# Results Presentation

## Fourth quarter 2016 results

**Nikos Mamoulis** | Chief Executive Officer

**Manolis Fafalios** | Chief Financial Officer

27 April 2016

# Key Transaction Elements

- **Up to €142m gross debt deleveraging** [(1)]
  - Through the equitisation of 100% of the €30m term loan provided by main shareholder Boval (the "Boval Loan") and the equitisation or repayment of up to 42% (€105m) of the €250m outstanding principal amount of 8.25% senior notes due 2018 (the "Existing Notes") and up to 13% (€11m) of the €82m bank debt (the "Existing Facilities") provided by Citibank, HSBC, Alpha Bank and Eurobank (the "Core Banks") [(2)]
  - The agreement contemplates a discount [(3)] of €45m being applied on a pro rata basis to the Existing Notes and Existing Facilities to be equitised or repaid [(1)]
- **€70m additional liquidity**
  - €30m equity contribution to be made in cash by Boval in a rights issue (the "Rights Issue")
  - €40m new debt to be provided by Core Banks and Noteholders who elect to participate in the First Lien New Money Debt offer pursuant to the Scheme to a UK scheme of arrangement
  - Proceeds to fund working capital, general corporate purposes and pay restructuring expenses and fees
- **Significantly reduced interest cost**
  - Annual interest expense to reduce to around €13m [(4)]
- **Extension of maturity profile by around 5 years**
- **Significant support from main shareholder Boval**
  - €60m equity contribution, €30m in new cash and €30m through equitisation of the Boval Loan
  - Boval to retain equity stake in line with current stake

(1) Before the €40m First Lien New Money Debt. First Lien New Money Debt, First Lien Debt, Second Lien Debt and Company's shares split between bank facilities and new notes dependent on participation of existing Noteholders in the First Lien New Money Debt. Shown figures reflect assumed participation of c. 32% of the Existing Notes, i.e. the locked-up Existing Notes of the Ad Hoc Committee who have committed to fund. In case of 100% Noteholder participation, gross debt deleveraging would be €136m, of which €95m Existing Notes and €11m Core Banks. See capital restructuring presentation published on April 13, 2017 for further details.
(2) Depending on the participation of Noteholders in the First Lien New Money Debt and of existing shareholders in the Rights Issue, repayment to be made from the Rights Issue proceeds (other than Boval's cash contribution)
(3) Implementation details to be agreed among the parties to the Lock-Up Agreement announced on April 13, 2017
(4) Excl. any interest on the new €40m first lien senior secured debt to be received as part of the restructuring (the "First Lien New Money Debt"), which will amount to €2m annually assuming fully drawn

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# Fourth quarter highlights


- Higher y-o-y Cool sales
  - Recovery in Russia
  - Sustained growth in Western Europe (ICOOL)
  - Service business
- Glass sales down y-o-y
  - Naira devaluation
  - Price adjustments
  - Increased volume in Nigeria glass business
- EBITDA margin decline
  - Naira devaluation
  - Incremental provisions
- Capex control and working capital improvement

# Sustained sales growth in Europe

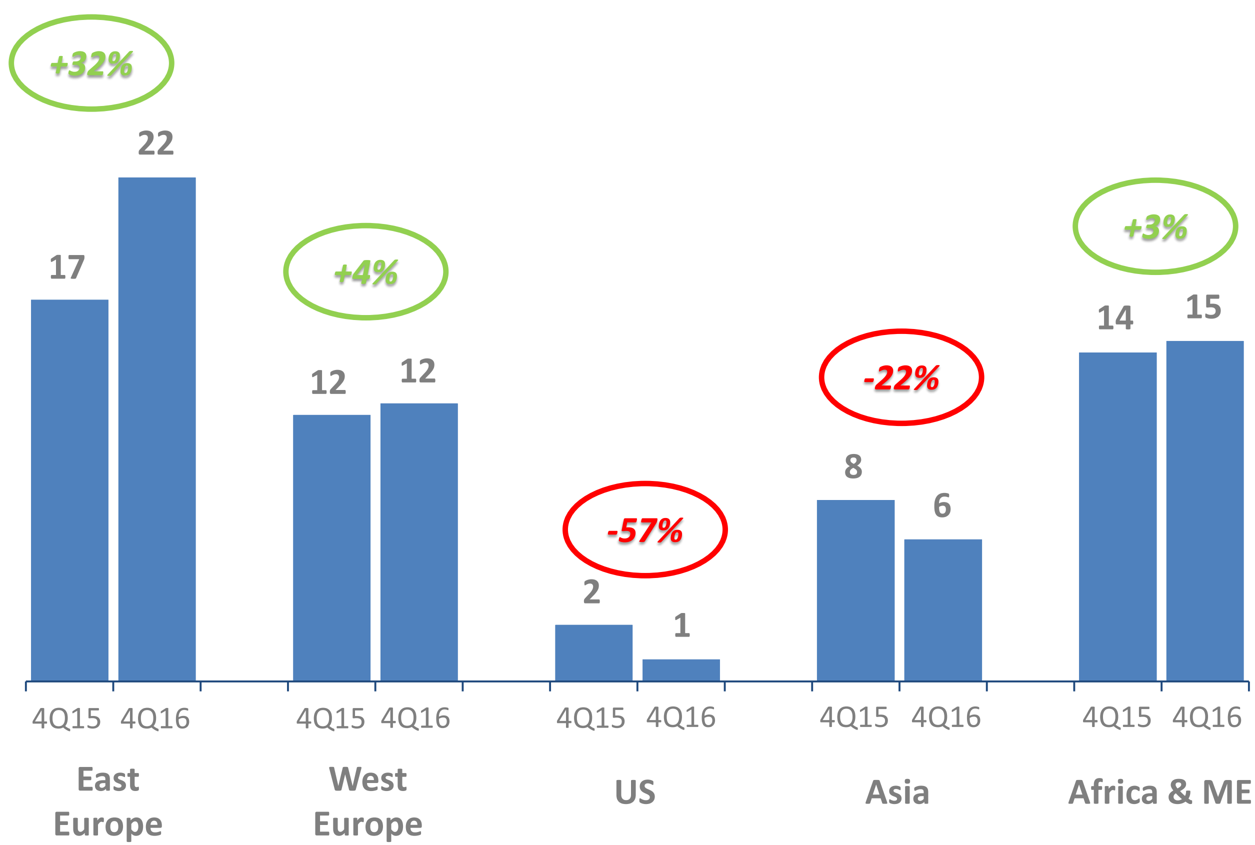
Sales recovery in Russia and higher y-o-y Service business sales in East Europe

Sustained growth in Western Europe, driven by ICOOL

Sales phasing in Nigeria

Reduced customers' cooler investments in China and Southeast Asia

## 4Q Cool sales by region (in €m)

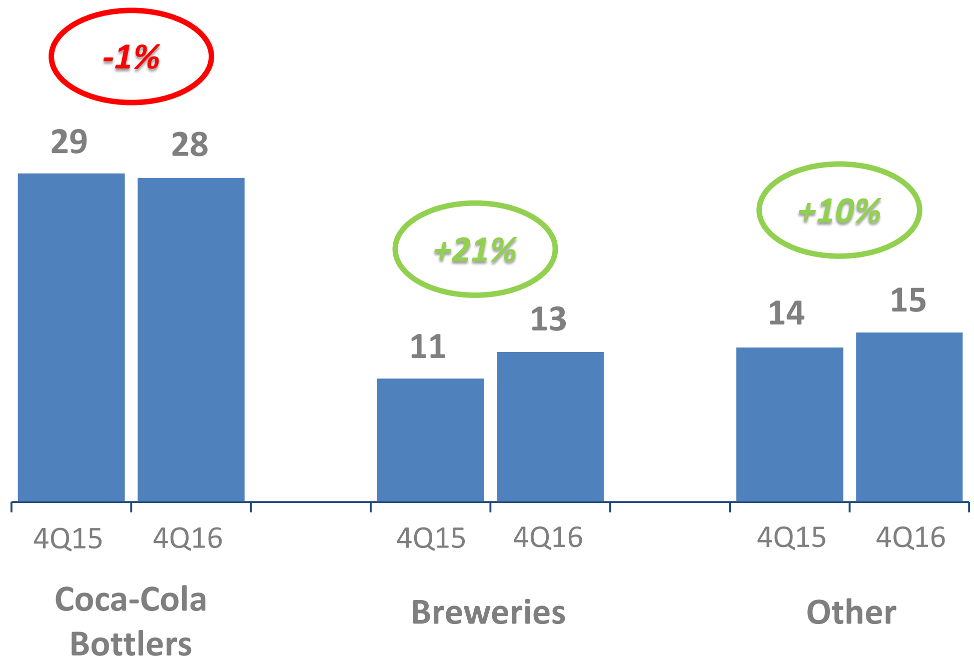


# Higher sales to breweries in South Africa

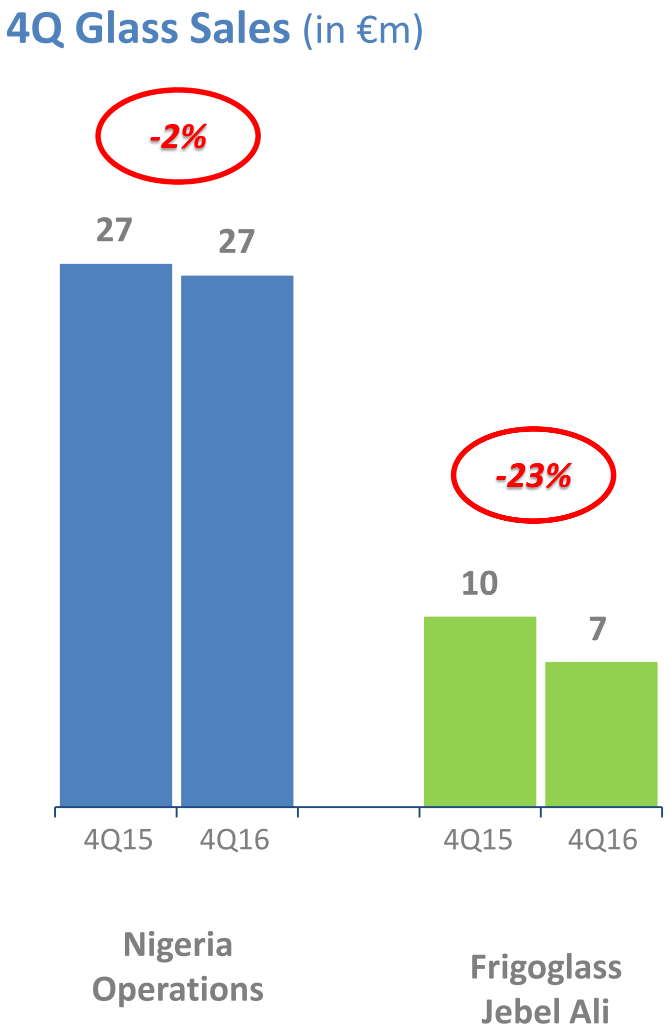
Sales to brewery customers up y-o-y, driven by increased customer investments in South Africa

Sales to Coca-Cola bottlers broadly unchanged y-o-y

## 4Q Cool sales by customer group (in €m)



# Naira’s devaluation & weak FJA sales impacted Glass sales



# Financial review

# Financial performance overview


| **Group** (in €m) | **4Q16** | 4Q15 | Change, % |
|---|---|---|---|
| Sales | **90.3** | 89.9 | 0.4% |
| EBITDA | **4.2** | 12.6 | -66.7% |
| EBITDA margin | **4.6%** | 14.0% | -9.4pp |
| Net Profit | **-18.9** | -41.5 | n.m. |
| Adj. Net Profit | **-14.1** | -15.9 | n.m. |

| **Group** (in €m) | **FY16** | FY15 | Change, % |
|---|---|---|---|
| Sales | **413.2** | 453.9 | -9.0% |
| EBITDA | **40.1** | 52.8 | -24.0% |
| EBITDA margin | **9.7%** | 11.6% | -1.9pp |
| Net Profit | **-57.7** | -62.1 | n.m. |
| Adj. Net Profit | **-35.4** | -36.5 | n.m. |

***Adjusted Net Profit excludes restructuring costs and capital restructuring related expenses***

# 4Q segmental performance overview

**Cool Operations**

E. Europe's sales recovery, led by Coca-Cola bottler in Russia

EBITDA margin:

- Cost under-absorption
- Incremental provisions
- Service business growth
- Better geographical mix

**Glass Operations**

Sales:

- Naira devaluation
- Pricing in Nigeria
- Volume growth in Nigeria
- Lower demand in Dubai

EBITDA margin:

- Naira devaluation
- Reduced cost absorption in Dubai operations

| **Cool Operations** (in €m) | **4Q16** | 4Q15 | Change, % |
|---|---|---|---|
| Sales | **56.1** | 52.9 | 6.0% |
| EBITDA | **-2.2** | 0.9 | n.m. |
| EBITDA margin | **-3.9%** | 1.7% | -5.5pp |
| Net Profit | **-17.7** | -41.9 | n.m. |
| Adj. Net Profit | **-12.9** | -16.3 | n.m. |

| **Glass Operations** (in €m) | **4Q16** | 4Q15 | Change, % |
|---|---|---|---|
| Sales | **34.2** | 37.0 | -7.6% |
| EBITDA | **6.4** | 11.7 | -45.8% |
| EBITDA margin | **18.6%** | 31.7% | -13.1pp |
| Net Profit | **-1.2** | 0.4 | n.m. |

***Adjusted Net Profit excludes restructuring costs and capital restructuring related expenses***

# Full-year segmental performance overview

**Cool Operations**

Sales:

- Weak economic conditions in Russia
- West Europe up on ICOOL
- Service business growth

**Glass Operations**

- Naira devaluation
- Pricing initiatives
- Lower demand in Jebel Ali

| **Cool Operations** (in €m) | **FY16** | FY15 | Change, % |
|---|---|---|---|
| Sales | **289.9** | 316.6 | -8.4% |
| EBITDA | **15.1** | 21.1 | -28.4% |
| EBITDA margin | **5.2%** | 6.7% | -1.5pp |
| Net Profit | **-62.8** | -62.8 | n.m. |
| Adj. Net Profit | **-40.5** | -37.2 | n.m. |

| **Glass Operations** (in €m) | **FY16** | FY15 | Change, % |
|---|---|---|---|
| Sales | **123.3** | 137.2 | -10.2% |
| EBITDA | **25.0** | 31.7 | -21.1% |
| EBITDA margin | **20.3%** | 23.1% | -2.8pp |
| Net Profit | **5.1** | 0.7 | >100% |

*Adjusted Net Profit excludes restructuring costs and capital restructuring related expenses*

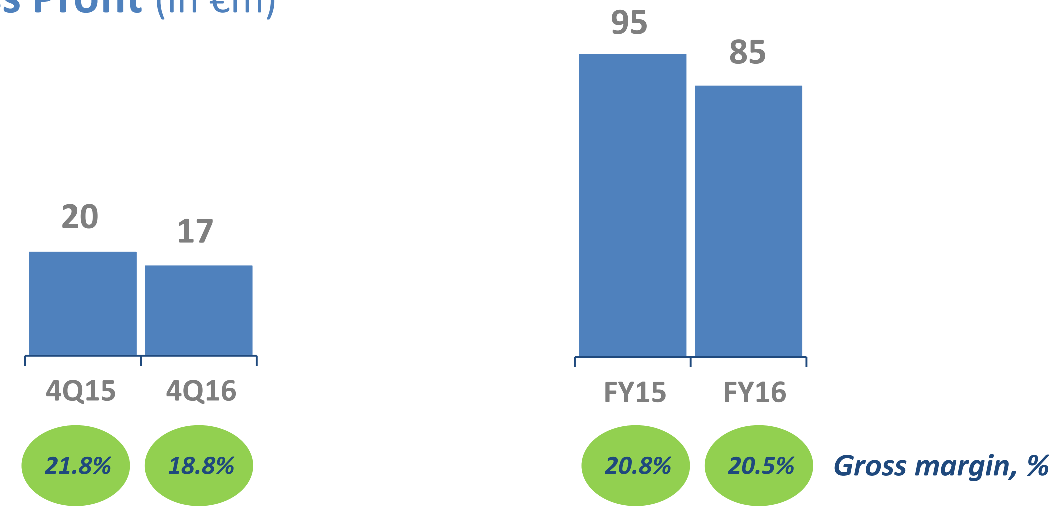
# Underlying operating expenses down y-o-y in 4Q

Gross margin reduction in 4Q, driven by Glass business

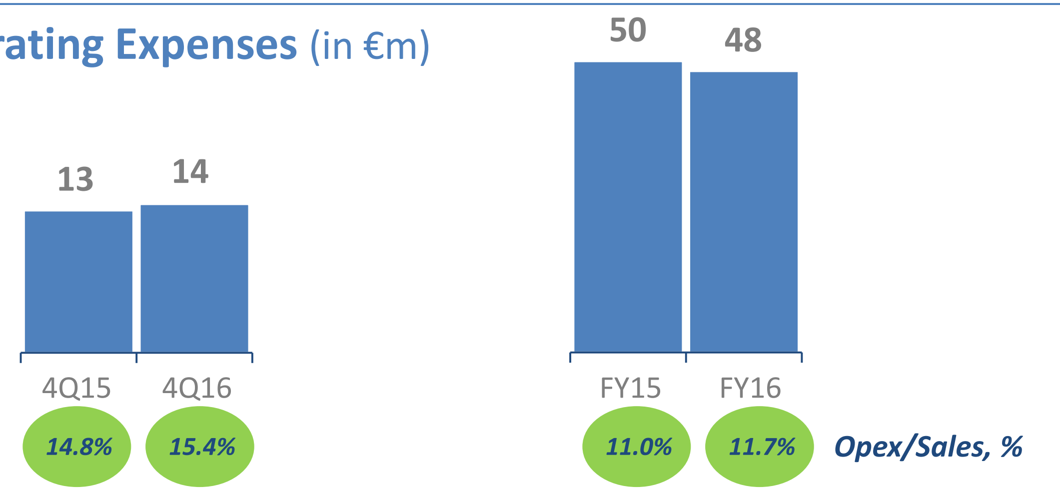
Underlying (excl. incremental provisions) Opex reduction:

- Efficiency measures
- Cost savings

## Gross Profit (in €m)

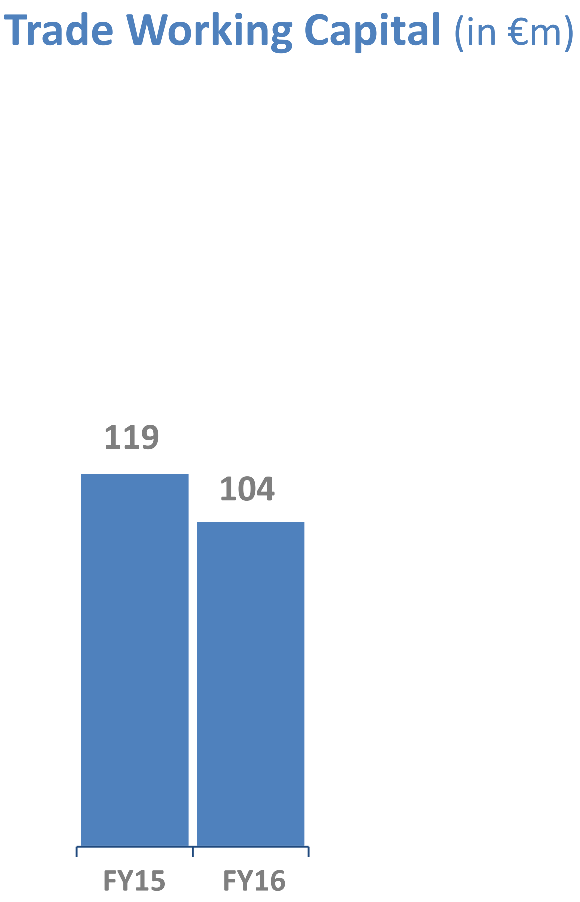


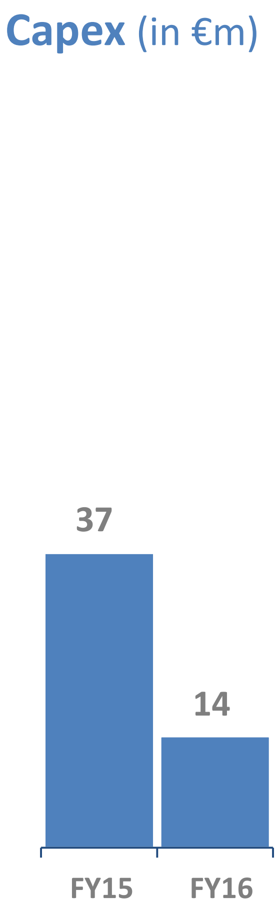

## Operating Expenses (in €m)




*Gross profit and Operating Expenses excludes depreciation*

# Working capital improvement and tight capital spending

# Business Outlook

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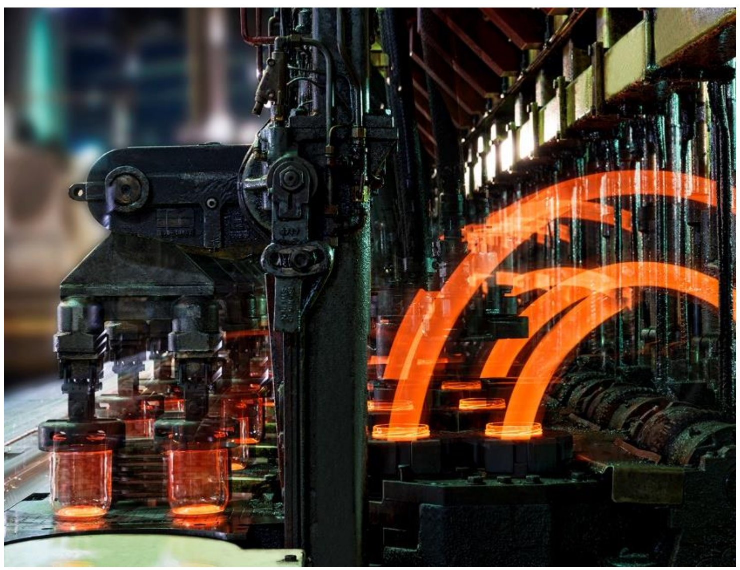

## Long-term sustainable capital structure; focus on delivering 2017 priorities

### Cool business

- Gain market share in Coca-Cola bottlers through ICOOL in Europe
- Sustained Service business growth
- Innovation: new product launches
- Adverse impact from the discontinuation of China’s manufacturing operations

### Glass business

- Naira devaluation & weak macro environment
- Price adjustments in Nigeria to absorb cost inflation
- Customer base expansion

# Q&A

**For further information on Frigoglass, please visit our website at:**

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## Forward-looking statements

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