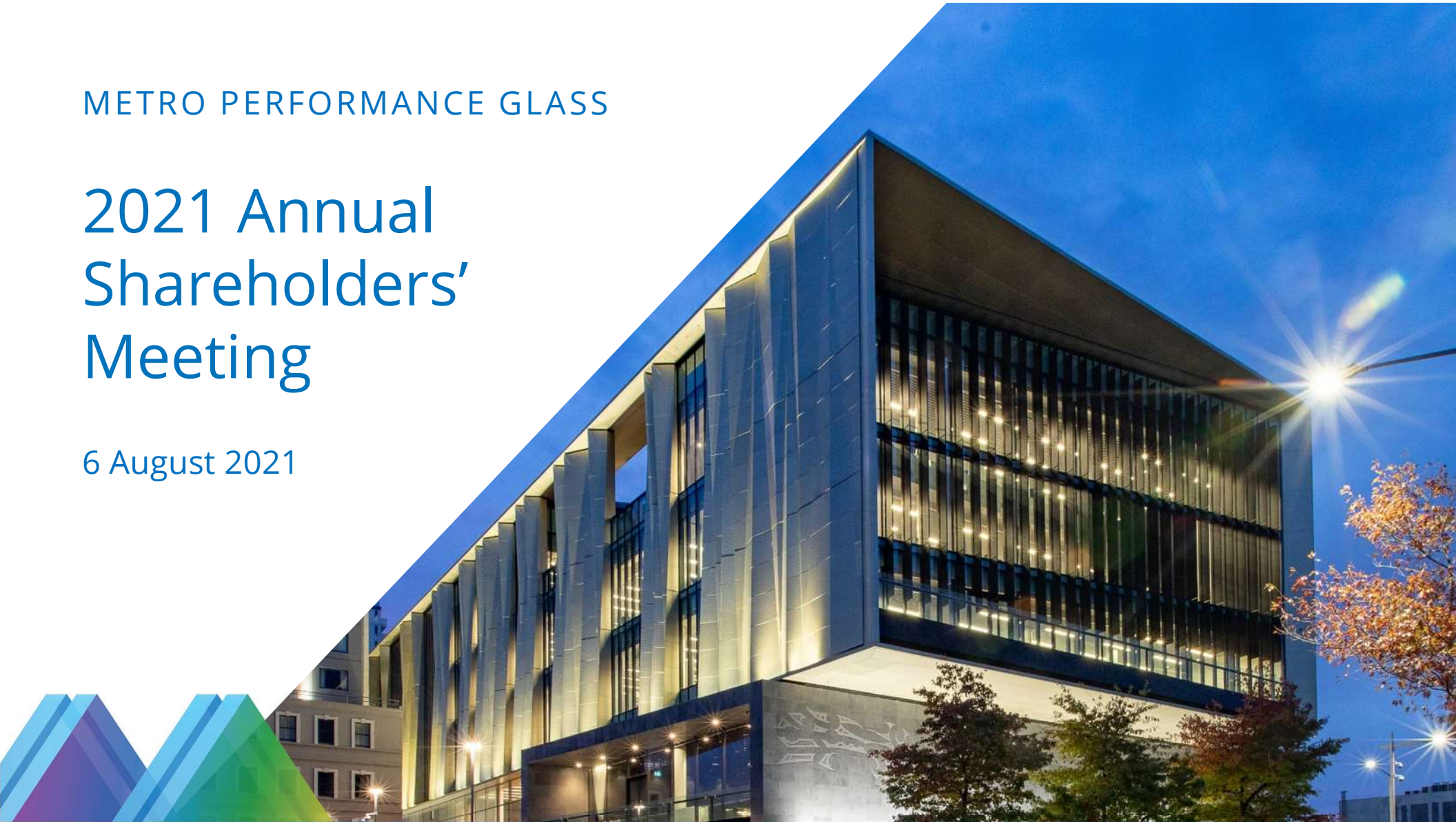


METRO PERFORMANCE GLASS

# 2021 Annual Shareholders' Meeting

6 August 2021



# 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



## Metro Performance Glass Board of Directors



Angela Bull



Mark Eglinton



Peter Griffiths



Rhys Jones



Graham Stuart



*Russell Chenu*

*Retired from the board in advance of the 2021 ASM*



# Chair's address







## Key messages

- The Group displayed resilience throughout FY21, with improved results in Australia and a solid result in the competitive NZ market, while COVID-19 impacts overshadowed underlying performance.
- Strong operating cashflows contributed to significant debt reduction in FY21.
- Dividends are expected to be reinstated alongside the FY22 interim results.



# Our strategy and values



- SAFETY**  
Working safe, living well
- PRODUCT & PROCESS QUALITY**  
Right first time, every time
- OUR CUSTOMER**  
At the centre of everything we do
- OUR PEOPLE**  
We value, inspire, train and develop our team
- OWNING OUR WORK**  
We take responsibility and work as one team



## Metroglass' dividend policy

- The success of Metroglass' debt reduction and increased confidence in the Group's market positions and future financial performance enabled the Board to reassess its approach to capital allocation and dividends
- The Board's current intention is to reinstate dividends alongside the company's FY22 interim results in November
- Going forward, Metroglass expects to pay fully imputed dividends of between 50% and 70% of net profit after tax before significant items
  - In determining any dividend, the Board will consider a range of factors including group financial performance, one-off or non-recurring events, prevailing and anticipated business and economic conditions



# Chief Executive's address





# Unified and resilient throughout a disruptive year

## OUR PEOPLE

- Strong focus on safety and wellbeing
- Resilient and united team able to adapt at pace and maintain service to customers
- First cohort of staff completed our award-winning Brighter Minds programme
- Growing apprenticeship scheme with 80+ enrolled, 15 qualifying in FY21

## OUR BUSINESS

- Business operations regularly impacted by fluctuating COVID-19 restrictions and international supply chain disruptions
- Metroglass delivered a solid result in the competitive NZ market, while COVID-19 shutdown impacts overshadowed underlying performance
- The Australian business turnaround progressed well with stable operational performance and significantly improved financial results
- Focus on managing discretionary costs and capex across the group



## Significant achievements in FY21

- **Skills Highway Champion Awards, Metro achieved Highly commended under the champion employer category** for our Brighter Minds programme
- **CFO Awards 2021: Financial Innovation Project of the year** for the successfully planned and executed a major finance innovation project, Metroglass' finance and operations ERP system

### *Window and Glass Association awards:*

Won the **Sustainability award** for The Turanga Library in Christchurch, featuring Metroglass high-performance Low E double glazing structurally glazed by the Metroglass Christchurch team

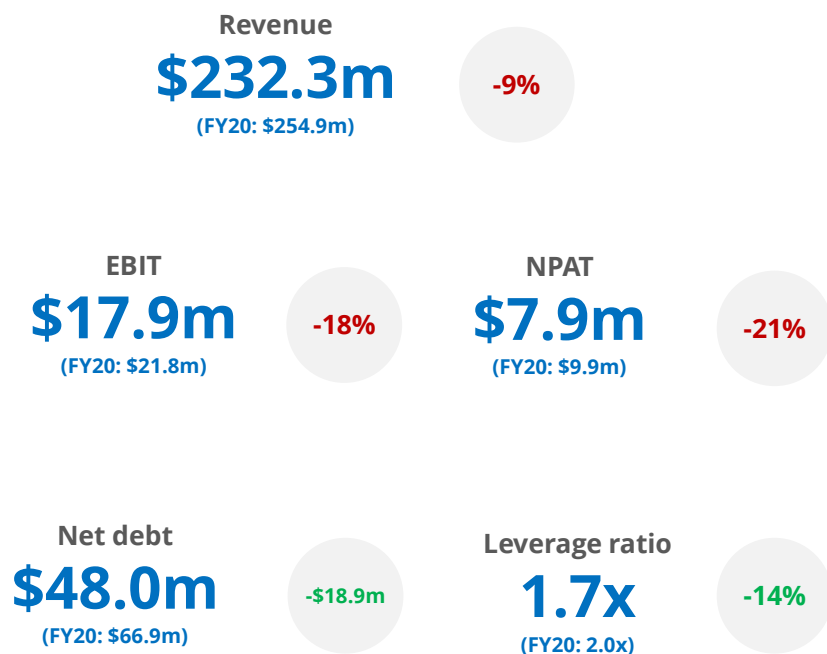
#### **Finalists:**

- Design Awards – commercial over \$101k All Souls Anglican Church (Glazed by the Metroglass Christchurch team)
- Designing with Glass – Commercial The Hotel Britomart (Glazed by Metroglass Auckland team)



# FY21 key financial outcomes<sup>1</sup>

## GROUP



## NEW ZEALAND<sup>2</sup>



## AUSTRALIA



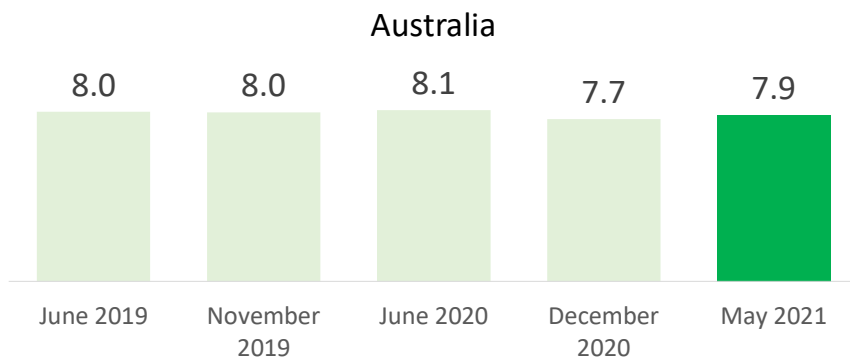
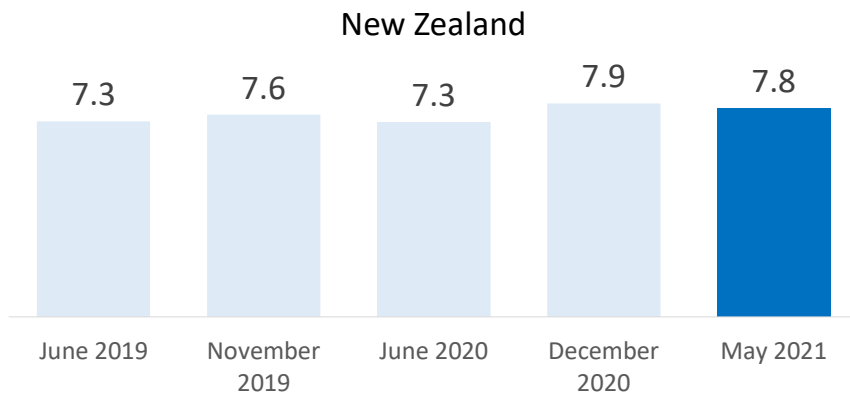
<sup>1</sup> Unless otherwise stated, results are shown in NZ\$m and before significant items. Details on the significant items are provided in note 2.4 to the FY21 financial statements.

<sup>2</sup> The full segment note is available in note 2 of the financial statements.





We regularly engage with our customers to identify the areas that are going well and those where improvement is needed



Word map of New Zealand customer feedback (positive then negative mentions)



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





Trading update: April to July 2021<sup>1</sup>

## Activity levels have been solid in both NZ and Australia in the first quarter of FY22 (YTD)

- While YTD Group revenue is significantly ahead of last year, any comparisons to Q1 FY21 have little relevance given the Alert-Level 4 shutdown period in New Zealand
- Strong residential consents and approvals are supporting a robust and stable level of construction activity across both NZ and Australia
- In NZ, Metroglass' market share in the residential window manufacturing segment has now stabilised following the entry and subsequent growth of a new competitor over the course of FY21. Annualised revenue impacts will increase progressively over FY22
- Metroglass remains the clear NZ market leader and is continuing to reposition its sales mix to where it sees opportunities. This includes some pleasing recent customer wins and further strength in the Retrofit double-glazing segment YTD
- YTD sales in Australia have been ahead of last year, buoyed by strong market activity across each of our key regions
- From the middle of July, AGG has been operating under escalating COVID-19 restrictions in New South Wales (NSW) in particular. Victoria and Tasmania currently fully operational, while NSW operating on a restricted basis under strict COVID-19 safety protocols



Trading update: April to July 2021 (YTD)

## Tight labour market adding to supply and capacity pressures

- Compared to last year, higher NZ revenues in FY22 YTD are being offset to an extent by increased material costs, supply chain disruptions and the non-repeated 2020 Government wage subsidy
- Raw material and international shipping costs have increased year on year and impacting margins. Price increases have recently been announced in both NZ and Australia which will partially offset these increased costs
- To support the next stage of AGG's growth, second shifts are being progressively introduced in both the New South Wales and Tasmania factories. This process creates some inefficiencies in the short term as new staff are recruited and trained which has increased labour costs YTD
- Recruitment is challenging with a tight labour market and reduced migration placing pressures on supply, capacity and wage inflation



## Outlook for FY22 – solid pipeline of work

- Activity levels across both NZ and Australia will likely be stable and sustained at current levels for the rest of the 2021 calendar year
- The continued strength in residential building consents provides a positive signal of a strong and stable pipeline of activity, though in NZ industry capacity constraints may limit growth in the near term
- The residential segment in NZ will continue to be competitive and dynamic
- In Australia, we are confident that AGG has embedded the improvements achieved in FY21. The level of residential approvals in Australia improved significantly through FY21 which will provide some support through FY22.
- The group remains alert to COVID-19 risks and the significant disruptions in international shipping. Both are likely to continue for the foreseeable future
- The group intends to invest more capital expenditure in FY22 v FY21 and will continue to take a prudent approach to managing operating costs



## We remain focussed on our strategy and near-term goals

To maintain Metroglass' leadership position in New Zealand

Grow and improve profitability in Australia, benefiting from increasing demand for double-glazing

Our balance sheet is strong and robust to cope with future risks and opportunities





# 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: Peter Griffiths

To consider and, if thought fit, pass the following ordinary resolution: ***That Peter Griffiths be elected as a Director of the Company.***

While Peter was not required to stand for re-election at this year's meeting (per NZX Listing Rule 2.7.1), the board prefers that a relatively consistent portion of the Directors stand for re-election each year. Accordingly, Peter has voluntarily retired and offers himself for re-election.





## Resolution 3: Rhys Jones

To consider and, if thought fit, pass the following ordinary resolution: ***That Rhys Jones be elected as a Director of the Company.***

Rhys retires by rotation per NZX Listing Rule 2.7.1 and offers himself for re-election.





Q&A



## Contact information

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