Metro Performance Glass

Annual Shareholders' Meeting

24 August 2017

METRO
PERFORMANCE GLASS

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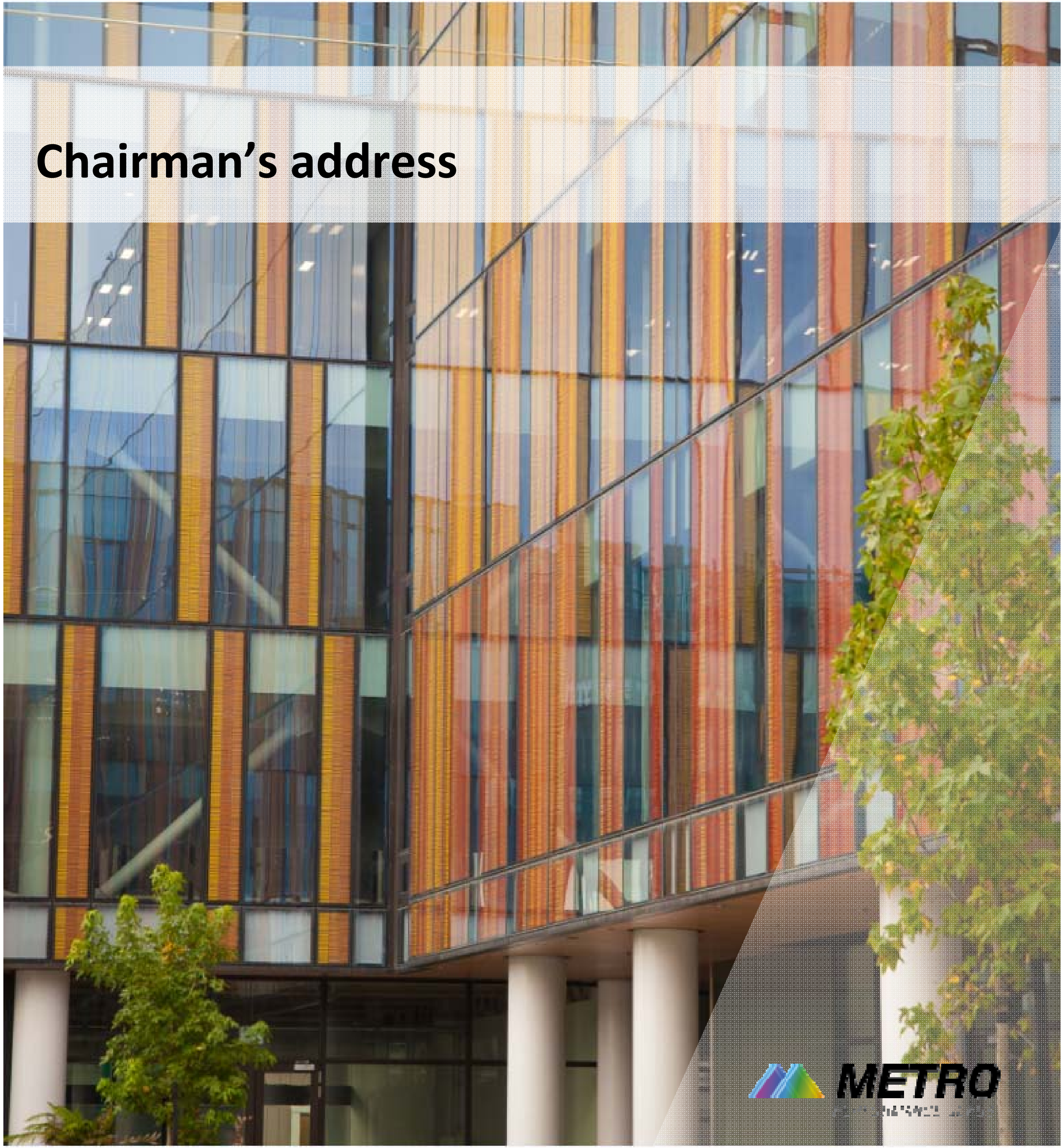
Meeting agenda

1. **Chairman's address**
2. **Chief Executive's address**
3. **Ordinary business and resolutions**
4. **Voting**
5. **General business**

Chairman’s address



Board of directors

SIR JOHN GOULTER KNZM, JP

INDEPENDENT, NON-EXECUTIVE CHAIR, MEMBER OF AUDIT & RISK COMMITTEE AND CHAIR OF NOMINATIONS COMMITTEE
Appointed: July 2014

NIGEL RIGBY

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
Appointed: July 2014

ANGELA BULL

INDEPENDENT, NON-EXECUTIVE DIRECTOR
Appointed: May 2017

GORDON BUSWELL

INDEPENDENT, NON-EXECUTIVE DIRECTOR AND MEMBER OF REMUNERATION COMMITTEE
Appointed: October 2015

RUSSELL CHENU

INDEPENDENT, NON-EXECUTIVE DIRECTOR AND CHAIR OF AUDIT & RISK COMMITTEE
Appointed: July 2014

PETER GRIFFITHS

INDEPENDENT, NON-EXECUTIVE DIRECTOR AND CHAIR OF REMUNERATION COMMITTEE
Appointed: September 2016

WILLEM (BILL) ROEST

INDEPENDENT, NON-EXECUTIVE DIRECTOR, MEMBER OF AUDIT & RISK COMMITTEE
Appointed: July 2014

FY17: Full year result highlights

1. Group revenue rose 30% to $244.3m[1] including seven months of trading from Australian Glass Group (AGG)[2]. Excluding AGG, NZ revenue rose 14% to $213.8m

2. Normalised EBITDA[3] rose 20% to $44.9m; Normalised NPAT[3] rose 11% to $21.3m

3. Completed the acquisition and integration of AGG

4. Commercial glazing revenue grew 23% to $51.0m

5. RetroFit double glazing revenue grew 23% to $17.2m

6. Declared a fully-imputed final dividend of 4.0 cents per share, taking total FY17 dividends to 7.6 cents per share

[1] All prior period comparisons are to the full year ended 31 March 2016 (FY16) unless otherwise stated.

[2] Metro Glass acquired Australian Glass Group on 1 September 2016.

[3] Normalised EBITDA and normalised NPAT are non-GAAP measures of financial performance. Additional details are provided on slide 26 of this presentation.

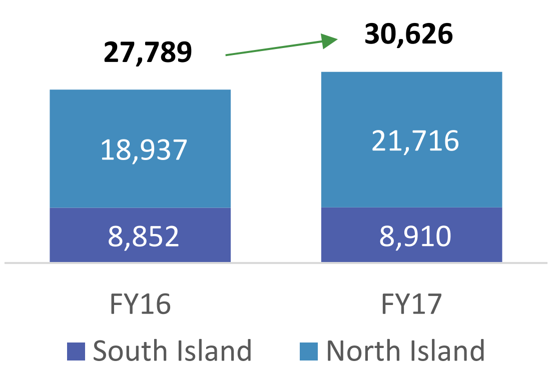
Year to date trading and FY18 outlook

- While we remain optimistic on the medium term picture, activity levels in New Zealand have been soft so far this financial year, with revenue growth in the first four months being relatively flat, including continuing declines in Canterbury
- Given the current conditions we are seeing in the market, we expect the Group's first half results to be similar to those achieved in the first half last year, which was a particularly strong half. Activity levels to date have been below our expectations and as we had resourced the business accordingly there will be a need to adapt and pursue efficiency initiatives through the second half of the year
- We said in the 2017 Annual Report that we anticipate improved results in the 2018 year, which we continue to anticipate, but this will be dependent on any adverse changes in market conditions. We will further update investors with our expectations for the full year when we release our half year results in November

Chief Executive's address

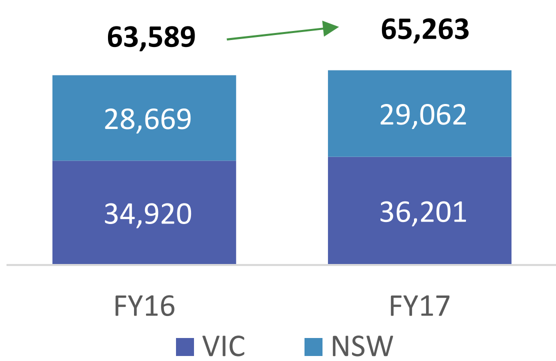
Residential and non-residential backdrops remained supportive in FY17

New Zealand – # of residential consents[1]



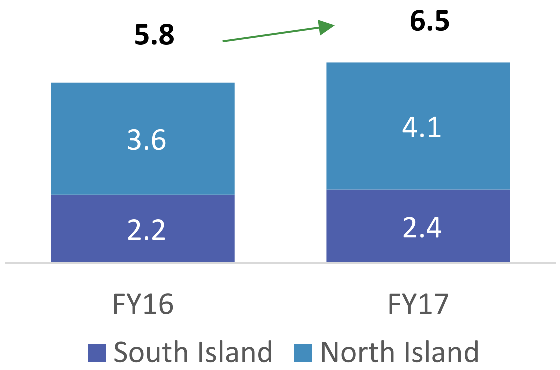
- Residential dwelling consents for the 12 months to 31 March 2017 rose +10%
- North Island + 15%
- South Island + 1% (Canterbury -8%)

Victoria & New South Wales – # of detached dwelling approvals[3]



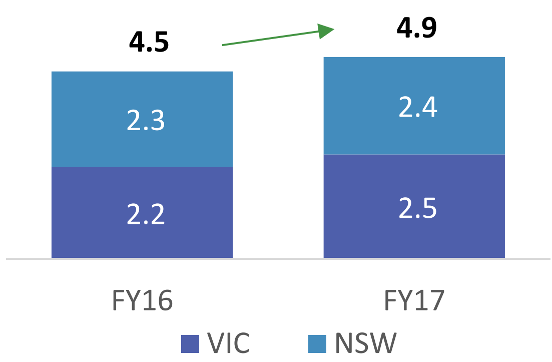
- Detached dwelling (house) approvals for the 12 months to 31 March 2017 in VIC/NSW rose +3%
- Victoria + 4%
- New South Wales + 1%

New Zealand – value of non-residential consents ($bn)[2]



- The value of non-residential dwelling consents for the 12 months to 31 March 2017 rose +11%
- North Island + 14%
- South Island + 7%

Victoria & New South Wales – value of A&A (A$bn)[4]



- The value of alterations and additions for the 12 months to 31 March 2017 in VIC/NSW rose +8%
- Victoria + 13%
- New South Wales + 2%

1. *Source: Statistics NZ, number of residential dwelling consents (12 months to 31 March 2017).*
2. *Source: Statistics NZ, value of non-residential consents (new plus altered; 12 months to 31 March 2017).*
3. *Source: Australian Bureau of Statistics, 8731.0 Building Approvals, Australia, tables 22 and 23 (12 months to 31 March 2017).*
4. *Source: Australian Bureau of Statistics, 8731.0 Building Approvals, Australia, tables 43 and 44 (12 months to 31 March 2017).*

Further upside in the NZ construction cycle is expected until at least FY20

The Reserve Bank of NZ noted in its most recent Monetary Policy Statement that it expects "low interest rates, sustained population growth, and elevated house prices" to drive residential construction, but acknowledges "concerns relating to affordability" and "a tightening in the availability of credit, labour, and materials" may be a constraint

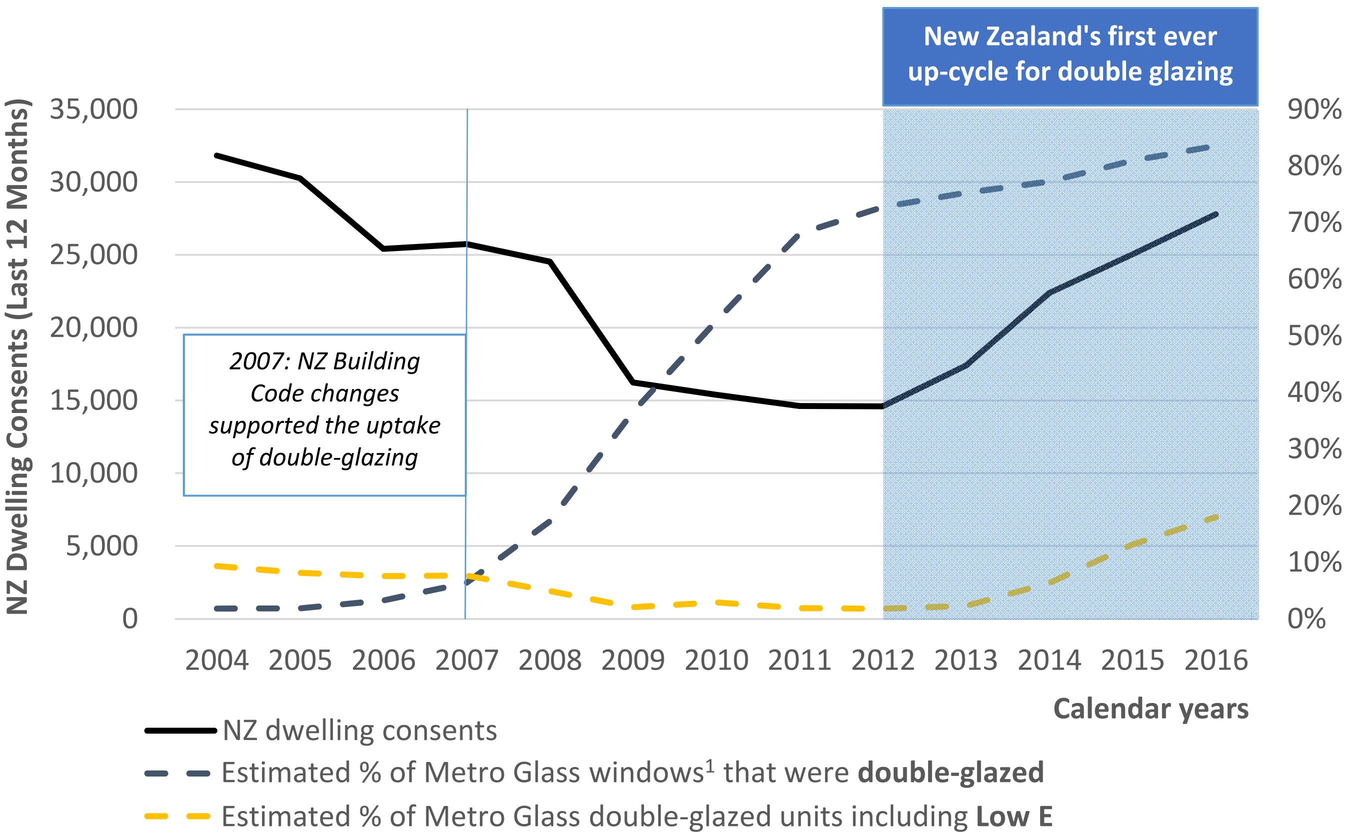
NZ Residential Dwelling Consents (9 month lagged)	FY18	FY19	FY20	FY21
MBIE/BRANZ/Pacificon[1]	+8%	+5%	+5%	+2%
Infometrics[2]	+4%	+2%	+28%	+3%

NZ Residential Construction Work ($bn)	FY18	FY19	FY20	FY21
Reserve Bank of NZ[3]	+5%	+7%	+3%	n/a
MBIE/BRANZ/Pacificon[1]	+10%	+5%	+3%	+1%
Infometrics[2]	+4%	+21%	+13%	+4%

NZ Non-Residential Work Put in Place ($bn)	FY18	FY19	FY20	FY21
MBIE/BRANZ/Pacificon[1]	+11%	+8%	+3%	(8%)
Infometrics[2]	(1%)	+10%	+3%	+2%

1. *Source: National Construction Pipeline Report, July 2017.*
2. *Source: Infometrics Building forecasts, July 2017.*
3. *Source: Reserve Bank of New Zealand Monetary Policy Statement, August 2017.*

A longer-term view: Metro Glass' production profile has been transformed



- 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 > 20% of all of double-glazed units produced

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

What did we set out to achieve in FY17?

1	Drive top line growth	✓ Achieved
2	Deliver manufacturing excellence	+/- Mixed progress
3	Increase our presence in commercial projects	✓ Achieved
4	Expand our Retrofit double glazing business	+/- Good growth, but below target
5	Support and integrate Australian Glass Group	✓ Achieved

Expanded Metro Glass' senior leadership team with three new members in 2017 to grow talent and drive improved execution accountability

NIGEL RIGBY

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

JOHN FRASER-MACKENZIE

CHIEF FINANCIAL OFFICER

GEOFF RASMUSSEN

GENERAL MANAGER OPERATIONS

DEAN BROWN

GENERAL MANAGER NORTH ISLAND

BARRY PATERSON

GENERAL MANAGER SOUTH ISLAND

BRENDAN SIMPSON

CHIEF EXECUTIVE OFFICER AUSTRALIAN GLASS GROUP

ROBYN GIBBARD

SALES

GARETH HAMIL

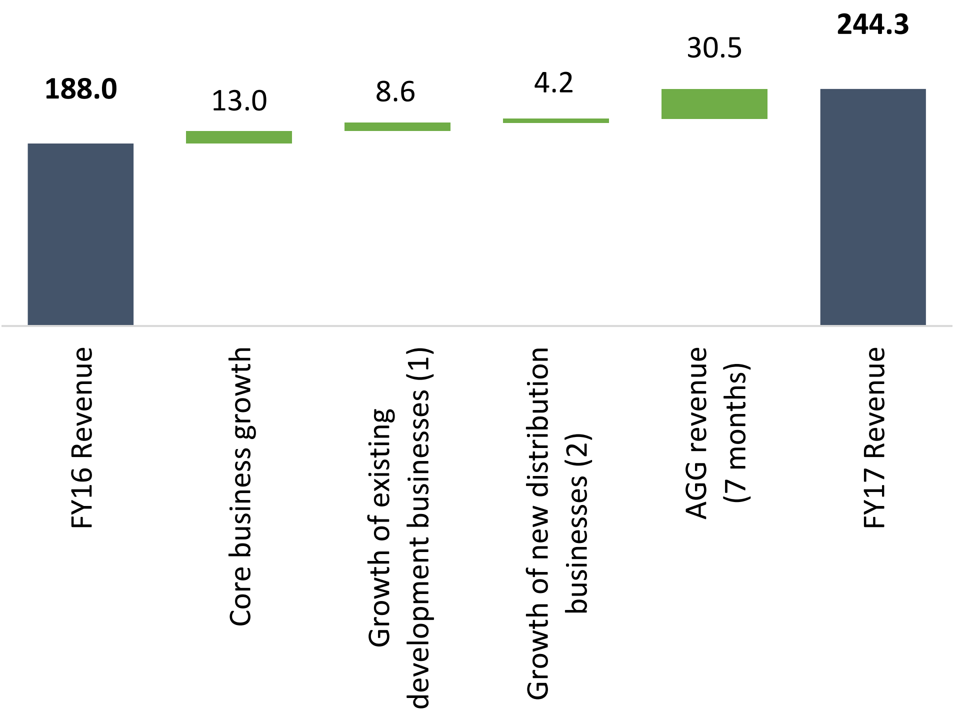
COMMERCIAL

ALEX MCDONALD

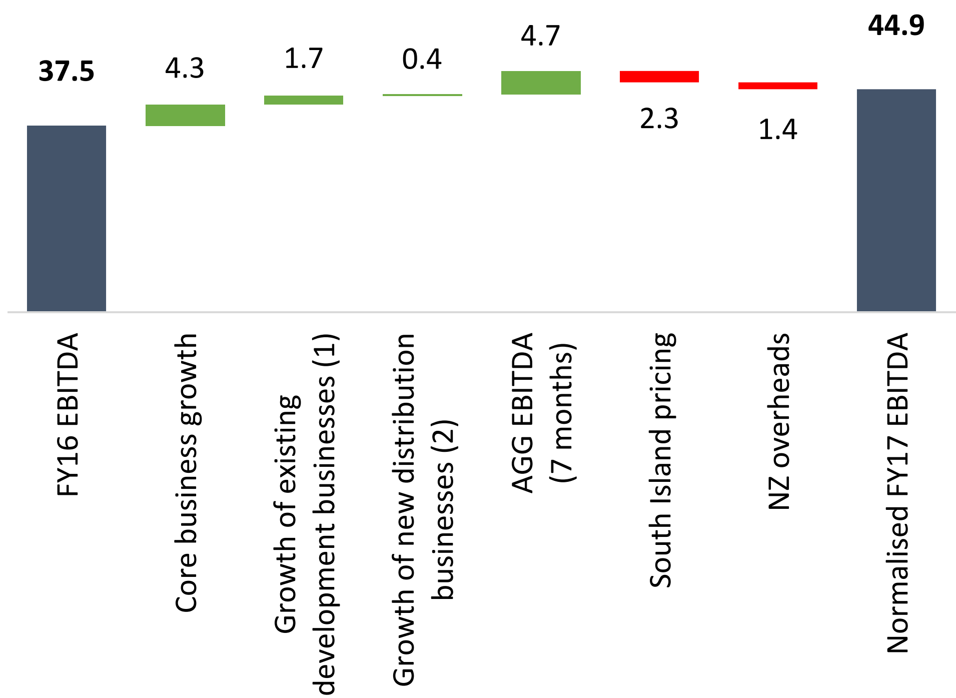
OPERATIONS

FY17: Revenue and EBITDA summary

Revenue bridge: FY16 to FY17 ($m)



Normalised EBITDA bridge: FY16 to FY17 ($m)



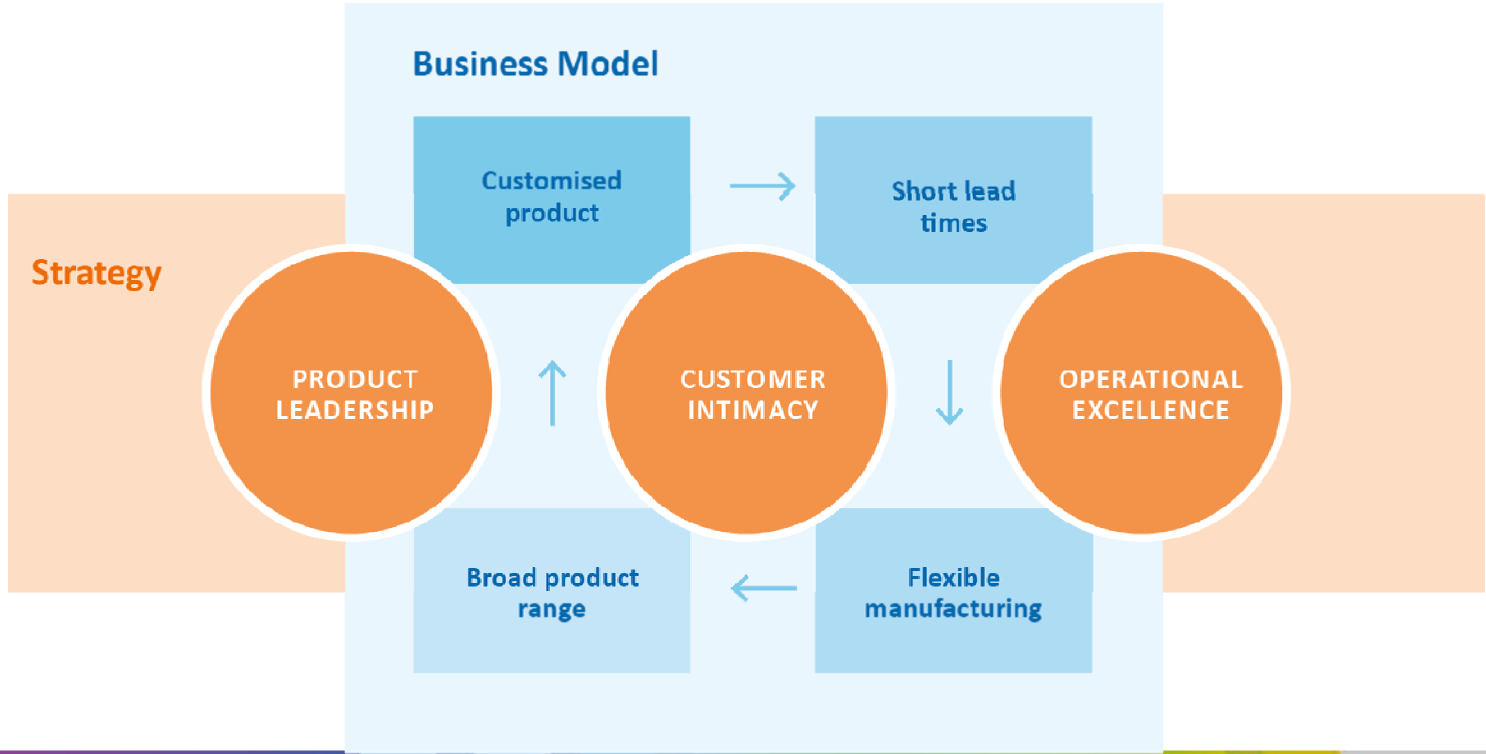
Notes:

1. *Existing development businesses include Auckland RetroFit, Auckland commercial glazing and certain Metro Direct branches.*
2. *Metro Glass has acquired five distribution and glazing businesses in Auckland, Wellington, Christchurch and Invercargill since it became a publicly listed company in July 2014.*

Metro Glass is continuing to build on its position as the leading downstream glass processer in Australasia

Metro Glass’ strategy is to lead Australasian glass markets by:

- Delivering a broad range of market-leading, customised, high-performance glass products at a cost that is competitive with both domestic and international manufacturers; and
- Expertly leveraging our highly-flexible and automated manufacturing facilities to deliver short lead times and an excellent customer experience.



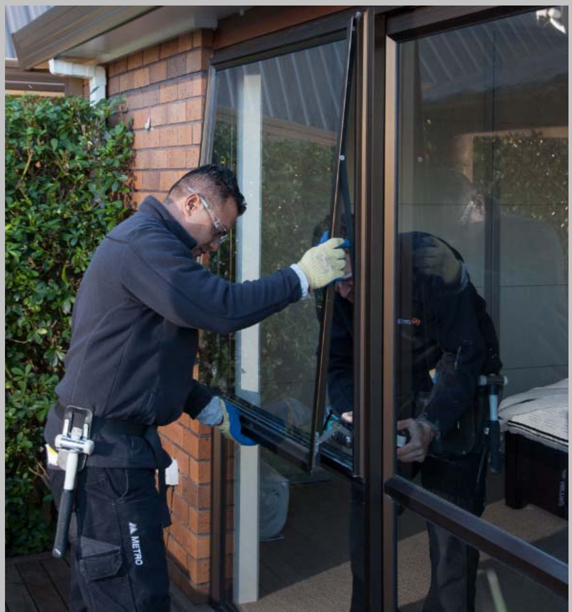
Key focus areas for FY18

1. Drive top line growth and glass category share, by ensuring that customers continue to see Metro Performance Glass as the glass supplier of choice
2. Focus on improving manufacturing efficiency (including automation, processes and costs) to achieve our desired service and cost leadership position
3. Capture an increasing share of the commercial market
4. Continue to develop the infrastructure of Retrofit double glazing replacement business
5. Focus on optimising operating performance of all business segments
6. Execution of AGG plant reconfiguration and expansion plans
7. Upgrade key processing capabilities to support growth and meet market demands
   - The majority of new equipment will be installed over the 2017 Christmas shut down
   - These investments will deliver improvements in capacity, capability, quality, reliability and cost from the start of FY19
   - Ensures that Metro Glass' product offering remains at the forefront of the industry

Metro Glass' 3 year financial aspirations

FY18-FY20 Group revenue	**+5-12%**	• Continued link to 9 month lagged NZ residential consents that are assumed to grow by mid single figure growth rates per annum • Increased commercial and retrofit presence supporting increased total glass market share • Anticipates Australian growth rate above NZ
FY20 Group EBITDA margin %	**>20%**	• Optimize profitability across all businesses • Leverage existing and new capital investment
FY20 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

Formal business



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

Votes received in advance of today's meeting:

	For	Open	Against	Total votes	% of issued capital
Votes	108,497,363	786,474	49,618	109,333,455	59.0%
Holders	128	49	4		
% of Votes	99.2%	0.7%	0.1%		

Ordinary business and resolutions

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

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

Votes received in advance of today's meeting are presented below:

	For	Open	Against	Total votes	% of issued capital
Votes	104,838,956	667,568	3,789,431	109,295,955	59.0%
Holders	102	46	31		
% of Votes	95.9%	0.6%	3.5%		

Ordinary business and resolutions

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

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

Votes received in advance of today's meeting are presented below:

	For	Open	Against	Total votes	% of issued capital
Votes	80,551,683	621,374	32,230,104	113,403,161	61.2%
Holders	79	42	62		
% of Votes	71.0%	0.6%	28.4%		

Ordinary business and resolutions

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

Resolution 4: That Peter Griffiths (appointed by the Board as a Director on 2 September 2016), who retires and is eligible for election, be elected as a Director of Metro Performance Glass Limited

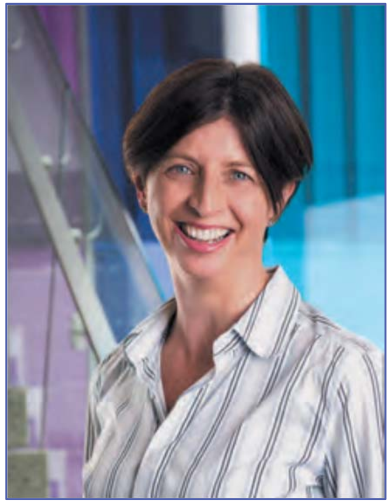
Votes received in advance of today's meeting are presented below:

	For	Open	Against	Total votes	% of issued capital
Votes	108,017,726	657,568	564,867	109,240,161	58.9%
Holders	109	45	25		
% of Votes	98.9%	0.6%	0.5%		

Ordinary business and resolutions

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

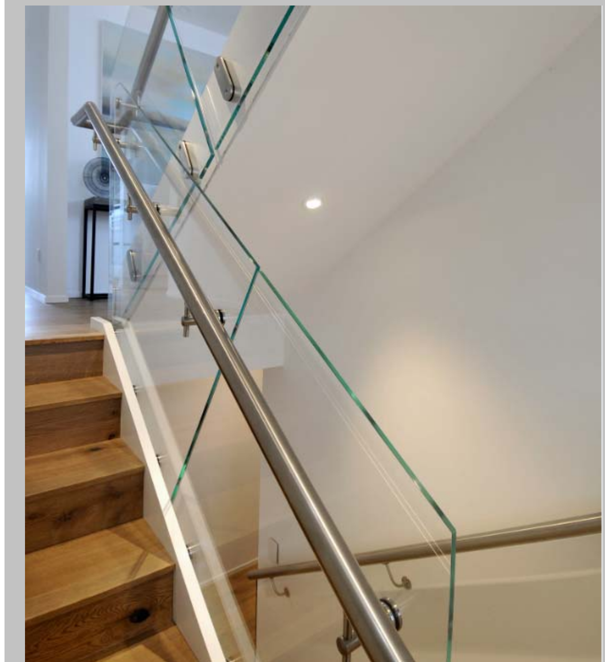
Resolution 5: That Angela Bull (appointed by the Board as a Director on 5 May 2017), who retires and is eligible for election, be elected as a Director of Metro Performance Glass Limited



Votes received in advance of today's meeting are presented below:

	For	Open	Against	Total votes	% of issued capital
Votes	108,185,303	667,568	368,584	109,221,455	58.9%
Holders	114	46	18		
% of Votes	99.0%	0.6%	0.3%		

General business & shareholder questions



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FY17: Full year results summary

NZ$ million	FY17	FY16	% change
Revenue	**244.3**	188.0	29.9
Normalised EBITDA[1,2]	**44.9**	37.5	19.6
Depreciation & amortisation	11.0	7.4	48.3
Normalised EBIT[1,2]	**33.9**	30.1	12.5
Normalised NPAT[2]	**21.3**	19.3	10.8
Abnormal items	(2.0)	1.2	nm
Reported NPAT	**19.4**	20.5	(5.5)
Basic EPS (cents)	**10.5**	11.1	(5.5)
Total dividend (cps)	**7.6**	7.6	-

Notes:

1. *EBIT and EBITDA are normalised to exclude $1.0m of one-off, non-deductible expenses related to the acquisition of Australian Glass Group ("FY17 AGG Acquisition Expenses").*
2. *Net profit after tax, normalised to exclude FY17 AGG Acquisition Expenses and tax adjustments relating to IPO expenses and the finalisation of prior year tax positions. Additional detail is provided on slide 28 of this release.*

FY17: Summary cash flow & balance sheet

Key cash flow items (NZ$m)	FY17	FY16
Normalised EBITDA[1,2]	44.9	37.5
Operating cash flows	17.6	27.6
Capital expenditure[3]	10.1	11.4
Dividends paid	14.1	13.3

Key balance sheet items (NZ$m)	FY17	FY16
Net working capital[4]	38.0	22.0
Property plant & equipment	57.0	48.0
Total assets	293.8	230.9
Net debt	94.5	43.6
Total shareholders equity	156.5	148.6

Notes:

1. *All references are to Normalised financials that exclude the impact of one-off, non-deductible acquisition related expenses in the period totalling $1.0m.*
2. *EBIT and EBITDA are non-GAAP measures of financial performance. Additional detail is provided on slide 28 of this release.*
3. *Excluding the consideration paid when acquiring AGG.*
4. *Net working capital: trade & other receivables + inventory – trade & other payables.*
5. *Gearing: net interest bearing debt / (net interest bearing debt + equity).*

- Normalised EBITDA rose +20% to $44.9m in FY17
- Operating cash flow conversion adversely impacted by $6.1m due to timing of tax payments, AGG acquisition expenses of $1.0m, increased interest expense of $1.0m, and working capital increase of $10.1m
- Net working capital grew $16.0m in the year due to:
  - Working capital acquired with AGG $5.9m
  - Increased debtors as commercial sales grew, which are subject to retentions
  - Lower NZ accounts payable on timing of creditor payments
- Metro Glass refinanced its borrowing facilities for a three year term as part of the debt funded acquisition of AGG
  - The total purchase consideration for AGG was $47.5m
  - The group's gearing[5] increased from 22.7% at 31 March 2016 to 37.6% at 31 March 2017

Explanation of non-GAAP profit measures

Non-GAAP financial measures

- Group results are reported under NZ IFRS. This presentation includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS, being:
  - Normalised EBITDA: calculated by adding back (or deducting) finance expense / (income), taxation expense, depreciation, and amortisation, to net profit after tax. Then normalised to exclude $1.0m of one-off, non-deductible expenses related to the acquisition of Australian Glass Group ("FY17 AGG Acquisition Expenses")
  - Normalised EBIT: calculated by adding back (or deducting) finance expense / (income), and taxation expense to net profit after tax. Then normalised to exclude FY17 AGG Acquisition Expenses
  - Normalised net profit after tax, normalised to exclude FY17 AGG Acquisition Expenses and tax adjustments relating to IPO expenses and the finalisation of prior year tax positions
  - NPATA is defined as net profit after tax before the amortisation of acquisition-related intangibles and its associated tax effect
- We believe that these non-GAAP financial measures provide useful information to readers to assist in the understanding of our financial performance, financial position or returns, but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZIFRS
- Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies

Full Year to 31 March; $M	FY17	FY16
Normalised net profit after tax	**21.3**	**19.3**
Less: Tax adjustments relating to prior periods	1.0	(1.2)
Less: FY17 AGG Acquisition Expenses	1.0	-
Net profit after tax (or Profit for the period)	19.4	20.5
Add: taxation expense	9.6	6.5
Add: net finance expense	4.0	3.2
EBIT (or Operating Profit)	32.9	30.1
Add: depreciation & amortisation	11.0	7.4
EBITDA	43.9	37.5
EBIT (or Operating Profit)	32.9	30.1
Add: FY17 AGG Acquisition Expenses	1.0	-
Normalised EBIT	**33.9**	**30.1**
EBITDA	43.9	37.5
Add: FY17 AGG Acquisition Expenses	1.0	-
Normalised EBITDA	**44.9**	**37.5**
Net profit after tax (or Profit for the period) (GAAP)	19.4	20.5
Add back: amortisation of acquisition-related intangibles and its associated tax effect	1.7	1.5
NPATA	**21.1**	**21.9**