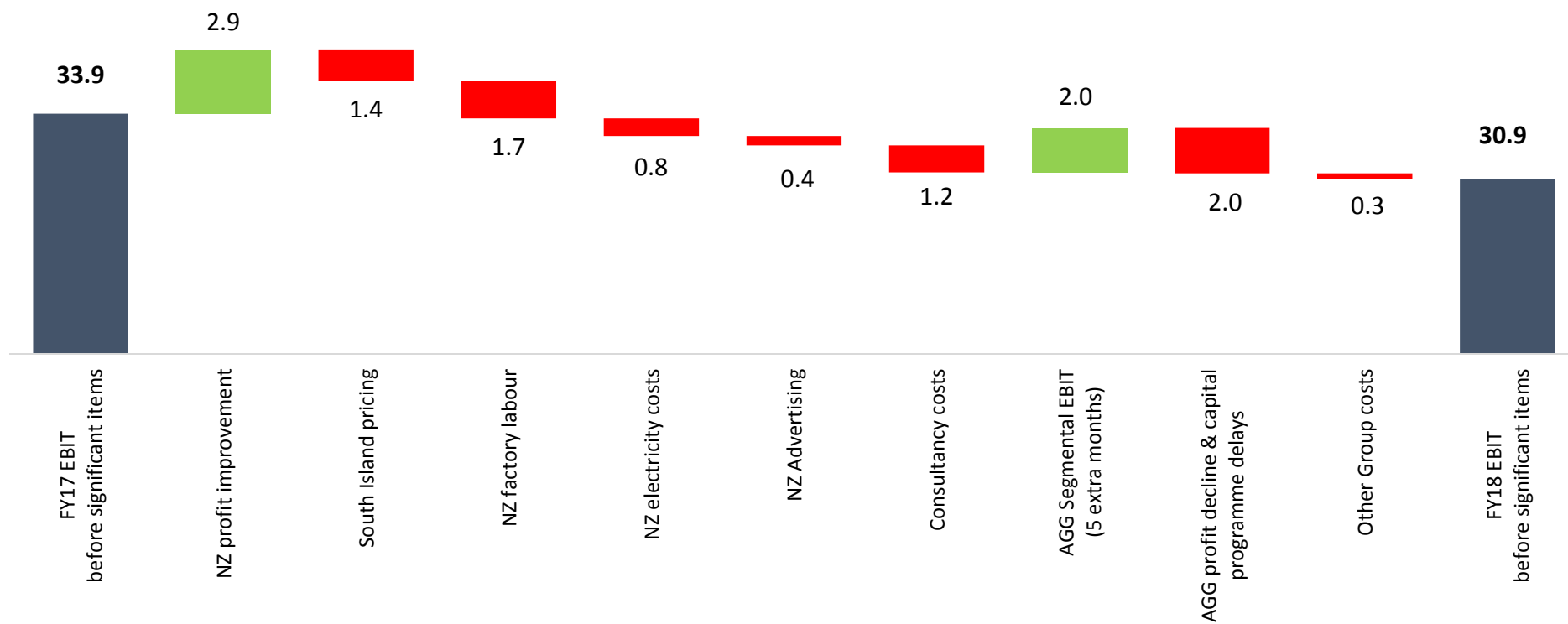


Notes:

1. The allocation of sales between residential and commercial applications is difficult as Metroglass doesn't always know the end use of a piece of glass. The categorisation methodology is consistent across periods, however Commercial glazing revenue will include some level of residential glazing sales and services.
2. Residential revenues include sales to residential window manufacturers, merchants, and retail.

FY18: EBIT summary



EBIT before significant items bridge: FY17 to FY18 (\$m)

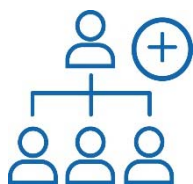


Operational update





Delivering market leading service to our customers

-  NZ customer service levels in Q1 FY19 have been the highest Metroglass has delivered since Q4 FY17
-  In Australia, the sales and production recovery has been slower and more challenging than expected following the completion of the capital installation program in March. Service levels have improved in recent weeks and the focus is on sustaining these





Developing our organisational capabilities

-  Appointed a number of senior regional leaders and filled a number of critical operational vacancies including boosts in plant supervision
-  Implemented a number of people focussed programs which are showing positive early results including increased morale and reduced staff turnover



Maintaining our scale position via product and channel leadership

-  Metroglass maintained total NZ glass category share of above 55% in H2-18. However, this measure fluctuates based on glass purchasing levels and has fallen slightly year to date as the Company has reduced inventory
-  Preparing for the FY19 launch of a new high performance double glazed unit with similar performance as LowE triple glazed units



Leveraging our scale and assets to deliver lowest total delivered cost

-  Factory labour efficiency tracking to expectation in NZ, further opportunities remain in Australia



General business and shareholder questions





Ordinary business and resolutions



Ordinary business and resolutions

To consider and, if thought fit, pass the following ordinary resolution:

Resolution 1: That the Board be authorised to fix the fees and expenses of PwC as Auditor for the ensuing year.

Ordinary business and resolutions

To consider and, if thought fit, pass the following ordinary resolution:

Resolution 2: That Gordon Buswell, who retires by rotation and is eligible for re-election, be elected as a Director of Metro Performance Glass Limited.



Ordinary business and resolutions

To consider and, if thought fit, pass the following ordinary resolution:

Resolution 3: That Russell Chenu, who retires by rotation and is eligible for re-election, be elected as a Director of Metro Performance Glass Limited.



Ordinary business and resolutions

To consider and, if thought fit, pass the following ordinary resolution:

Resolution 4: That Rhys Jones (appointed by the Board as a Director effective 1 April 2018), who retires and is eligible for election, be elected as a Director of Metro Performance Glass Limited.



Contact information

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