

NSG

GROUP

NSG Group

FY2016 Quarter 1 Results

(from 1 April 2015 to 30 June 2015)

Mark Lyons
Chief Financial Officer

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Group Financial Controller

FY2016 Q1 Results

(from 1 April 2015 to 30 June 2015)



Agenda

Key Points

Financial Results

Business Update

Summary

Key Points - April to June 2015



- Trading profit remains at same level as previous year, cost base continues to improve, year-on-year reduction of exceptional costs
- Performance in North America and South East Asia remains strong
- Difficult market conditions in South America and challenging competitive environment in Display business
- Improved performance in Japan
- Gradually improving outlook for Europe

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Consolidated Income Statement



(JPY bn)	<u>Cum Q1</u> <u>FY2016</u>	<u>Cum Q1</u> <u>FY2015</u>	<u>Change</u> <u>from Cum</u> <u>Q1 FY2015</u>
Revenue	162.1	155.7	4% ^{**}
Trading profit	5.2	5.1	2%
Amortization*	(2.1)	(2.1)	
Operating profit	3.1	3.0	
Exceptional items	(0.6)	(1.6)	
Finance expenses (net)	(4.2)	(4.5)	
Share of JVs and associates	(0.1)	(0.2)	
Loss before taxation	(1.8)	(3.3)	
Loss for the period	(0.5)	(4.4)	
Loss attributable to owners of the parent	(1.4)	(4.7)	
EBITDA	13.7	13.3	

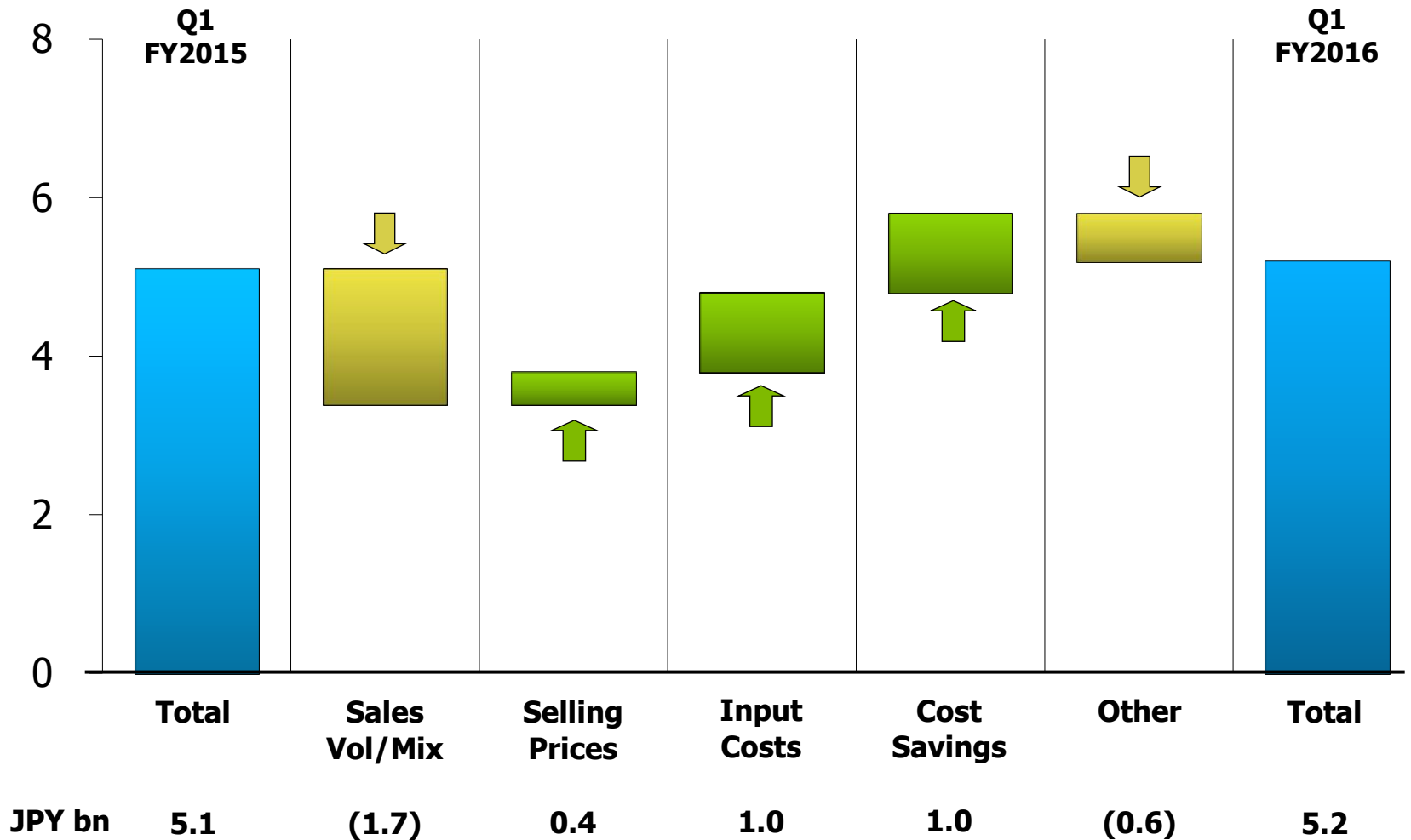
* Amortization arising from the acquisition of Pilkington plc only

** 1% based on constant exchange rates

Profit reflects mixed market conditions

Change Analysis

Trading profit



Key Performance Indicators



	<u>30-Jun-15</u>	<u>31-Mar-15</u>
Net Debt (JPY bn)	397	374
Net Debt/EBITDA	6.8x	6.5x
Net Debt/Equity Ratio	1.9	2.0
	<u>Q1 FY2016</u>	<u>Q1 FY2015</u>
EBITDA Interest Cover	3.7x	3.4x
Operating Return* on Sales	3.2%	3.3%

* trading profit

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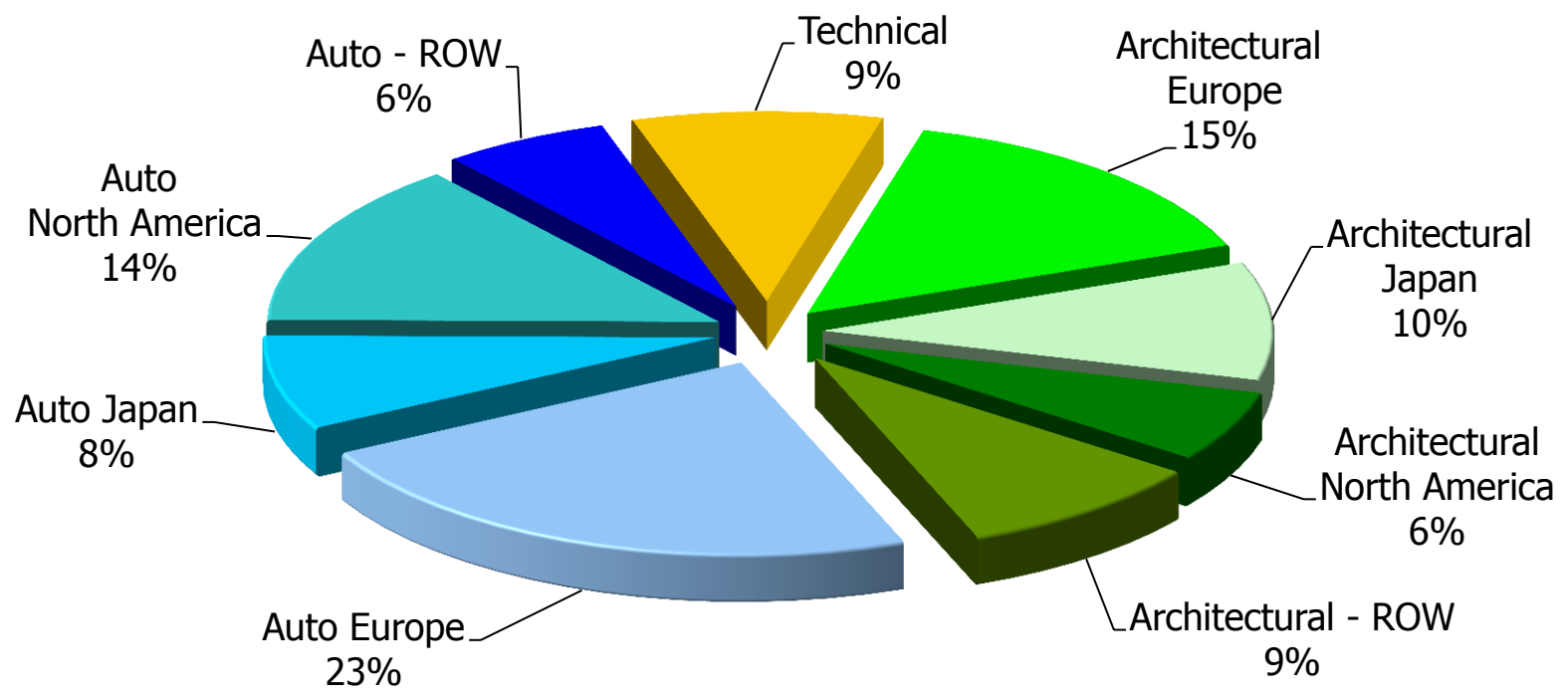
Business Update

Summary

External Revenue – Group Businesses



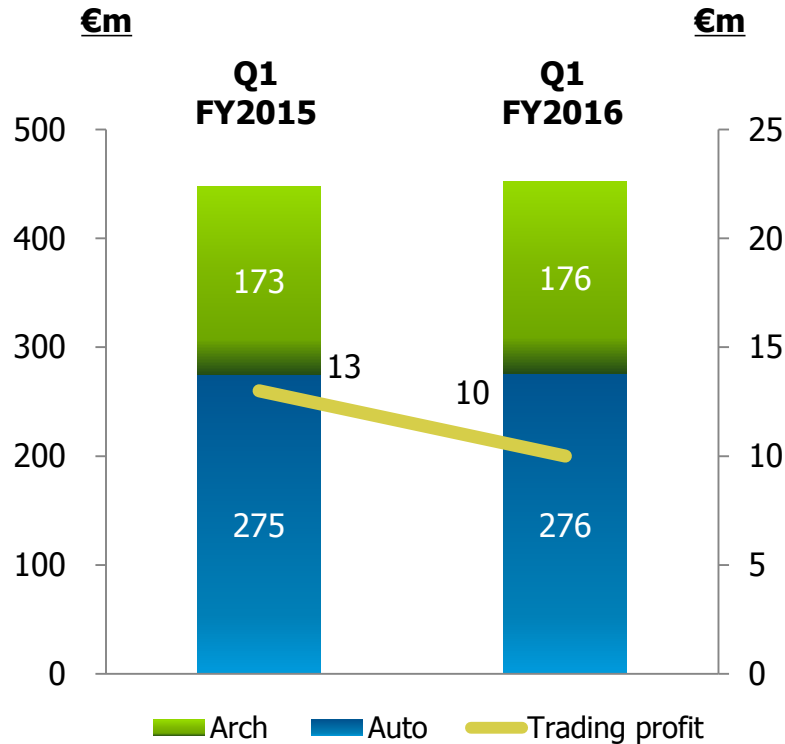
¥ 162.1 billion



Cumulative Q1 FY2016

Europe

Q1 FY2015 v Q1 FY2016



Architectural

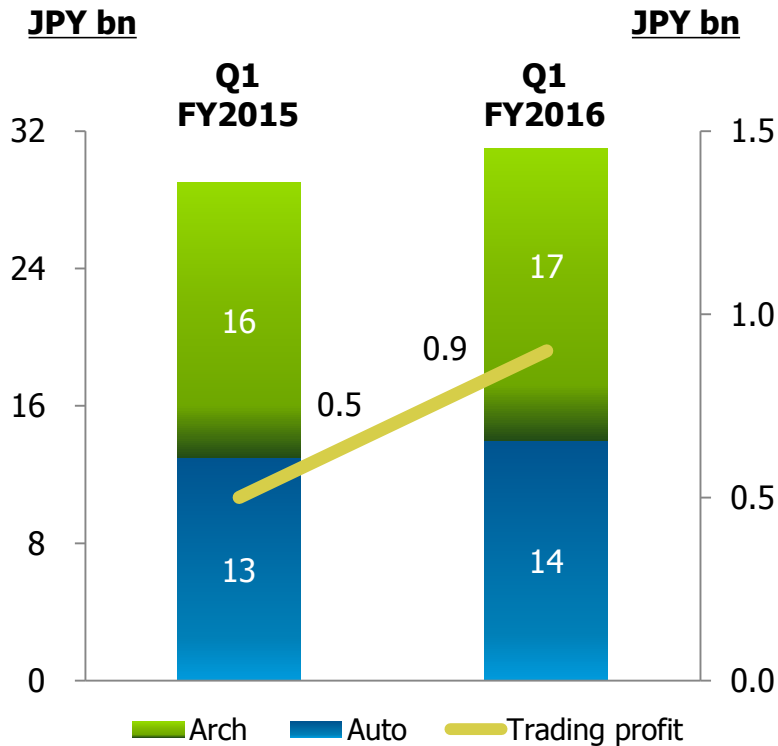
- Market conditions stable
- Profits impacted by float repair
- Signs of improving market outlook

Automotive

- Revenues flat, with volumes broadly similar to previous year
- Positive indications of market recovery in Western Europe

Japan

Q1 FY2015 v Q1 FY2016



Architectural

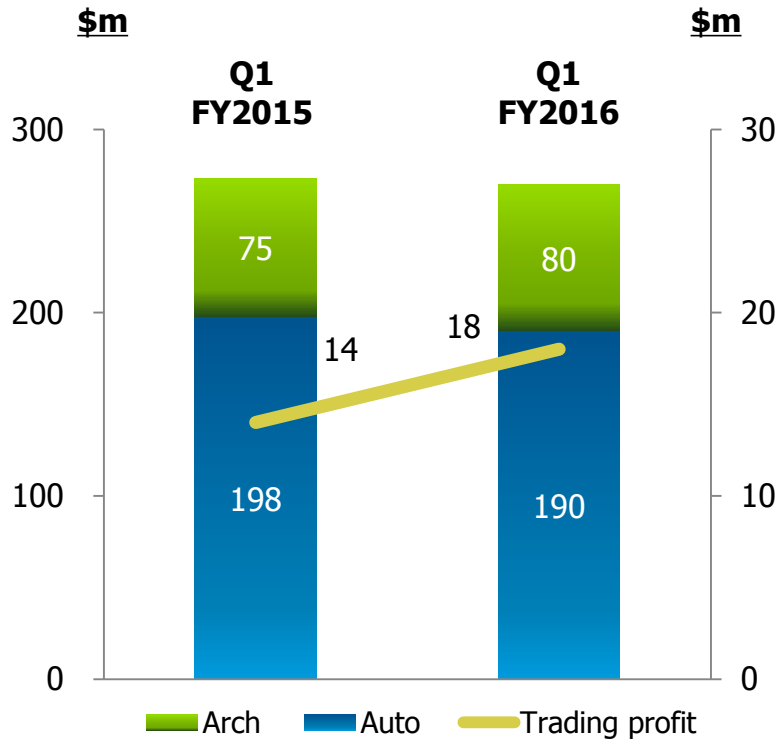
- Revenues and profits improved, as volumes increased from previous year which was affected by the consumption tax hike
- Positive impact by eco-point program incentives

Automotive

- Revenues and profits similar to previous year
- OE market showing weakness after revision of eco-car incentives

North America

Q1 FY2015 v Q1 FY2016



Architectural

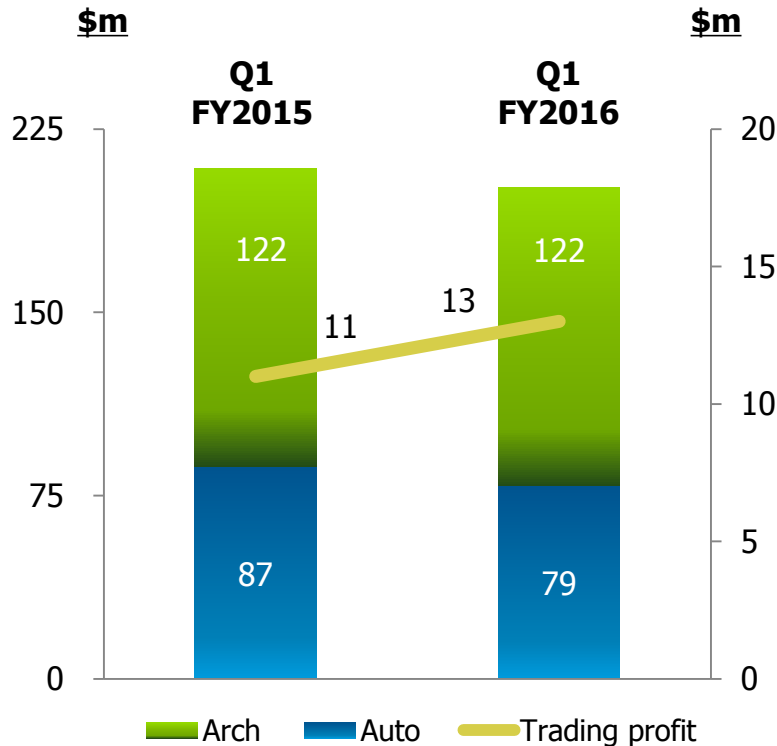
- Revenues and profits improved, as architectural markets continue to show growth

Automotive

- Improved profitability in OE due to operational improvements

Rest of World

Q1 FY2015 v Q1 FY2016



Architectural

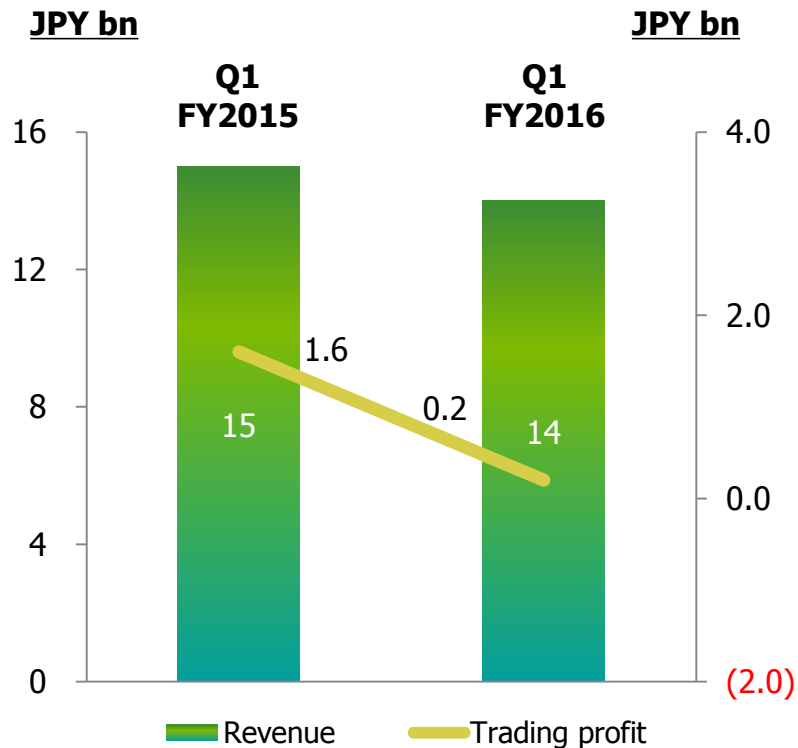
- South East Asia benefitting from robust Solar Energy glass dispatches
- Lower profits in Argentina due to float repair

Automotive

- Weak market conditions persist in South America

Technical Glass

Q1 FY2015 v Q1 FY2016



Technical Glass

- Challenging competitive environment affecting profitability in Display
- Components used in office printers continue to enjoy robust demand
- Volumes of glass cord used in engine timing belts were similar to the previous year

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- Improved performance in Japan
- Gradually improving outlook for Europe
- Full-year forecast for FY16 unchanged

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Europe, Japan, the U.S. and Asia), product supply/demand shifts, and currency exchange fluctuations.

Nippon Sheet Glass Co., Ltd.

Appendices

Revenue by Business

Q1 FY2016



(JPY bn)	Europe	Japan	North America	Rest of World	Total
Architectural	23.5	16.6	9.7	14.9	64.7
Automotive	36.9	13.6	23.1	9.5	83.1
Technical Glass	2.1	7.0	0.3	4.8	14.2
Others	0.0	0.1	0.0	0.0	0.1
Total	62.5	37.3	33.1	29.2	162.1

Trading profit

Q1 FY2016



(JPY bn)	Architectural	Automotive	Technical Glass	Other	Total
Trading profit	3.3	2.6	0.2	(0.9)	5.2

(JPY bn)	Europe	Japan	North America	Rest of World	Total
Trading profit	1.4	0.7	2.1	1.0	5.2

Assumptions



	Q1 FY2015	Q1 FY2016
Average rates used:		
JPY/GBP	172	186
JPY/EUR	140	134
JPY/USD	102	122
Closing rates used:		
JPY/GBP	173	192
JPY/EUR	138	136
JPY/USD	102	122

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