

## FY2020 3RD QUARTER RESULTS

(1 April 2019 to 31 December 2019)

- **FY2020 Q3 results impacted by a decline in vehicle production as well as an increase in architectural glass supply, especially in Europe**
- **Revision of full-year forecast reflecting further slowdown in core markets, continuing into Q4**
- **Continued focus on profitability improvement and growth measures**

### **FY2020 Q3 results impacted by a decline in vehicle production as well as an increase in architectural glass supply, especially in Europe**

- Group revenues of ¥ 425.8bn (-7%) decreased from the previous year mainly due to headwinds in the core markets, in addition to the translational impact of foreign exchange. Year-on-year decrease of 3% at constant exchange rates
- Trading profit of ¥ 19.4bn (-29%) below the previous year, as Automotive affected by further volume reduction in Europe, and a decline in Japan in Q3; and Architectural by increasingly challenging market conditions, especially in Europe, with lower asset utilization. Improvements in solar energy glass volumes

	Revenue		Operating Profit	
	FY20 Q3	FY19 Q3	FY20 Q3	FY19 Q3
Architectural Glass	<b>¥ 180.1bn</b>	¥ 186.7bn	<b>¥ 14.0bn</b>	¥ 18.4bn
Automotive Glass	<b>¥ 214.6bn</b>	¥ 235.0bn	<b>¥ 5.3bn</b>	¥ 9.1bn
Technical Glass	<b>¥ 30.2bn</b>	¥ 36.7bn	<b>¥ 5.4bn</b>	¥ 6.4bn

- Profit attributable to owners of the parent decreased to ¥ 1.2bn (-88%), due to lower operating profit and non-reoccurrence of one-off gain recognized by a JV in the previous year

### **Revision of full-year forecast reflecting further slowdown in core markets, continuing into Q4**

- Architectural: market conditions deterioration in Europe and South East Asia and resulting lower asset utilization
- Automotive: sales volume reduction and lower asset utilization in Europe due to production cuts by vehicle manufacturers; and significant decline in Japan volumes from Q3 after consumption tax hike
- Technical: vehicle production decline in Europe and China impacting glass cord demand
- Focus on attaining positive underlying free cash flow, excluding the strategic capital expenditure

### **Continued focus on profitability improvement and growth measures**

- Continued identification and execution of fundamental improvement actions including cost reduction
- Drive for strategic investment projects and new business development for future remains unchanged

Excerpt from NSG Group FY2020 3rd Quarter financial results presentation

## Consolidated Income Statement



¥ bn	FY2019 Q3	FY2020 Q3	Change
<b>Revenue</b>	459.5	<b>425.8</b>	(33.7)
<b>Trading profit</b>	27.2	<b>19.4</b>	(7.8)
Amortization *	(1.5)	<b>(1.4)</b>	0.1
<b>Operating profit</b>	25.7	<b>18.0</b>	(7.7)
Exceptional items	(3.3)	<b>(4.4)</b>	(1.1)
Finance expenses (net)	(10.2)	<b>(9.5)</b>	0.7
Share of JVs and associates	4.9	<b>1.2</b>	(3.7)
<b>Profit before taxation</b>	17.1	<b>5.3</b>	(11.8)
<b>Profit for the period</b>	11.4	<b>1.9</b>	(9.5)
<b>Profit attributable to owners of the parent</b>	10.5	<b>1.2</b>	(9.3)
EBITDA	46.7	<b>43.2</b>	(3.5)

\*: Amortization arising from the acquisition of Pilkington plc only

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## Revision of Full-year Forecast



Revisions made reflecting worsened business environment in Q3, which is expected to continue into Q4

¥ bn	FY2019 Actual	FY2020 Forecast (Original)	FY2020 Forecast (Revised at Q2)	FY2020 Revised Forecast (Latest)	Change
<b>Revenue</b>	612.8	620.0	570.0	<b>560.0</b>	(10.0)
<b>Trading profit</b>	38.8	37.0	31.0	<b>23.0</b>	(8.0)
Amortization *	(1.9)	(2.0)	(2.0)	<b>(2.0)</b>	-
<b>Operating profit</b>	36.9	35.0	29.0	<b>21.0</b>	(8.0)
Exceptional items	(7.1)	(6.0)	(7.0)	<b>(7.0)</b>	-
Finance expenses (net)	(13.3)	(14.0)	(14.0)	<b>(13.0)</b>	1.0
Share of JVs and associates	6.2	4.0	2.0	<b>2.0</b>	-
<b>Profit before taxation</b>	22.7	19.0	10.0	<b>3.0</b>	(7.0)
<b>Profit for the period</b>	14.4	12.0	4.0	<b>(2.0)</b>	(6.0)
<b>Profit attributable to owners of the parent</b>	13.3	11.0	3.0	<b>(3.0)</b>	(6.0)

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