



CreditRiskMonitor’s assessment of Frigoglass S.A.’s (“Frigoglass”) “high risk” status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that Frigoglass (ATH: FRIGO) has a 4 to 10 times greater risk of bankruptcy than the average public company.

Frigoglass' 2Q consolidated net sales decreased by 55.3% YOY and cost deleveraging produced a net loss of \$3.9 million.

The company's FRISK® score is downgraded to a "1" due to a deterioration in stock price performance and market leverage.

The company announced that its Group CFO would step down at the end of Q1 2021, a potential red flag for distressed operators.

Name	2020							2021					
	J	J	A	S	O	N	D	J	F	M	A	M	J
Frigoglass S.A.	2	1	1	1	1	2	1	1	1	2	2	2	2

Moody's Investor Service completed its periodic review of the company's B3 credit rating, deep in the speculative category.

A fire broke out at its Romanian refrigerators factory, which required support from other production sites.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® SCORE: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

	FRISK®	FROM	TO
BEST	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
WORST	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates powerful risk indicators including:

Real-time
subscriber
crowdsourcing
research
patterns

A “Merton” type
model using
stock market
capitalization
and volatility

Financial ratios,
including those
used in the
Altman Z”-
Score Model

Bond agency
ratings from
Moody’s, Fitch, &
DBRS Morningstar

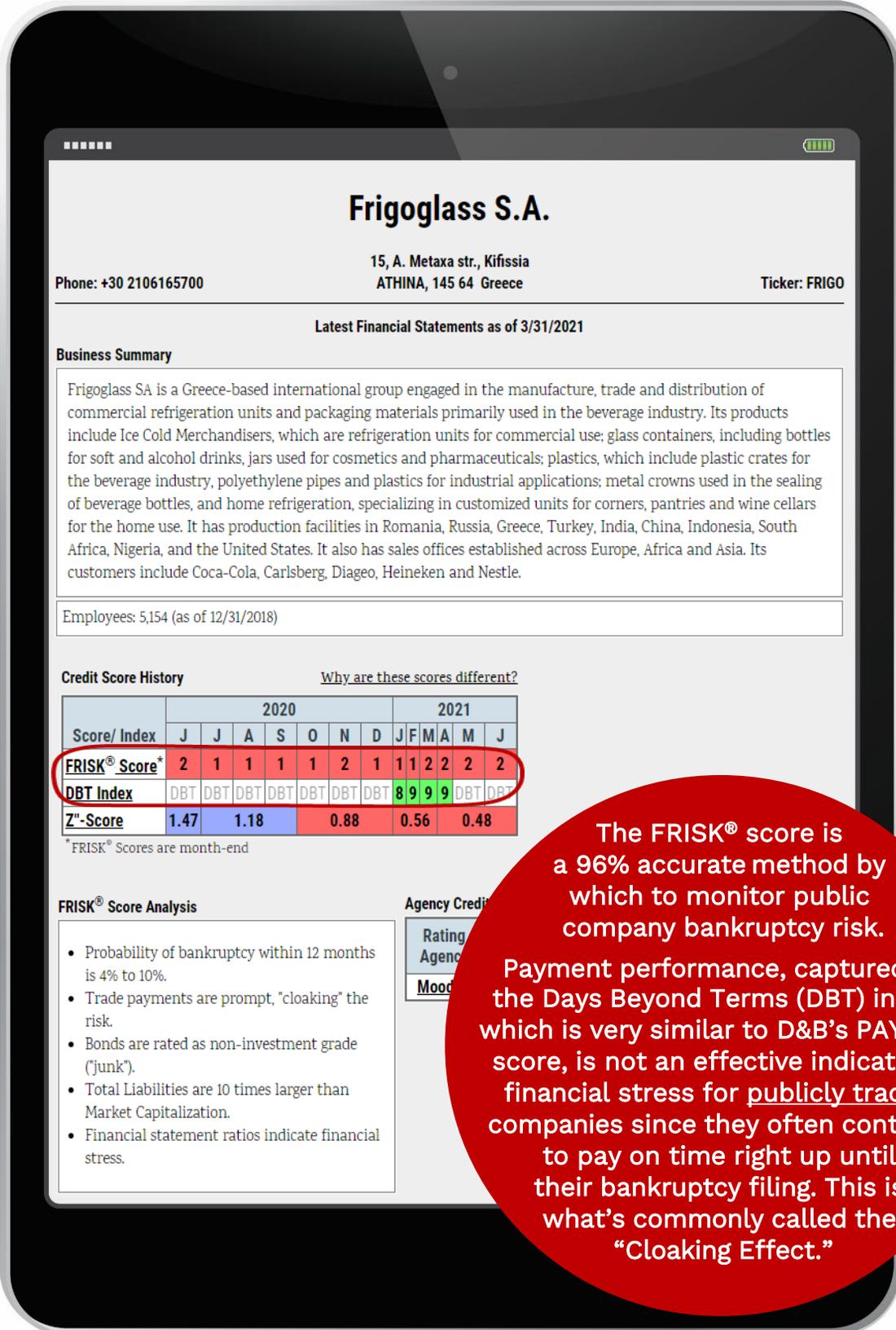
[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL



Frigoglass S.A.

15, A. Metaxa str., Kifissia
ATHINA, 145 64 Greece

Phone: +30 2106165700

Ticker: FRIGO

Latest Financial Statements as of 3/31/2021

Business Summary

Frigoglass SA is a Greece-based international group engaged in the manufacture, trade and distribution of commercial refrigeration units and packaging materials primarily used in the beverage industry. Its products include Ice Cold Merchandisers, which are refrigeration units for commercial use; glass containers, including bottles for soft and alcohol drinks, jars used for cosmetics and pharmaceuticals; plastics, which include plastic crates for the beverage industry, polyethylene pipes and plastics for industrial applications; metal crowns used in the sealing of beverage bottles, and home refrigeration, specializing in customized units for corners, pantries and wine cellars for the home use. It has production facilities in Romania, Russia, Greece, Turkey, India, China, Indonesia, South Africa, Nigeria, and the United States. It also has sales offices established across Europe, Africa and Asia. Its customers include Coca-Cola, Carlsberg, Diageo, Heineken and Nestle.

Employees: 5,154 (as of 12/31/2018)

Credit Score History

[Why are these scores different?](#)

Score/ Index	2020							2021					
	J	J	A	S	O	N	D	J	F	M	A	M	J
FRISK® Score*	2	1	1	1	1	2	1	1	1	2	2	2	2
DBT Index	DBT	DBT	DBT	DBT	DBT	DBT	DBT	8	9	9	9	DBT	DBT
Z"-Score	1.47	1.18				0.88		0.56		0.48			

*FRISK® Scores are month-end

FRISK® Score Analysis

- Probability of bankruptcy within 12 months is 4% to 10%.
- Trade payments are prompt, "cloaking" the risk.
- Bonds are rated as non-investment grade ("junk").
- Total Liabilities are 10 times larger than Market Capitalization.
- Financial statement ratios indicate financial stress.

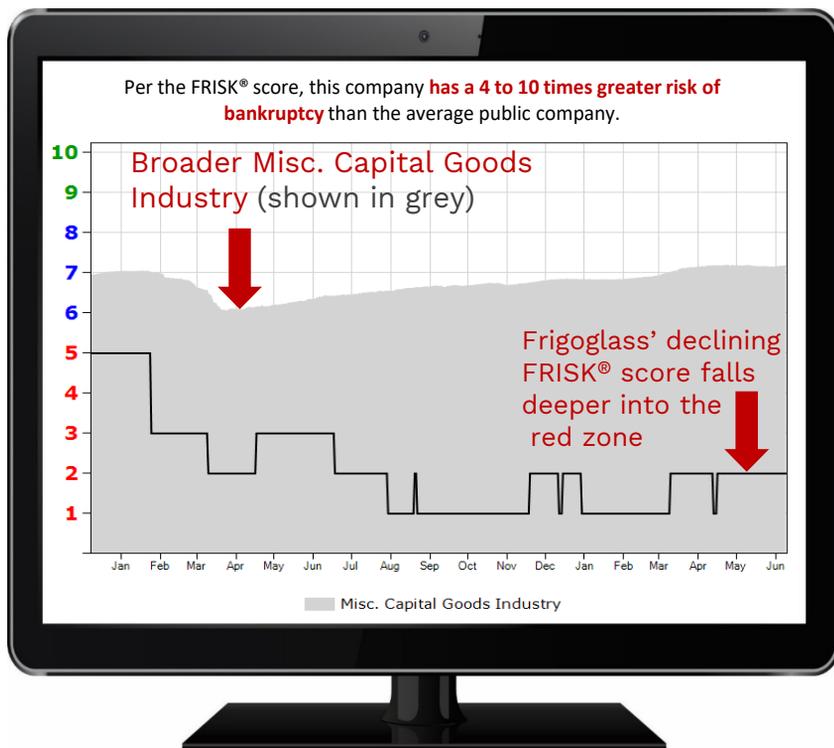
Agency Credit

Rating Agency
Mood

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

FRISK® DEEP DIVE



The FRISK® score relative to the broader Misc. Capital Goods industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY

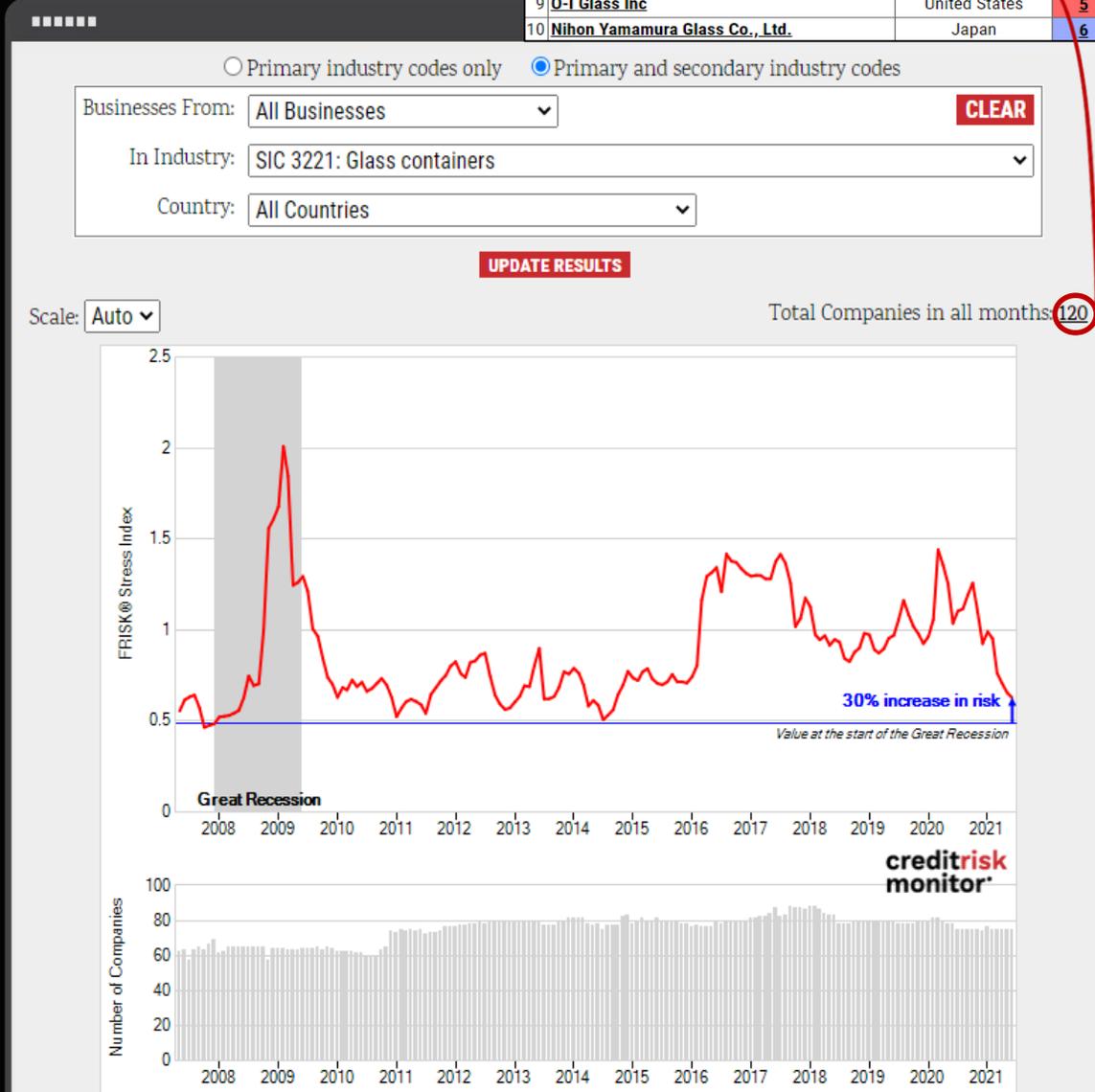
One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis.

This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

Over the past year, Frigoglass' elevated stock price volatility, negative book equity, and total liabilities to market capitalization of 10x have contributed to the downward pressure on the FRISK® score.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Frigoglass S.A.	Greece	2
2	Hindusthan National Glass & Industries	India	3
3	Balochistan Glass Ltd	Pakistan	3
4	Ardagh Group SA	Luxembourg	4
5	Majan Glass Company SAOG	Oman	4
6	ISHIZUKA GLASS CO., LTD.	Japan	4
7	Shandong Huapeng Glass Co Ltd	China	5
8	BG Container Glass PCL	Thailand	5
9	O-I Glass Inc	United States	5
10	Nihon Yamamura Glass Co., Ltd.	Japan	6



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 3221 (Glass containers) has increased 30% since 2007. Frigoglass is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Peer Group: 203	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	47	51	0.48	-9.88	2.92	15.53
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)		8		32,884	1,426,652	3,207,000
Gross Margin % Of Sales	36	49	20.29	11.27	26.92	81.08
Gross Margin % Of Sales -- TTM	40	49	17.99	3.45	24.53	81.07
SGA % Of Sales	12	48	9.72	4.20	12.10	55.50
SGA % Of Sales -- TTM	19	48				
Operating Margin % Of Sales	27	52				
Operating Margin % Of Sales -- TTM	40	52				
EBITDA Margin Of Sales	19	32				
EBITDA Margin Of Sales -- TTM	30	41				
Net Profit Margin % Of Sales	42	52				
Net Profit Margin % Of Sales -- TTM	45	52				
Pre-tax Income % Of Sales	31	52				
Effective Tax Rate	49	52				
Depreciation % Of Prop/Plant/Equipment	36	45	14.73	3.71	11.29	28.52
Capital Expense % Of Prop/Plant/Equipment	9	41	5.10	0.23	8.94	32.66
Interest Coverage	26	31	3.10	-1.78	7.21	64.76
Interest Coverage -- TTM	35	40	1.85	-2.91	6.17	301.42
Liquidity ratios:						
Cash Ratio	29	51	0.34	0.00	0.38	6.64
Quick Ratio		48		0.07	0.90	7.48
Current Ratio	32	51	1.46	0.37	1.54	8.28
Efficiency ratios:						
Accounts Receivable Turnover		49		1.32	6.60	2,612.17
Days Sales Outstanding	1	52				
% of Inventory Financed by Vendors	11	41				
% of Inventory Financed by Vendors -- TTM	17	42				
Inventory Turnover	27	50				
Inventory Turnover -- TTM	31	51				
Days Sales in Inventory	27	48				
Inventory to Working Capital	26	49				
Accounts Payable Turnover	26	42				
Accounts Payable Turnover -- TTM	34	42				
Leverage & debt coverage:						
Total Debt to Equity Ratio		47		0.00	0.71	20.41
Debt to Tangible Equity Ratio		42		0.00	0.67	6.75
Total Debt to Assets Ratio	49	50	0.82	0.00	0.34	1.82
Short-Term Debt % of Total Debt	19	49	18.61	1.04	27.94	100.00
Short-Term Debt % of Working Capital	29	50	70.21	-2,812.18	17.78	1,649.31
Liabilities to Net Worth Ratio		43		0.11	1.03	12.12
Total Liabilities to Equity Ratio		48		0.11	1.03	32.68
TTM EBITDA to Total Debt	31	40	0.12	-0.81	0.27	47.87
Net Debt to TTM EBITDA	31	38	6.68	-3.91	2.75	51.52
Green - Ranked in Upper Quartile of Peer Group White - Ranked in the Middle Two Quartiles of Peer Group Red - Ranked in Lower Quartile of Peer Group Orange - Confidential Grey - Data is Not Available						
TTM = trailing 12 months N/A = Not Available						

Frigoglass SA demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Limited operating profitability and intermittent net losses

Weak interest coverage ratio & limited free cash flow generation

Performance Ratios - Sequential Quarters

(Thousands of Euros)

Period Ended	3 mos 3/31/2021	3 mos 12/31/2020	3 mos 9/30/2020	3 mos 6/30/2020	3 mos 3/31/2020
Net Sales €	€95,884	€63,511	€61,055	€72,775	€135,897
% change	50.97%	4.02%	-16.10%	-46.45%	39.37%
Gross Margin €	€19,459	€12,516	€9,367	€11,414	€26,537
% change	55.47%	33.62%	-17.93%	-56.99%	32.19%
% of sales	20.29%	19.71%	15.34%	15.68%	19.53%
change as % of incremental sales	21.45%	128.22%	n/m	n/m	16.83%
SG&A €	€9,316	€9,665	€7,751	€7,201	€11,510
% change	-3.61%	24.69%	7.64%	-37.44%	-26.64%
% of sales	9.72%	15.22%	12.70%	9.89%	8.47%
change as % of incremental sales	-1.08%	77.93%	n/m	n/m	-10.89%
Operating margin €	€9,903	€1,805	€29	€3,146	€14,890
% change	448.64%	6,124.14%	-99.08%	-78.87%	598.73%
% of sales	10.33%	2.84%	0.05%	4.32%	10.96%
change as % of incremental sales	25.01%	72.31%	n/m	n/m	33.23%
EBITDA €	€16,269	€6,964	€7,163	€7,561	€24,839
% change	133.62%	-2.78%	-5.26%	-69.56%	154.76%
% of sales	16.97%	10.97%	11.73%	10.39%	18.28%
change as % of incremental sales	28.74%	-8.10%	n/m	n/m	39.30%
EBIT €	€11,731	€2,807	€2,573	€2,671	€19,191
% change	317.92%	9.09%	-3.67%	-86.08%	370.94%
% of sales	12.23%	4.42%	4.21%	3.67%	14.12%
change as % of incremental sales	27.57%	9.53%	n/m	n/m	39.37%
Pre-tax income €	€6,486	(€1,022)	(€2,941)	(€2,870)	€14,302
% change	734.64%	65.25%	-2.47%	-120.07%	1,764.67%
% of sales	6.76%	-1.61%	-4.82%	-3.94%	10.52%
change as % of incremental sales	23.19%	78.14%	n/m	n/m	35.26%
Net income (loss) €	€1,208	(€8,643)	(€7,741)	(€3,859)	€4,445
% change	113.98%	-11.65%	-100.60%	-186.82%	223.58%
% of sales	1.26%	-13.61%	-12.68%	-5.30%	3.27%
change as % of incremental sales	30.43%	-36.73%	n/m	n/m	20.95%
Tax expense €	€3,405	€5,286	€3,302	€1,135	€6,504
Effective tax rate	52.50%	-517.22%	-112.27%	-39.55%	45.48%
Depreciation expense €	€4,022	€3,438	€3,879	€3,661	€4,923
% of sales	4.19%	5.41%	6.35%	5.03%	3.62%
% of capital expenses	288.73%	66.58%	181.26%	161.70%	108.56%
% of PP&E, net (annualized)	14.73%	12.33%	13.26%	11.94%	15.25%
Capital expenditures €	€1,393	€5,164	€2,140	€2,264	€4,535
% change	-73.02%	141.31%	-5.48%	-50.08%	-73.50%
% of PP&E, net (annualized)	5.10%	18.51%	7.31%	7.38%	14.05%
% of working capital (annualized)	6.89%	25.23%	9.28%	9.01%	20.23%
Interest coverage ratio	3.10	1.81	1.30	1.28	4.58
% change	71.39%	39.20%	1.58%	-72.06%	96.54%
Free cash flow €	€246	€10,108	€8,378	(€3,663)	€2,095
% change	-97.57%	20.65%	328.72%	-274.84%	131.29%
Source:	Interim Report 5/24/2021	ARS 3/19/2021	Interim Report 12/2/2020	Interim Report 8/5/2020	Interim Report 7/29/2020

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth indicates all loanable collateral has been exhausted

Total debt to assets ratio ranks in the bottom quartile of industry peers

Leverage Ratios - Sequential Quarters

(Thousands of Euros)

Period Ended	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Total debt €	€315,897	€318,479	€311,013	€309,364	€303,144
% change	-0.81%	2.40%	0.53%	2.05%	6.67%
Stockholders' equity €	(€82,076)	(€82,192)	(€67,542)	(€46,283)	(€40,125)
% change	0.14%	-21.69%	-45.93%	-15.35%	-46.24%
Tangible net worth €	(€93,743)	(€94,182)	(€79,809)	(€58,783)	(€52,704)
% change	0.47%	-18.01%	-35.77%	-11.53%	-33.73%
Total assets €	€384,100	€354,310	€361,106	€418,518	€450,450
% change	8.41%	-1.88%	-13.72%	-7.09%	1.59%
Total debt to assets ratio	0.82	0.90	0.86	0.74	0.67
% change	-8.51%	4.37%	16.52%	9.84%	4.99%
Tangible assets €	€372,433	€342,320	€348,839	€406,018	€437,871
% change	8.80%	-1.87%	-14.08%	-7.27%	1.50%
Short-term debt €	€58,798	€61,797	€55,634	€53,402	€48,371
% change	-4.85%	11.08%	4.18%	10.40%	-15.61%
Short-term debt % of total debt	18.61%	19.40%	17.89%	17.26%	15.96%
% change	-4.08%	8.47%	3.63%	8.18%	-20.89%
Short-term debt % of working capital	70.21%	79.31%	64.83%	54.08%	47.25%
% change	-11.47%	22.33%	19.89%	14.44%	-36.58%
Total liabilities €	€466,176	€436,502	€428,648	€464,801	€490,575
% change	6.80%	1.83%	-7.78%	-5.25%	4.19%
Total debt to EBITDA ratio (annualized)	4.85	11.43	10.85	10.23	3.05
% change	-57.54%	5.33%	6.12%	235.25%	-58.13%
Source:	Interim Report				
	12/2/2020	8/5/2020	7/29/2020		

Total debt to EBITDA ratio averages 9.3x commensurate with a distressed borrower

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Meaningful decline in working capital

Liquidity Ratios - Sequential Quarters

(Thousands of Euros)

Period Ended	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Current assets €	€264,257	€230,838	€234,500	€279,614	€309,684
% change	14.48%	-1.56%	-16.13%	-9.71%	6.20%
% of short-term debt	449.43%	373.54%	421.50%	523.60%	640.23%
Current liabilities €	€180,509	€152,918	€148,689	€180,862	€207,317
% change	18.04%	2.84%	-17.79%	-12.76%	-3.43%
Working capital €	€83,748	€77,920	€85,811	€98,752	€102,367
% change	7.48%	-9.20%	-13.10%	-3.53%	33.07%
% of sales (annualized)	21.84%	30.67%	35.14%	33.92%	18.83%
Cash €	€62,167	€70,243	€59,233	€63,863	€63,855
% change	-11.50%	18.59%	-7.25%	0.01%	17.88%
% of short-term debt	105.73%	113.67%	106.47%	119.59%	132.01%
Cash ratio	0.34	0.46	0.40	0.35	0.31
% change	-25.03%	15.31%	12.83%	14.64%	22.08%
Current ratio	1.46	1.51	1.58	1.55	1.49
% change	-3.02%	-4.28%	2.01%	3.49%	9.98%
Source:	Interim Report 5/24/2021	ARS 3/19/2021	Interim Report 12/2/2020	Interim Report 8/5/2020	Interim Report 7/29/2020

Mediocre returns on tangible assets

Rate of Return - Sequential Quarters

(Thousands of Euros)

Period Ended	3 mos 3/31/2021	3 mos 12/31/2020	3 mos 9/30/2020	3 mos 6/30/2020	3 mos 3/31/2020
Return on total assets	0.33%	-2.42%	-1.99%	-0.89%	0.99%
% change	113.54%	-21.67%	-123.58%	-189.30%	217.77%
Return on tangible assets	0.34%	-2.50%	-2.05%	-0.91%	1.02%
% change	113.51%	-21.94%	-124.25%	-189.43%	217.85%
Source:	Interim Report 5/24/2021	ARS 3/19/2021	Interim Report 12/2/2020	Interim Report 8/5/2020	Interim Report 7/29/2020

YEAR OVER YEAR STATEMENT OF CASH FLOWS

Decline in cash from operating activities

Ongoing net debt issuance

Statement of Cash Flows - Year-over-Year - Standardized - Year

(Thousands of Euros)

Period Ended	3 mos 3/31/2021	3 mos 3/31/2020	3 mos 3/31/2019	3 mos 3/31/2018	3 mos 3/31/2017
Cash Flows from Operating Activities:					
Net income	€3,081	€7,798	€3,420	(€2,086)	(€11,077)
Depreciation/depletion	4,538	5,648	5,895	4,876	6,819
Non-cash Items	7,001	7,277	9,773	9,424	10,371
Changes in working capital	(12,981)	(14,093)	(29,511)	(13,048)	(6,466)
Total cash from operating activities	1,639	6,630	(10,423)	(834)	(353)
Cash Flows from Investing Activities:					
Capital expenditures	(1,393)	(4,535)	(2,739)	(3,816)	(1,813)
Other investing cash flow items, total	83	0	795	49	0
Total cash from investing activities	(1,310)	(4,535)	(1,944)	(3,767)	(1,813)
Cash Flows from Financing Activities:					
Financing cash flow items	(9,302)	(7,417)	(6,088)	(2,231)	(1,101)
Issuance/retirement of debt, net	1,347	20,382	7,573	8,074	(2,221)
Total cash from financing activities	(7,955)	12,965	1,485	5,843	(3,322)
Foreign exchange effects	(450)	(5,375)	545	(869)	(554)
Net change in cash	(8,076)	9,685	(10,337)	373	(6,042)
Net cash-beginning balance	70,243	54,170	49,057	53,545	57,526
Net cash-ending balance	€62,167	€63,855	€38,720	€53,918	€51,484
Supplemental Disclosures:					
Cash interest paid	€9,302	€7,417	€5,698	€2,231	€1,101
Cash taxes paid, supplemental	€1,136	€246	€468	€1,042	€411
Source:	Interim Report 5/24/2021	Interim Report 7/29/2020	Interim Report 6/13/2019	Interim Report 6/12/2018	Interim Report 5/24/2017

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR®



CreditRiskMonitor® is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 57,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

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