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# Results Presentation

## Third quarter 2018

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# Third quarter highlights – Sustained growth



- ICM sales +11% y-o-y
  - Continued growth momentum in Europe
  - Africa +20% y-o-y
  - Recovery in Asia
- Soft crowns business and orders' phasing impacted Glass top-line
- Group comparable EBITDA margin at 14.9%; +550 bps y-o-y
  - Cost saving initiatives
  - Improved cost absorption
  - Glass energy cost savings
- Reducing leverage; net debt/EBITDA at 3.3x
- Strong free cash flow generation

# Sales growth momentum continued in Europe and Africa

3Q ICM sales by region (in €m)

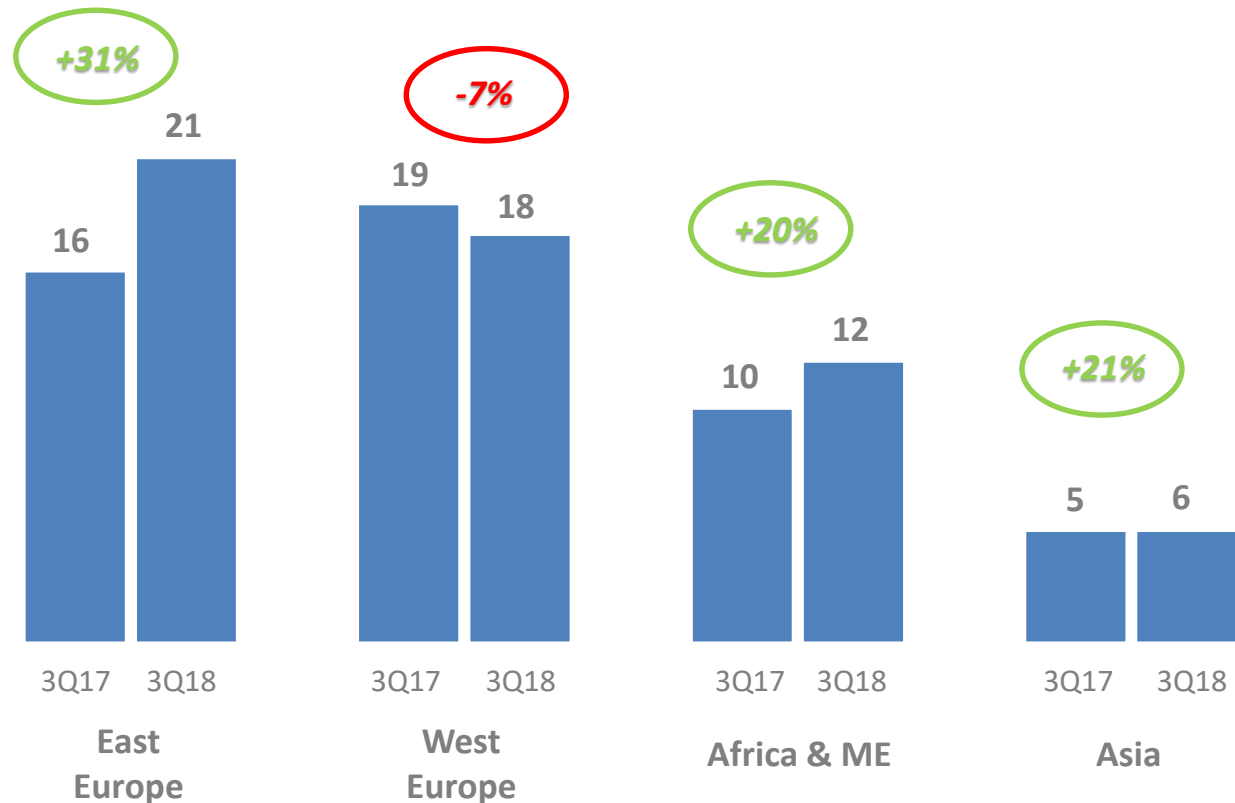
Total Europe +10% y-o-y

Strong placements from Coca-Cola bottler in Eastern Europe

Western Europe -7% y-o-y, cycling tough comparables

Continued growth in Africa due to orders' phasing and incremental demand

Good recovery in Asia on orders' phasing in India

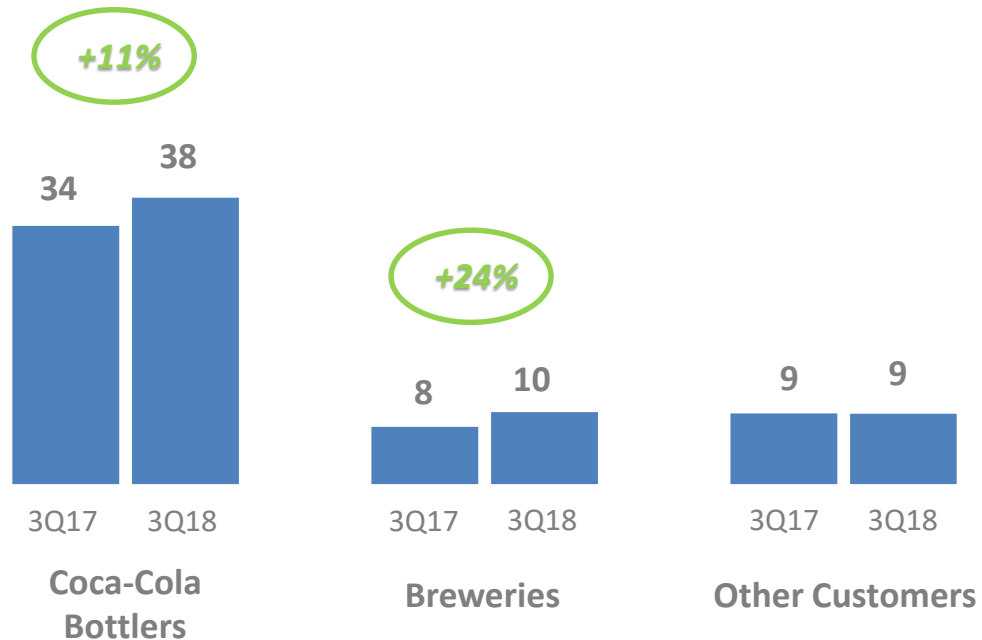


# Coca-Cola bottlers up 11% on demand & share growth

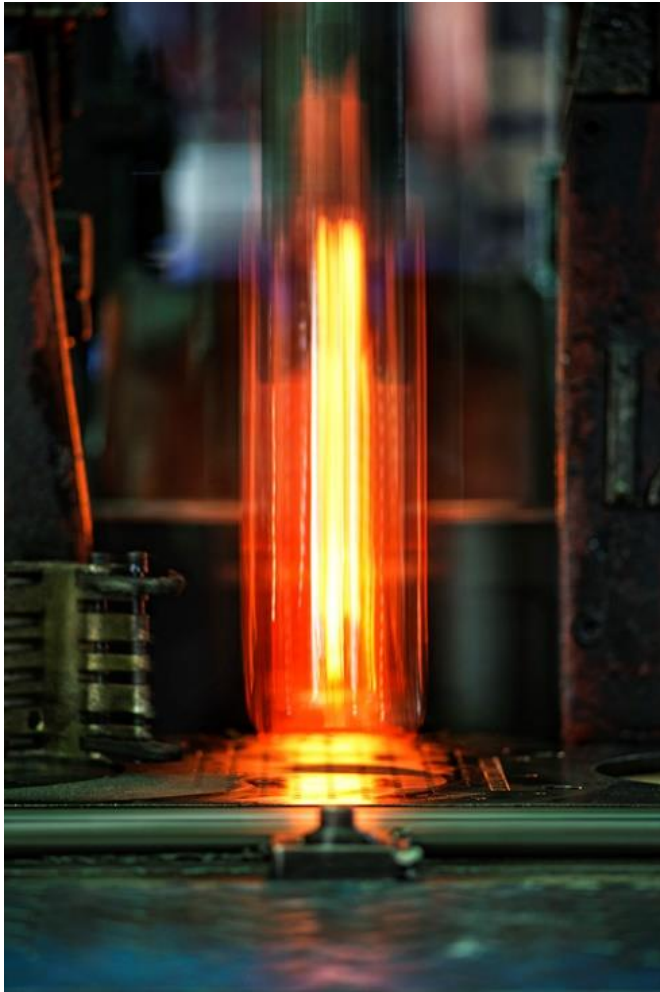
Continued solid demand from Coca-Cola bottlers in Europe and Africa

Increased demand from breweries in Africa

3Q ICM sales by customer group (in €m)

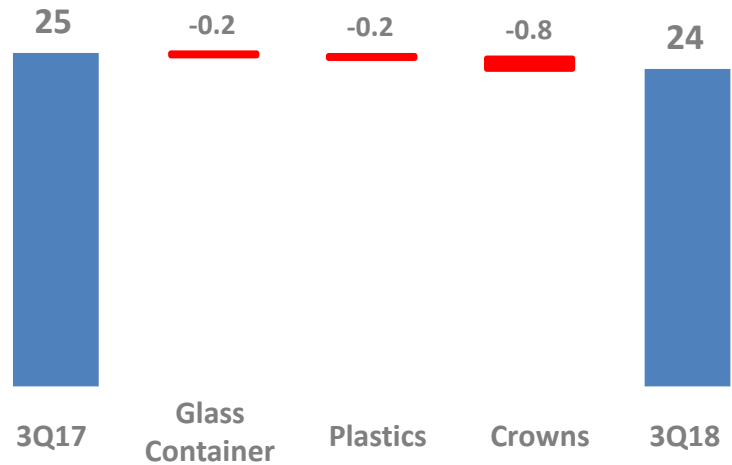


# Glass impacted by crowns performance & orders' phasing



## 3Q Glass Sales (in €m)

Continuing Operations (Nigerian Operations)



- Glass sales -5% y-o-y
- Increased glass container demand from breweries, more than offset by orders' phasing from soft-drinks
- Plastic crates sales impacted by the phasing of glass demand

# Frigoglass is awarded a Gold rating by EcoVadis



- Gold medal for Frigoglass sustainable and socially responsible practices
- Second consecutive year Frigoglass receives a Gold rating, with improved performance
- Now among the top 1% of the best rated companies around the world

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# Financial review

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# Financial performance overview



Group (in €m)	3Q18	3Q17	Change, %
Sales	<b>80.3</b>	76.0	5.6%
Comparable EBITDA	<b>12.0</b>	7.1	67.9%
Comparable EBITDA margin, %	<b>14.9%</b>	9.4%	5.5pp
Net Profit from continuing operations	<b>-1.7</b>	-9.3	n.m.

Group (in €m)	9M18	9M17	Change, %
Sales	<b>328.4</b>	279.8	17.4%
Comparable EBITDA	<b>48.4</b>	33.8	43.0%
Comparable EBITDA margin, %	<b>14.7%</b>	12.1%	2.6pp
Net Profit from continuing operations	<b>-1.1</b>	-41.3	n.m.



# 3Q segmental performance overview

## ICM Operations

### Sales:

- Growth in Europe, Africa & Asia

### EBITDA margin:

- Improved cost absorption
- Favorable sales mix
- Increased productivity
- Input cost savings

## Glass Operations

### Sales:

- Orders' phasing in glass containers and plastic crates
- Soft metal crowns

### EBITDA margin:

- Pricing
- Energy cost reduction
- Cost under-absorption

ICM Operations (in €m)	3Q18	3Q17	Change, %
Sales	56.6	51.1	10.8%
Comparable EBITDA	4.2	0.1	>100%
Comparable EBITDA margin, %	7.5%	0.2%	7.3pp
Net Profit	-4.6	-12.2	n.m.

Glass Operations (in €m)	3Q18	3Q17	Change, %
Sales	23.7	25.0	-5.1%
EBITDA	7.8	7.0	10.3%
EBITDA margin, %	32.7%	28.1%	4.6pp
Net Profit from continuing operations	3.0	2.9	3.3%
Net Profit from discontinued operations	-1.7	-1.7	n.m.

# 9M segmental performance overview

## ICM Operations

Sales:

- Growth in Europe and Africa

EBITDA margin:

- Cost absorption improvement
- Favorable sales mix
- Productivity savings

## Glass Operations

Sales:

- Increased glass container and plastic crates volume
- Price initiatives

EBITDA margin:

- Higher sales
- Soft crowns business

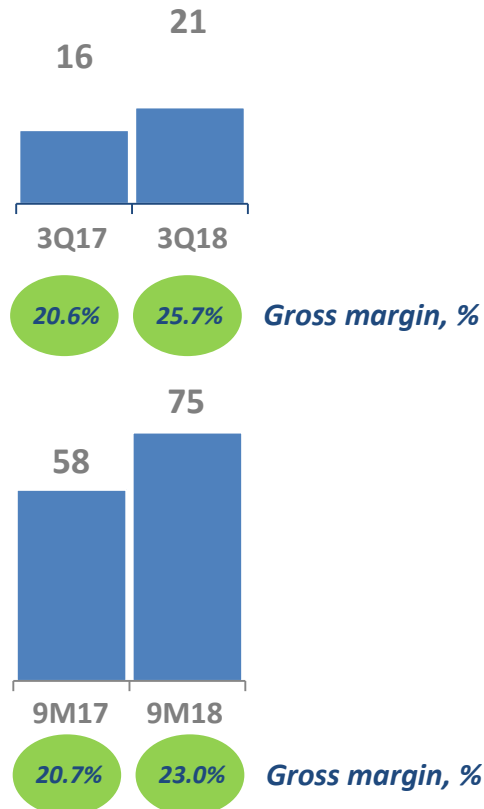
ICM Operations (in €m)	9M18	9M17	Change, %
Sales	<b>254.2</b>	215.9	17.7%
Comparable EBITDA	<b>27.0</b>	16.4	64.6%
Comparable EBITDA margin, %	<b>10.6%</b>	7.6%	3.0pp
Net Profit	<b>-7.7</b>	-48.5	n.m.

Glass Operations (in €m)	9M18	9M17	Change, %
Sales	<b>74.2</b>	63.9	16.1%
EBITDA	<b>21.4</b>	17.4	22.6%
EBITDA margin, %	<b>28.8%</b>	27.3%	1.5pp
Net Profit from continuing operations	<b>6.6</b>	7.2	-7.8%
Net Profit from discontinued operations	<b>-6.8</b>	-6.6	n.m.

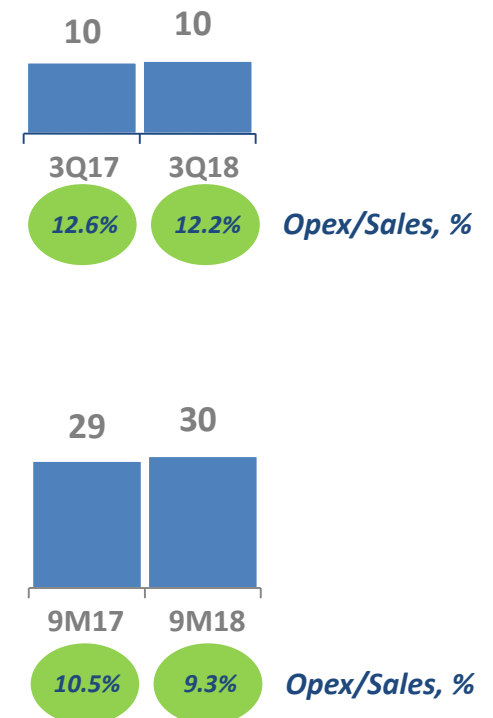
# Gross profit margin and opex over sales improvement



## Gross Profit (in €m)



## Operating Expenses (in €m)



Gross profit and Operating Expenses excludes depreciation and impairment charges

# Strong cash flow generation



Group (in €m) – Continuing Operations	9M18	9M17	Change
EBITDA	48.4	38.4	10.0
Net Trade Working Capital Change	7.0	-4.0	11.00
Capital Expenditure	11.2	7.2	4.0
Adjusted Free Cash Flow	25.9	8.1	17.8
Net Debt / LTM EBITDA	3.3x	7.8x	

- **Net Trade Working Capital**
  - Higher receivables' collections
  
- **Capex**
  - Furnace cold repair completed in July
  - Efficiency enhancement projects

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# Business Outlook

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# Business Outlook



- **4Q sales down y-o-y; cycling tough comparables**
  - Exceptionally strong orders from Coca-Cola bottlers in West Europe in 4Q17
- **Focus on investments that will enable future growth**
  - Additional glass capacity in Nigeria
  - SAP platform implementation
- **FY18 capex of €30-35 million**

# Q&A

For further information on Frigoglass  
please visit our website at:  
[www.frigoglass.com](http://www.frigoglass.com)

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# Concluding remarks – On track to deliver 2018 priorities

Group Sales

**€328.4m**

+17.4% y-o-y

Comparable EBITDA margin

**14.7%**

+260bps y-o-y

Adj. Free Cash Flow

**€25.9m**

€8.1m in 9M17

Comparable EBITDA

**€48.4m**

+43.0% y-o-y

Net Debt / LTM EBITDA

**3.3x**

7.8x at Sept.-end 2017

*\*From continuing operations*





# Forward-looking statements

This presentation may contain forward-looking statements which are based on current expectations and assumptions about future events. All statements other than statements of historical fact included in this presentation, including, without limitation, statements regarding Frigoglass' future financial position, capital expenditures, projected sales, costs and costs savings, if any, may be forward-looking statements. These forward-looking statements are subject, among other things, to business, economic and competitive uncertainties and contingencies, which relate to factors that are beyond Frigoglass' ability to control or estimate precisely and that could cause actual results to differ materially from those expressed therein. In view of the above, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Frigoglass does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement. With respect to any estimates of future cost savings included herein, Frigoglass can provide no assurance that the full benefits it expects will be realized within the time periods specified or that implementation costs associated with such cost savings will not exceed its expectations.

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