



Share Price:		1,95
Closing Price as 11/08/15		
Price High 52week		3,40
Price Low 52week		1,41
Market capitalisation		98.657.972
Current num. of shares		50.593.832
Long Term Debt		245.378.000

Key Financials	12/14	12/15E	12/16E
Sales	487.046.000,00	407.706.450	335.571.799
EBITDA	26.906.000	37.572.484	31.048.668
EBITDA margin	6%	9%	9%
Total Debt/Equity	29,08	28,34	2,88
P/E	- 4,06	-5,00	-15,00
EPS	- 1,03	- 0,54	- 0,09
Dividend/Share	N/A	N/A	N/A

Enterprise Value	281.261.261
Shareholders value	35.883.261

FRIGOGLASS S.A.I.C
 Sector: Industrial Goods&Services

Activity: Manufacture and supply of Refrigeration facilities, Cooling systems and Glass.

Outlook:

We further downgrade Frigoglass Fair Value to 1.40 Euros per share on the back of weak results in the Cooling sector, low Operating margins and further deterioration of its capital structure. We anticipate further softness in sales for the remainder of the current year and postpone any improvement in Sales and Operating earnings for later than the second half of 2016. We further incorporate an improvement in the Debt/Equity ratio following the sale of the Glass operations.

After the dismal results of FY '13 and FY '14, we had projected that 2015 would be a somewhat turning point for Frigoglass (see our analysis dated 16/03/2015) with any improvement starting from 2016 and on. And this proved true: Frigoglass divested from its Glass business to focus in the re-assessment of its Cooling sector and improve its problematic capital structure.

This poses a short term puzzle: the disposed Glass business was the sector having the strong sales momentum whereas Cool is still tortured by lower to flat sales and an erosion of Ebitda margins. However, management believes that the launching of iCool products and the bottoming out of European sales could enhance the growth in Sales for the Group. We believe that this holds mainly for the period of 2017-2019 with annual sales of approximately 357m, 375m and 389m Euros respectively, and cumulatively c.1.12bn Euros and corresponding Ebitda margins of 9,50%-10,00%.

2015 will continue to be a challenging year with estimated sales approx. 408m Euros, Ebitda 38m Euros and a net loss of 26m Euros whereas FY'16 estimated sales 336m Euros, Ebitda 31m Euros with 9,50% Ebitda margin.

On the other hand, we anticipate a reduction in Capital Expenditures to the level of 12m Euros following the focusing in Cooling business. This improvement can result in Cash flows of c.21m for 2015, c.22m for 2016 c.26m for 2017, c.22m for 2018m, c.23m Euros for 2019 and cumulatively c.114 for the 2015-2019 period.

Furthermore, the sale of Glass, bearing a 225m Euros tag, will drastically reduce the debt position of the Group to c. 103m Euros from 303m Euros currently, and provide for a more normalized capital structure. This fact paired with the generation of positive Net Cash Flows could unleverage Frigoglass to a level of 2.88x Debt to Equity ratio.

In conclusion we should note that we keep a positive view on Management's efforts towards the support of the Cooling sector with the release of new products and further penetration in the Geographical sectors which operates. In our opinion, signs of potential Sales improvement could lead to improved Ebitda margins which could enhance the generation of Free Cash flows and, with a healthier Capital condition could make us reconsider the upgrading of the Group's fair estimated Value to the previous levels of 1.90 Euros/Share.

DATE 12/08/15

FAIR ESTIMATED PRICE	1,40
Δ% from Current Price	-28%
Investment Thesis	0V

FRIGOLASS Summary tables

Income Statement	2014	2015E	2016E	2017E	2018E
Total Sales	487.046.000,00	407.706.450,00	335.571.799,00	356.756.088,95	374.677.287,40
CGS	371.010.000,00	313.933.966,50	248.323.131,26	267.567.066,71	294.754.738,42
Gross Profit	116.036.000,00	93.772.483,50	87.248.667,74	89.189.022,24	89.922.548,98
Sales Costs	29.178.000,00	27.000.000,00	27.000.000,00	27.000.000,00	27.000.000,00
Adm. Costs	26.969.000,00	28.000.000,00	28.000.000,00	28.000.000,00	28.000.000,00
R & D Costs	4.138.000,00	3.500.000,00	3.500.000,00	3.500.000,00	3.500.000,00
Rest Income/Costs	7.206.000,00	2.000.000,00	2.000.000,00	2.000.000,00	2.000.000,00
Other Operational Profits	8.000,00	300.000,00	300.000,00	300.000,00	300.000,00
Restructuring Costs	36.859.000,00				
EBITDA	26.906.000,00	37.572.483,50	31.048.667,74	32.989.022,24	33.722.548,98
D&A	33.370.000,00	25.000.000,00	25.000.000,00	25.000.000,00	25.000.000,00
EBIT	-6.464.000,00	12.572.483,50	6.048.667,74	7.989.022,24	8.722.548,98
Interest	34.716.000,00	34.000.000,00	12.000.000,00	12.000.000,00	12.000.000,00
EBT	-41.180.000,00	-21.427.516,50	-5.951.332,26	-4.010.977,76	-3.277.451,02
Taxation	10.948.000,00	6.000.000,00	-1.547.346,39	-1.042.854,22	-852.137,27
Net Income/Loss	-52.128.000,00	-27.427.516,50	-4.403.985,87	-2.968.123,54	-2.425.313,76

Cash flow estimations (€)

	2015E	2016E	2017E
EBIT	12.572.483,50	6.048.667,74	7.989.022,24
Taxation	29%	29%	29%
NOPAT	8.926.463,29	4.294.554,10	5.672.205,79
Depreciation	25.000.000,00	25.000.000,00	25.000.000,00
Capital Exp.	12.000.000,00	10.000.000,00	10.000.000,00
IWC	-701.764,48	3.109.451,40	5.122.162,14
NCF	21.224.698,81	22.404.005,50	25.794.367,93

Growth/Margins/Metrics(€)	12/14	12/15E	12/16E
Sales Growth	-7%	-30%	-1%
EBITDA growth Y-Y	40%	-17%	6%
Net Profit/Loss growth	-47%	-84%	-33%
RATIOS	12/14	12/15E	12/16E
Debt/Equity	29,08	28,34	2,88
Capex/EBITDA	32%	32%	30%
ROE	- 1,85	- 2,56	- 0,12
WACC	14,00%	14,00%	14,00%
VALUATION	12/14	12/15E	12/16E
Book Value	0,56	0,56	0,21
P/BV	3,20	3,18	0,69
P/E	- 4,06	- 5,00	- 15,00

Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price
MCAP:	Κεφαλαιοποίηση	Capitalization
EPS:	Καθαρά Κέρδη ανά Μετοχή	Earnings per Share
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερίσματος	Dividend Yield
ROE:	Απόδοση Ισίων Κεφαλαίων	Return on Equity
PV:	Τιμή Συστήσ Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk Stock Price < 20% of Fair
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Underpriced/ Risk Stock Price < 10% of Fair
FV	Σοστή Αποτίμηση/ Χαμηλός Κίνδυνος	Fairly Priced/ Small Risk 10% < Stock Price < 10%
OV1	Σοστή Αποτίμηση/ Κίνδυνος	Fairly Priced/ Risk Stock Price > 10% of Fair
OV	Υπερτιμημένη Μετοχή	Overvalued Stock Price > 20% of Fair

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