



Share Price:		1,70
Closing Price as 13/03/15		
Price High 52week	5.43	
Price Low 52week	1.41	
Market capitalisation	86.009.514	
Current num. of shares	50.593.832	
Long Term Debt	245.227.000	

Key Financials	12/13	12/14	12/15E
Sales	522.508.000	487.046.000	482.659.972
EBITDA	46.302.000	26.906.000	48.158.594
EBITDA margin	9%	6%	10%
Total Debt/Equity	3,75	10,00	10,00
P/E	- 19,21	-5,34	-17,28
EPS	- 0,56	- 1,03	- 0,31
Dividend/Share	N/A	N/A	N/A

Enterprise Value	334.931.286
Shareholders value	89.704.286

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

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

Outlook:

We further downgrade our Fair Estimated Price to 1.78 euros per Share from 2.60 euros per Share previously. Despite better than expected Operating results, Frigoglass's increasing Debt position is exposing the Group's Capital Structure to riskier conditions with regards to future profitability and overall valuation. Frigoglass FY14 results, showed a significant operating improvement that enhances our confidence in our projections for FCF for the period 2015-2019. However, the high leverage ratio (Long Term Debt/ Equity) of Frigoglass imposes a threat to our model which we are obliged to take into account.

Specifically, Frigoglass's efforts towards the reduction of Operating Costs and the expansion of Operating capacity leads us to incorporate 80mn of Free Cash Flows cumulatively for the period 2015-2017.

In the Glass sector, the 19% growth in Sales for FY14 is a strong signal of the continuous uptrend which we are expecting to continue albeit in at slower pace (+8% for FY15).

In the Cool sector, the Company expects a recovery in Sales for FY15 and further growth in Africa /Middle East section.

Accordingly, our concerns regarding Frigoglass's Capital Structure, resulted in the re-assessment of the Group's overall risk premium and the re-estimation of Frigoglass Fair Value to 1.78 Euros/Share from 2.60 Euros/Share previously.

Needless to say, any Capital Structure improvement could lead us to re evaluate Frigoglass Fair Price to c. 2.60 Euros/Share as a result of a more comfortable risk analysis.

Strengths:

Frigoglass operates on sales contracts with solid customers such as Coca Cola Hellenic Botling Company and major international brewers, a fact that has traditionally secured a minimum level of sales and visibility regarding its operations.

Weaknesses:

There is a negative trend in total sales since 2012 that we expect to continue to 2015 inclusive.

Opportunities:

Frigoglass is running a cost saving plan until 2016 with estimated cost reduction to a total of 20 million euro.

Management has indicated that there are not extra funds for further restructuring costs for FY15.

Threats:

The company is traditionally exposed to fluctuations in Foreign Exchange rates and raw material prices.

DATE 16/03/15

FAIR ESTIMATED PRICE	1,78
Δ% from Current Price	4%
Investment Thesis	FV

FRIGOLASS Summary tables

Income Statement	2013	2014	2015E	2016E	2017E
Total Sales	522,508,000.00	487,046,000.00	482,659,972.00	502,094,043.26	534,107,556.63
OS	401,744,000.00	371,010,000.00	373,301,377.88	388,654,294.18	416,603,894.17
Gross Profit	120,764,000.00	116,036,000.00	109,358,594.12	113,439,749.08	117,503,662.46
Sales Costs	27,595,000.00	29,178,000.00	29,500,000.00	29,500,000.00	29,500,000.00
Adm. Costs	28,704,000.00	26,969,000.00	30,000,000.00	30,000,000.00	30,000,000.00
R & D Costs	4,313,000.00	4,138,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Rest Income/Costs	2,488,000.00	7,206,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Other Operational Profits	661,000.00	8,000.00	300,000.00	300,000.00	300,000.00
Restructuring Costs	16,999,000.00	36,059,000.00	2,000,000.00	0.00	0.00
EBITDA	46,302,000.00	26,906,000.00	48,158,594.12	52,239,749.08	56,303,662.46
D&A	33,349,000.00	33,370,000.00	34,000,000.00	34,500,000.00	34,500,000.00
EBIT	12,953,000.00	-6,464,000.00	14,158,594.12	17,739,749.08	21,803,662.46
Interest	29,686,000.00	34,716,000.00	35,000,000.00	15,000,000.00	15,000,000.00
EBT	-16,733,000.00	-41,180,000.00	-20,841,405.88	2,739,749.08	6,803,662.46
Taxation	11,453,000.00	10,948,000.00	-5,210,351.47	684,937.27	1,700,915.61
Net Income/Loss	-28,186,000.00	-52,128,000.00	-15,631,054.41	-5,210,351.47	5,102,746.84

Cash flow estimations (E)

	2015E	2016E	2017E
EBIT	14,158,594.12	17,739,749.08	21,803,662.46
Taxation	25%	25%	25%
NOPAT	10,618,945.59	13,304,811.81	16,352,746.84
Depreciation	34,000,000.00	34,500,000.00	34,500,000.00
Capital Exp.	35,000,000.00	10,000,000.00	10,000,000.00
IWC	-701,764.48	3,109,451.40	5,122,162.14
NCF	10,320,710.07	34,695,360.41	35,730,584.70

Growth/Margins/Metrics(E)	12/14	12/15E	12/16E
Sales Growth	-7%	-1%	4%
EBITDA growth Y-Y	-42%	79%	8%
Net Profit/Loss growth	-85%	70%	67%
RATIOS	12/13	12/14	12/15E
Debt/Equity	3.75	10.00	10.00
Capex/EBITDA	92%	73%	19%
ROE	- 1.03	- 0.31	- 0.10
WACC	11.44%	11.44%	11.44%
VALUATION	12/13	12/14	12/15E
Book Value	1.56	0.56	0.56
P/BV	3.27	2.9%	3.20
P/E	- 4.9%	- 5.34	- 17.28

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 Ιδίων Κεφαλαίων	Return on Equity
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος
OV1	Σωστή Αποτίμηση/ Κίνδυνος
OV	Υπερτιμημένη Μετοχή

Underpriced/ Small Risk
Stock Price ≤ 20% of Fair
Underpriced/ Risk
Stock Price ≤ 10% of Fair
Fairly Priced/ Small Risk
10% ≤ Stock Price ≤ 10%
Fairly Priced/ Risk
Stock Price > 10% of Fair
Overvalued
Stock Price > 20% of Fair

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