

Results for announcement to the market		
Name of issuer	Metro Performance Glass Limited	
Reporting Period	12 months to 31 March 2023 (FY23)	
Previous Reporting Period	12 months to 31 March 2022 (FY22)	
Currency	New Zealand dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	263,520	11.6%
Total Revenue	263,520	11.6%
Profit before significant items, interest and tax	11,824	100.0%
Net profit/(loss) from continuing operations	(10,548)	(2198)%
Total net profit/(loss)	(10,548)	(2198)%
Interim/Final Dividend		
Amount per Quoted Equity Security	Not applicable	
Imputed amount per Quoted Equity Security	Not applicable	
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	0.1679	0.1662
A brief explanation of any of the figures above necessary to enable the figures to be understood	Accompanying this announcement are the Group’s unaudited consolidated financial statements for the twelve months ended 31 March 2023. The audited financial statements and annual report are anticipated to be available within the next few working days	
Authority for this announcement		
Name of person authorised to make this announcement	Liam Hunt, Company Secretary	
Contact person for this announcement	Liam Hunt	
Contact phone number	+64 22 010 4377	
Contact email address	Liam.hunt@metroglass.co.nz	
Date of release through MAP	29 May 2023	



Metro Performance Glass Limited
Preliminary Full Year Announcement
For the Full Year ended 31 March 2023

Consolidated Statement of Comprehensive Income

	Year ended 31 March 2023 Unaudited	Year ended 31 March 2022
	\$000	\$000
Sales revenue	263,520	236,063
Cost of sales	(158,307)	(142,472)
Gross profit	105,213	93,591
Distribution and glazing-related expenses	(47,280)	(45,441)
Selling and marketing expenses	(12,796)	(13,160)
Administration expenses	(33,924)	(32,446)
Share of profits of associate	414	-
Other income and gains and losses	197	3,367
Profit before significant items, interest and tax	11,824	5,911
Significant items	(12,032)	-
Profit before interest and tax	(208)	5,911
Finance expense	(10,870)	(6,327)
Finance income	497	-
Loss before income taxation	(10,581)	(416)
Income taxation expense	33	(43)
Loss for the year	(10,548)	(459)
Other comprehensive income		
Items that may be reclassified to profit or loss in the future:		
Exchange differences on translation of foreign operations	(424)	(474)
Cash flow hedges (net of tax)	536	612
Total comprehensive loss for the year attributable to shareholders	(10,436)	(321)
Earnings per share		
Basic and diluted earnings per share (cents per share)	(5.7)	(0.2)



Metro Performance Glass Limited
Preliminary Full Year Announcement
For the Full Year ended 31 March 2023

Balance Sheet

	Year ended 31 March 2023 Unaudited \$000	Year ended 31 March 2022 Restated \$000
ASSETS		
Current assets		
Cash and cash equivalents	7,300	13,064
Trade receivables	38,083	35,799
Inventories	31,826	27,402
Derivative financial instruments	251	68
Current income tax asset	1	-
Other current assets	3,237	2,570
Total current assets	80,698	78,903
Non-current assets		
Property, plant and equipment	50,674	54,748
Right-of-use assets	65,335	70,505
Deferred tax assets	10,398	10,965
Investment in associate	2,512	-
Financial assets at fair value through profit or loss	-	2,098
Intangible assets	44,336	54,710
Other non-current assets	650	1,051
Total non-current assets	173,905	194,077
Total assets	254,603	272,980
LIABILITIES		
Current liabilities		
Trade and other payables	27,208	30,626
Deferred income	2,054	3,450
Income tax liability	-	518
Derivative financial instruments	107	274
Lease liabilities	7,452	6,535
Provisions	633	1,920
Total current liabilities	37,454	43,323
Non-current liabilities		
Interest-bearing liabilities	67,370	65,319
Derivative financial instruments	-	274
Lease liabilities	70,432	74,745
Provisions	3,880	3,790
Total non-current liabilities	141,682	144,128
Total liabilities	179,136	187,451
Net Assets	75,467	85,529



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Metro Performance Glass Limited
Preliminary Full Year Announcement
For the Full Year ended 31 March 2023

Balance Sheet

	Year ended 31 March 2023 Unaudited \$000	Year ended 31 March 2022 Restated \$000
Equity		
Contributed equity	307,198	307,198
Accumulated losses	(61,901)	(51,735)
Group reorganisation reserve	(170,665)	(170,665)
Share-based payments reserve	1,358	1,366
Foreign currency translation reserve	(383)	41
Hedge reserve	(140)	(676)
Total equity	75,467	85,529

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Metro Performance Glass Limited
Preliminary Full Year Announcement
For the Full Year ended 31 March 2023

Consolidated Statement of Changes in Equity

	Year ended 31 March 2023			
	Unaudited			
	Contributed Equity	Reserves	Retained	Total
	\$000	\$000	\$000	\$000
Opening balance at 1 April 2022	307,198	(169,934)	(51,735)	85,529
Loss for the year	-	-	(10,548)	(10,548)
Movement in foreign currency translation reserve	-	(424)	-	(424)
Other comprehensive income for the year	-	536	-	536
Total comprehensive income/(loss) for the year	-	112	(10,548)	(10,436)
Expiry of share-based payments	-	(382)	382	-
Movement in share-based payments reserve	-	374	-	374
Total transactions with owners, recognised directly in equity	-	(8)	382	374
Balance at 31 March 2023	307,198	(169,830)	(61,901)	75,467

	Year ended 31 March 2022			
	Contributed Equity	Reserves	Retained	Total
	\$000	\$000	\$000	\$000
Opening balance at 1 April 2021	307,198	(170,226)	(51,571)	85,401
Loss for the year	-	-	(459)	(459)
Movement in foreign currency translation reserve	-	(474)	-	(474)
Other comprehensive income for the year	-	613	-	613
Total comprehensive income/(loss) for the year	-	139	(459)	(320)
Expiry of share-based payments	-	(295)	295	-
Movement in share-based payments reserve	-	448	-	448
Total transactions with owners, recognised directly in equity	-	153	295	448
Balance at 31 March 2022	307,198	(169,934)	(51,735)	85,529



Metro Performance Glass Limited
Preliminary Full Year Announcement
For the Full Year ended 31 March 2023

Consolidated Statement of Cashflows

	Year ended 31 March 2023 Unaudited \$000	Year ended 31 March 2022 \$000
Cash flows from operating activities		
Receipts from customers	259,752	235,939
Payments to suppliers and employees	(244,365)	(218,051)
Government wage subsidy and grants received	157	2,470
Repayment of balance due from associate	850	-
Interest received	41	100
Interest paid	(5,749)	(3,448)
Interest paid on leases	(4,759)	(3,139)
Income taxes paid	(208)	(617)
Net cash inflow from operating activities	5,719	13,254
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	112	358
Payments for property, plant and equipment	(6,085)	(10,399)
Payments for intangible assets	(76)	(89)
Net cash outflow from investing activities	(6,049)	(10,130)
Cash flows from financing activities		
Lease liability principal payments	(6,846)	(6,940)
Drawdown of borrowings (net)	2,535	10,257
Repayment of other financing	(794)	(803)
Net cash (outflow) / inflow from financing activities	(5,105)	2,514
Net (decrease) / increase	(5,435)	5,638
Cash and cash equivalents at the beginning of the year	13,064	7,530
Effects of exchange rate changes on cash and cash equivalents	(329)	(104)
Cash and cash equivalents at the end of the year	7,300	13,064



Metro Performance Glass Limited Preliminary Full Year Announcement For the Full Year ended 31 March 2023

Corporate Information

Metro Performance Glass Limited is a limited liability company registered under the New Zealand Companies Act 1993 and is a Financial Market Conduct reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of the New Zealand Stock Exchange (NZX) Main Board Listing Rules.

Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2022.

Securities Exchange Listing

Metroglass' shares are listed on the New Zealand Securities Exchange (NZX) and Australian Securities Exchange (ASX).

Shares on issue as at 31 March 2023:

Register	Security	Holders	Units
New Zealand	MPG (NZX)	2,619	183,255,501
Australia	MPP (ASX)	110	2,122,585
Total	MPG (Dual)	2,729	185,378,086

Net Tangible Assets per Security

Net tangible assets per security at 31 March 2023: 16.7 cents (31 March 2022 16.6 cents, restated)



Audited Annual Report

The audited annual report is expected to be available before the 16th of June 2023

Segmental Reporting

Substantially all of the Group's revenue is derived from the sale of glass and related products and services. This revenue is split by channel only at the revenue level into Commercial Glazing, Residential and Retrofit. Commercial glazing revenue reflects sales through four specific commercial glazing operations in New Zealand. Following the acquisition of Australian Glass Group Pty Ltd (AGG) on 1 September 2016 the Group operates in two geographic segments, New Zealand and Australia.

Year ended 31 March 2023				
Unaudited				
	New Zealand	Australia	Eliminations and Other	Group
	\$000	\$000	\$000	\$000
Commercial Glazing	36,945	-	-	36,945
Residential	122,191	76,774	-	198,965
Retrofit	27,610	-	-	27,610
Total revenue	186,746	76,774	-	263,520
Gross profit	78,779	26,435	-	105,214
Segmental EBITDA before significant items	20,079	11,676	-	31,755
Group costs	-	-	(936)	(936)
Group EBITDA before significant items				30,819
Depreciation and amortisation	(13,725)	(5,235)	-	(18,960)
EBIT before significant items	6,354	6,406	(936)	11,824
Significant items	(11,878)	(154)	-	(12,032)
EBIT	(5,524)	6,252	(936)	(208)
Segment assets	307,901	70,501	(123,799)	254,603
Segment non-current assets (excluding deferred tax assets)	117,023	46,484	-	163,507
Segment liabilities	88,745	25,975	64,416	179,136
Year ended 31 March 2022				
	New Zealand	Australia	Eliminations and Other	Group
	\$000	\$000	\$000	\$000
Commercial Glazing	33,457	-	-	33,457
Residential	115,592	58,077	(4)	173,665
Retrofit	28,941	-	-	28,941
Total revenue	177,990	58,077	(4)	236,063
Gross profit	77,107	16,488	(4)	93,591
Segmental EBITDA before significant items	21,189	4,558	-	25,747
Group costs	-	-	(1,149)	(1,149)
Group EBITDA before significant items				24,598
Depreciation and amortisation	(13,822)	(4,865)	-	(18,687)
EBIT before significant items	7,367	(307)	(1,149)	5,911
Significant items	-	-	-	-
EBIT	7,367	(307)	(1,149)	5,911
Segment assets	326,147	69,997	(124,006)	272,138
Segment non-current assets (excluding deferred tax assets)	135,316	47,796	-	183,112
Segment liabilities	97,837	26,968	61,804	186,609



Significant items

	Year ended 31 March 2023 Unaudited	Year ended 31 March 2022
	\$000	\$000
Impairment of New Zealand intangible assets	10,000	-
Restructure of the NZ operations	1,878	-
Australian divestment	154	-
Total significant items before taxation	12,032	-
Tax benefit on above items	(570)	-
Total significant items after taxation	11,462	-

Significant items are a non-GAAP measure and are based on the Group's internal policy as follows. Transactions considered for classification as significant items are material restructuring costs, acquisition and disposal costs, impairment or reversal of impairment of assets, business integration, and transactions or events outside of the Group's ongoing operations that have a significant impact on reported profit.

The Australian divestment costs include those costs incurred for the initial sale process undertaken in the period ended 31 March 2023.

On 18 November 2022 the Group announced the initiation of a cost out programme to ensure that the business capacity and resources are appropriate to service demand as the construction sector cycle changes, including a comprehensive review of its organisational structure and manufacturing footprint. This review culminated in the closure of the manufacturing facility in Bay of Plenty in December 2022, closure of the hardware procurement function, and other staff restructuring costs. The costs of this programme that were incurred in the period ended 31 March 2023 are included in the 'Restructure of NZ operations' significant item. The nature of the costs incurred include redundancy payments, loss on disposal of inventory, costs incurred transporting and re-commissioning assets, and professional service costs related to the potential divestment of AGG.

Critical Estimates and Judgements; Goodwill

The Group tests intangible assets for impairment to ensure they are not carried at above their recoverable amounts:

- * at least annually for goodwill with indefinite lives; and
- * where there is an indication that the assets may be impaired (which is assessed at least at each reporting date).

Impairment tests are performed by assessing the recoverable amount of each individual asset or CGU. The recoverable amount is determined as the higher amount calculated under a value-in-use (VIU) or a fair value less costs of disposal (FVLCD) calculation. Both methods utilise pre-tax cash flow projections based on financial projections approved by the Directors.

Disruptions to the supply chain for the New Zealand CGU have eased and are expected to improve in the medium- term earnings outlook. The number of new homes consented have declined from the historically elevated levels and the expectation is that consenting levels will continue to decline in the short term before flattening out. The value of non-residential building consents softened on last year but are not expected to decline at the same rate as residential work. The changes to the building code (H1 Standards) that are progressively effective from November 2022 require an increase in the thermal properties of window units as part of a suite of changes designed to improve the thermal performance of New Zealand homes. Short term earnings performance for the NZ CGU are expected to improve compared to F23 even with an the anticipated reducing building activity driven by a reduction in global supply chain freight



rates, the successful implementation of the cost out programme and the gradual adoption of the H1 building code.

There is a heightened level of uncertainty at present which makes accurately forecasting the medium-term future challenging. The company currently expects consents in New Zealand to trend lower in the next 12 to 24 months. While the industry will benefit from the completing of an existing pipeline of projects in the short term, it is unclear how long this will last, and activity levels thereafter are highly uncertain.

After reflecting on a number of scenarios, it is the considered view of the directors that the forecast revenue assumptions and resulting outcome is reasonable. This is based on our understanding of the market and a consensus of the market trajectories considered. Therefore, an impairment to the goodwill balance of \$30.9 million has been recognised at 31 March 2023.

	Year ended 31 March 2023 Unaudited	Year ended 31 March 2022
	\$000	\$000
New Zealand	20,879	30,879
Australia	23,167	23,357
	44,046	54,236

Prior Period Adjustments

The debtors reclassification arose from a review of the process to identify and reclassify customer deposits from trade receivables to the deferred income balance. During the current year this review identified that there was a further \$842,000 of deposits that had not been reclassified to deferred income as at 31 March 2022. There is no impact on Consolidated Statement of Comprehensive Income or Consolidated Statement of Cash Flows as a result of this reclassification.

	2022 As Reported	Debtors Reclassification Change	2022 Restated
	\$000	\$000	\$000
Trade receivables	34,957	842	35,799
Total current assets	78,061	842	78,903
Total assets	272,138	842	272,980
Deferred income	2,608	842	3,450
Total current liabilities	42,481	842	43,323