

## ***Trading update and guidance for FY22***

Metro Performance Glass (NZX.MPG, ASX.MPP, Metroglass) today provided an update on recent trading and issued guidance on anticipated results for the FY21 year, which are expected to be released on the 21<sup>st</sup> of May 2021.

Simon Mander (CEO) said: “We’re pleased with the solid and resilient performance from across the group. The strength of our people and depth of our customer relationships have enabled us to maintain our leadership position and service performance despite COVID-19 disruptions and prolonged uncertainty.

“Recent COVID-19 cases and increased restrictions in Auckland and in Victoria have illustrated the ongoing threat that the pandemic poses and how quickly circumstances can change. Our teams are now accustomed to this operating environment and where required can mobilise our COVID-19 response protocols rapidly, however lock-downs like those seen in Auckland and Victoria in recent weeks are very disruptive in the short term to the business, our customers and the broader supply chain.”

While commercial construction activity has seen some softness, residential activity in New Zealand and Australia has remained robust supported by significant Government stimulus packages, record low interest rates and increased confidence in the sector, all of which is continuing to generate a strong pipeline of activity.

### **New Zealand performance**

Following the April 2020 shutdown period, the New Zealand business recovered quickly and achieved good volumes across the Retrofit, commercial glazing, and merchant and retail segments. Pleasingly, activity in those segments and cost control has helped to offset the impacts from increased competitor capacity in the window manufacturer segment.

The widely reported global shipping disruptions are impacting New Zealand supply chains including the importation of glass and related building products. Since November we have undertaken the prudent step of increasing our safety stock levels which we believe has placed Metroglass in a good position enabling us to minimise disruption to our customers.

“We continue to closely manage our costs, though have faced increased costs in the second half of the financial year relating to shipping and glass pricing and inventory. In alignment with our customers, and to support our people, we also extended our typical New Year shutdown which contributed to January having 9 less sales days versus last year. This has contributed to a slower ramp up this year.”

### **Australia performance**

Australian Glass Group (AGG) has continued to offer a strong value proposition and stable service performance to its customers in recent months, despite operating under prolonged COVID-19 restrictions. While construction activity and efficiency have certainly been impacted by COVID-19 restrictions, residential approvals in our key markets have stabilised and begun growing which provides a positive indicator for future demand.

AGG has achieved a significant turnaround in financial performance in FY21 year to date. Revenue is running broadly in line with the same period last year, with increased double-glazing sales offsetting the sales lost from exited segments as part of the restructure of the New South Wales business in the last financial year.

### **Outlook for FY21 results and consideration of dividends**

For the full year ending 31 March 2021 Metroglass currently expects to achieve Group EBIT in the range of \$16.5m to \$18.0m vs. \$21.8m in FY20 (restated), with net debt of circa. \$49m representing a circa. \$18m decrease year on year. This guidance is contingent on no new and significant COVID-19 related restrictions being imposed in either New Zealand or Australia before year end.

Simon Mander said “Our focus on cash generation and debt reduction over the past two years has enabled us to make good progress towards our signalled target of 1.5x net debt to 12 months rolling EBITDA, which we now anticipate achieving in the first half of FY22.

The Board intends to review the group’s capital allocation policy, including the timing for the resumption of dividends. An update will be provided alongside the full year results release in May 2021.

### **/Ends**

For further information, please contact: Liam Hunt, Investor Relations  
(+64) 022 010 4377, [liam.hunt@metroglass.co.nz](mailto:liam.hunt@metroglass.co.nz)