

Metroglass provides FY22 results (unaudited) as external disruptions impact profitability

Summary of the unaudited results for the twelve months ended 31 March 2022 (FY22) ¹

\$m	New Zealand		Australia		Group	
	FY22	FY21	FY22	FY21	FY22	FY21
Revenue	178.0	179.8	58.1	52.5	236.1	232.3
Segmental EBIT ²	7.4	18.7	(0.3)	(0.7)		
EBIT ²					5.9	17.2
NPAT ³					(0.5)	7.2

- The Group managed frequent Covid-19 disruptions and other external pressures well, however it materially impacted profitability for the year
- New Zealand revenue declined 1% year on year supported by robust activity before and after the lockdown period
- AGG delivered revenue growth of 11% as market activity remained strong despite disruptions
- Group EBIT before significant items down 66% to \$5.9 million. Significant increases to input costs and the NZ lockdown period materially impacted profitability.
- Statutory net profit (loss) after tax of \$(0.5) million down from \$8.1 million in FY21

Metro Performance Glass (Metroglass) today reports unaudited financial results for the 12 months to 31 March 2022 (FY22).

CEO Simon Mander said: “Metroglass achieved solid sales in New Zealand before and after the lockdown period and Australian Glass Group delivered 11% revenue growth, despite the disruptions. However, the lockdown in New Zealand, international shipping disruptions and higher input costs have materially reduced profitability.

Group Revenue for the year to 31 March 2022 of \$236.1 million was 2% higher than the prior year, with New Zealand down 1% and Australia up 11%. EBIT before significant items fell 66% to \$5.9 million. Statutory NPAT declined from \$8.1 million in FY21 to a Net loss after tax of \$(0.5) million in FY22.

Net debt increased from \$48.0 million to \$52.3 million at 31 March 2022, and reflects the increase in safety stock, the higher stock cost, and targeted capital investments delivering increases in capability, capacity, and quality.

New Zealand

Revenue in New Zealand declined 1% to \$178.0 million as construction activity remained robust. However, disruptions through the supply chain, elevated input costs and the lockdown significantly impacted EBIT which declined from \$18.7 million to \$7.4 million.

In the residential segment revenue of \$115.6 million, was 2% below the prior year. Efforts to diversify the customer portfolio have progressed well, with a stable market share over the course of FY22. The cumulative disruptions have

Note: all non-Generally Accepted Accounting Principles (GAAP) financial measures are defined to a GAAP measure on slide 15 of the FY22 results presentation, available here: <https://www.metroglass.co.nz/investor-centre/investor-presentations/>.

¹ All prior period comparisons are to the full year ended 31 March 2021 (FY21) unless otherwise stated.

² Earnings before interest, tax, and significant items (FY21: \$1.0m gain on sale of vehicles).

³ NPAT before significant items (FY21: \$1.0m gain on sale of vehicles)

created project delays with commercial glazing revenue declining 9% to \$33.5 million. In contrast, there has been strong growth in the Retrofit segment with revenue increasing 16% to \$28.9 million.

“The business has responded to the ongoing inflationary cost pressures through market pricing adjustments that will flow into FY23 financial year.

Our focus remains firmly on the future. Changes to the building insulation regulations to be introduced in 2022 will almost universally require the use of LowE glass in windows. The business has made significant investments in LowE technology and processing capability in recent years and with an experienced team, world-class facilities, and range of high performing glass products, are well-positioned to service the market.” said Mr Mander.

Australian Glass Group (AGG)

The transformation of Australian Glass Group into a specialist double-glazing business has continued momentum through FY22 despite the headwinds of Covid-19 restrictions, adverse weather events, disruptions to international supply chains, and reduced employee availability.

AGG delivered an 11% increase in revenue to \$58.1 million. AGG’s EBIT loss of \$0.3 million, is an improvement of \$0.4 million on the prior year and a marked improvement on FY19.

“Market pricing in Australia has trended positively, in-part reflecting the cost inflation pressures but also in recognition of the increasing value of glass throughout the industry. As AGG enter the next phase of their turnaround strategy, their focus remains on consistent operating performance, profitability and benefiting from regulatory changes that will accelerate the adoption of double-glazing in the south-east of Australia.” Said Mr Mander.

Capital Management

Metroglass’ focus on debt reduction has placed the business in a strong position to manage impacts resulting from the pandemic. In spite of the significant increase in the cost of glass, the group persevered in the planned increases in stock levels and targeted capital investments which resulted in net debt increasing from \$48.0 million to \$52.3 million.

Metroglass’ net debt to EBITDA ratio increased to 3.7x at 31 March 2022.

Market conditions and outlook

The demand for new residential construction activity has continued to reach record levels in New Zealand, despite a constraint on the capacity of the sector. This provides confidence of a solid and steady pipeline of work for at least the balance of the year. In Australia strong approvals and a similar capacity constraint are also expected to provide an elongated pipeline of activity.

The potential impacts of the pandemic are likely to maintain a level of uncertainty in the short to medium term, combined with the risk of ongoing supply chain disruptions, labour shortages, and cost inflation. In this environment, our focus will be on gross profit improvement.

Our strategic programme will continue to unlock potential opportunities supported by our targeted investments in capability, quality, and a strong focus on improving our offering to customers. Particularly, as regulatory changes to window and glass specifications in both counties are introduced.

The company will provide shareholders with an update on early FY23 trading performance at its Annual Shareholders’ Meeting on the 9th of August 2022.

/Ends

Full year results webcast and conference call details

Metro Performance Glass Limited will host a conference call today to review its FY22 results. The briefing is scheduled to begin at 10am NZDT and can be joined by webcast or conference call.

You can listen to the webcast via the company's website: www.metroglass.co.nz/investor-centre or directly: https://event.webcasts.com/starthere.jsp?ei=1543495&tp_key=8b0d1feb16. Please allow extra time prior to the webcast to visit the site and download streaming media software if required. An online archive of the event will be available after 2pm on the day.

To join the conference call and have the ability to ask questions, please dial in to one of the numbers below at least 5 minutes prior to the scheduled call time and when prompted, please quote the conference code: **856935**.

New Zealand Toll Free	0800 423 972	International	+64 (0)9 9133 624
Australia Toll Free	1 800 590 693	United Kingdom Toll Free	0800 358 6374
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Authorised by the Metroglass Board.