

FY2020 2ND QUARTER RESULTS

(1 April 2019 to 30 September 2019)

- **FY2020 Q2 results affected by the translational impact of foreign currency movements and a decrease in European car production volumes, as well as increasingly difficult conditions during the quarter in certain architectural markets**
- **Revised FY2020 full-year forecast reflects expectations that markets will continue to be difficult**
- **Key step-change actions progressing, aiming to return to profit growth**

FY2020 Q2 results affected by the translational impact of foreign currency movements and a decrease in European car production volumes, as well as increasingly difficult conditions during the quarter in certain architectural markets

- Group revenues of ¥ 288.6bn decreased from the previous year (FY19 Q2: ¥ 308.1bn) mainly due to the translational impact of foreign currencies
- Trading profit of ¥ 15.8bn (FY19 Q2: ¥ 18.8bn) below the previous year, due to decrease in European car production volumes and increasingly difficult market conditions during Q2

	Revenue		Operating Profit	
	FY20 Q2	FY19 Q2	FY20 Q2	FY19 Q2
Architectural Glass	¥ 119.7bn	¥ 121.7bn	¥ 9.8bn	¥ 11.9bn
Automotive Glass	¥ 148.2bn	¥ 160.8bn	¥ 5.2bn	¥ 7.4bn
Technical Glass	¥ 20.2bn	¥ 25.0bn	¥ 3.5bn	¥ 4.4bn

- As a result of the non-recurrence of the credit recorded in share of JVs and associates in the previous year, together with a reduction in trading profit as noted above, profit attributable to owners of the parent decreased to ¥ 1.9bn (FY19 Q2: ¥ 9.3bn)

Revised FY2020 full-year forecast to reflect expectations that markets will continue to be difficult

- Architectural:
 - European and North American markets affected by increased supply
 - Growth in solar energy glass
- Automotive and some areas of Technical Glass: Reduction of car production in Europe and China
- Focus on attaining positive underlying free cash flow, excluding the strategic capital expenditure projects

Key step-change actions progressing, aiming to return to profit growth

- Continued efficiency improvement, cost reduction and focused business improvement to enhance profitability
- Execution of strategic investments and acceleration of new product & business development for future growth

Excerpt from NSG Group FY2020 2nd Quarter financial results presentation

Consolidated Income Statement



	FY2019 Q2	FY2020 Q2	Change
¥ bn			
Revenue	308.1	288.6	(19.5)
Trading profit	18.8	15.8	(3.0)
Amortization *	(1.0)	(0.9)	0.1
Operating profit	17.9	14.9	(3.0)
Exceptional items	(1.2)	(2.2)	(1.0)
Finance expenses (net)	(6.7)	(6.3)	0.4
Share of JVs and associates	3.8	0.8	(3.0)
Profit before taxation	13.7	7.2	(6.5)
Profit for the period	10.0	2.4	(7.6)
Profit attributable to owners of the parent	9.3	1.9	(7.4)
EBITDA	32.0	31.7	(0.3)

*: Amortization arising from the acquisition of Pilkington plc only

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Revision of Full-year Forecast



	FY2019 Actual	FY2020 Forecast (Original)	FY2020 Revised Forecast	Change
¥ bn				
Revenue	612.8	620.0	570.0	(50.0)
Trading profit	38.8	37.0	31.0	(6.0)
Amortization *	(1.9)	(2.0)	(2.0)	-
Operating profit	36.9	35.0	29.0	(6.0)
Exceptional items	(7.1)	(6.0)	(7.0)	(1.0)
Finance expenses (net)	(13.3)	(14.0)	(14.0)	-
Share of JVs and associates	6.2	4.0	2.0	(2.0)
Profit before taxation	22.7	19.0	10.0	(9.0)
Profit for the period	14.4	12.0	4.0	(8.0)
Profit attributable to owners of the parent	13.3	11.0	3.0	(8.0)

*: Amortization arising from the acquisition of Pilkington plc only

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