

Alumil Group

Reuters : ALMr.AT Bloomberg : ALMY GA

Sector: Metals

Ownership Structure:

Alumil Family	71.10%
Free Float	28.90%

Stock Data

Price (17/01/07)	€4.00
Mkt Cap (in mn)	€88,065
Shares (in mn)	22,016

Stock Ratios

	2004	2005	2006 E	2007 E
P / E	7.61	21.91	9.96	8.23
P / BV	0.82	0.79	0.74	0.69
EV / EBITDA	7.16	8.07	6.42	5.90
D / Y	1.50%	0.27%	1.51%	2.43%
ROE	10.72%	3.67%	7.70%	8.71%
ROIC	4.58%	1.51%	3.12%	3.66%
Net debt / Equity	1.29	1.44	1.40	1.31

Summary Financials

P&L (in mil €)	2004	2005	2006 E	2007 E
Revenues	179.69	189.45	224.00	241.92
Gross Profit	53.09	57.25	70.83	75.24
OPEX	27.76	31.86	36.84	37.51
EBITDA	31.75	30.77	39.49	43.23
Financial Results	-6.37	-7.33	-9.48	-9.74
Depreciations	9.95	12.96	15.27	16.29
EBT	15.43	10.49	14.74	17.20
EAT & Minorities	11.57	4.02	8.84	10.70

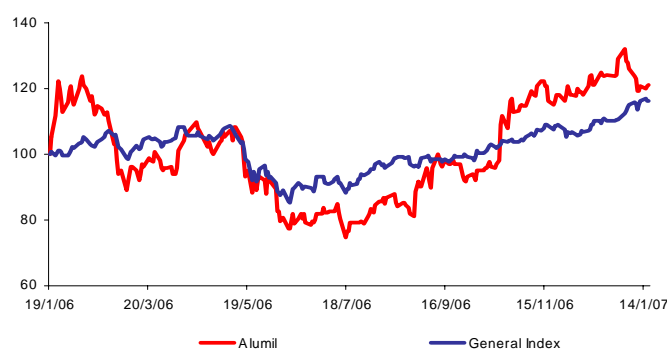
BS (in mil €)	2004	2005	2006 E	2007 E
Net Fixed Assets	182.15	188.42	184.44	177.64
Total Cur. Assets	158.44	178.00	200.83	222.79
Cash & Equivalent	5.57	8.06	2.86	2.95
Total Assets	340.58	366.42	385.28	400.43
Total Equity	116.84	121.12	129.98	139.95
L-Term Liabilities	116.99	134.85	134.49	122.22
S-Term Liabilities	106.76	110.45	120.81	138.27
Liability & Equity	340.58	366.42	385.28	400.43

Source: Company Data & VRS Projections

KEY INVESTMENT POINTS

- Alumil Group is the leading aluminum extruder in Greece, and one of the largest in Europe. In the coming years we expect a mild slowdown in domestic construction activity, mostly due to the reduction of public projects. However, we expect a stable demand for Alumil products in Greece due to its highly recognizable brand name and its strong distribution network.
- **International operations are expected to outpace the mild slowdown of domestic construction activity.** The Group is currently exporting over 55% of its production in more than 45 countries (from about 40 at end 2004), covering mostly S-E Europe, where construction sector is set to deliver solid growth in the coming years. **Alumil has already set a strong sales network**, which plans on reinforcing by expanding its storage spaces and improving logistics in order to support the market's high growth. The Group targets at least 70% of total turnover to derive from international operations by the end of fiscal 2011.
- The leading product group for Alumil is the Architectural Systems for all architectural applications. The Group's target is **to maintain its leadership domestically**, both in sales and quality issues **and expand in South-East Europe** by both production and commercial activities, **as well as in Central - Western Europe, in the Middle East** and in the U.S.A. by commercial activities.
- **The Group is exploiting opportunities in new value-added products**, namely polycarbonate sheets and composite panels with their application providing significant benefits to construction. The total market value is not determined yet, however, the usage rate is continuously expanding.
- **The company trades on attractive multiples based on our fiscal 2006 projections.** P/E (a.t.&m.i.) stands at 9.96x while EV/EBITDA at 6.42x and P/BV at 0.74x.

Relative Performance vs ASE G.I. (52 weeks)



INVESTMENT CASE

- ❖ Alumil Group is the leading aluminum extruder in Greece, and one of the largest in Europe. The Group has managed to build a strong brand name in aluminum extrusion products with uses mostly in construction and related industries. Greek market could be characterized as the cash cow of the Group. Sales in the Greek market represent the highest stake of consolidated turnover; it is not expected however to be the growth driver of future turnover. Future growth for the Group will mostly derive from:
 1. **International expansion.** Promotion of current product portfolio in new countries as well as further penetration into countries being already active.
 2. The dynamic promotion of **new value added products**, such as polycarbonate sheets, composite panels and automation systems.
- ❖ International operations are expected to outpace the mild slowdown of domestic construction activity. Based on strategic planning, the Group raised its share in the markets of S-E Europe, and expanded its commercial activity by widening its networks and strengthened its presence in W. Europe and Middle East. In addition, the Group is exploiting opportunities from new commercial agreements enhancing its distribution network in new as well as existing European and Middle East countries, diversifying its geographical presence.

CORPORATE PROFILE

- ❖ Alumil, established in 1988, is the leading aluminum extruder in Greece, included 4 times in GrowthPlus Europe's Top 500 for its contribution to the European economy. The Group provides: integrated aluminum profile systems, certified from world known institutes, industrial profiles for automotive industry, sailing industry, transportations, etc. The Group also produces, imports and trades self designed accessories for aluminum systems (to offer integrated technical support), produces and trades fine aluminum products and automation systems designed for specific applications, homogenized aluminum rods (bigettes), polycarbonate sheets and composite panels, namely J-Bond. Most products are designed, developed and tested by its R&D department. The Group's emphasis is on achieving leading positions in attractive market sectors, where sustainable growth can be achieved.

COMPARATIVE RATIOS

Company	Country	Mkt Cap (mn)	P/E '06	P/BV '06
Alco Hellas	GR	53.17	13.89x	1.40x
Etem	GR	74.12	14.12x	0.77x
Kety	PO	451.03	19.82x	2.72x
Alumil	GR	88.07	9.96x	0.74x

Data: VRS estimates for fiscal 2006. Share prices as of Jan 17th 2007

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