Metro Performance Glass

Investor Update
6 July 2017

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Agenda

9:00am	**Welcome and overview of the day**	Andrew Paterson
9:05am	**1. Metro Glass strategy** – *a longer term view*	Nigel Rigby
9:30am	**2. Residential and distribution** – *strengthening our core*	Robyn Gibbard
10:00am	**3. Commercial** – *building an internationally competitive capability*	Barry Paterson
10:20am	**4. Retrofit** – *creating a market*	Craig Chetty
10:40am	**5. Operations and manufacturing** – *hastening the drum beat*	Geoff Rasmussen
11:00am	**6. Product and technical –** *view of future capabilities and innovation*	Dr. Andrew Piraccini
11:20am	**7. Australian Glass Group** – *step out growth*	John Fraser-Mackenzie
11:40am	**8. Financials and wrap up**	John and Nigel
12:00pm	Transport to Metro Glass	
12:15pm	Lunch and tour of Highbrook facility	
1:30pm	Tour of Bradnams Windows & Doors	
2:30pm	Event close, transport back to conference centre	

Metro Glass strategy – a longer term view

Nigel Rigby, CEO

Key messages

1 Metro Glass is well-positioned from raw glass to end-use customer with seven distinct businesses that each have articulated opportunities, strategies, and execution plans

2 Investments in this first double glazing growth cycle and expanded presence in commercial and retrofit markets are setting Metro Glass up for the long term

3 Significant opportunity ahead to continue generating sustainable shareholder returns

Metro Glass is more than half way through its journey towards sustainable market leadership in New Zealand

Current position

Stabilised the business

- Implemented new capital structure appropriate for business performance
- Established senior management structure
- Improved quality of reporting and market information
- Improved margins with renegotiation of input prices and price increases as appropriate
- Leveraged capacity and operational leverage utilising high excess labour in place at the time

Prepared for the market rebound

- Consolidated manufacturing operations and increased production capacity and quality
- Increased automation and improved manufacturing efficiency and economies of scale
- Updated product offering (e.g. laminates, LowE)
- Introduced consistent branding and positioning
- Upgraded management information systems and implemented real time reporting
- Improved HR and people standards
- Drove for market share and cash flow to enable investment

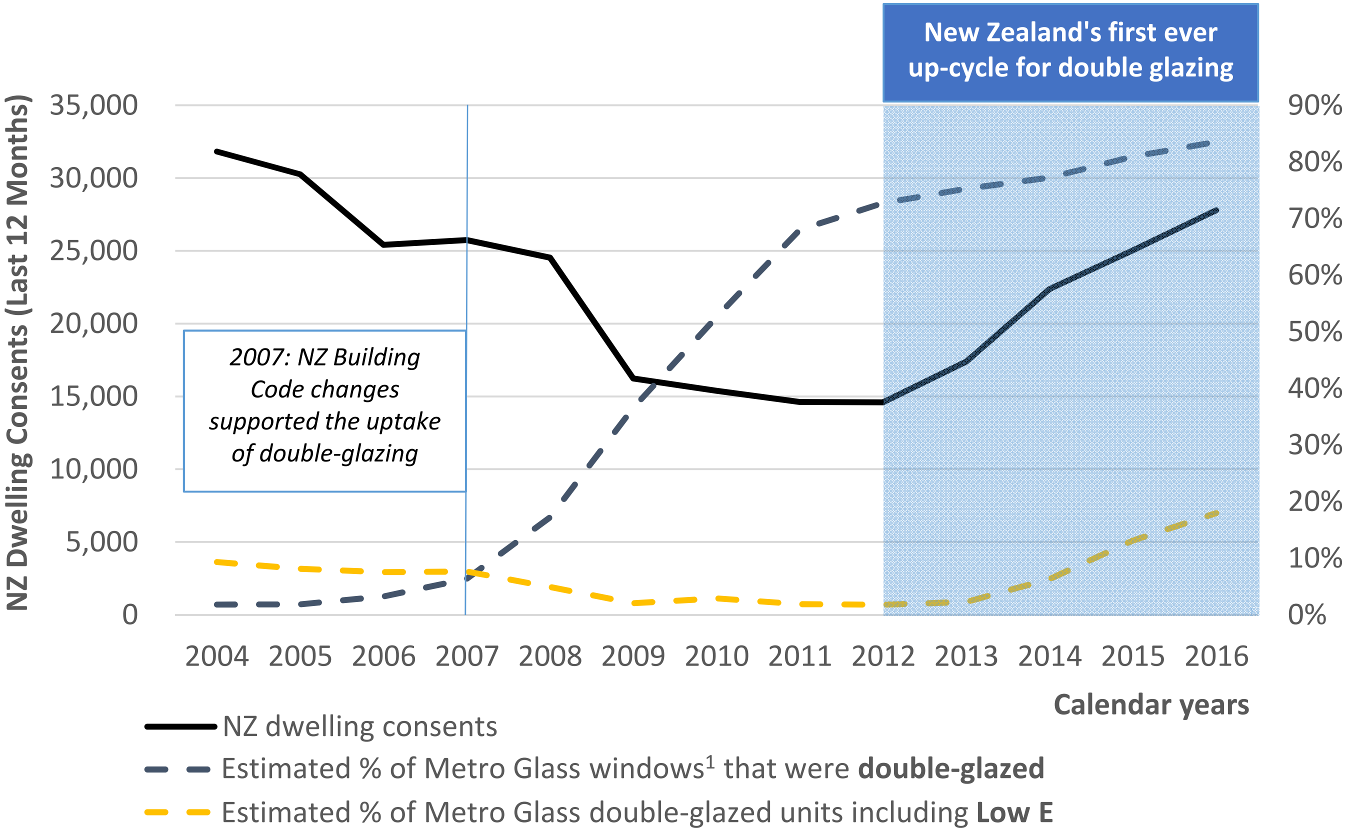
Deliver sustainable market leadership

- Deliver market-leading 'customer service', product and lead times
- Create markets for and up-sell value-added products
- Achieve best-in-class production efficiency and Asia Pacific low cost
- Expand market share 66% of the NZ Glass market
- Organically grow the Retrofit business to 20% of revenues
- Step change management information re-engineering the MIS
- Establish a technical, innovation and R&D capability
- Build direct channels to end use markets

Step out growth

- Create and execute Australia Market Opportunity with AGG
- Develop Metro leadership to ensure we don't dilute Metro New Zealand organic growth and leadership
- Evaluate additional opportunities where justified based on our criteria

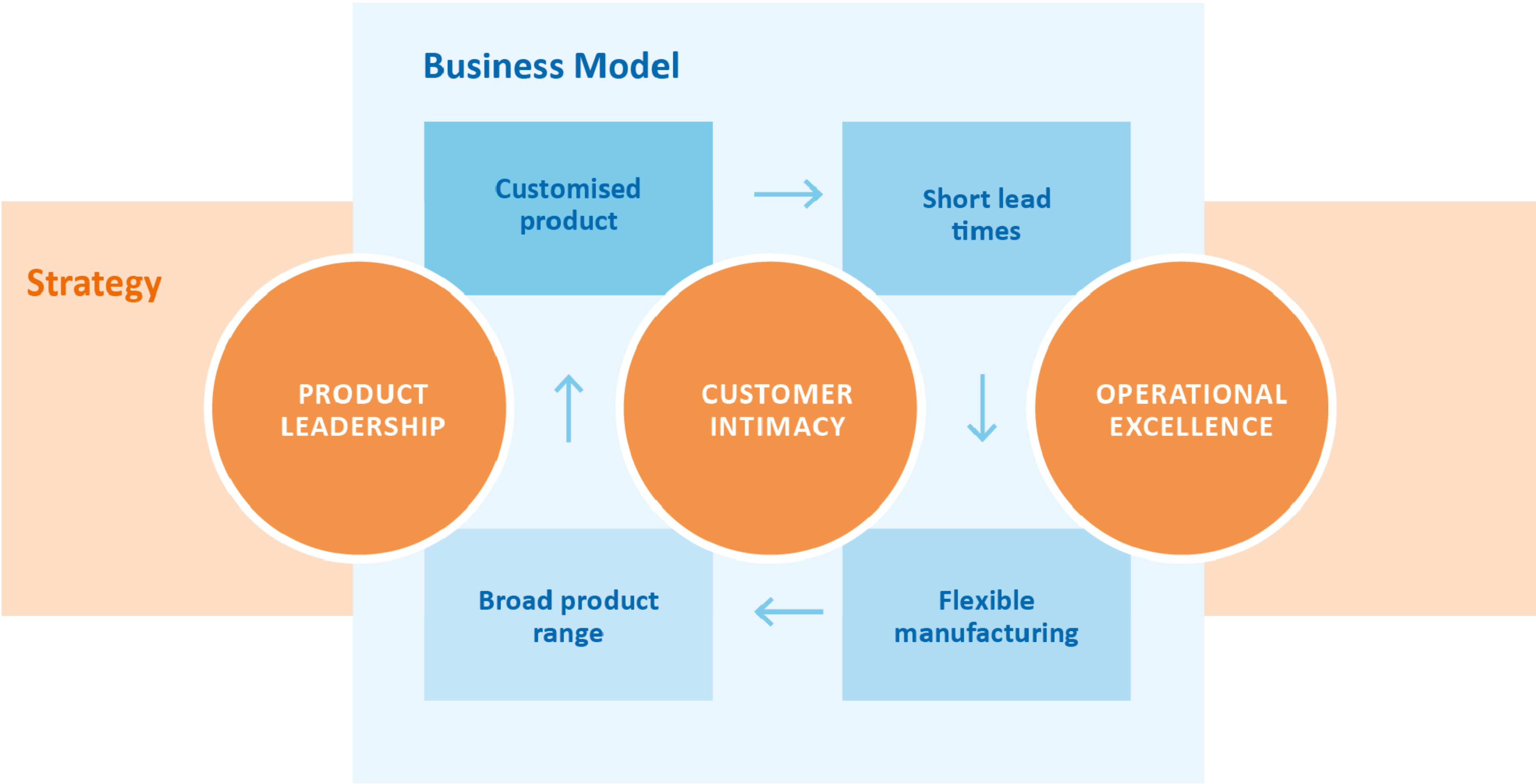
A longer-term view: transformation of Metro Glass' production



- Before the Building Code changes in 2007, circa. 90%+ of Metro Glass' window manufacturing were single panes of glass, with double-glazed units being < 10%
- Today, double-glazed units generate more than half of our revenue and account for more than 80% of all window glass we process
- The use of more complex products like digital printing, screen printing, lamination and low emissivity glass (Low E) is also rapidly increasing. Low E is now utilised in c. 20% of all double-glazed units produced

[1] *Includes residential, commercial & RetroFit window manufacturer sales.*
Source: Statistics NZ (March 2005 – March 2017), Company information.

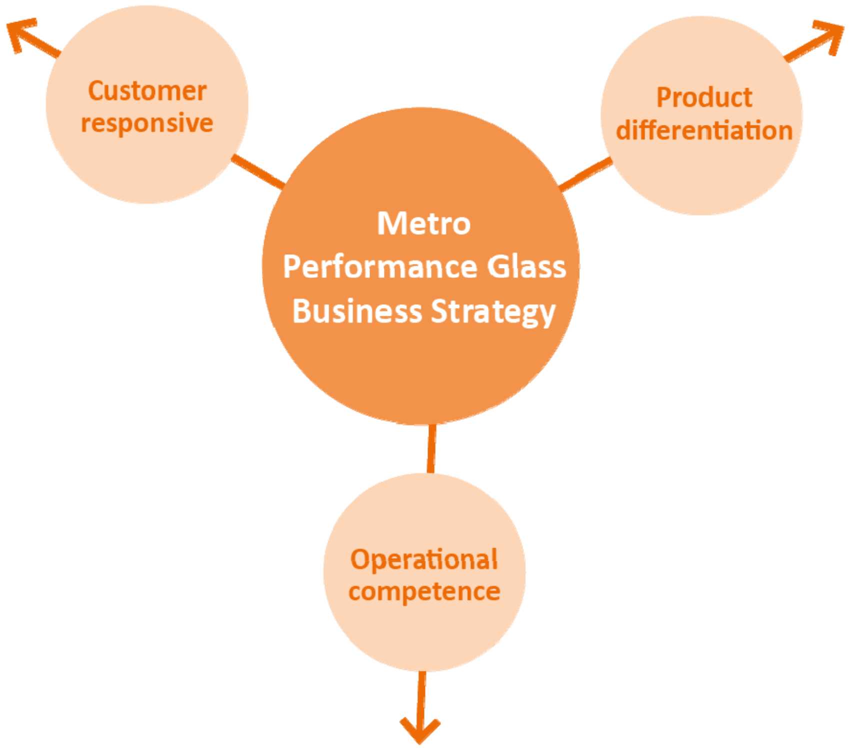
Metro Glass' three pillar strategy supports its market position, with customer intimacy providing strong protection against import-based competition



Metro Performance Glass business strategy

CUSTOMER INTIMACY
'best total solution'

- Build a consumer Glass brand
- Target the Segmented Builder
- B2B Ease of business innovation
  - Service relationships
  - Logistics to the customer
  - Customer Efficiency



PRODUCT LEADERSHIP
'best product'

- 'World Leading Technology in NZ First'
- LowE performance windows
- Image – Print, Paint, Screen
- Lamination
- Fixing

OPERATIONAL EXCELLENCE
'best total cost'

- 'NZ Lowest Cost Asia Pacific Low Cost'
- Throughput Advantage
- Waste Elimination

Key drivers of growth In New Zealand

Metro Glass is strongly positioned for growth through sustained underlying construction activity, structural market changes, and a range of Metro-led initiatives

A. Construction market growth	Historical underbuild	Favourable economic conditions	Net migration trends		Cyclical
B. Structural market improvements	Commercial Glass Penetration	Auckland Housing Accord and Unitary Plan	Increasing glass penetration	Trend towards higher value performance glass	Structural
C. Manufacturing and Logistics leadership	Logistics to customer (supply chain efficiency)	Auckland optimisation	Efficiency improvements (lean manufacturing)		Metro Glass initiatives
D. New market segments	Retrofit	Low-e	Commercial	Image Glass	

Our core activities

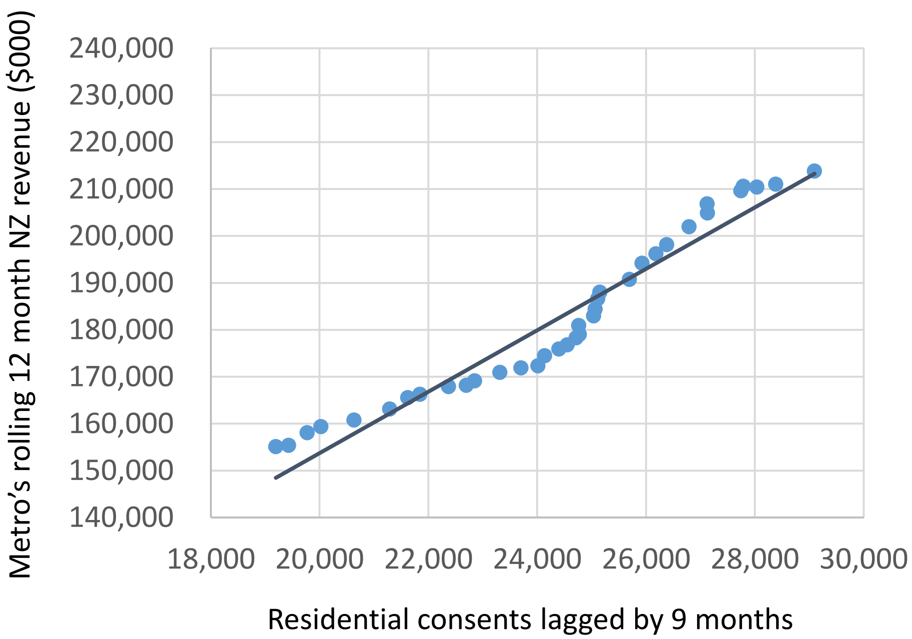
Metro Glass has a fully integrated value chain position to the builder and consumer in New Zealand. Australian Glass Group is focused on glass processing involving residential windows DGU in South East Australia

Glass Processing	New Zealand construction market generally expects a high level of customisation Glass orders vary in terms of window size, colour, finish, etc. (manufacturing flexibility required)
Residential Windows DGU	General expectation from window fabricators is for 3 day turnaround for a house lot of glass (typically >20 windows) Customisation requirements and short lead times make it challenging for imports to compete More than 90% of new dwellings use DGUs Technology is moving to high performance glass, shapes and large units
Commercial Facades and Fit-out	High performance glass for façade, structural and site glazed windows is increasing Technical design / specification and site Glazing is a growing core competency
Retrofit	1.4 million homes are single glazed, 25% of this stock is built between 1990 and 2007 Leads, sales, installation to payment all managed by Retrofit
MetroDirect Channel	Approximately 50% of NZ population is located in areas of <150,000 people Requires strong distribution capabilities (Metro Glass has >260 vehicles, 14 locations nationally) Full service 'Glass Emporium" to support local markets
Merchant Glass	Wide range of glass supplied through glass merchants who sell and install Residential internal glass fit-out is a key segment i.e. showers, splashbacks, mirror and balustrades
Australian Glass Group	Glass processing in NSW and Victoria. Start up in late 2017 in Tasmania Focus on the growing single to double glazed market shift enabled by building regulations Service and product leadership leveraged by Metro core competency

Macro conditions in New Zealand

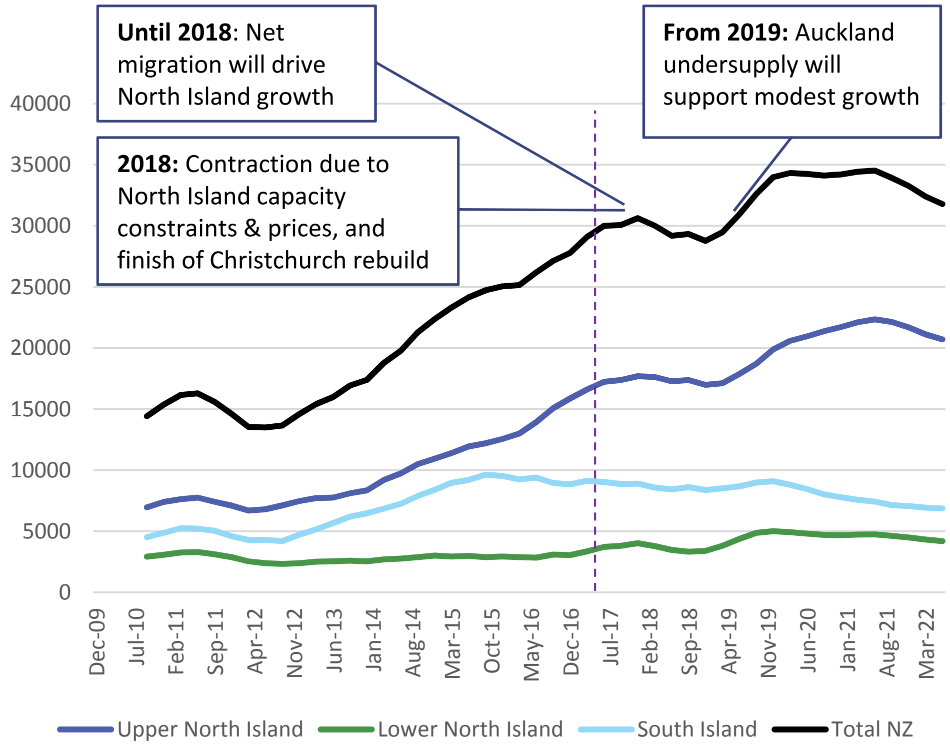
- Low interest rates, strong net migration, a robust economy and the persistent housing shortage in the upper North Island are continuing to fuel a supportive market backdrop. Activity in Canterbury is expected to continue its decline

Total New Zealand revenue remains aligned to 9 month lagged NZ housing



Source: Company information, Statistics NZ (April 1987 – March 2017)

New Zealand residential consents



Source: Company information, Infometrics (June 2017)

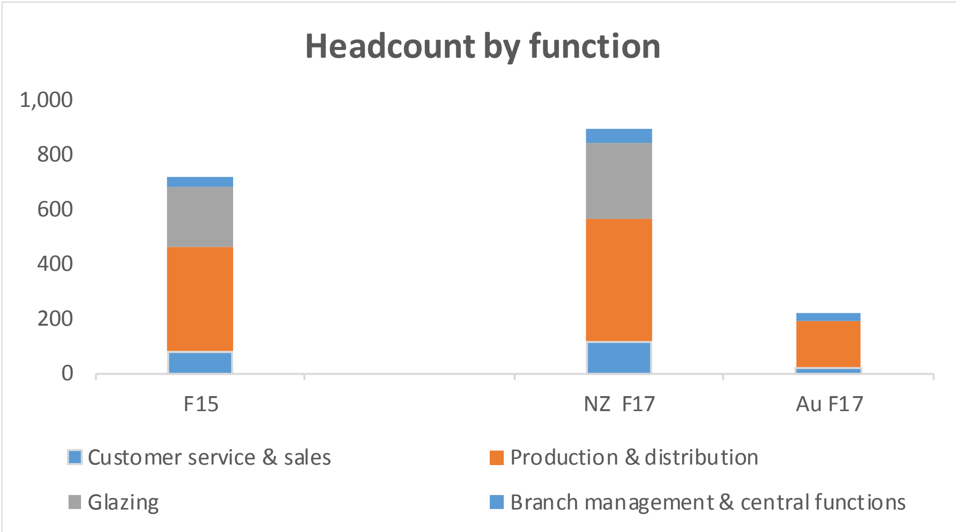
Australian entry - strategic step out growth for Metro Glass

Victorian & NSW market outlook	Fit with Metro investment thesis	Implication for Metro entry into Australian market
• Market will recover from downturns in next 2-3 years • Overall market expected to grow ~3% p.a. through the cycle • DGU penetration continue to increase in Victoria • NSW DGU penetration will follow Victoria penetration curve based on 1 July 2017 building code change • Shift to higher value products will continue • Builders market will remain fragmented and supportive of non-standard glass	• Market size comparable with NZ • Market structure similar to NZ 5-10 years ago (under servicing; builder market fragmented) • Consumer trends in Australia following 5-10 years behind NZ (eg DGU, low-e) • Leverages Metro's strengths: – Scale process to produce highly customisable products – Short lead times and good DIFOT – Focus on DGUs (higher value and margins, not commoditised) – Capability in higher value products (e.g. low-e) – Procurement competency	• AGG provides entry into the three best parts of the Australian market: – Victoria & NSW size and growth – Detached dwelling size and relative stability – DGU growth • The market meets Metro's investment thesis hurdle • Growth options geographically in South East Australia ie Tasmania • Metro is at the forefront of glass and process technology • Grows Metro Australasia scale advantage

Organisation advantage

To enable Metro revenue doubling over the last 5 years we need a robust organisational game plan

- Building the Senior Leadership internally and externally
  - Robyn Gibbard, Alex McDonald and Gareth Hamill joined NZ Senior Leadership Team in 2017
  - Linking individual objectives to results
- Auckland University 'Mini MBA' key to senior management knowledge and skill growth
- Strong performance culture and management leveraging performance and potential
- Transform our manufacturing and glazing businesses to 'skill based systems'
- Recruiting early talent to feed a growth business
- Culture is a key differentiator
  - Look, See, Do
  - Make leaps and Gains
  - Compete Hard Every Day
  - Commit and Deliver
  - One Team, One Metro
  - Learn, Grow and Excel



Metro Glass' growth strategy is attractive in a sustained strong market

Key elements

1 Diversify revenue streams from residential business whilst playing a leading role in glass value chain

- Retrofit
- Commercial
- Metro Direct
- Low-e glass

2 Improve cost position and deliver leading service performance whilst managing operational risks

- Residential windows
- Automation
- Logistics to customer

3 Wire the business and build business capabilities to lift 'ability to execute'

- KPIs & accountability
- Systems & processes
- Staff skills
- Organisation structure

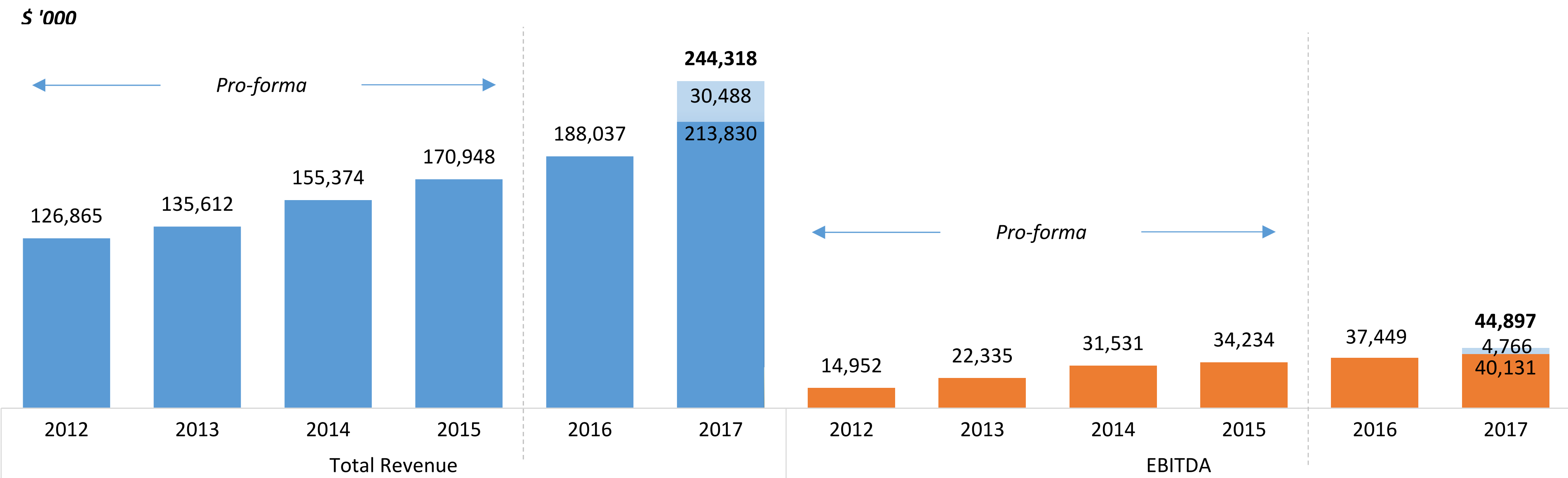
Strategic rationale

- Invest & grow in attractive markets
- Improve competitive position – raising barriers of entry
- Protect against downside risk in residential building markets

Financial performance – a good track record

- Metro revenue has increased 1.9 times and EBITDA has increased by 3 times over the five year period
- Majority of growth is organic including investments in developing segments and businesses
- Targeted revenue growth over the next 3 years based on our take of external forecasts, is between 5 – 12% annual growth at 20% plus EBITDA margins

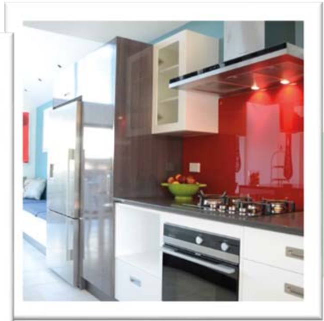
Growth from FY12 to FY17



NZ residential and distribution businesses

Robyn Gibbard, UNI Sales Manager

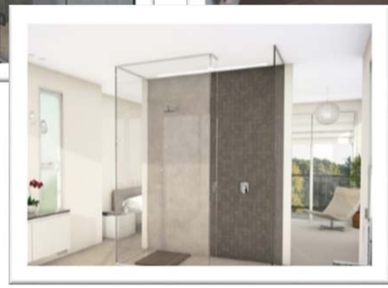
Glass for living

Kitchens

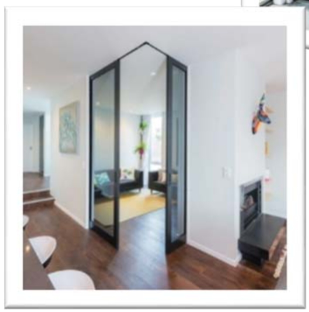
Splashbacks, benchtops, kitchen mirrors, table tops, cabinet and oven doors (via Merchants)

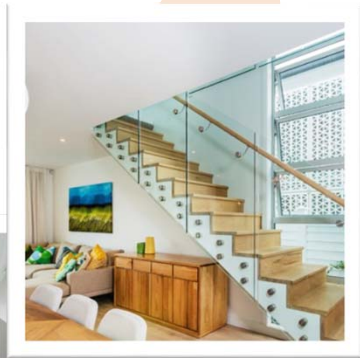




Bathrooms

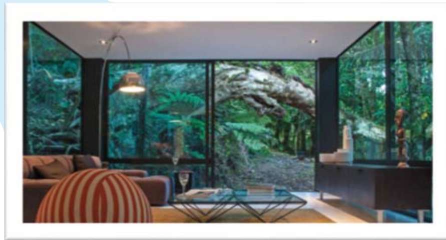
Splashbacks, mirrors, showers, room dividers



Living Spaces

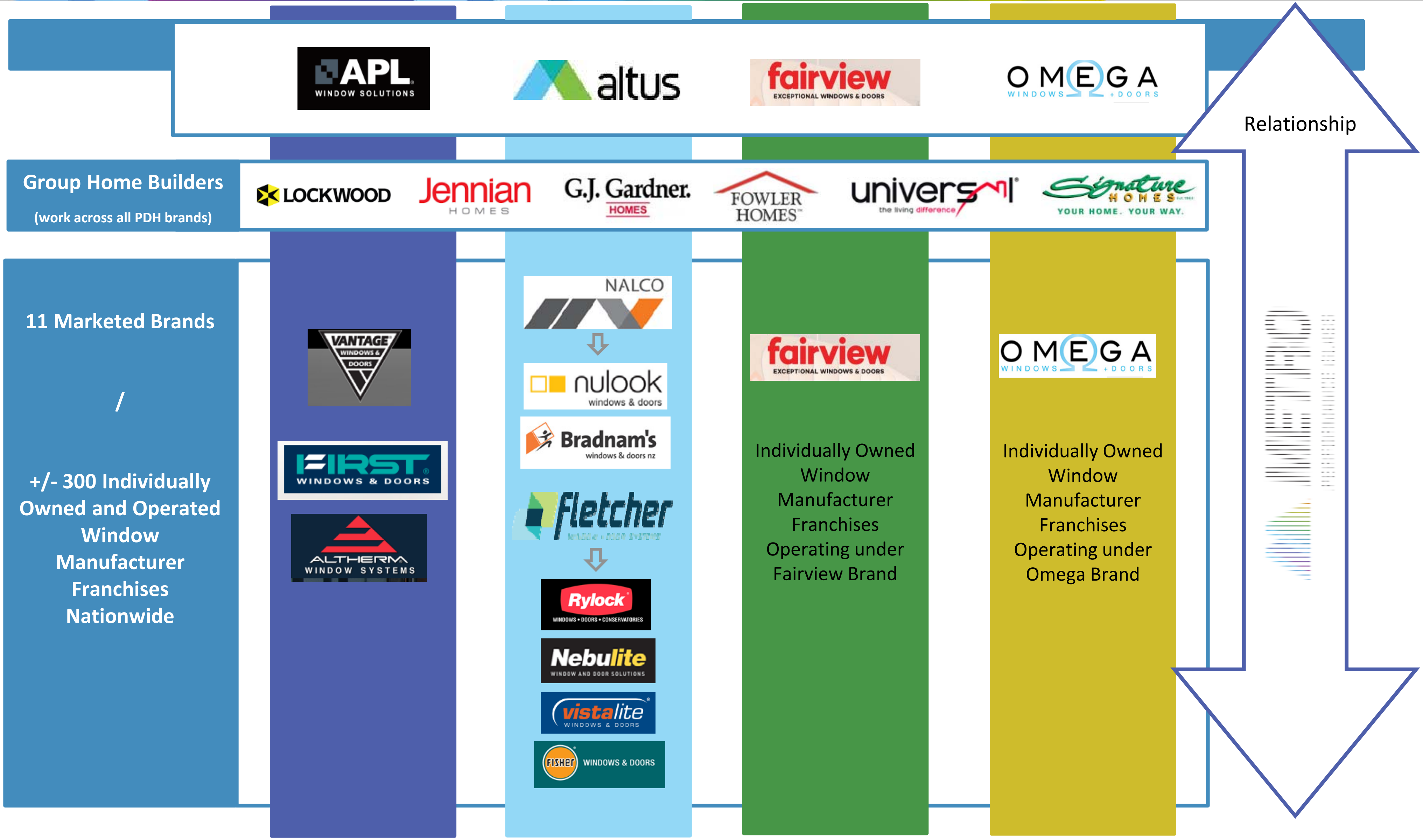
Stairs & balustrades, room dividers doors, mirrors, furniture
Digital Print & Decorative Glass




Residential Windows

Low E Double Glazing, Site Glazing

Residential windows – market structure



Window manufacturing - residential supply process

Prime Die Holder

Supplies aluminium to Window Manufacturer

Window Manufacturer

Manufactures aluminium window frames

Orders Supply-only Double Glazed Units from MPG

Fits glass to window frames in factory;
delivers and glazes completed windows on site

And/or

Orders Site Glazing from MPG, if required

Fits frames onsite without glass

Metro Performance Glass

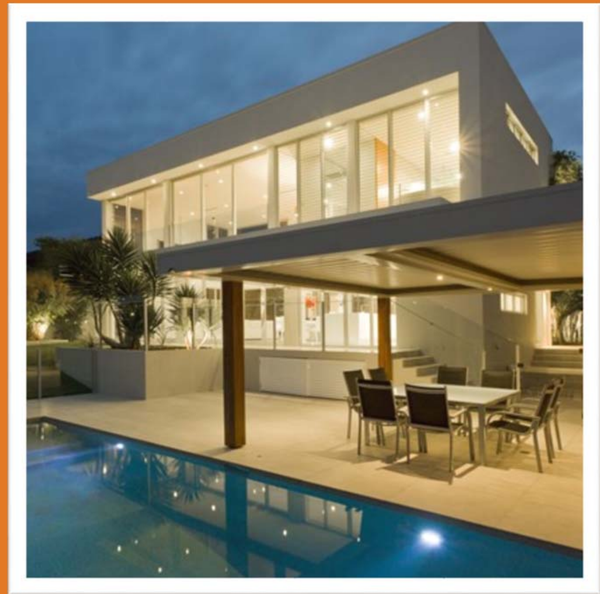
Manufactures glass

Manufactures and supplies glass back to WM factory within 48 hours

Inspects and site measures

Manufactures, Delivers and glazes windows onsite on agreed timeline

Completed Dwelling



Our value proposition – residential windows

Service Delivery

Custom Product – Short lead-time – Glass on time – Quality < 2% Reject rate

Product Advantage

- Market leading Low E range
- Digital Print & Decorative IGU
- Broad Product Range

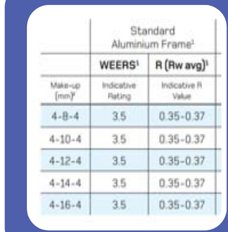
Manufacturing Capabilities

- Large Panel Size IGU capability
- Soft coat Low E processing technology
- Increased capacity

Logistical Solution

- Tailored Delivery Innovation
- Large Flexible Fleet
- Geographical coverage

Technical Support



	Standard Aluminium Frame[1]	
	WEERS[1]	R (Rw avg)[1]
Make-up (mm)[2]	Indicative Rating	Indicative R Value
4-8-4	3.5	0.35-0.37
4-10-4	3.5	0.35-0.37
4-12-4	3.5	0.35-0.37
4-14-4	3.5	0.35-0.37
4-16-4	3.5	0.35-0.37

- Trusted technical knowledge
- Custom Engineering solutions
- Experienced glass trouble shooters

Value Add Relationships

- Know our customers business well
- Metro Connect
- Strong market facing sales presence

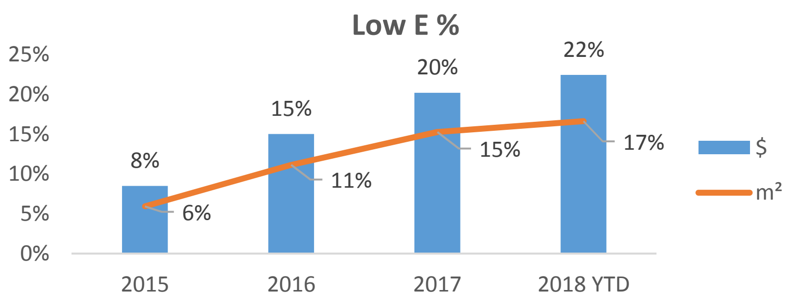
Site Glazing Capability

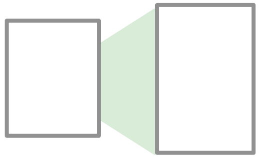
- Residential site glazing service
- Safe, reliable site glazing offer
- Capability to meet increased demand

Residential window requirements are becoming more complex

FY15 v FY17 Growth

LowE Plus Double Glazing | LowE Max Double Glazing | LowE Xcel Double Glazing





Average Unit Size:

Increased 8% FY15 to FY17

New Legislation expected to increase T/T DGU volume ([based on GHB designs](#))

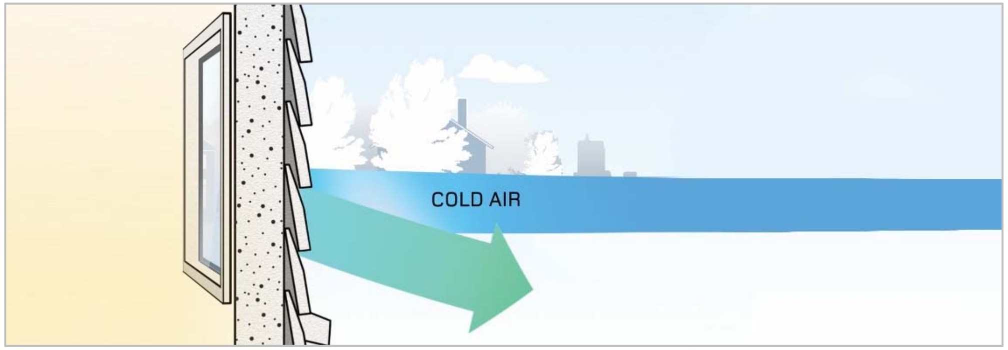
+17%

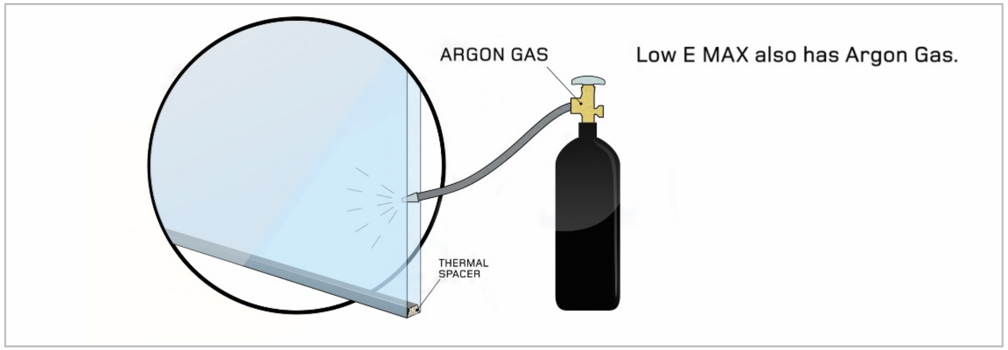
This may further increase av. unit size

On Site Glazing Requirements increasing

Windows are all about the glass

- The advent of Low E double glazing has allowed New Zealanders to increase the size of there windows without the previous heat loss.
- In some areas window size has doubled in the last few years. With this increase in window size, the glass is becoming the key focus in the decision process of selecting windows.
- Low E is the acronym for Low Emissivity, which is the ability of the double glazing to reflect infrared heat.
- With the introduction of high density gases Metro is able to further improve the thermal performance of the double glazing.





Residential fit out

To create a Residential Internal Fit Out range that:

Mirrors


- Creates product differentiation

Kitchens


- Shows what 'best' is

Frameless Showers


- Enables MPG to compete at top and bottom of the market

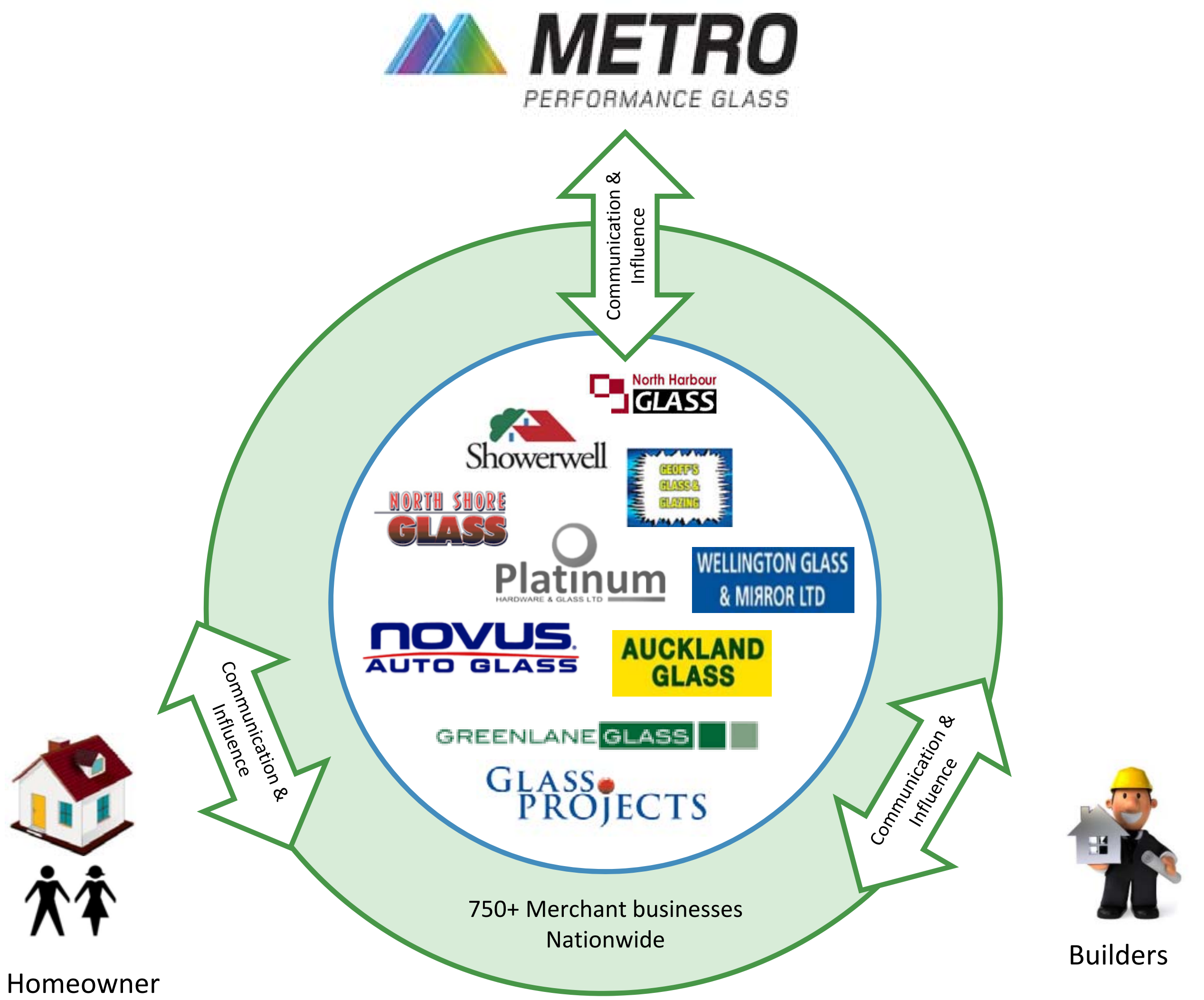
Balustrades & Pool Fences


- Simplifies glass selection

Furniture


- Creates demand for MPG product range

Merchant market – main centres

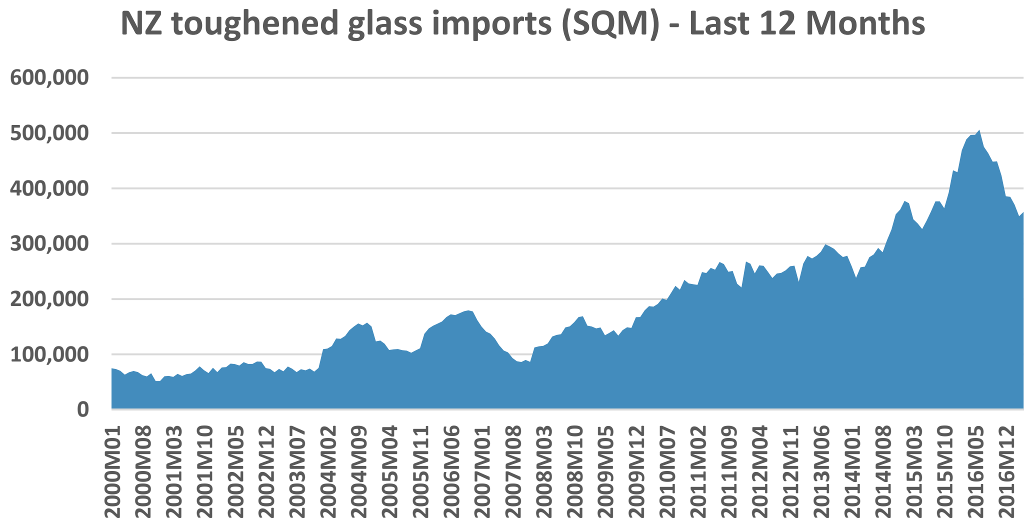


Non-window opportunities

Residential Fit Out & Merchant Market has some challenges given the structure of the local market, presenting many opportunities for MPG

Market characteristics

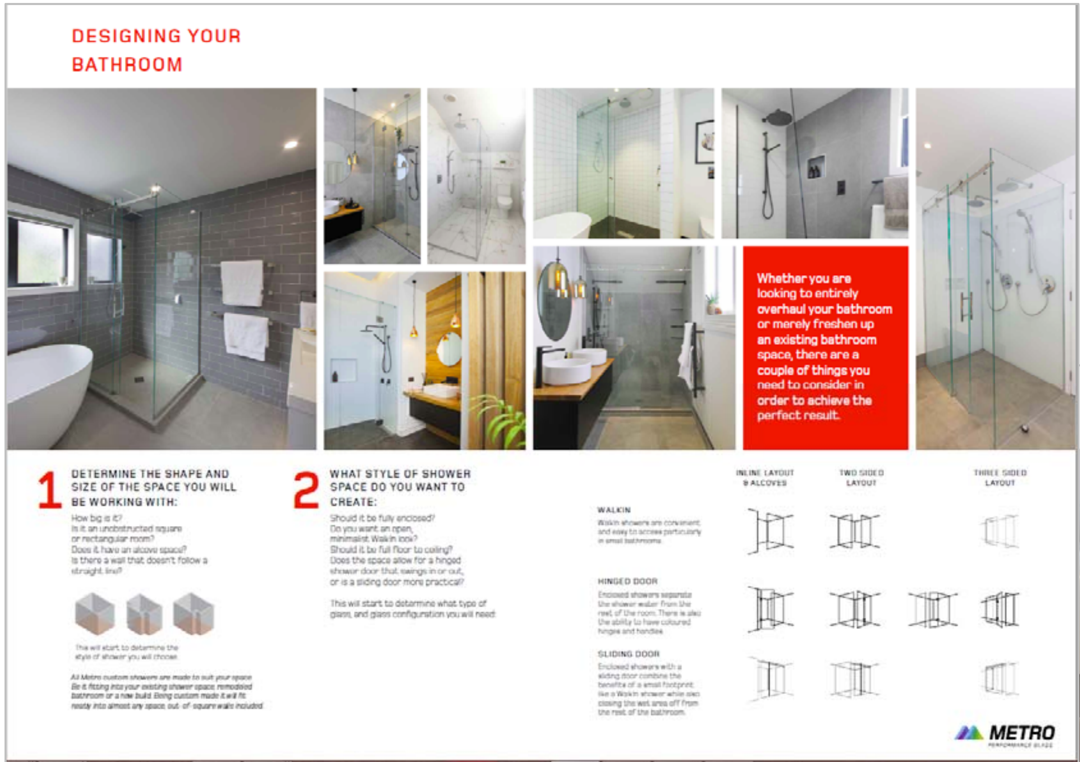
- Highly fragmented: few scale players
- Lack of Industry structure
- Toughened imports have changed RIFO margins
- Need for investment in skilled labour
- Need for business development
- Need for future planning

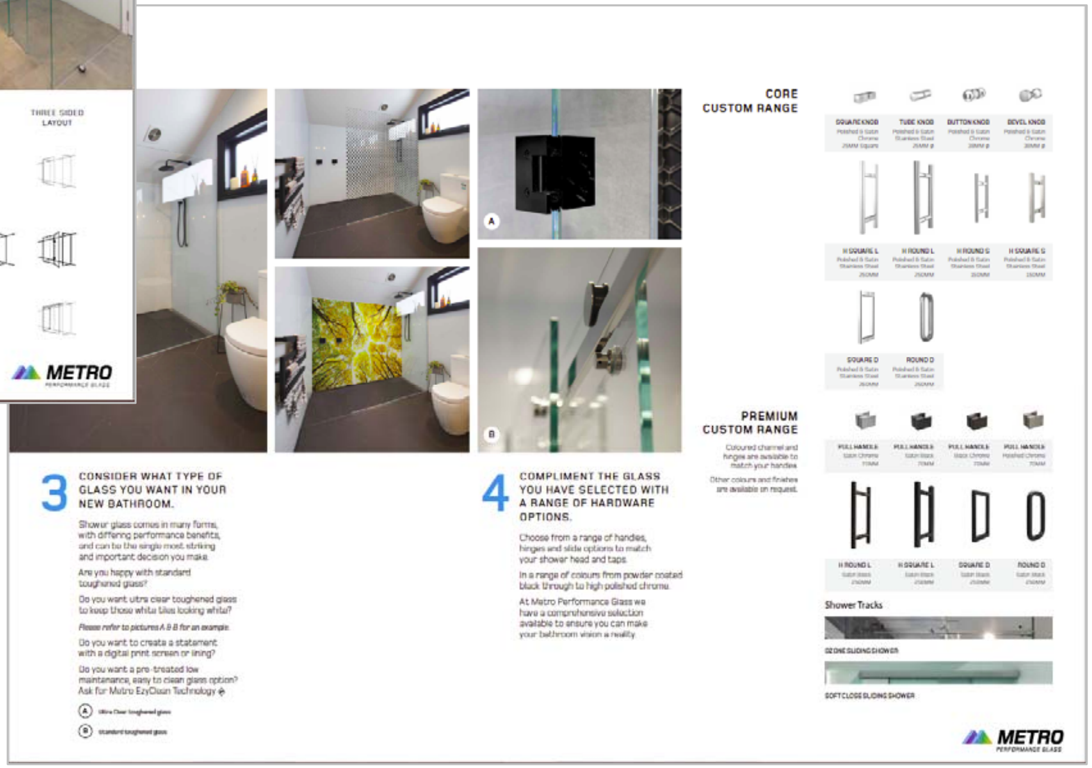


Opportunities for MPG

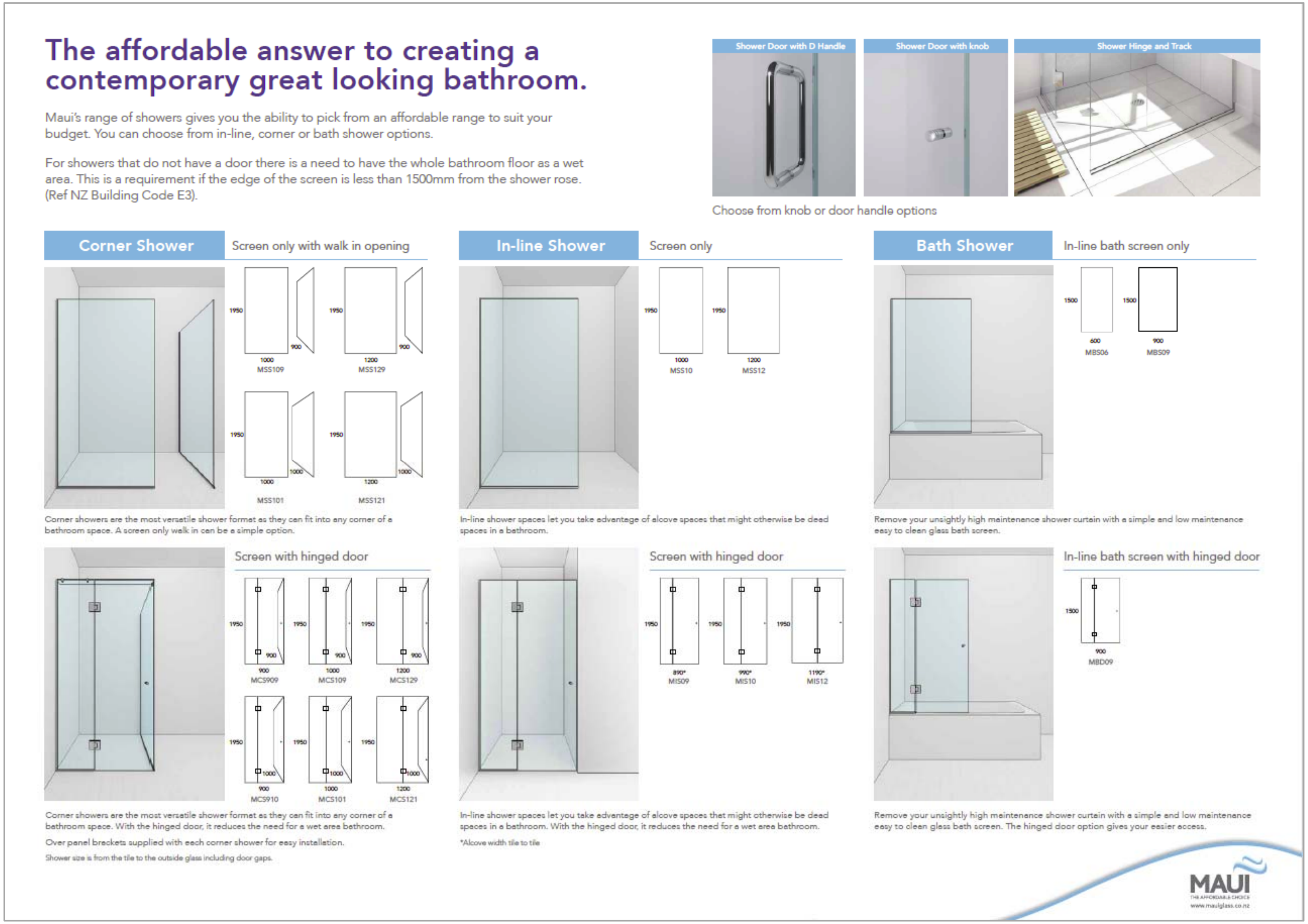
- Provide Industry Leadership
- Innovate with top of the line Product Range
- Create primary demand
- Local manufacturing flexibility: short lead-time supports custom design
- Automation and investment allows us to compete against import market with volume projects
- Trusted Supplier for Compliance in safety glass
- Trusted Compliance to local Legislation

Metro Glass custom shower offer





Metro Glass Maui shower offer



The affordable answer to creating a contemporary great looking bathroom.

Maui's range of showers gives you the ability to pick from an affordable range to suit your budget. You can choose from in-line, corner or bath shower options.

For showers that do not have a door there is a need to have the whole bathroom floor as a wet area. This is a requirement if the edge of the screen is less than 1500mm from the shower rose. (Ref NZ Building Code E3).

Shower Door with D Handle

Shower Door with knob

Shower Hinge and Track

Choose from knob or door handle options

Corner Shower

Screen only with walk in opening

MSS109 — 1950, 1000, 900
MSS129 — 1950, 1200, 900
MSS101 — 1950, 1000, 1000
MSS121 — 1950, 1200, 1000

Corner showers are the most versatile shower format as they can fit into any corner of a bathroom space. A screen only walk in can be a simple option.

Screen with hinged door

MCS909 — 1950, 900, 900
MCS109 — 1950, 1000, 900
MCS129 — 1950, 1200, 900
MCS910 — 1950, 900, 1000
MCS101 — 1950, 1000, 1000
MCS121 — 1950, 1200, 1000

Corner showers are the most versatile shower format as they can fit into any corner of a bathroom space. With the hinged door, it reduces the need for a wet area bathroom.

Over panel brackets supplied with each corner shower for easy installation.

Shower size is from the tile to the outside glass including door gaps.

In-line Shower

Screen only

MSS10 — 1950, 1000
MSS12 — 1950, 1200

In-line shower spaces let you take advantage of alcove spaces that might otherwise be dead spaces in a bathroom.

Screen with hinged door

MIS09 — 1950, 890*
MIS10 — 1950, 990*
MIS12 — 1950, 1190*

In-line shower spaces let you take advantage of alcove spaces that might otherwise be dead spaces in a bathroom. With the hinged door, it reduces the need for a wet area bathroom.

*Alcove width tile to tile

Bath Shower

In-line bath screen only

MBS06 — 1500, 600
MBS09 — 1500, 900

Remove your unsightly high maintenance shower curtain with a simple and low maintenance easy to clean glass bath screen.

In-line bath screen with hinged door

MBD09 — 1500, 900

Remove your unsightly high maintenance shower curtain with a simple and low maintenance easy to clean glass bath screen. The hinged door option gives your easier access.

MAUI
www.mauiglass.co.nz

Residential fitout & merchant market value proposition

Residential Fitout Offer

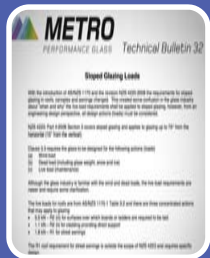
- Shower, Mirror, Splashback, Balustrade
- Good, Better, Best Product Offer
- Create demand for MPG solutions

Create Primary Demand

- TVC's on Residential Fitout Offer
- Run good Builder Programme
- Innovation Showrooms/Website

Product Advantage & Innovation

- Market Leading Decorative Offer
- Ezyclean – 10 year Warranty
- Broad Product Range
- Continued Innovation



Technical Support

- Trusted technical knowledge
- Custom Engineering solutions
- Easily accessed technical information

Value Add Relationships

- Trusted business support
- Online Ordering & Quoting Platform
- Help our customers to grow

Service Delivery

- Custom Product - short lead-time
- Good quality, on time
- Logistical Capability & flexibility

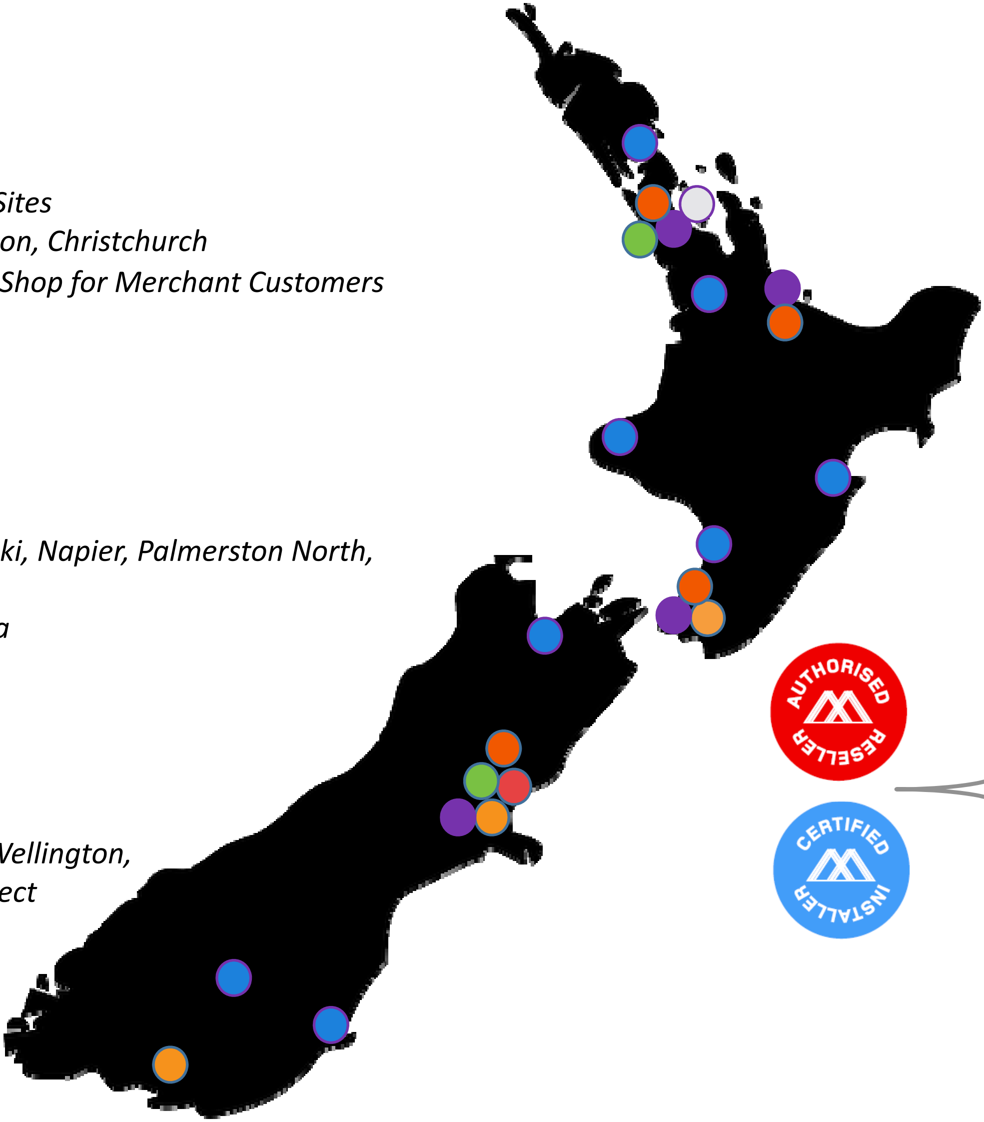
Metro Glass' distribution network

Metro Brands

- *Metro Glass Manufacturing Sites*
  Auckland, Tauranga Wellington, Christchurch
- *Metro Glass Hub – One Stop Shop for Merchant Customers*

- *Glass Merchant/Installers*
  Whangarei, Hamilton, Taranaki, Napier, Palmerston North, Nelson, Dunedin Cromwell
  Probable addition of Tauranga

- *Entity in Auckland, Tauranga, Wellington, Christchurch sold via Metro Direct elsewhere*



Regional Brands

- *Frameless Glass Installer*
  Auckland
- *Glass Merchant/Installer*
  Wellington
- *Glass Merchants/Installer*
  Christchurch
- *Glass Merchants/Installer*
  Christchurch
- *Glass Merchant/Installer*
  Invercargill

“We do anything glass”

Locations support our market position

- Windows Residential
- RFO market
- Retrofit
- Commercial
- Merchant

Window Manufacturer

Local relationship and market knowledge

- Logistical support and connection
- Site glazing support

Residential Internal Fit Out

Supplier of choice for all RFO options

- Local connection into Builders
- Trusted Design & Compliance Input

Retrofit

- Supplier of choice

Commercial

- Local Project Management
- Local Site Glazing Solution

Inspirations in Glass

Residential
- Windows: Supply; Supply + Glaze
- Internal Fit Out: Design, Supply & Install

Retrofit
- Supply + Glaze

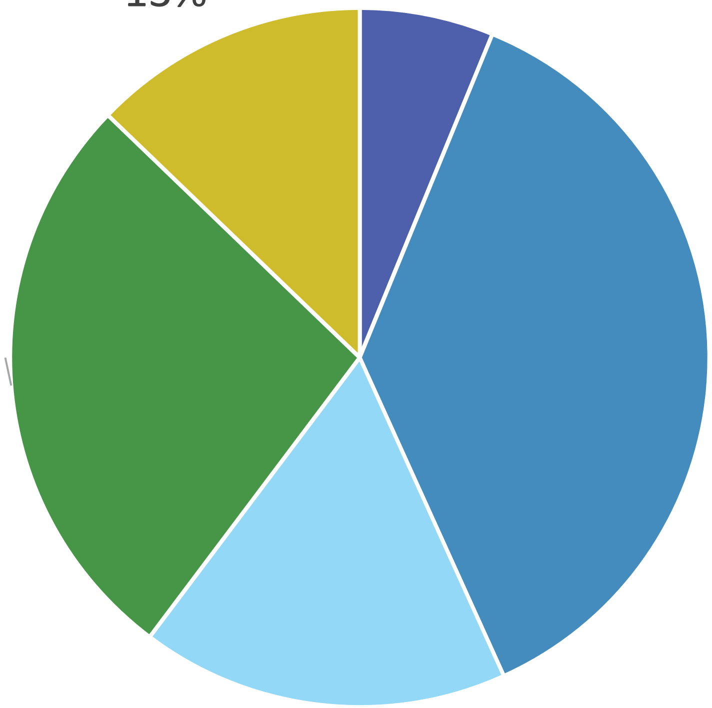
Commercial
- Supply
- Supply + Glaze

Merchant
- Supply

Retail
- Supply & Install
- Smash Repair

Targeted revenue mix & local capabilities

Targeted Metro Direct revenue model



Metro Direct = Local Expertise

- Sales
- Health & Safety
- Project Management
- Site Measuring and Specialist Installation
- Retrofit Sales & Installation
- Site Glazing Residential Fitout & Commercial
- Factory cutting & basic edgework

"We do anything glass"

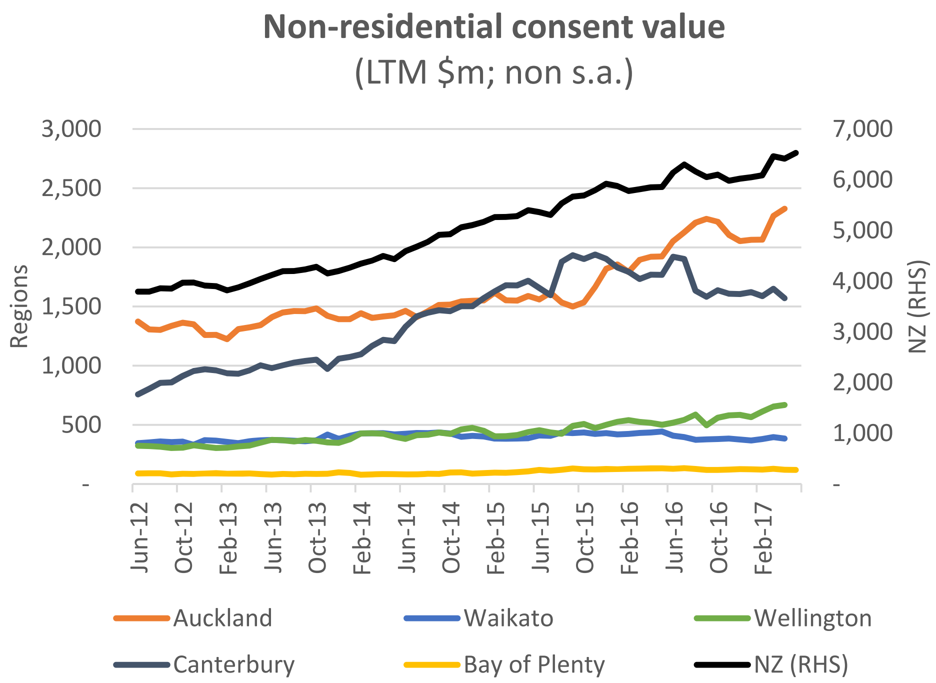
In addition to supporting our approach to market in the main Provincial areas Metro Direct will play in other niche parts of the market

- **Smash Repair**
- **Insurance work**
- **Automotive**
- **Walk in Retail**
- **Marine Industry**
- **Logging Industry**
- **Dairy Industry**
- **Table Top**
- **Fish tank**
- **Picture Frame**

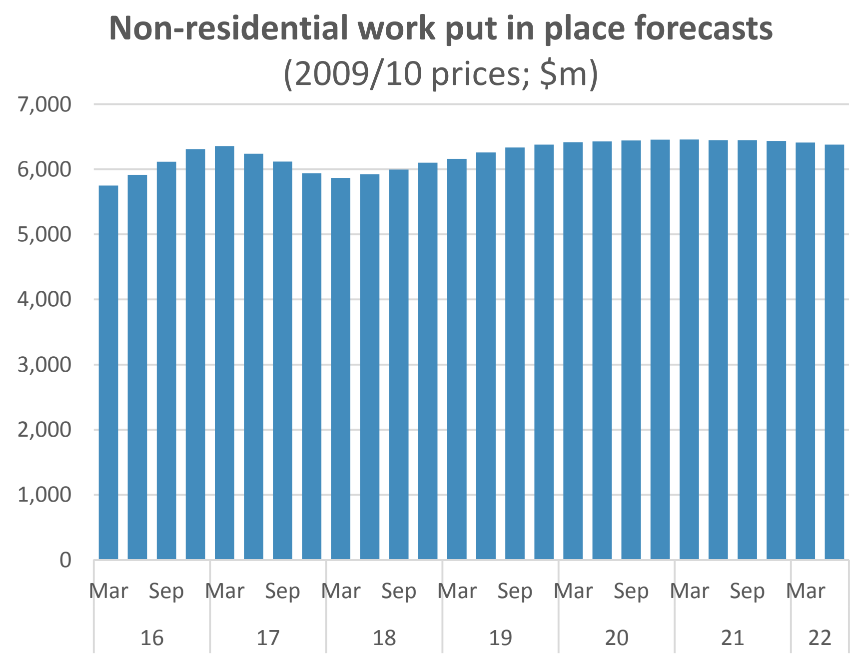
NZ commercial

Barry Paterson, National Commercial Manager

New Zealand market backdrop - macro trends



Source: Statistics New Zealand (May 2017).

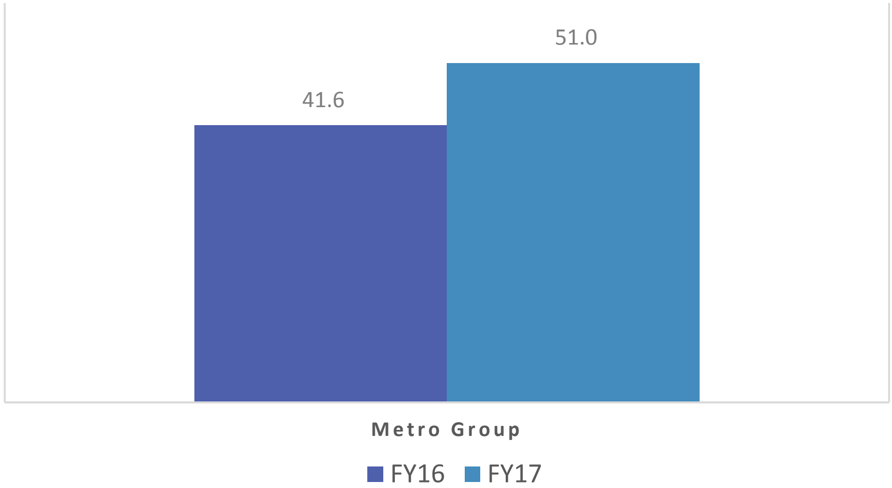


Source: Infometrics (April 2017).

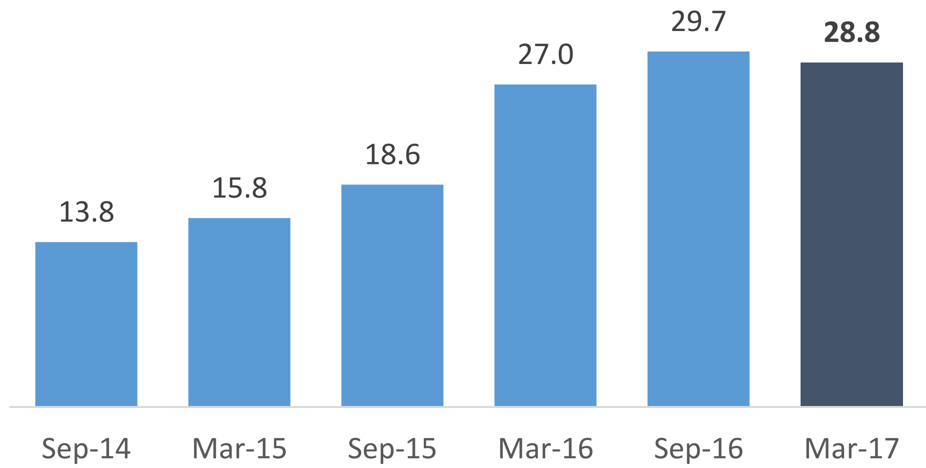
- Non-residential consents and construction activity continues to be strong. Backed by low vacancy rates, record net migration, low interest rates and rising momentum in building activity
- Lag of at least 12 months from consent to WPIP
- While Auckland is forecast to grow significantly, the growth in consents is yet to flow through to work put in place. Canterbury coming off but remains at good levels. Wellington strengthening

Commercial glazing business

Metro Glass commercial glazing revenue (NZ; $m)



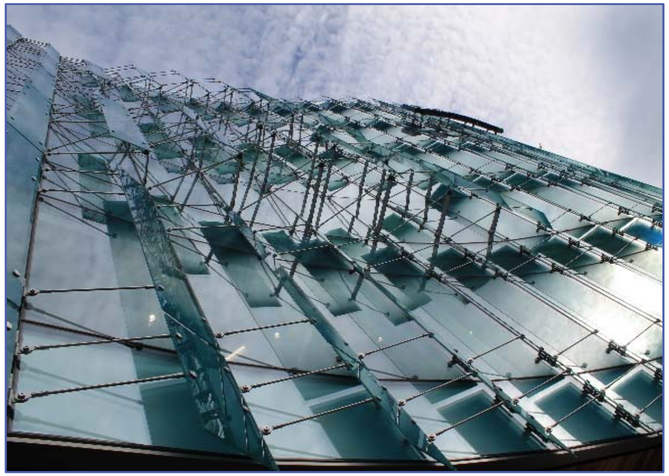
Commercial Forward Book (NZ; $m)



- Metro Glass participates in a wide variety of commercial glazing projects from internal fitout of retail shops to highly complex facades for office or apartment buildings
- Commercial business present in four locations- group revenue growth of 23% from FY16-FY17
- Strong forward work at $30m – managing significant growth opportunities against desired risk levels
- Current and forward book of work has been reviewed
- Competitor activity - increase of imported façade systems
- Average job size of a commercial contract in the current forward book is approximately $100,000

Why is commercial an attractive sector for Metro?

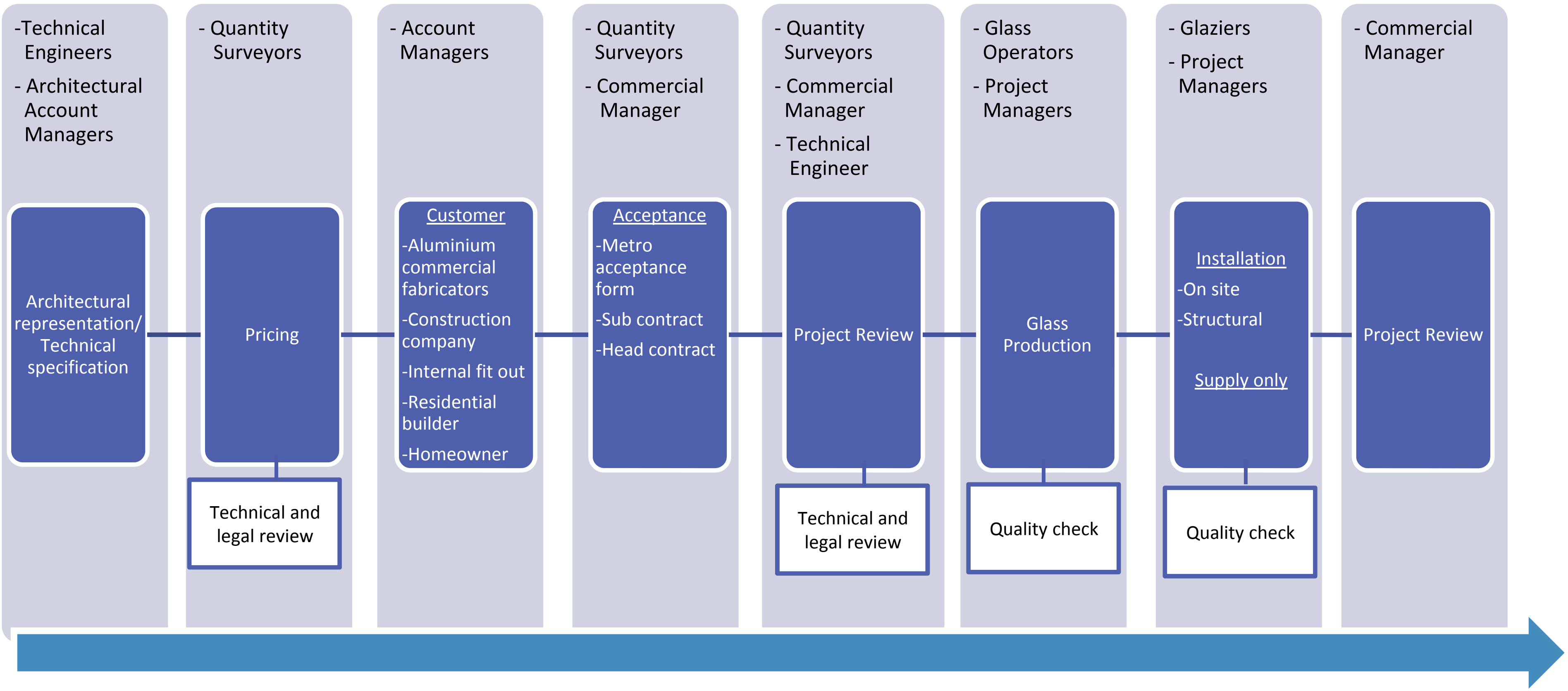
- Significant growth opportunity- robust market for next five years
- Opportunity for higher returns through complexity and scale- but with higher risk
- High barriers to entry
- Challenges business to continually improve
- Competitive advantage
  - Local processing capability- continue to invest
  - Installation capability and capacity
  - Technical capability
  - Access/exclusivity to leading products
  - Short lead time
  - Flexibility
  - Contracts managers- Ave. 15 years experience



251 Cambridge Terrace- Christchurch

Te Oro Glen Innes Music & Arts Centre- Auckland

Commercial process/offering



- Risk based approach to level of review
- Increasing capability-technical, pricing, project management and installation
- Strong relationships and market branding

Focus areas for commercial glazing in FY18

- Execute current forward work
- Compliance
  - Health and safety
  - Technical and contractual requirements
- Commercial pricing/profitability
  - National pricing strategy
  - Project profitability
- Improve capability and processes across business
  - People
  - Productivity
  - Best practice
- Market representation
  - Branding
  - Market Relationships
  - National bodies

Hutt City Council Administration Building- Wellington

Awly Building- Christchurch

NZ Retrofit

Craig Chetty, National Retrofit Manager

The market and our capability

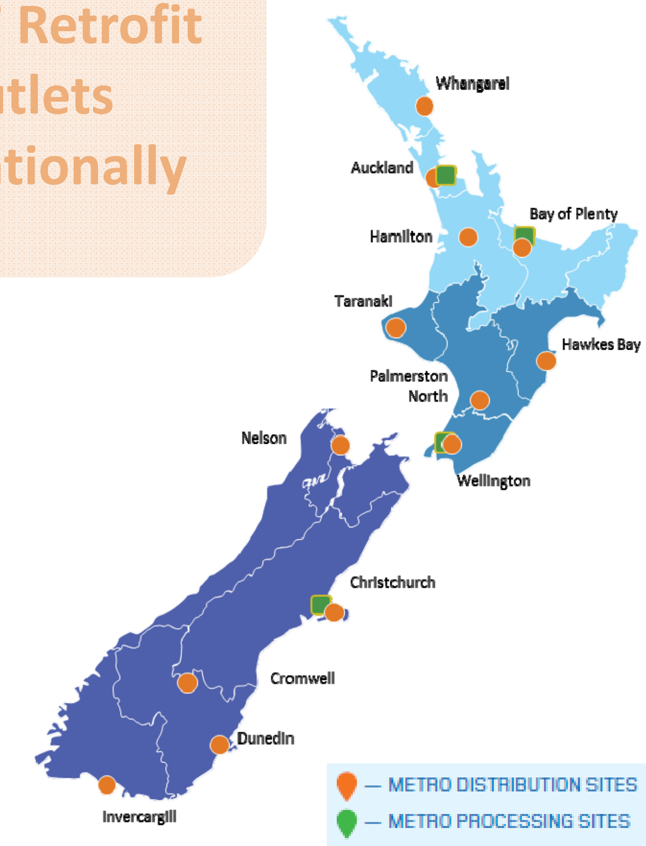
The Market

- More than 1.4 million owned homes single glazed pre 2007 in NZ
- A house has an avg. of 40 sq. meters of single glazed windows and doors
- Addressable retrofit market is approx. $15 to $20 billion

Retrofit Capability

- Vertically integrated with Metro Glass – broad product range and quick turnaround on glass supply
- 20 sales professionals
- A network of over +100 trained professional glaziers and sub-contractors

17 Retrofit outlets nationally



Source: Statistics New Zealand & BRANZ.

Retrofit’s competitive advantage

- Currently the only truly national player in the NZ market
- Own manufacture – 3 day lead for double glazed units
- Most comprehensive library of aluminium and timber components to suit most joinery in the market
- Supply superior soft coat LowE technology in our double glazed units
- Our sales teams are adept at upselling the Low E proposition, penetration in the Retrofit market is over 80%

Key objectives for Retrofit

1. Targeting annual compound revenue growth of 30% pa
2. Continue to focus our resources on developing Auckland and the upper North Island which constitutes close to half of all existing NZ homes
3. Improve sales conversion and the average value of the sale
4. Improve our customer experience by reducing lead times from lead to quote and acceptance to install

Overview of the Retrofit process

LEAD

QUOTE

FINAL MEASURE

ORDER PROCESS

INSTALLATION PROCESS

FINAL INVOICE

Targeting 4 to 5 weeks
from lead to install

Lead generation

The Retrofit sales & marketing programme

- Television commercials is currently the main lever used to generate leads
- Run both winter and summer campaigns – and these will get more sophisticated over time
- Retrofit participates in a number of trade, home and DIY shows and events to increase awareness for Retrofit double glazing
- Direct marketing campaigns focussed on partial retrofits also forms part of the marketing campaign using geo-mapping software to target most likely neighbourhoods that will be susceptible to the offer

Retrofit faces the challenges of a early stage growth business

- Balancing of sales resources to cater for the peaks and troughs in servicing of leads through the year (peaking in winter)
- Vetting of leads to separate the tyre kickers from true demand
- Improving our internal systems to reduce the lead times – particularly over the busy winter season
- Identifying and reducing bottlenecks in the businesses supply chain
- Need to further develop our marketing efforts over the summer months to improve lead generation and sales conversion

Developing innovative technology

Lead Management

- Effective software for lead management
- Full spectrum CRM to help identify the most like buyers
- Includes post marketing functionality to our large database

Quoting

- Software and measuring tools that increase efficiency of sales calls
- Expedient in-home quote and the ability to close the sale and complete transaction

Installation

- Specifically developed for Metroglass software – provides real time information on the installation process
- Ability to process material ordering and book installation from customer home

Operations and manufacturing

Geoff Rasmussen, General Manager Operations

Our manufacturing operations are evolving in line with rapid advances in glass and glass processing technology

Construction activity levels are in the midst of a ***significant up-cycle***

Our customers are demanding ***larger***, ***more advanced*** and ***higher quality*** glass products

Building standards are being strengthened with the **consumer safety and protections** in mind

Metro Glass has evolved **– and retains its market leadership position**

Domestic glass processors need to deliver a service offering, cost position, product range, quality and price to compete with imports

- **Added considerable capacity to meet our customers needs**
- **Diversified production capabilities into the commercial sector – now offer a compelling alternative to imports**
- **Invested in leading glass and glass processing technology**
- **Leading the shift to automation**
- **Transitioned Highbrook to a 7-day glass processing plant**
- **Improved health and safety results**

We have learnt a lot since the scoping of the Highbrook plant in 2012? (completed in 2015)

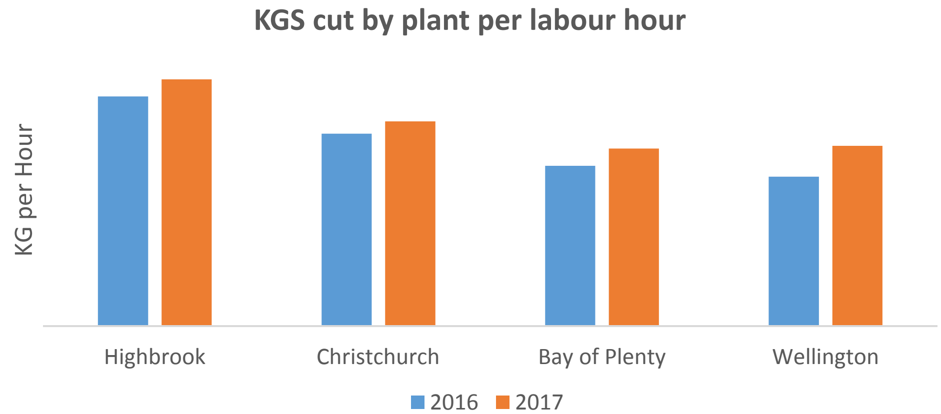
- **Why was the Highbrook plant built?**
  - The Highbrook facility was intended to increase DGU manufacturing capacity, deliver operational savings including an reduction in FTE, reduced raw materials, wastage and reworks, as well as improve safety for our Auckland staff
  - In 2012, residential building consents were below 15k per annum, and had been there for four years. Highbrook was designed based on the belief in a return to a mid-cycle production market of c. 22k residential consents + 10%
  - The Highbrook factory incorporated new and existing processing.

- **What has changed since?**
  - NZ has subsequently seen a considerable up-cycle in residential consents to c. 30k, and Metro Glass has grown its capacity to meet market demands, gaining market share
  - Achieved aspirations of participation in commercial and retrofit markets
  - Glass and glass processing technology has evolved
  - Product demands have changed – larger and more advanced
  - We've learnt a lot about automation, its challenges and its opportunities

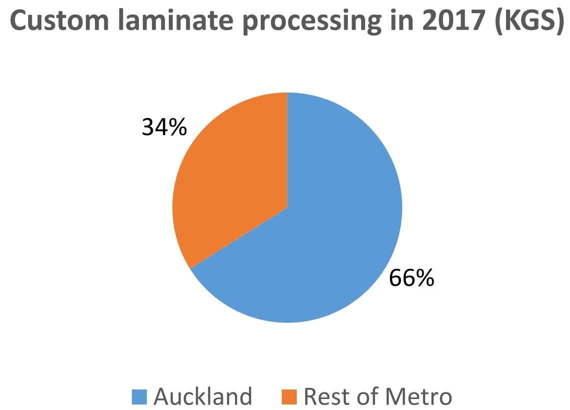
Update on NZ processing plants

Metro Glass has delivering record levels of production and product complexity in FY17. That said, we see continue to see considerable improvement opportunities in Auckland and Christchurch

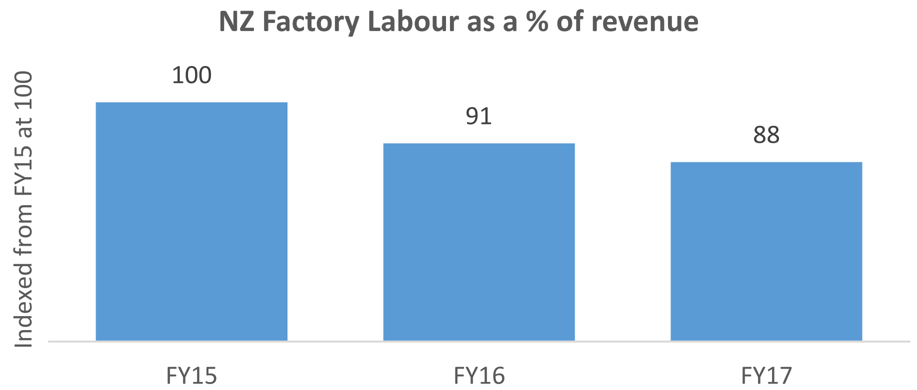
Automated plants labour efficiency above our manual plants, with all improving on prior year



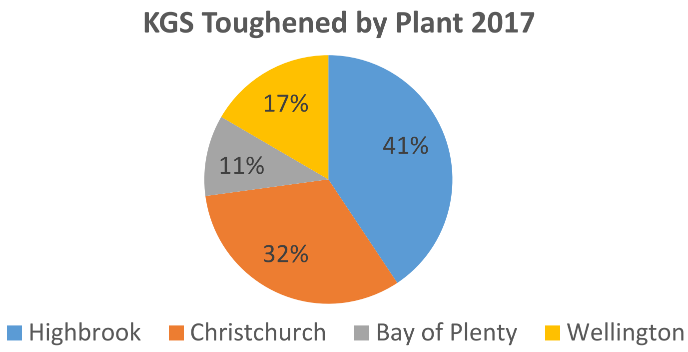
Highbrook processes the majority of Metro's laminate – a rapidly growing but complex product



Labour efficiency continues to improve



Highbrook and Christchurch have the most complicated product mix, including toughened glass



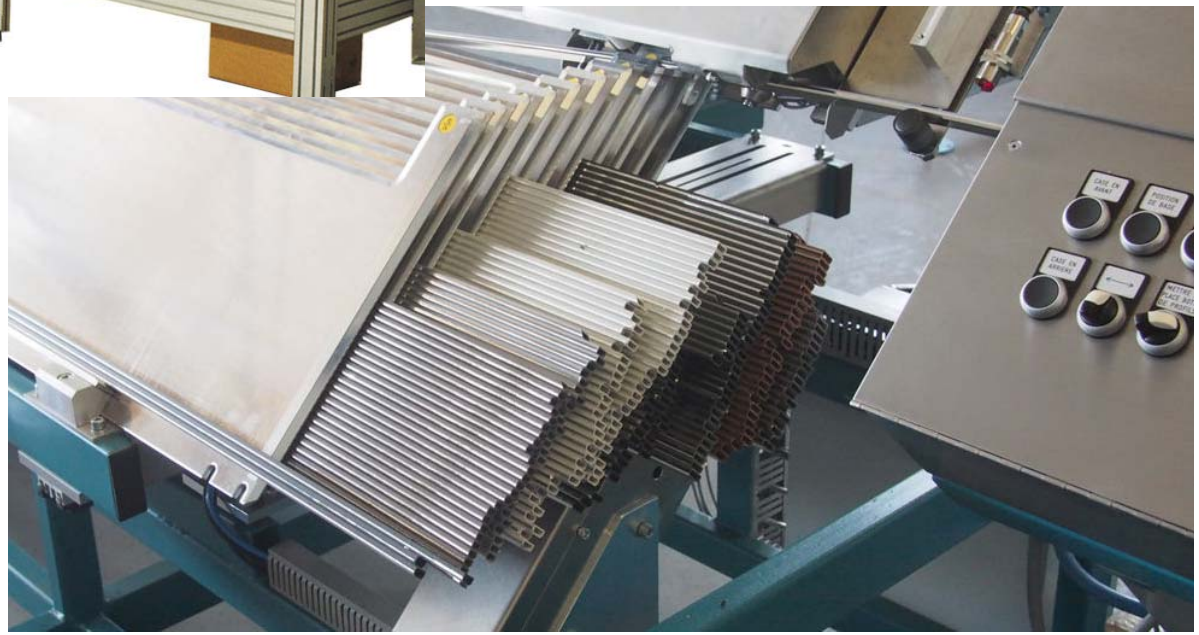
FY18 capital will add capacity, simplify processes and enhance technology

Total capital expenditure across Metro Glass and AGG in FY18 is expected to be in the range of $22m - $25m including ~$15m on processing equipment enhancements across the group's six plants, Auckland will account for approximately half

The investments will provide:

- **Revenue generation and competitive advantage:** The equipment will provide Metro the capability to process up to the largest current commercial sizes and the highest technology glass
- **Plant simplification:** Less pieces of more universal equipment reduces overall complexity, and increases throughput
- **Technology advantage:** Manufacture New Zealand's largest panel size at 6.0m x 3.0m and process the highest performance DGUs. Supports increased penetration of LowE glass
- **Redistribution of equipment:** Investments in NZ facilitate a redistribution of equipment around Metro Glass' six plants, particularly benefiting AGG
- **Quality and risk reduction:** High-performance complicated LowE products can be produced to the required level of quality with new equipment
- **Health & safety**: Larger sizes currently involve manual handling and processing. The new equipment is automated and will reduce the human interaction with the glass to a more acceptable level

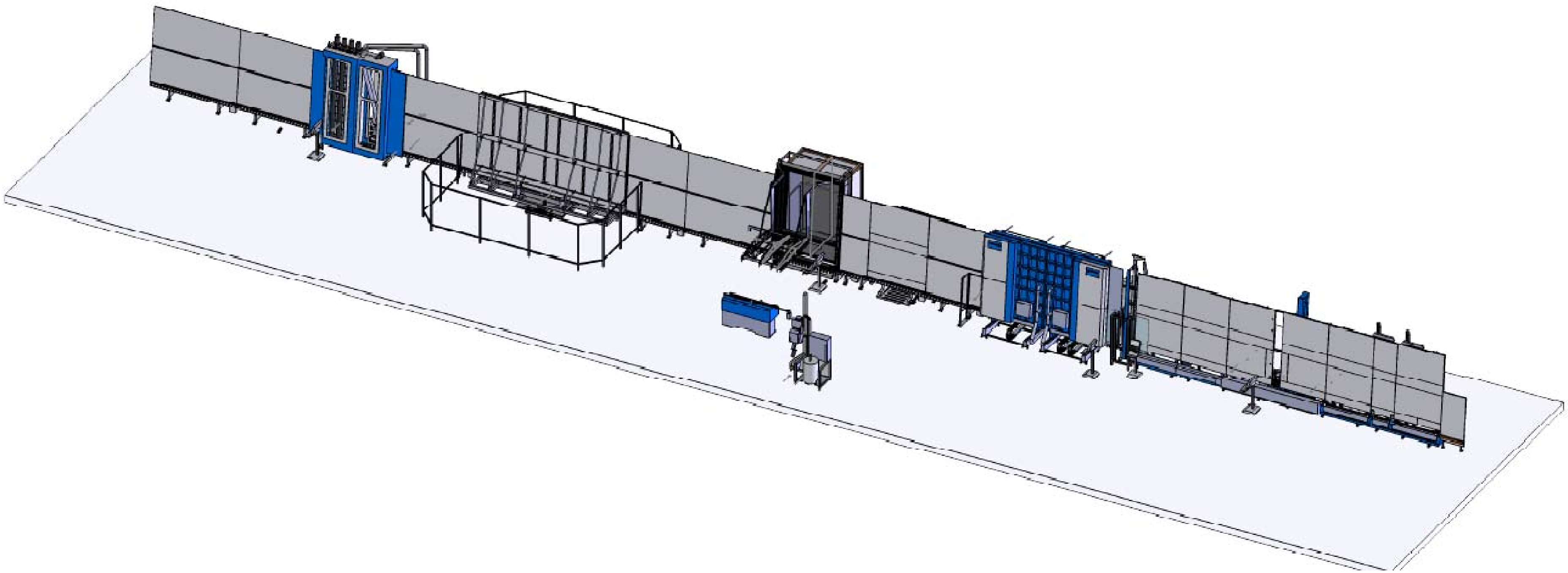
Double glazing technology upgrade: Swiss Spacer processing machine and spacer bar magazine



- Metro Glass exclusive technology (NZ/AU)
- New spacer bar provides improved thermal performance across all DGUs
- Simplifies processing approach by rationalising three spacer bar materials into one
- Step changes quality through desiccant control and welded corner detailing
- Future ability to match spacer bar colours with window joinery

Increasing maximum processing dimensions: Jumbo DGU line

- Significant boost to commercial capabilities, size, speed and quality. Specifically developed to handle 6.0m x 3.3m high performance glass
- Reduces average cycle time per unit by up to 30%
- Able to fill units efficiently with multiple gases for improved thermal performance
- Improved assembly station enhances our ability to visually inspect quality of each single pane of glass before the IGU is made
- Highbrook's existing 2007 IGU line to be redeployed in Sydney



Plant simplification: combined vertical edge polishing, drill/mill & washing

- Simplifies the production process by providing a one stop shop for polishing, holes, milling. Removes three existing standalone machines
- Increases capacity with approximately half the cycle time of the existing machinery (shower door in 6.5 minutes instead of 15 minutes)

Revenue generation: increasing glass lamination capacity

- Laminated glass is required in balustrades and large façade windows, and provides noise reduction benefits
- Required to meet the significant market demands following the change in building standards
- Increases NZ lamination capacity by up to 60%
- Existing Auckland laminator (2016) redistributed to Wellington

Australian operations

Capital expenditure of c. $9m in FY18 to drive increased throughput, and open a basic processing facility in Tasmania

Early progress

- AGG adapting well to a Metro Glass manufacturing methodology that facilitates increased throughput, enabling double digit volume growth
- Focus on better understanding of sequencing and step by step preparation of bottlenecks and WIP

FY18 focus points

- Re-layout of the NSW plant
- New equipment and layout of the VIC plant
- New basic processing capability in Tasmania

Product and Technical

Dr. Andrew Piraccini, Senior Structural Engineer

Organisation

Increasing scale and sophistication drives need for additional capability

- Glass and window facades technical knowledge

ENGINEERING BUILDS QUALITY

- Resistance in Quality
- Market Leader in Standards
- Risk Minimization

CHANGES IN GLASS TECHNOLOGY

- Structure with Glass
- Glass and Photovoltaic
- Interactive Glass Technology

MPG CAPABILITY IN TECHNOLOGY

- Quality in Quantity
- Structural Glazing
- Glass Processing

COMMERCIAL MARKET

- Commercial Opportunities
- Structural Commercial Market
- Commercial Price Power

Metro Glass' three pillar strategy supports its market position, with customer intimacy providing strong protection against import-based competition

ENGINEERING BUILDS QUALITY

RESISTANCE IN QUALITY	MARKET LEADER IN STANDARDS	RISK MINIMIZATION
- Documentation of Process Line - Quality Criteria - Cost reduction with Quality	- Standards on Technology - Market follows MPG Standards - Architectural Engineering	- Calculated Processing - Effective in Cost and Risk - Contract and Feasibility

CHANGES IN GLASS TECHNOLOGY

STRUCTURE WITH GLASS	GLASS AND PHOTOVOLTAIC	INTERACTIVE GLASS TECH
- Glass Integral to Structure - Entire Glass Buildings - Architectural Innovations	- Future Energy Resources - MPG leader in Glass Energy - PV Glass Design Structures	- New Product Expansion - Utilise Current Engineering - Facades as Investment

METRO PERFORMANCE GLASS CAPABILITY IN TECHNOLOGY

AUTOMATED PRODUCTION	STRUCTURAL GLAZING	GLASS PROCESSING
- Lead Time Production - Cost Efficiency - Capacity Independent	- Expanding SG Market - Future SG Technologies - Cost and Quality Related	- Project Management - Range and Cost -Quality Control Audit and Future Targets

COMMERCIAL MARKET

COMMERCIAL OPPORTUNITIES	COMMERCIAL MARKET	COMMERCIAL PRICE POWER
- European Façade System - Market Leader, Increased Profits - Commercial Ownership	- Growth Outstrips Residential - MPG Engineering Knowledge - MPG as Market Creators	- Knowledge Equals Profits - Quality Drives Reputation - Market First Choice

Product leadership is a critical part of Metro Glass' strategy

Innovations in double glazing

- "Extreme" LowE
- Swiss Spacer

Laminate / LSG development

- Supports changes in balustrade systems

Metro Glass' "Ezy Clean"

- Hydrophobic surface

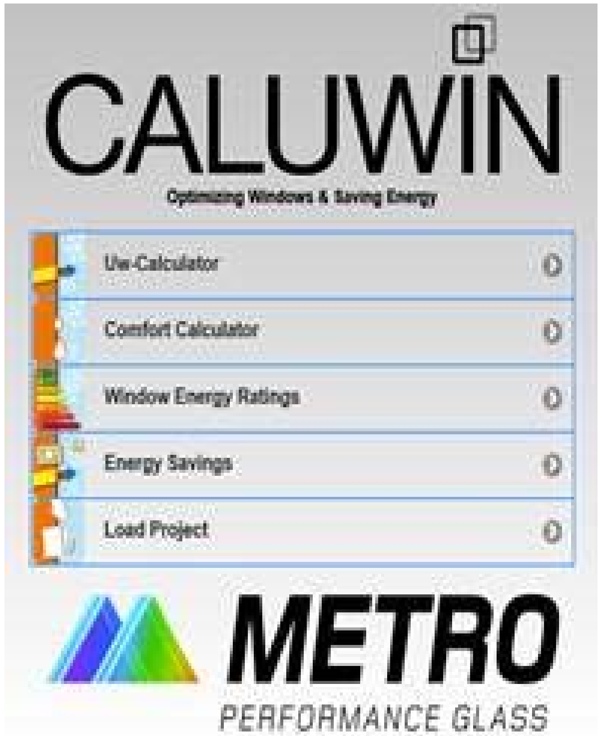
Technical capabilities - tools for internal and customers

Metro PS App

- Clear documentation of issued Producer Statements
- Customer oriented access to standard PS
- Cost and time efficiency for Metro
- Service provided, revenue stream

Metro Caluwin App

- UW Calculator for all Metro products
- Energy saving calculator
- Condensation calculator
- Mould calculator
- Window energy ratings



A longer-term view – the future is clear

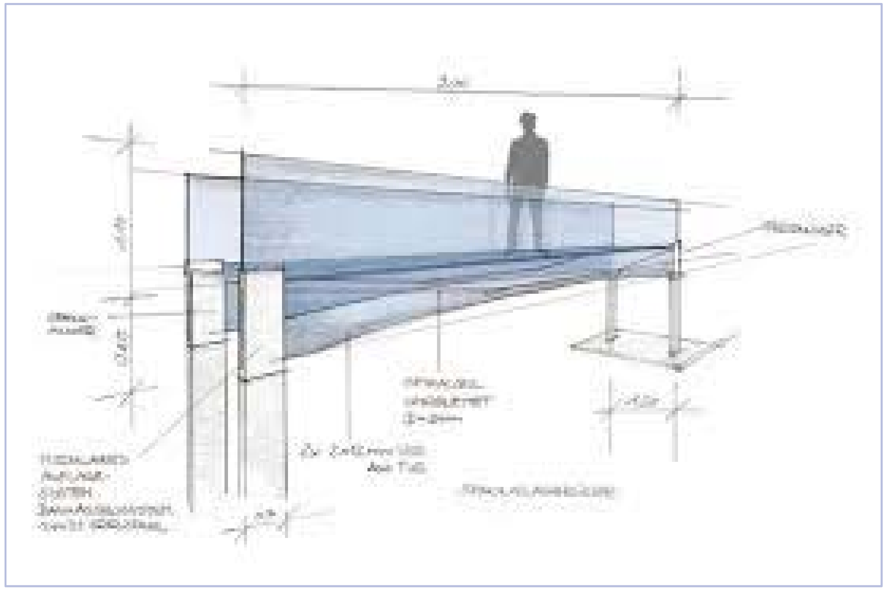
Glass will be increasingly used as a structural base in the future

- Buildings will be structured from glass, not just the facades

A longer-term view – strength to strength

Glass is transformed and used as a mechanical structure

- Glass will no longer be seen simply as windows and fancy façades



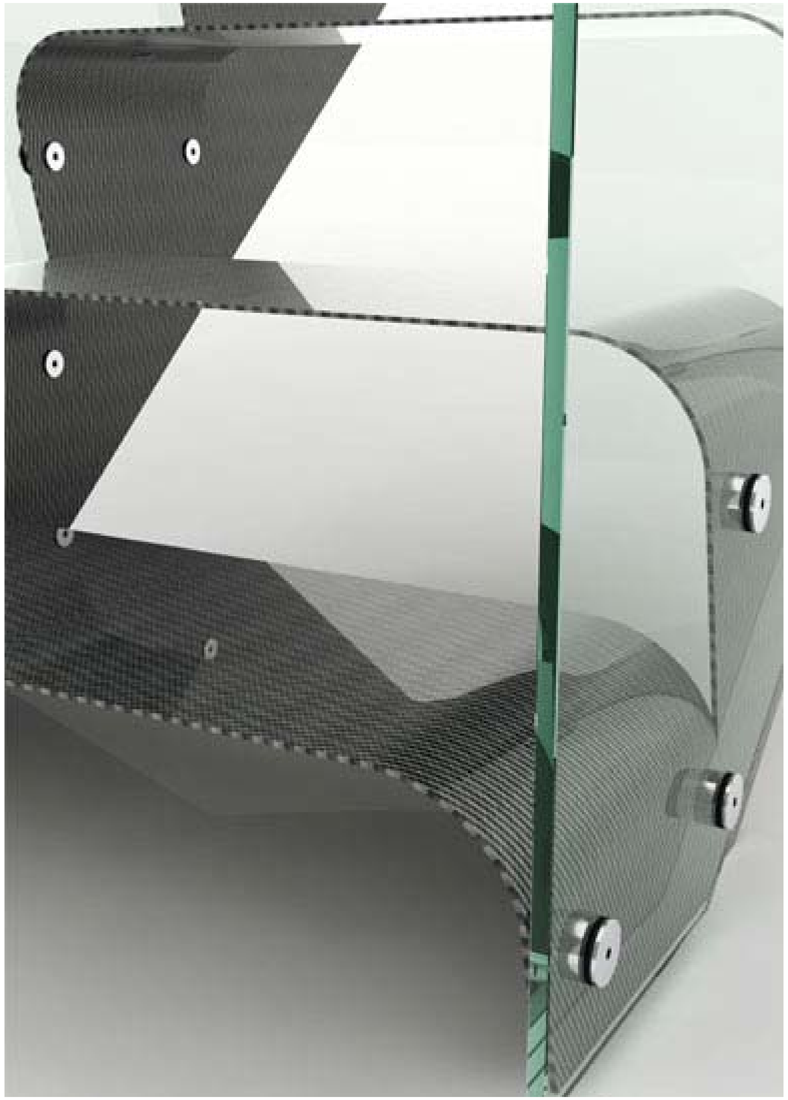
Digital glass will have multiple applications

- Glass will make information visible as a data transfer system
- This will have commercial, educational and private use
- Can be included in facades for publicity, information etc. – unlimited use

A longer-term view – interactive glass façade technology

- Glass Façade Technology with digital print which combines the external and internal skin into one, not requiring any aluminum systems
- The glass is the dominant structural component.

A longer-term view – glass and carbon fibre

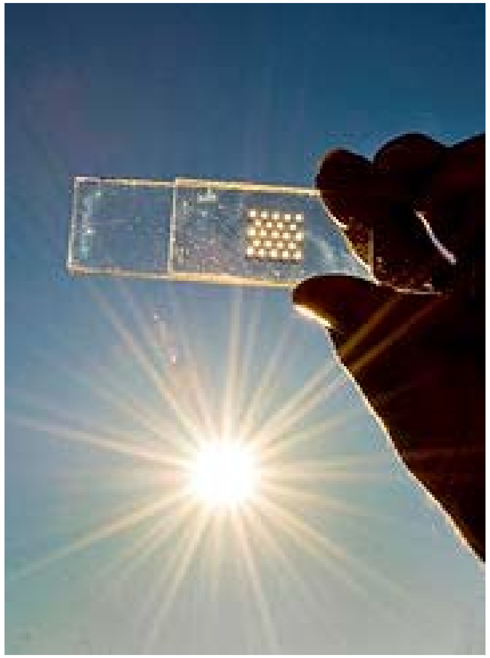


- Glass and architectural design in combination with light construction and components

- Carbon fibre and glass architecture

A longer-term view – the power of glass

- The future of energy will be solar; renewable energy.
- Photovoltaic systems will be in high demand
- The future for photovoltaic is transparency in glass, that's clear



Australian Glass Group

John Fraser-Mackenzie, CFO

Strategic rationale for our entry into Australia

Why Australia?

- Metro Glass has a greater than 50% share of the glass processing market in New Zealand and over the medium to long term there may be a ceiling to its growth potential
- The Australian glass processing market offers significant opportunities for Metro Glass:
  - Double glazing penetration is low for a developed country, but is beginning to gather momentum
  - The market is highly fragmented and the majority of glass processing is done manually
  - Service standards are below that of New Zealand
  - Metro Glass' core competencies and expertise are highly transferable

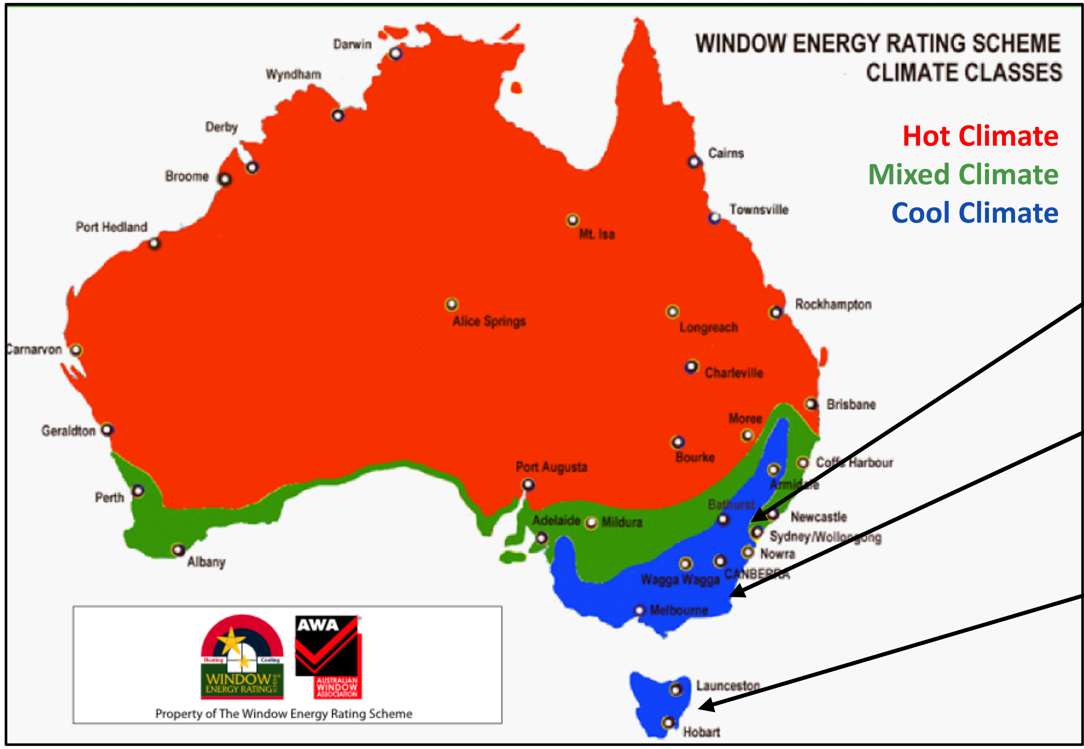
Why AGG?

Aligns well with Metro Glass' key acquisition criteria, including:

1. Leading player today, with a scale position in key markets
2. Quality glass processing business, in which Metro Glass can add significant value
3. Strong and committed management team, ensuring NZ management can remain focussed on NZ
4. Geographically positioned in high opportunity markets
5. Reasonably priced and within Metro Glass' current financial capability

Increasing adoption of double glazing presents a significant opportunity

- Double glazing penetration is gathering significant momentum in cooler climates like Victoria and Tasmania, which we currently estimate to account for c. 30-50% of windows in new construction
- Industry is fragmented, with market leader winding back from National footprint



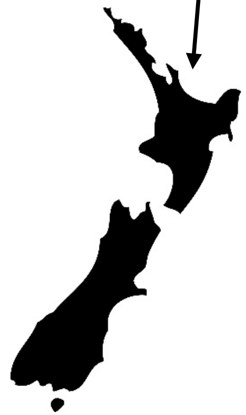
AGG coverage : VIC, NSW, ACT, TAS
- Combined populations: ~14m

NSW population: 6.0m
- Est. 10% penetration of DGUs in new builds

Vic population: 6.0m
- Est. 30-50% penetration of DGUs in new builds

Tas population: 0.5m
- Est. <50% penetration of DGUs in new builds

NZ pop: 4.6m
- Est. >90% penetration of DGUs in new builds



AGG is a good fit with Metro Glass as it is focused on the best markets, performs well and Metro can add lots of value

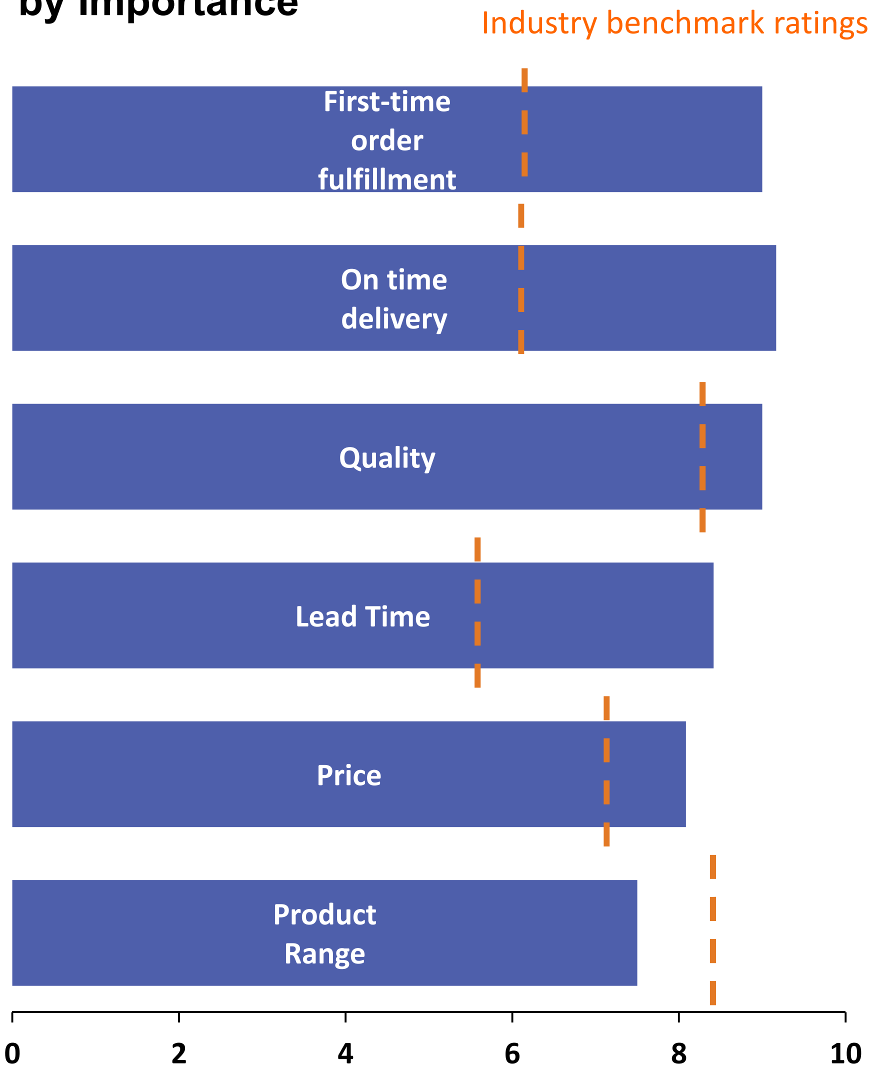
AGG provides direct entry into the most attractive parts of the Australian market:

- Victoria & NSW - size and growth opportunities, particularly DGU
- Tasmania established DGU market
- Detached dwelling focus, independent builders

AGG historically has outperformed industry benchmarks on DIFOT, lead time and quality:

- Detached dwelling focus
- Independent builders

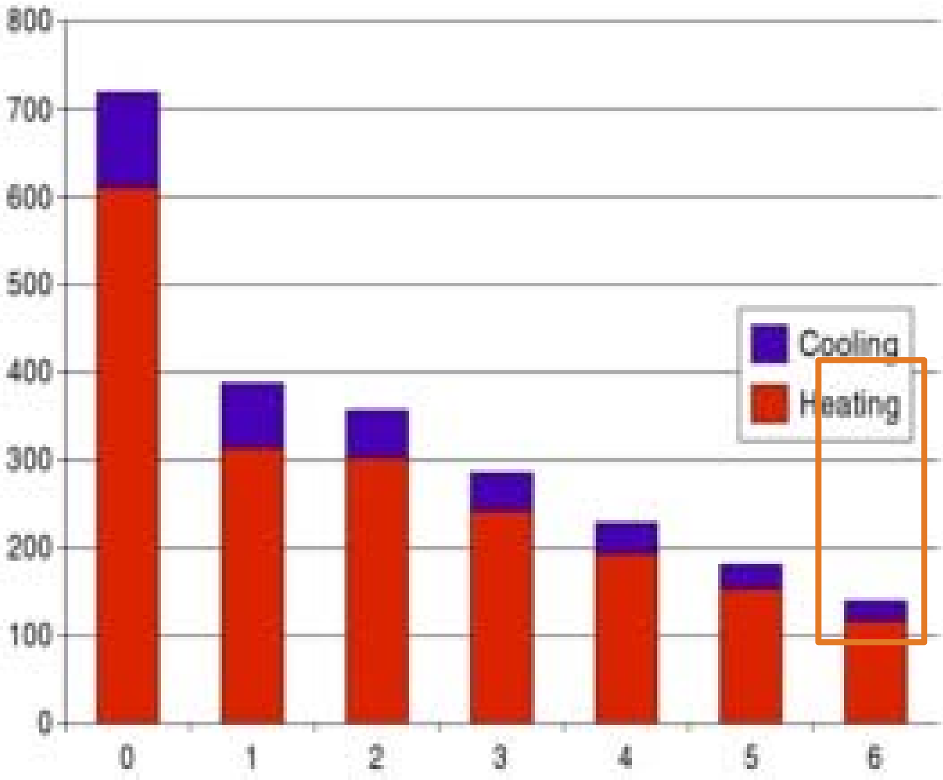
AGG Customer Ratings on Criteria Ranked by Importance *



Note: * Customer ratings prepared by PIP on limited sample of customer interviews

Victoria has adopted the Building Code of Australia to regulate energy efficiency measures in residential homes

Current Star Ratings for Annual Energy Usage (Example)
Units: MJ/m^2



Source: Green Building Council of Australia; WA Department of Commerce; SA Department of Premier & Cabinet; Department of Housing & Public Works (QLD);ACT Planning & Land Authority

Building Code of Australia Details

- Index of building's thermal performance for residential homes in Australia
- BCA mandates 4-star rating for all new homes and apartments
- In 2010, Victoria has gone beyond BCA standard and **mandated 6-star rating for all new homes as well as additions and alterations**
- Suggested ways to increase star ratings include windows

State	Regulatory System	New Home Req
NSW	BASIX	BASIX certificate
VIC / QLD / SA/TAS/WA	Building Code of Australia	6-star rating
NT	Building Code of Australia	5-star rating

NSW are increasing requirements for energy efficiency in homes

Changes to BASIX

Why?

- Existing homes in NSW use @17% of state energy, anticipate 1.8m new homes over 40 years

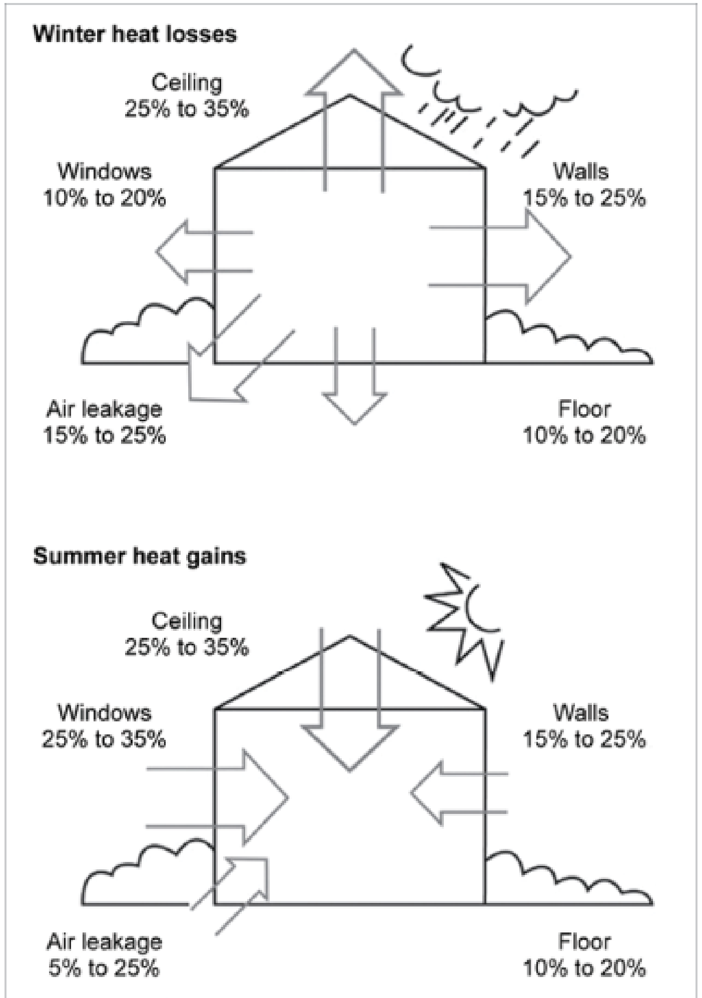
What has changed?

- BASIX energy targets will increase July 2017
- Typically efficiency targets increase +10% for houses and low-rise units, and +5% for mid and high-rises units
- Equivalent of 5.5 on BCA scale

Impact on windows?

- Given windows significant impact on heat losses and gains this change will focus industry on thermal efficiency in windows
- DGU offer effective way to deliver this
- Anticipate gradual increase

Source: BASIX Website – NSW; https://www.basix.nsw.gov.au/; Industry Research



Source: Australian Government http://www.yourhome.gov.au/passive-design/insulation

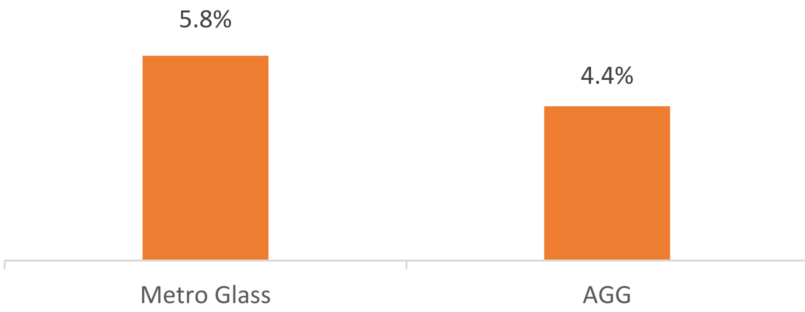
AGG investment program

AGG due diligence and acquisition model anticipated initial investment requirements between $3m and $6m within first 18 to 36 months

Existing business

- Current operational capability similar to Metro Glass in 2012
- Focus on improving increasing throughput and capacity
- Will reduce downtime and improve reliability
- Upgraded logistics capability

AGG FY14-FY17 capex as a % of revenue



Establishing a local processing facility in Tasmania is a logical step for AGG

- Currently have loyal customer base, ex Victoria
- Allow improved service levels to customers and save considerable shipping cost
- Frees up capacity to meet demand in Victoria
- Attractive market - GDP and/or population approximately 50% of South Island NZ, climate ideally suited for high DGU penetration
- Local management in place

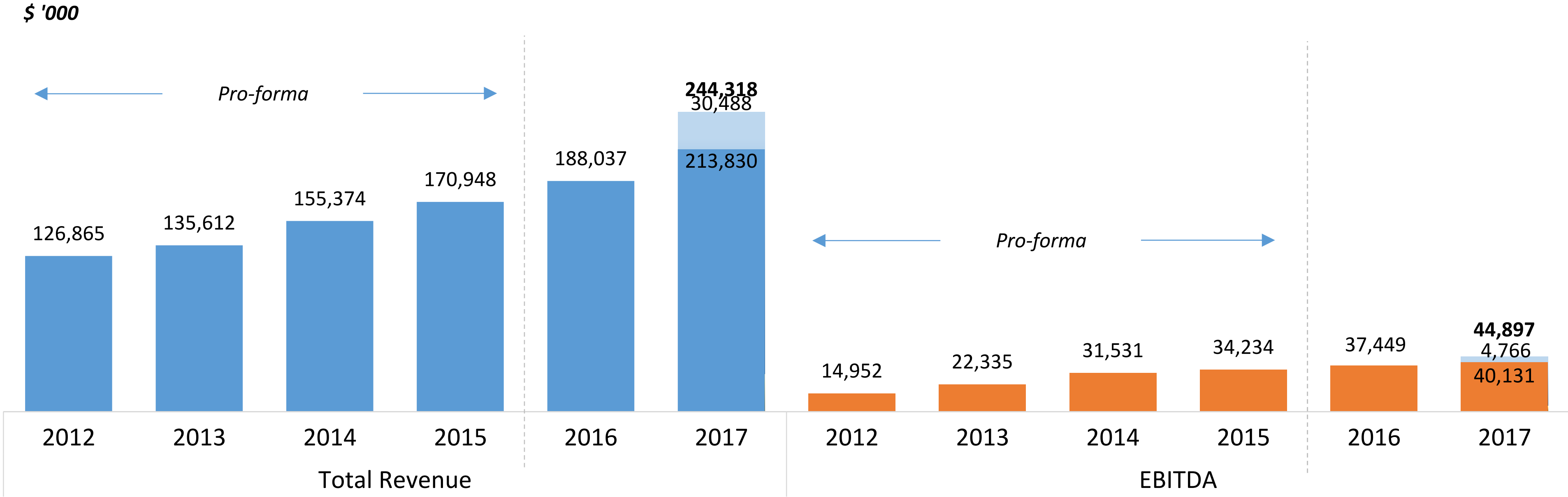
Objectives for AGG

1. Increased share of a growth market as DGU penetration increases
2. Leverage established Metro glass procurement and technology advantage
3. Reconfigure manufacturing assets, with investment to increase capacity and capability
4. Implement operating process methodology that drives step change in throughput
5. Maintain simple business model, evaluate opportunities to broaden offer over medium term
6. Expand geographically in the South East

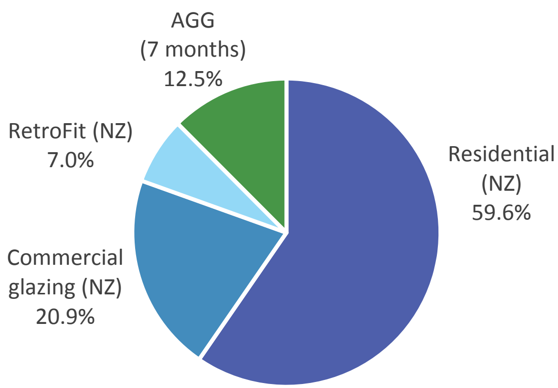
Financials and wrap up

John Fraser-Mackenzie, CFO

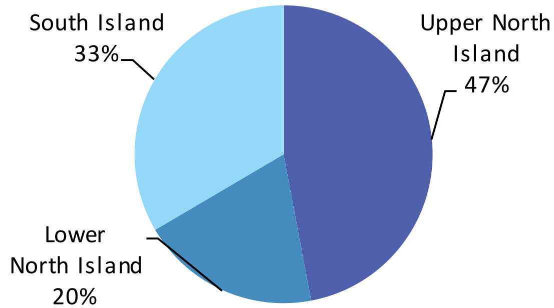
Metro has grown revenue and EBITDA strongly



FY17 Metro Glass revenue

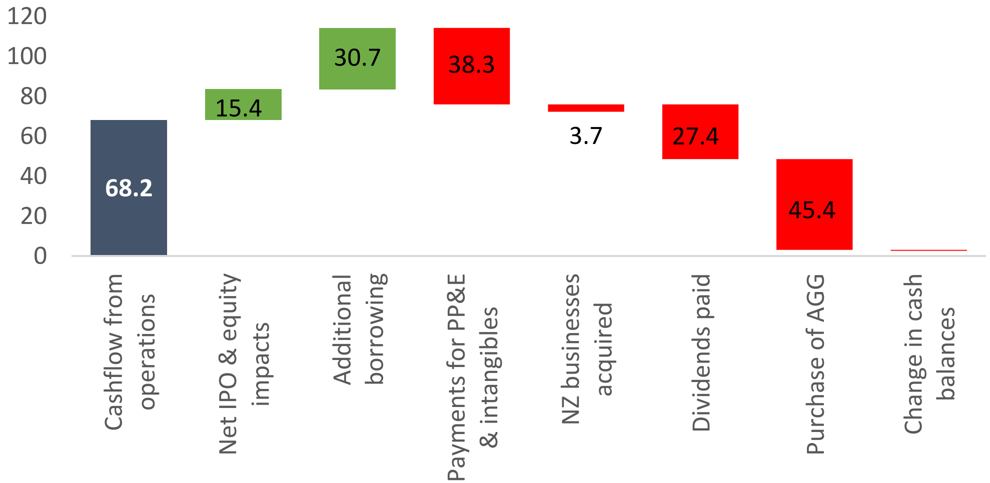


FY17 NZ revenue by region

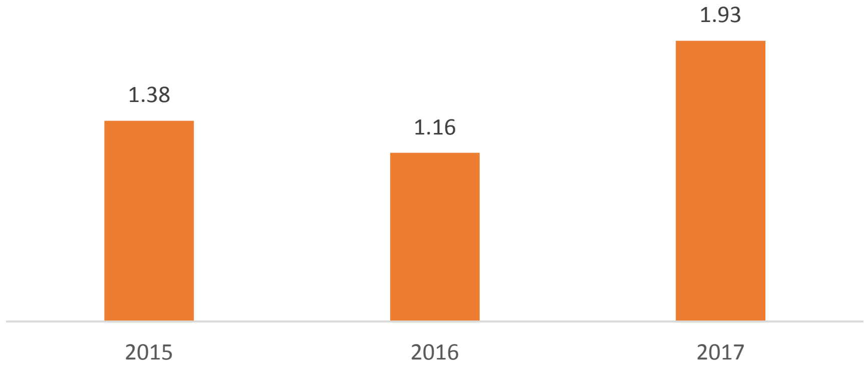


Cashflow and balance sheet management

Cashflow history since the IPO



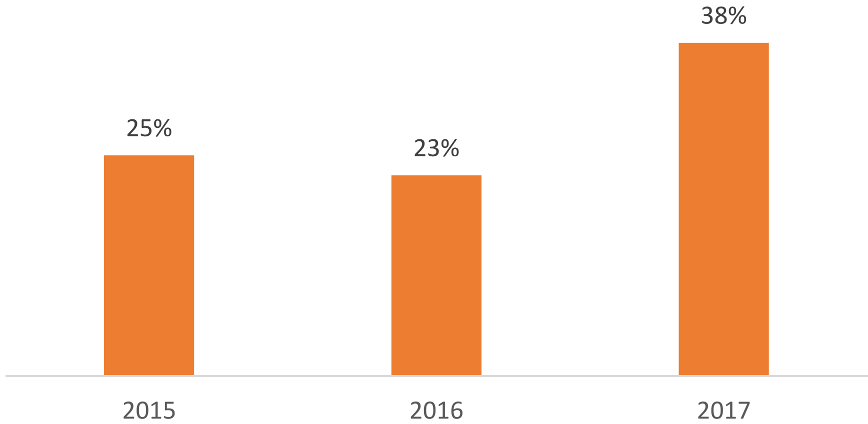
Leverage profile: Net debt/EBITDA



Targeting Net debt/EBITDA ratio of ~1.25x by end of FY20

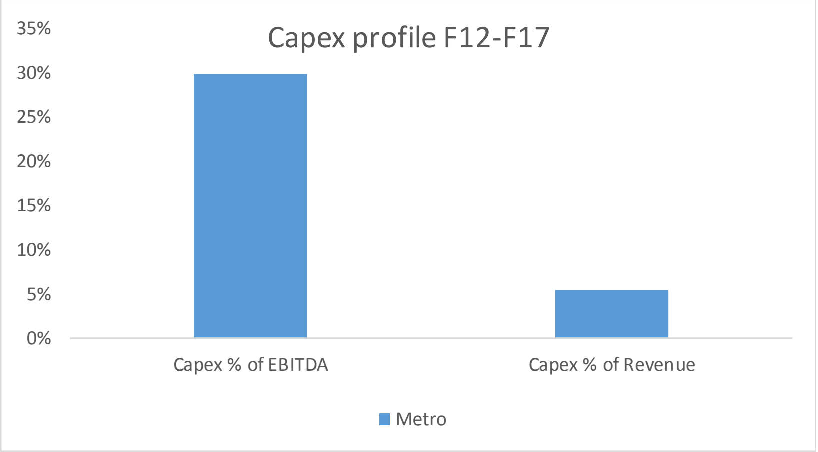
- 1.9x EBITDA at end FY17 following the AGG acquisition
- Dividend payments towards bottom end of policy range as we pay down debt
- Will evaluate a possible DRP
- Focus on working capital
- Underlying capex $8-$10m NZ, $2-$3m Australia

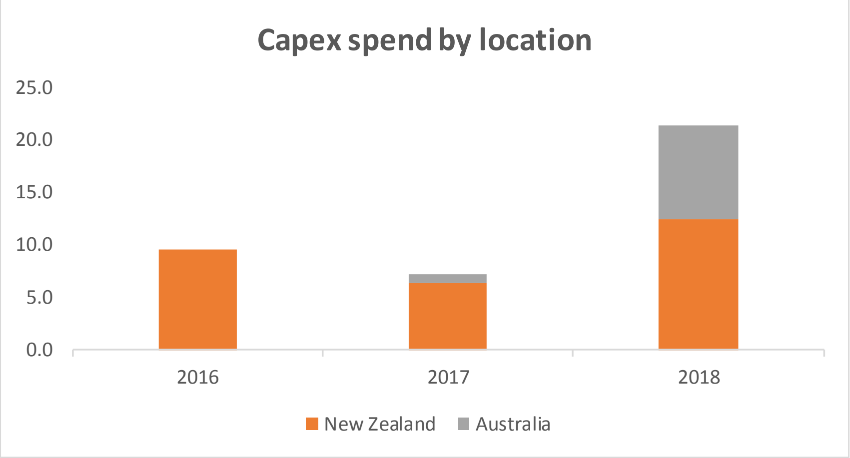
Leverage profile: Net debt to net debt + equity

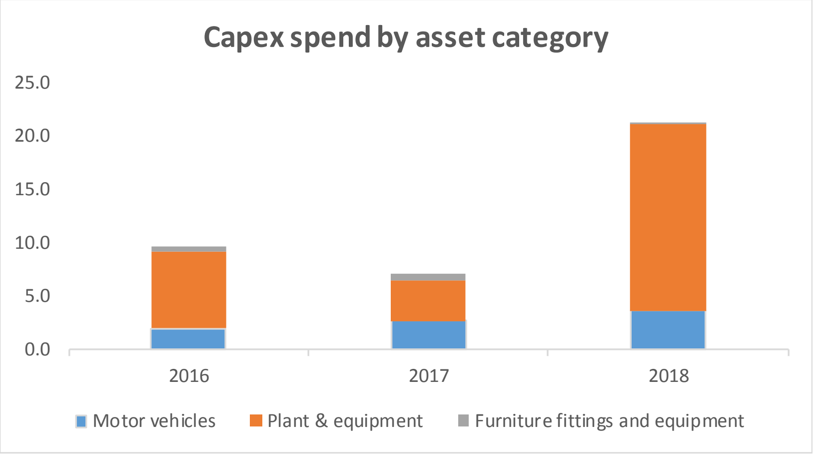


Metro long run capex profile is in line with industry peer group

- Historically Metro has spent an average 30% of EBITDA on capex, this is in line with peer group
- Over this period Metro revenue has grown 1.7* and EBITDA 2.7*
- Includes upgrade of Metro fleet between 2013 to 2017, approximately $2m per year
- Significant portion of F18 spend in Australia , reflects the opportunity







Metro Glass’ 3 year financial aspirations

Group revenue	**+5-12%**	• Continued link to 9 month lagged residential consents • Increased commercial and retrofit presence supporting increased total glass market share • Anticipate Australian growth rate above NZ
Group EBITDA	**>20%**	• Optimize profitability across all businesses • Leverage existing and new capital investment
Target Gearing	**~1.25x EBITDA**	• Underlying capex of $10m - $12m p.a. • Working capital intensity to improve by 2% as a percentage of revenue • Dividends towards at lower end of policy range

Key messages

1 Metro Glass is well-positioned from raw glass to end-use customer with seven distinct businesses that each have articulated opportunities, strategies, and execution plans

2 Investments in this first double glazing growth cycle and expanded presence in commercial and retrofit markets are setting Metro Glass up for the long term

3 Significant opportunity ahead to continue generating sustainable shareholder returns

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