

Investment Research

Buy

from Neutral

Share price: EUR 12.56

closing price as of 18/10/2016

Target price: EUR 14.99

from Target Price: EUR 12.20

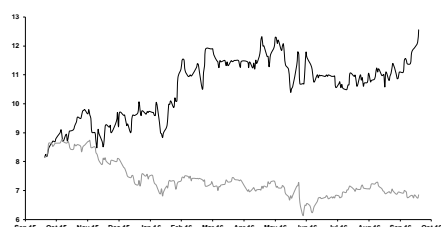
Reuters/Bloomberg

BABr:AT/BELA GA

Daily avg. no. trad. sh. 12 mth	191
Daily avg. trad. vol. 12 mth (m)	2,752.19
Price high 12 mth (EUR)	12.56
Price low 12 mth (EUR)	8.15
Abs. perf. 1 mth	13.2%
Abs. perf. 3 mth	14.7%
Abs. perf. 12 mth	54.1%

Market capitalisation (EURm)	1,709
Current N° of shares (m)	136
Free float	73%

Key financials (EUR)	06/16	06/17e	06/18e
Sales (m)	638	680	730
EBITDA (m)	184	195	209
EBITDA margin	28.8%	28.6%	28.6%
EBIT (m)	161	171	184
EBIT margin	25.3%	25.1%	25.2%
Net Profit (adj.)(m)	119	127	136
ROCE	15.4%	15.8%	16.3%
Net debt/(cash) (m)	(250)	(273)	(338)
Net Debt Equity	-0.3	-0.3	-0.3
Net Debt/EBITDA	-1.4	-1.4	-1.6
Int. cover(EBITDA/Fin.int)	(97.2)	(122.3)	(123.5)
EV/Sales	2.1	2.1	1.8
EV/EBITDA	7.2	7.3	6.5
EV/EBITDA (adj.)	7.2	7.3	6.5
EV/EBIT	8.3	8.3	7.3
P/E (adj.)	13.5	13.5	12.6
P/BV	1.8	1.8	1.6
OpFCF yield	5.3%	5.6%	6.1%
Dividend yield	4.3%	2.2%	2.4%
EPS (adj.)	0.87	0.93	1.00
BVPS	6.73	7.12	7.84
DPS	0.54	0.28	0.30



Source: Reuters

Shareholders: Vakakis Apostolos-Evangelos 27%;

For company description please see summary table footnote

Reason: Company Results

Fond of Jumbo-style; Upgrade to 'Buy'

We raise our target price to EUR 14.99/share (Jumbo-style price) from EUR 12.20/share previously following the upward revision to our EBITDA forecasts and our expectation for solid free cash flows going forward. Our new target price reveals a tangible upside potential from current levels, thus we upgrade our recommendation on the stock to 'Buy' for 'Neutral'.

- ✓ **Flawless FY15/16 results:** Jumbo delivered strong results for the fiscal year 2015/2016 (1.7.2015 – 30.6.2016), successfully overriding all malaises appeared over the course of the year. Revenues came in at EUR 637.6m (+9.4% y-o-y), EBITDA reached EUR 183.7m (+15% y-o-y) while 'clean' net profits stood at EUR 119m (+11% y-o-y), marking Jumbo's best financial year ever. Free cash flow reached EUR 85m driving net cash position at EUR 259m (15% of MCAP). The company proposed the distribution of an ordinary dividend of EUR 0.27/share, implying a payout ratio of 30% and a gross dividend yield of 2.3%.
- ✓ **Guidance for FY16/17:** As usually, Jumbo CEO adopted a cautious stance for FY16/17 guiding for: a) sales growth between 4% and 7%, assuming a 1%-2% decline in Greece and b) flattish net profits on reduced gross margin. Mr. Vakakis appeared sceptical for consumer spending in the fourth quarter 2016, which includes the very important Christmas period for Jumbo, when Greek households will be called to pay the bulk of their tax obligations to the state. However, Jumbo's sales grew 11.5% y-o-y in 1Q16/17 with Greek stores achieving a 4% revenue increase (admittedly on easy comps) and foreign activities remaining robust.
- ✓ **Earnings upgrade on strong sales momentum:** We are confident that the performance of Greek stores will surpass management's expectations due to Jumbo's strong brand name and its attractive value-for-money proposition. We expect some pressure (-100bps y-o-y) on the gross margin, but the management has repeatedly proved its ability to manipulate inventory costs through early stocking practices and tough negotiations with suppliers. That said, we forecast revenues of EUR 680m (+6.7% y-o-y), EBITDA of EUR 195m (+6% y-o-y) and net profits of EUR 127m (+6% y-o-y) for FY16/17. For 2017/18 when macro stability in Greece will be more evident and Jumbo will accelerate its roll-out plans in Romania, we look for sales of EUR 730m (+7% y-o-y), EBITDA of EUR 209m (+7% y-o-y) and net profits of EUR 136m (+8% y-o-y), driving FCF north of EUR 100m.
- ✓ **Valuation:** On our numbers, Jumbo trades 14x its FY17e calendarized net earnings or at a 12% discount against European retailers, which reflects Jumbo's exposure to Greece's systemic risks, in our view. Given that European retailers currently trade on a forward-looking p/e of 21x and Jumbo used to trade at a 20% discount against peers under normal conditions, we view that Jumbo's proper forward p/e ratio in a normalized environment is 17x, which leads to a fair value of c. **EUR 18.00/share** based on FY18/19e net profits (43% upside from current price levels), when Greek economy will enter its new era of growth.
- ✓ **Investment positives:** Jumbo remains among our top picks due to its flawless investment case, which combines: a) a solid earnings potential (EPS to grow by 7% over FY16-FY20e), b) a healthy balance sheet (net cash position of EUR 280m at the end of June 2017 or 16% of current MCAP) and c) solid free cash flows (>EUR 100m from FY17/18 onwards) that will allow the implementation of the business plan and the distribution of a satisfactory dividend going forward.

Analyst(s): **Dimitris Birbos** +30 210 81 73 392 **dbirbos@ibg.gr**
For important disclosure information, please refer to the disclaimer page of this report

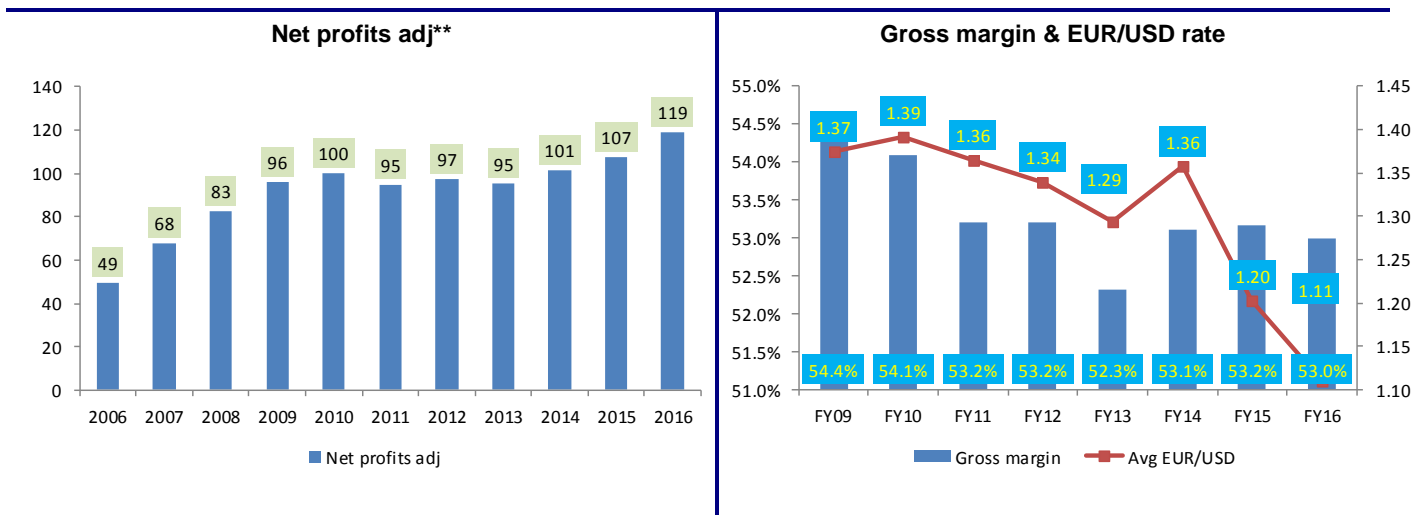
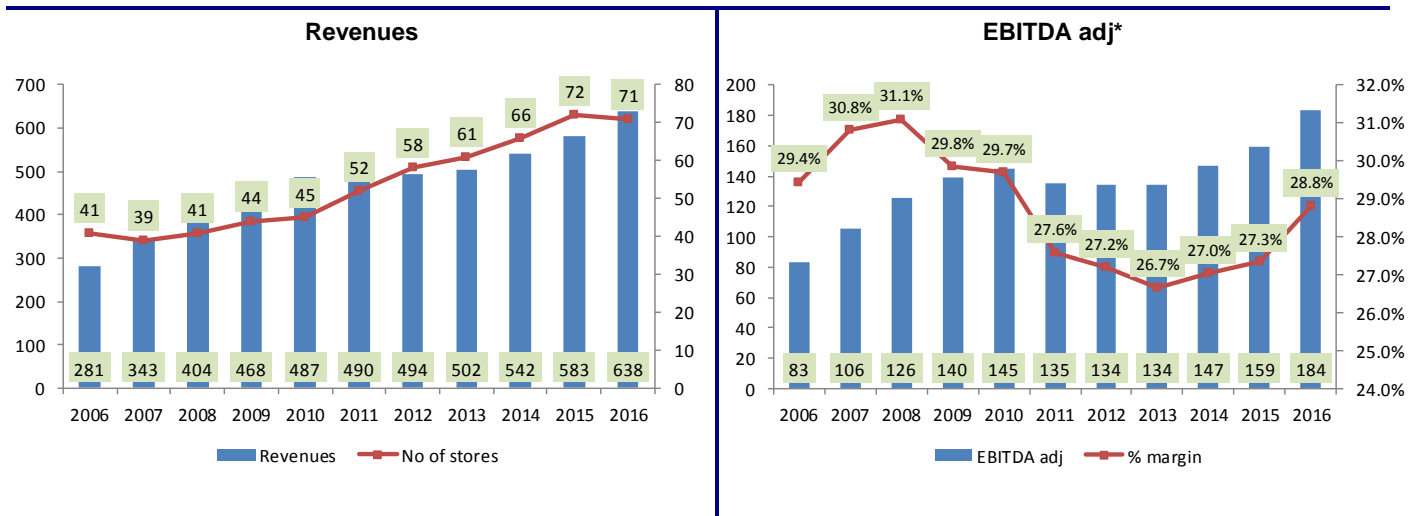
CONTENTS

Investment Case.....	3
Review of FY 2015/16 Results	6
Presentation to Greek institutional investors.....	9
Forecast Revision	10
Valuation & Rating	15
Risks to our Estimates and Valuation.....	17
ESN Recommendation System.....	24
Stock Ratings.....	25

Investment Case

All-time high earnings amid capital controls

Jumbo reported record high sales and profits in FY15/16 despite an abnormal political and economic environment in the home country in the beginning of the fiscal year (imposition of capital controls in June 2016, referendum in July 2016, snap elections in September 2016), as well as an unfavourable currency environment (sharp depreciation of the euro against the USD in the previous 12 months). In this context, the management guided for a -5% - 0% sales growth in Greece and pressure on the gross margin, drawing a cloudy outlook for FY15/16. In contrast with management's pessimism owing to the unfavourable market conditions in the beginning of fiscal year 2015/16, Jumbo showed an admirable resilience achieving a c. 5% revenue growth in Greece and a flattish gross margin (-20bps y-o-y). Foreign operations (Cyprus, Bulgaria, Romania, franchise stores) maintained their robust momentum (sales grew by 23% y-o-y), while operating expenses as percentage of sales dropped by 170bps y-o-y on improved operational leverage. To this end, Jumbo ended a difficult year with revenues of EUR 638m (+9.4% y-o-y), EBITDA of EUR 184m (+15% y-o-y) and 'clean' net profits of EUR 119m (+11% y-o-y).



Source: IBG Research, The company, * Excluding the loss from the haircut of group's deposits in Cyprus in FY12/13, ** Adjusted for one-off tax and a non-cash gain/loss from the mark-to-market valuation of listed securities

Mgt conservative earnings guidance for FY16/17...

As usually, Jumbo CEO adopted a cautious stance for FY16/17, guiding for: a) sales growth between 4% and 7%, assuming a 1%-2% decline in Greek sales and b) flattish net profits owing to the projected reduction of group's gross margin on the back of deflationary pressures in Greece, a seemingly persistent downward trend in retail sales in the last 3 weeks, the gradual fading of the positive impact of the usage of old inventories and possibly the expectation for price hikes in manufacturing costs in China and transportation costs. The company will open only 1 new store during the current fiscal year in Bulgaria and focus on the expansion of the POS network in Western Balkans through franchise agreements and in Romania with the opening of 2 new hyper-stores in Bucharest until December 2017.

... to be refuted once again

Past experience indicates that Jumbo stores in Greece outperforms other retailers by at least 300 percentage points, while all major Greek and international institutions forecast GDP growth for the next calendar year (IMF: 2.8%, Bank of Greece & European Commission: 2.7%, Hellenic Foundation for Economic & Industrial Research: 2.0%), indicating an improved macro environment going forward. To this extent, we have factored in a 4% y-o-y sales growth in Greece and a 15% y-o-y revenue increase for foreign activities, leading to FY16/17e sales of EUR 680m (+6.7% y-o-y), standing within the indicative range provided by the management. On the profitability front, we expect that the company will mitigate the pressure in gross margin through early stocking, exhaustive negotiations with suppliers and a favourable sales mix. That said, we look for EBITDA of EUR 195m (+6% y-o-y) and net profits of EUR 127m (+6% y-o-y on a comparable basis) for FY16/17.

Valuation & Catalysts

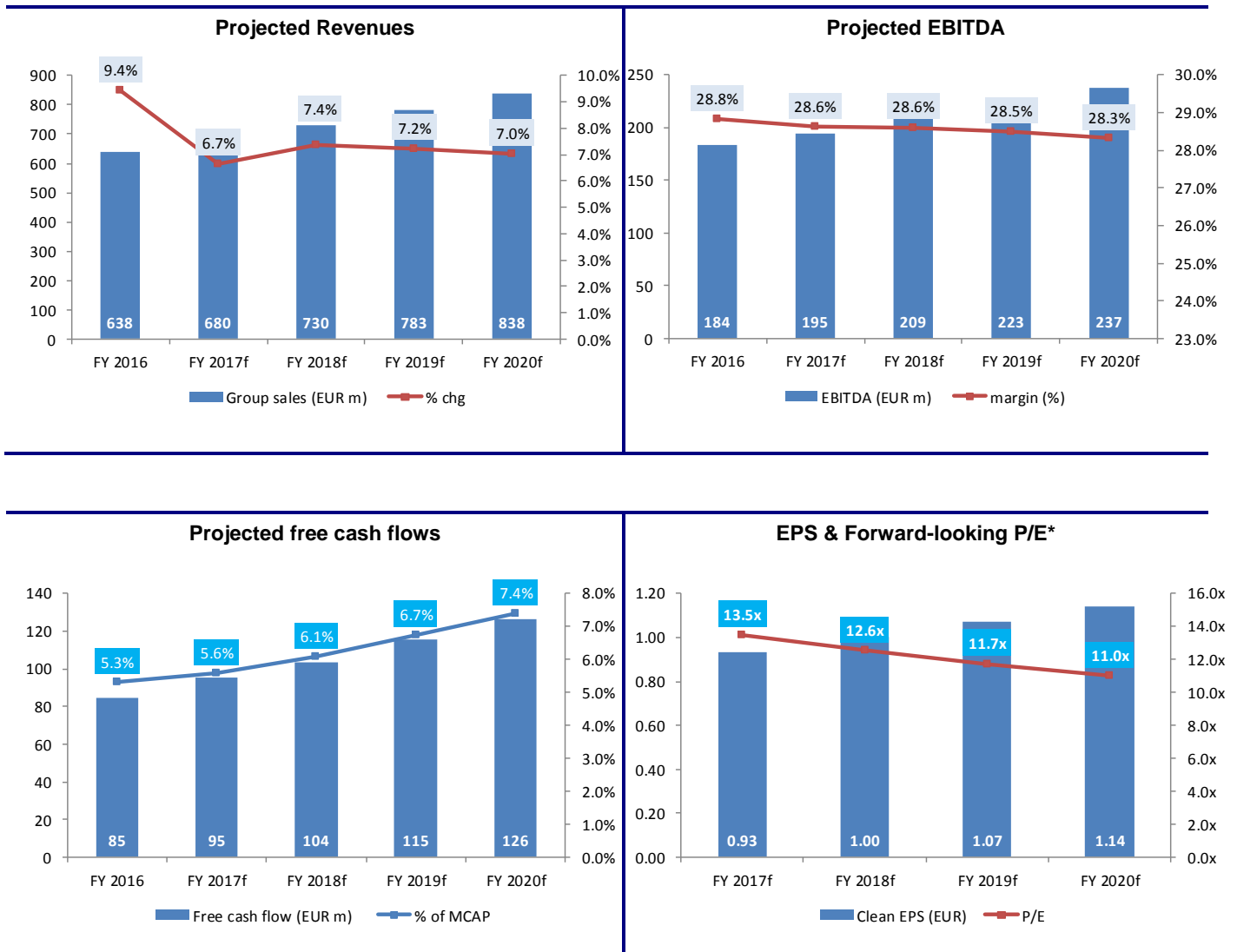
We have raised our EBITDA forecasts by a low-mid single digit over the next 5 years to reflect our expectation for the continuation of the robust growth momentum on the back of a) market share gains, b) a tolerant reduction in gross margin and c) improved productivity. We have removed the 15% low visibility factor applied to the estimated fair value of the stock and instead we have increased the estimated cost of equity by 130bps to reflect investors' unwillingness to take long positions in Greek equities at present on fears about the progress of the implementation of the new bailout program and any potential political developments in the next 12 months.

Our DCF valuation model yields a target price of **EUR 14.99/share** (Jumbo-style price) from EUR 12.20/share previously, which points to a 19% upside potential against current price levels. We raise our rating on the stock to **'Buy'** from Neutral, highly appreciating Jumbo's attractive investment case which will be revealed to foreign investors when their concerns about Greece's macro outlook will be resolved.

On our numbers, Jumbo trades 14x its FY17e calendarized net earnings or at a 12% discount against European retailers, which reflects Jumbo's exposure to Greece's systemic risks, in our view. Given that European retailers currently trade on a forward-looking p/e of 21x and Jumbo used to trade at a 20% discount against peers under normal conditions, we view that Jumbo's proper forward p/e ratio in a normalized environment is 17x, which leads to a fair value of **c. EUR 18.00/share** based on FY18/19e net profits (43% from current price levels), when the recovery of the Greek economy will be sustainable.

The key short-term catalyst for the stock is a positive surprise on the top line, as well as the lower than initially expected decline of the gross margin that will mandate an upward revision to our and consensus forecasts (EBITDA of EUR 189m, net profits of EUR 125m) for FY16/17. However, stock performance is closely associated with the developments in the macro front (implementation of reforms, agreement with creditors on debt relief, GDP trajectory, stabilization of the banking sector) that will improve the risk profile of the entire Greek universe and bring quality names again in investors' radar.

Investment positives Jumbo remains among our top picks due to its flawless investment case characterized by: a) a solid earnings potential (EPS to grow by 7% over FY16-FY20e) amid a challenging business environment in the home country and despite the expected deterioration of the gross margin, b) group's healthy balance sheet (net cash position of EUR 280m at the end of June 2017 or 16% of current MCAP), c) the fast-growing free cash flow generation (>EUR 100m from FY17/18 onwards) that will allow the implementation of the business plan (store expansion in Romania, expansion in new markets i.e Croatia, Slovakia) and the distribution of a generous dividend without the need for external financing.



Source: IBG Research, The company, Note that Jumbo's fiscal year ends on June 30, * Closing price of 18/10/2016

Review of FY 2015/16 Results

Jumbo delivered strong results for the fiscal year 2015/2016 (1.7.2015 – 30.6.2016), in line with our estimates but above consensus forecasts. In particular, Jumbo reported revenues of EUR 637.6m (+9.4% y-o-y), EBITDA of EUR 183.7m (+15% y-o-y, 3% above consensus and 0.6% above our estimates) and net profits of EUR 121.3m (+16% y-o-y, 2% above consensus and slightly below our estimates). The minor negative surprise against our net earnings estimates should be attributed to the higher than we had expected effective tax rate (i.e. 26.6% vs. our call for 25.5%), while EBITDA stood slightly above our call on lower opex/sales ratio (i.e. 27.4% vs. our call for 27.8%).

In the second half of 2015/16, Jumbo recorded revenues of EUR 266m (+10% y-o-y), EBITDA of EUR 78.2m (+16% y-o-y) and net profits of EUR 48.7m (+16% y-o-y). We note that the company has not disclosed 3Q & 4Q16 financials.

Group's gross margin shaped at 53.0% (-20bps y-o-y) on the back of a favourable product mix (home products accounted for 31.3% of annual sales; +160bps y-o-y) and lower freight rates, offsetting currency headwinds. However, Jumbo's gross margin deteriorated in 1H15/16 by 120bps y-o-y (vs. our call for a 30bps drop), most possibly due to the absorption of the VAT increase by the company.

Operating expenses grew by 3% y-o-y in in FY15/16 to EUR 174.8m (vs. our call for EUR 177.5m), driving the opex/sales ratio to 27.4% (-160bps y-o-y), indicating the positive effect of operating leverage. It is noteworthy that opex/sales ratio improved by 270bps y-o-y in 2H15/16. Accordingly, Jumbo's EBITDA margin shaped at 28.8% in FY15/16, up by 150bps y-o-y, which is the best figure since FY09/10. Below the EBITDA line, Jumbo reported net interest income of EUR 4.1m and depreciation of EUR 22.7m (in line with our estimates), while income taxes shaped at EUR 44m surpassing our estimate by EUR 2.0m.

The company proposed the distribution of a gross ordinary dividend of EUR 0.27/share (before 10% dividend tax) in line with our estimates. The cut-off date is 4.11.2016 and the dividend payment will commence on 10.11.2016. We remind that the company has distributed a special dividend of EUR 0.27/share from its retained earnings last July.

Jumbo 2H/ FY 2015/16 P&L Statement

EUR m	FY14/15	FY15/16	y-o-y	2H14/15	2H15/16	y-o-y
Revenues	582.5	637.6	9.4%	241.4	265.8	10.1%
COGS	-272.8	-299.6	9.8%	-105.6	-119.5	13.1%
Gross Profit	309.7	337.9	9.1%	135.8	146.3	7.7%
Gross Margin	53.2%	53.0%	-20bps	56.3%	55.1%	-120bps
Other Income	4.0	4.3	7.3%	2.3	2.5	9.0%
Administrative Expenses	-22.9	-22.1	-3.2%	-9.9	-8.7	-11.5%
Distribution Costs	-146.4	-152.7	4.3%	-69.1	-71.1	2.9%
Other Expenses	-6.4	-6.4		-2.2	-2.3	
EBIT	137.9	161.0	16.7%	56.9	66.7	17.2%
<i>EBIT Margin</i>	23.7%	25.3%	160bps	23.6%	25.1%	150bps
Depreciation	21.3	22.7	6.5%	10.7	11.5	7.5%
EBITDA	159.3	183.7	15.3%	67.6	78.2	15.7%
% margin	27.3%	28.8%	150bps	28.0%	29.4%	140bps
Net Financial Results	-1.0	4.1		-1.4	1.6	
EBT	137.0	165.1	20.6%	55.5	68.3	23.0%
Income Tax	-32.1	-43.9		-13.4	-19.6	
Net profit	104.8	121.3	15.7%	42.2	48.7	15.6%

Source: IBG Research, The Company

Revenues from Greek operations rose by 4.5% y-o-y to EUR 446m in FY15/16, reflecting market share gains on product availability and an attractive pricing policy amid declining disposable incomes. Revenues from Cyprus rose by 5% y-o-y to EUR 79m, while sales from Bulgaria grew by c. 15% y-o-y to EUR 52m. Romania recorded revenues of EUR 48m in FY15/16 compared to EUR 24m in the same period last year, while the franchise stores in FYROM, Albania and Kosovo reported annual revenues of EUR 12.5m (+16% y-o-y). On the whole, sales from foreign markets grew by 23% y-o-y to EUR 191m accounting for 30% of consolidated revenues.

Key P&L items per country

(EUR m)	FY14/15	FY15/16	y-o-y	2H14/15	2H15/16	y-o-y
Greece	427.1	446.4	4.5%	176.7	187.8	6.3%
Other (Franchise stores)	10.8	12.5	15.8%	4.8	5.8	22.6%
Greece & Other	437.9	458.9	4.8%	181.5	193.7	6.7%
% of total	75.2%	72.0%		75.2%	72.9%	
Cyprus	75.0	78.9	5.1%	31.6	33.1	4.6%
% of total	12.9%	12.4%		13.1%	12.4%	
Bulgaria	45.3	51.9	14.6%	16.7	19.6	17.4%
% of total	7.8%	8.1%		6.9%	7.4%	
Romania	24.3	47.9	97.1%	11.6	19.4	68.0%
% of total	4.2%	7.5%		4.8%	7.3%	
Group Sales	582.5	637.6	9.4%	241.4	265.8	10.1%
Greece & Other	236.5	246.2	4.1%	105.4	109.5	3.9%
% margin	54.0%	53.7%	-40bps	58.1%	56.6%	-150bps
Cyprus	38.3	40.7	6.2%	16.2	17.0	4.7%
% margin	51.1%	51.7%	60bps	51.4%	51.4%	bps
Bulgaria	22.4	26.3	17.4%	8.4	9.9	18.4%
% margin	49.3%	50.6%	120bps	50.0%	50.4%	40bps
Romania	12.4	24.7	98.9%	5.8	9.9	70.2%
% margin	51.2%	51.6%		50.4%	51.1%	60bps
Group Gross profits	309.7	337.9	9.1%	135.8	146.3	7.7%
% margin	53.2%	53.0%	-20bps	56.3%	55.1%	-120bps
Greece & Other	133.2	142.4	6.9%	58.2	62.7	7.6%
% margin	30.4%	31.0%	60bps	32.1%	32.4%	30bps
Cyprus	28.7	31.3	9.3%	11.6	12.7	10.0%
% margin	38.2%	39.7%	150bps	36.6%	38.5%	190bps
Bulgaria	14.5	17.6	21.0%	4.4	5.0	13.1%
% margin	32.0%	33.8%	180bps	26.5%	25.5%	-100bps
Romania	6.7	16.2	143.7%	2.4	5.8	144.6%
% margin	27.4%	33.9%	650bps	20.5%	29.8%	930bps
Eliminations	-23.7	-23.8		-9.0	-8.0	
Group EBITDA	159.3	183.7	15.3%	67.6	78.2	15.7%

Source: IBG Research, The Company

Per product category, home products expanded their portion on total sales by 160bps y-o-y to 31.3% with the turnover of this category growing by 15.5% y-o-y to EUR 200m. High-margin seasonal products accounted for 25% of total sales, posting an 8% y-o-y sales increase, while stationery sales grew by 6% y-o-y. On the flip side, toys recorded a minor turnover increase (+1% y-o-y), while baby apparel category maintained its declining sales performance (-4% y-o-y) on less favourable demographics in Greece. Overall, the increased portion of high-margin home & seasonal products on the sales mix has offset the negative impact of currency headwinds on gross margin in the last fiscal year.

Sales analysis per product category

(EUR m)	FY14/15	FY15/16	y-o-y
Toys	168.8	170.7	1.1%
% of total	29.0%	26.8%	-220bps
Baby apparel	46.5	44.6	-3.9%
% of total	8.0%	7.0%	-100bps
Stationary	47.8	50.7	6.0%
% of total	8.2%	7.9%	-30bps
Seasonal / Other	146.4	158.4	8.2%
% of total	25.1%	24.8%	-30bps
Home products	173.0	199.8	15.5%
% of total	29.7%	31.3%	160bps
Snacks & Drinks*		13.4	
% of total		2.1%	
Total Sales	582.5	637.6	9.4%

Source: IBG Research, The Company, * Not available figures for FY14/15

Free cash flow settled at EUR 85m in FY15/16 compared to EUR 76m a year ago (+12% y-o-y) due to lower capex (i.e. EUR 35m last year vs. EUR 59m in FY14/15) and higher profitability that more than offset the increase of working capital needs by EUR 23m (vs. a EUR 8m improvement in FY14/15). It is noteworthy that operating cash flows dropped to EUR 112m in FY15/16 versus EUR 129m a year earlier, reflecting increased working capital needs and higher tax payments. Accordingly, net cash shaped at EUR 259m as at June 30th 2016 compared to EUR 158m a year ago.

Cash flow statement

EUR m	FY14/15	FY15/16	Delta
Net profit before taxation	137.0	165.1	28.2
Depreciation	21.2	22.7	1.4
Change in working capital	8.2	-23.1	-31.4
Income taxes	-31.7	-42.8	-11.2
Other	-5.8	-10.1	-4.3
OpCF	128.9	111.7	-17.2
Capex	-59.1	-34.7	24.5
Other*	5.9	7.6	1.7
Free cash flow	75.7	84.6	8.9

Source: IBG Research, The Company, * Include interest income, investments in securities and sales of tangible assets

Jumbo had a strong start to fiscal year 2016-2017 (ending 30.6.2017) with its sales in the period July-September 2016 growing by 11.5% y-o-y to EUR 170.2m driven by both Greece (+4% y-o-y) and foreign activities (Cyprus +4% y-o-y, Bulgaria & Romania sales up by a double-digit rate). The management guided for sales growth between 4%-7% and flattish profitability in the current fiscal year, reflecting the expectation for a sharp decline in gross margin.

Finally, the company is planning to open 1 new store during the current fiscal year in Bulgaria and 2 new stores in Romania in the Christmas period of 2017, while the number of the franchise stores (FYROM, Albania, Kosovo, Serbia, Bosnia) is expected to increase this year. Today, Jumbo operates 71 stores (51 stores in Greece, 5 in Cyprus, 8 in Bulgaria and 7 in Romania), as well as its online store.

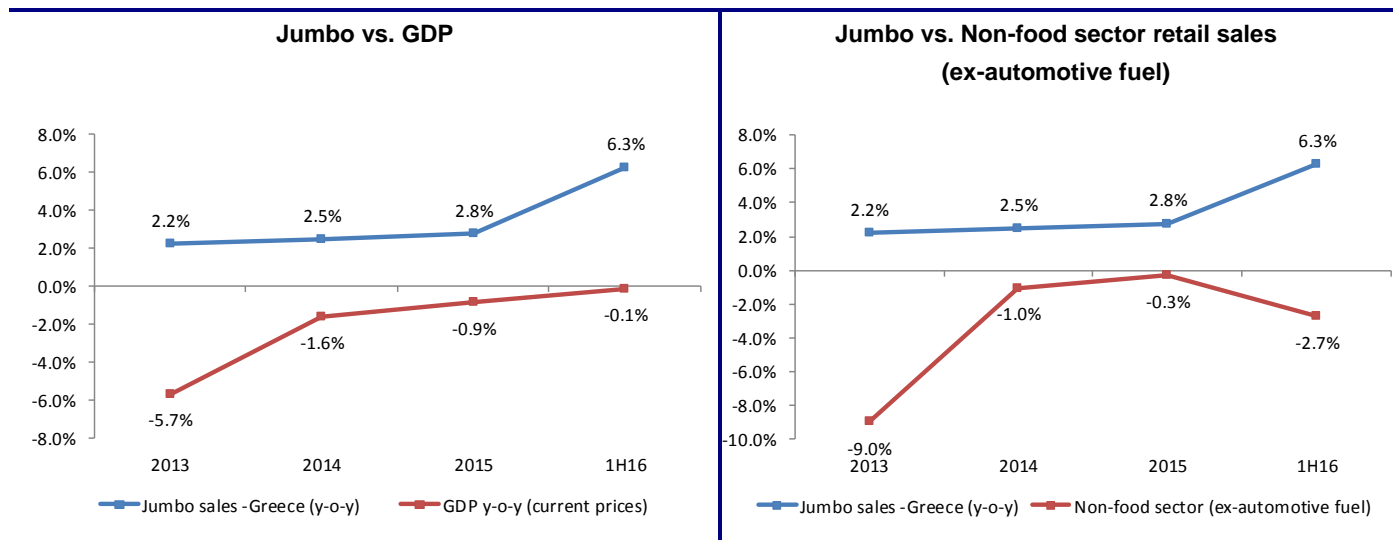
Presentation to Greek institutional investors

The key highlights from the company's presentation to Greek institutional investors are summarized below:

- **Clarifications on FY16/17 guidance:** The company has guided for sales growth in the range of 4%-7% and flattish net profits (i.e. revenues between EUR 663m-682m; net profits of EUR 121m) . The CEO explained that this guidance is based on a projected 1%-2% revenue decrease in Greece and a rapid drop in gross margin by 300bps y-o-y (to 50% from 53% in the previous fiscal year), noting the deterioration of sales trends in the Greek market in the last 20 days. Mr. Vakakis added that the 4% y-o-y revenue growth in Greece in the first quarter of FY16/17 (1 July-30 September 2016) should be attributed to an easy comparison basis versus last year. The company will revert with a new guidance in January when the performance of its stores in the crucial Christmas period (30% of total sales) will provide more clarity for the full year.
- **Gross margin:** Management's expectation for the rapid decline of the gross margin by 300bps in this fiscal year is based on the combined effect of: a) the deflationary pressures in the Greek economy that command price decreases, b) the intensified competition and c) the negative impact of new tax demands on disposable income.
- **Capex/Store openings:** The company guided for capex of EUR 40-45m in the current fiscal year, while on average capex is seen at EUR 50m. The company will open a new store in Bulgaria next month (November 2016), while it is renovating its 2 new stores in Romania that are expected to commence operation in the next fiscal year (until December 2017 – the delay was attributed to a time consuming licensing procedure). In Greece, the company is planning to shut-down at least 3 non-performing stores mainly in the Attica region in the next 2 years that will be replaced by new stores in the rest of Greece (the CEO indicated some potential locations such as Aegina and Lesbos islands).
- **International expansion:** The company has decided to expand its presence to Western Balkan countries (Albania, FYROM, Kosovo, Bosnia, Serbia, Montenegro) through partnerships with local players in order to avoid the problems arising by a more complex group's structure. Mr. Vakakis appeared positive to the potential attainment of presence in Eastern Europe such as Slovakia and Croatia that are EU members.
- The CEO said that **foreign activities** are expected to account for 35%-38% of total revenues in the next 2 years (from 30% currently), adding that Jumbo will remain heavily dependent on the Greek market.
- **Dividend:** Management reiterated that its target is to distribute 1/3 of net profits to shareholders in the form of ordinary dividends, noting that it is intending to accelerate dividend payment but ruling out the distribution of any special dividends.

Forecast Revision

We have modified our P&L forecasts for FY17-FY20 to take into account: a) management guidance on sales and net profit for FY16/17, b) the update on store roll-out (1 new store in Bulgaria in FY16/17 vs. our estimate for 4 new stores) and c) the expected reduction of gross margin. Starting from the top line, we have assumed a 4% revenue growth for the domestic operation this fiscal year (versus management guidance for a 1%-2% drop), remaining confident that Jumbo stores will outperform the market once again (see charts below). We remind that Greek sales grew by 4% y-o-y in FY15/16 on a like-for-like basis, despite the imposition of capital controls, the stagnation of the Greek economy and the closure of 2 small first-generation stores with marginal contribution on group's financials. For the next 2 years, we have assumed the same like-for-like sales growth for Greek operations (i.e. +4% y-o-y), expecting that Jumbo will expand its market shares on all product categories on an attractive value-for-money proposition and the wide product assortment.



Source: IBG Research, ELSTAT, IMF, **Note:** Reported sales in Greece (excluding franchise stores), not adjusted for new stores

In relation to group's foreign activities, we stick to our assumption for a mid-single digit sales growth in Cyprus for the next couple of fiscal years and the continuation of the positive sale momentum in Bulgaria and Romania driven by favourable macros and new store openings (mainly in Romania). Finally, we have factored in a EUR 4m annual increase in the revenues from franchise stores given the fast expansion of group's presence in Western Balkans through partnerships with local retailers.

Based on these assumptions, we look for sales of EUR 680m (+6.7% y-o-y, in line with management guidance) for FY16/17 and EUR 730m (+7.4% y-o-y) for FY17/18.

On the profitability front, we have factored in a 100bps reduction in FY16/17e gross margin (vs. our old forecast for a 50bps y-o-y drop) based on the deterioration observed in the second half of 2015/2016 (-120bps y-o-y) and management's pessimistic outlook based on current trends (projection for a 300bps y-o-y contraction). We remain confident that Jumbo's management could override any pressures stemming from a deflationary environment in the home country, any potential hikes in transportation costs, inflationary pressures in China (PPI marginally increased in September after 4 consecutive years of decline) and adverse currency fluctuations, as past experience indicates. In the medium-term, we expect a small decrease in gross mix (-50bps per annum) on geographical mix (increased contribution of Bulgaria and Romania in the sales mix) and increased production costs in China.

In relation to operating expenses, we have factored in an opex/sales ratio of 26.6% for FY16/17 (vs. 27.4% last year), which stands below our previous call for 27.7%, reflecting the slow-down of the store roll-out plan and the positive effect of operational leverage. In the medium-term, we expect a mild decrease of the opex/sales ratio to the level of around 25.5%. Based on our revised assumptions, we raise our EBITDA forecasts 3% for the current fiscal year and by a low-mid single digit for the next three fiscal years. In particular, we look for EBITDA of EUR 195m (+6% y-o-y) for FY16/17 and EUR 209m (+7% y-o-y) for FY17/18, pointing to a margin of 28.6%.

Projected store roll-outs

	June 2016	FY 2017f	FY 2018f	FY 2019f	FY 2020f
Greece	51	0	2	1	1
Cyprus	5	0	0	0	0
Bulgaria	8	1	0	0	0
Romania	7	0	2	2	2
Closures		0	-3	0	0
Net additions		1	1	3	3
Total hyper-stores	71	72	73	76	79
Franchise stores	9	12	15	18	20
Total POS	80	84	88	94	99

Source: IBG Research

Key P&L assumptions

New assumptions	FY 2017f	FY 2018f	FY 2019f	FY 2020f
Sales growth – Greece I-f-I	4.0%	4.0%	4.0%	3.0%
Sales growth - Cyprus	6.0%	5.0%	5.0%	3.0%
Sales growth - Bulgaria	14.8%	9.2%	5.0%	3.0%
Sales growth - Romania	25.9%	19.8%	26.0%	19.3%
Sales growth - Group	6.7%	7.4%	7.2%	7.0%
Δ (Gross margin)	-100bps	-50bps	-50bps	-50bps
SG&A/sales ratio	26.6%	26.1%	25.7%	25.4%
Old assumptions				
Sales growth – Greece I-f-I	4.5%	5.0%	5.1%	5.0%
Sales growth - Cyprus	5.0%	5.0%	5.0%	5.0%
Sales growth - Bulgaria	14.3%	7.9%	4.0%	3.0%
Sales growth - Romania	24.0%	18.0%	19.3%	17.1%
Sales growth - Group	6.8%	6.3%	6.3%	6.1%
Δ (Gross margin)	-50bps	-30bps	-30bps	-30bps
SG&A/sales ratio	27.7%	27.4%	27.1%	26.8%

Source: IBG Research, **Note:** Jumbo's fiscal year ends on June 30

Below the EBITDA line we have assumed: a) depreciation expenses of EUR 23.8m for FY16/17 and EUR 25.1m for FY17/18, b) net finance income of EUR 1.6m for FY16/17 which is expected to marginally increase going forward on higher cash balances and c) an effective tax rate of 26.6% (versus 26% previously) based on FY15/16 level. Having these in mind, we have proceeded to small changes in our projections about net earnings, still expecting a mid-single digit increase per annum. In particular, we forecast net profits of EUR 127m (+6% y-o-y on a comparable basis i.e. excluding the non-cash capital gain from the mark-to-market valuation of ELPE bonds) for FY16/17 and EUR 136m (+7.5% y-o-y) for FY17/18.

On the dividend front, we have factored in a 30% dividend payout ratio (vs. 28% previously) on consolidated net profits, which leads to projected DPS of EUR 0.28/share for FY16/17 and EUR 0.30/share for FY17/18. We do not rule out the distribution of better ordinary dividends on the back of group's ample liquidity.

We forecast solid free cash flow generation in the medium-term driven by store expansion and improved operating profitability. In particular, we expect FCF of EUR 95m (c. 6% of current market cap) for FY16/17 and EUR 104m for FY17, assuming capex of EUR 40m over our forecast period and a EUR 18m annual increase in working capital needs from FY17/18 onwards.

Projected free cash flows for the period FY16/17-FY19/20

EUR m	FY 15/16	FY 16/17f	FY 17/18f	FY 18/19f	FY 19/20f
OpCF before working capital needs	142.4	151.3	162.2	173.0	183.9
Change in working capital	-23.1	-15.9	-18.4	-17.8	-17.7
Capex	-34.7	-40.0	-40.0	-40.0	-40.0
Free cash flow	84.5	95.4	103.7	115.3	126.2
% of MCAP*	5.3%	5.6%	6.1%	6.7%	7.4%

Source: IBG Research, Note that Jumbo's fiscal year ends on June 30, * Closing price of 18/10/2016

Jumbo P&L forecasts

EUR m	FY 15/16	FY 16/17f	FY 17/18f	FY 18/19f	FY 19/20f	CAGR 16-20f
Greece	446.4	459.6	483.4	505.1	533.7	5%
Cyprus	78.9	83.6	87.8	92.2	94.9	5%
Bulgaria	51.9	59.6	65.1	68.4	70.4	8%
Romania	47.9	60.3	72.2	90.9	108.5	23%
Other*	12.5	16.9	21.6	26.4	30.4	25%
Sales	637.6	680.0	730.1	782.9	838.0	7%
% change	9.4%	6.7%	7.4%	7.2%	7.0%	
Gross profit	337.9	353.6	376.0	399.3	423.2	
% margin	53.0%	52.0%	51.5%	51.0%	50.5%	
SGA	-174.8	-180.9	-190.6	-201.2	-212.5	
SGA/sales	27.4%	26.6%	26.1%	25.7%	25.4%	
Other income / expenses	-2.1	-1.9	-1.7	-1.5	-1.3	
EBIT	161.0	170.8	183.7	196.6	209.4	
% margin	25.3%	25.1%	25.2%	25.1%	25.0%	
Depreciation	22.7	23.8	25.1	26.5	27.8	
EBITDA	183.7	194.6	208.8	223.1	237.2	7%
% margin	28.8%	28.6%	28.6%	28.5%	28.3%	
% change	15.3%	5.9%	7.3%	6.8%	6.4%	
Net financials	4.1	1.6	1.7	1.8	1.9	
EBT	165.1	172.4	185.4	198.4	211.3	
Income taxes	-43.9	-45.8	-49.3	-52.7	-56.1	
Net profit	121.3	126.6	136.2	145.7	155.2	6%
% change	15.7%	4.4%	7.5%	7.0%	6.5%	
Net profit adj**	119.0	126.6	136.2	145.7	155.2	7%
EPS	0.87	0.93	1.00	1.07	1.14	
% change	10.7%	6.4%	7.5%	7.0%	6.5%	
DPS***	0.54	0.28	0.30	0.32	0.34	
Dividend payout	61.4%	30.0%	30.0%	30.0%	30.0%	

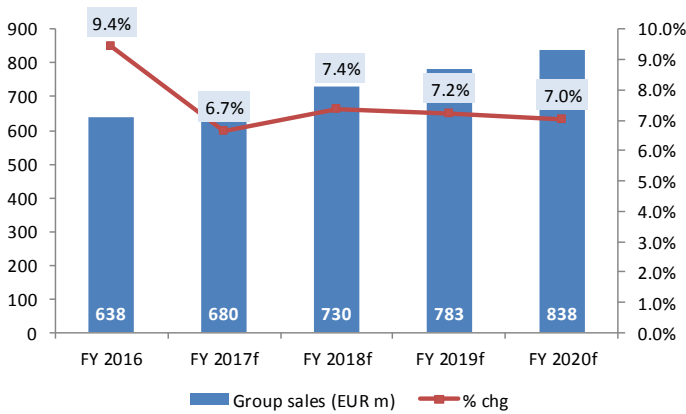
Source: IBG Research, The Company, * Sales from franchise stores in Western Balkan countries, ** Excluding a non-cash gain from the mark-to market valuation of tradable securities, *** Includes the extraordinary dividend of EUR 0.27/share from retained earnings distributed in July 2016

Forecast Changes for the period FY16/17-FY19/20

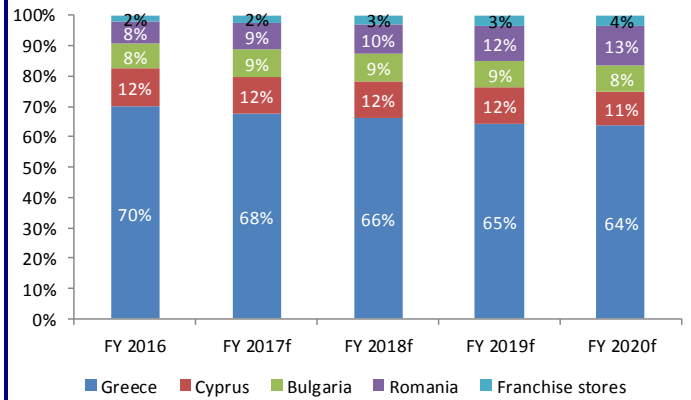
EUR m	FY 16/17f	FY 17/18f	FY 18/19f	FY 19/20f
Sales – New	680.0	730.1	782.9	838.0
Sales – Old	675.4	718.1	763.4	810.1
New vs. Old	1%	2%	3%	3%
EBITDA – New	194.6	208.8	223.1	237.2
EBITDA – Old	188.7	200.1	212.2	224.4
New vs. Old	3%	4%	5%	6%
Net income – New	126.6	136.2	145.7	155.2
Net income – Old	125.4	133.2	141.8	150.4
New vs. Old	1%	2%	3%	3%

Source: IBG Research, Note that Jumbo's fiscal year ends on June 30

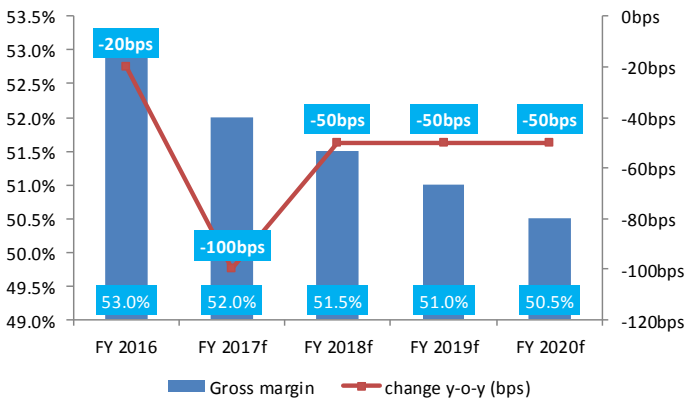
Revenue



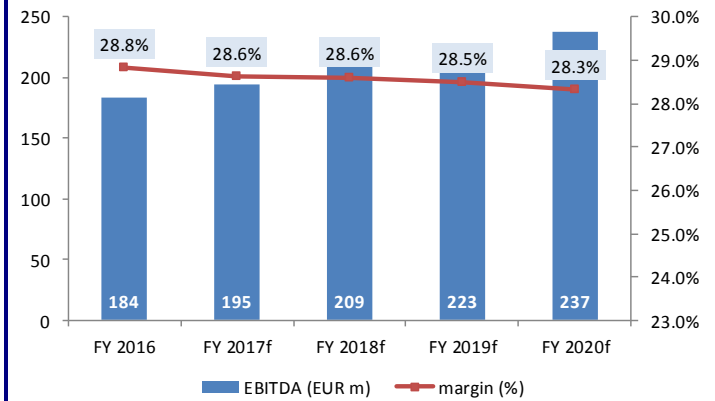
Revenue breakdown per geography



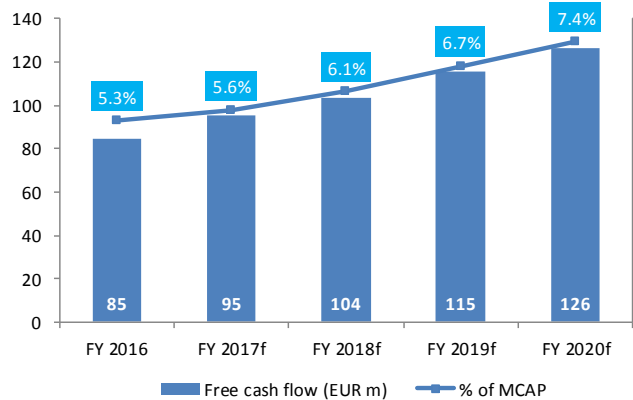
Gross margin



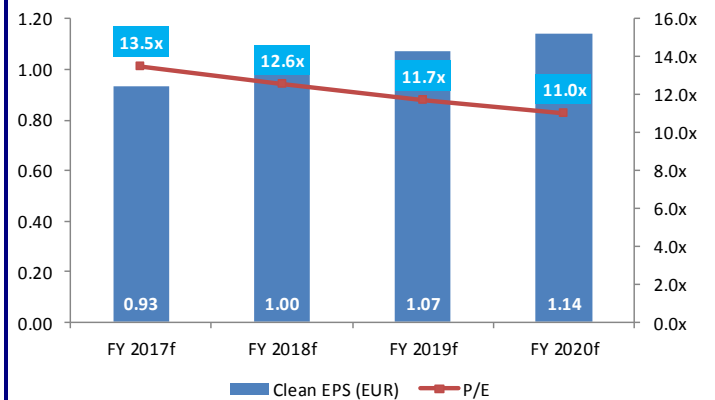
EBITDA



Free cash flow*



EPS & Forward-looking P/E*



Source: IBG Research, The company, Note that Jumbo's fiscal year ends on June 30, * Closing price 18/10/2016

Valuation & Rating

We are using a 2-stage DCF model for the valuation of Jumbo, developing explicit forecasts for the fiscal years 2017-2021. We have increased the discount rate (WACC) to 10.3% from 9.0% previously assuming: a) a cost of equity of 11.5% (vs. 10.5% previously) based on a normalized risk-free rate of 3.5% (vs. 4.5% previously) and a market risk premium of 8.5% (vs. 6.0% previously), b) an (after-tax) cost of debt of 3.2% and c) an 85% gearing ratio. We have increased the discount rate by 130bps to reflect investors' woes about the progress of the second review of the bailout program that could trigger political developments in the next 12 months (i.e. snap elections, formation of a unity government). To this end, we have removed the 15% 'visibility discount' applied to the estimated fair value of the stock in our previous reports, as we view that the Grexit fears have been removed from the horizon at present.

We have set capex needs at EUR 40m over our forecast period based on our projections on new store openings, while we have assumed that working capital needs will increase by EUR 16m in FY16/17 and gradual reach 27% of total sales. We have used group's net cash position as of June 30th 2016, as well as the market value of group's other assets (i.e. Bank of Cyprus shares, investment properties, trading securities) as presented in FY15/16 IFRS statements, while we have subtracted the dividend payments of EUR 73m that will take place until the end of November 2016 (the extraordinary dividend of EUR 0.27/share was paid in July, the payment of the EUR 0.27 ordinary dividend will commence in November).

Following the changes in our valuation assumptions and P&L forecasts, our DCF model returns a target price **EUR 14.99/share** for the stock (vs. EUR 12.20/share previously). Our new target price stands 19% above current price levels, thus we raise our rating on Jumbo to 'Buy' from 'Neutral'.

DCF Valuation

EUR m	2017f	2018f	2019f	2020f	2021f
EBIT	171	184	197	209	217
Notional tax	45	49	52.3	56	58
Plus: Depreciation	24	26	27	28	30
Less: CAPEX	40	40	40	40	40
Less: Δ(WC)	-16	-18	-18	-18	-22
Free Cash Flow to the Firm	125.9	139	149	160	171
WACC	10.3%	10.3%	10.3%	10.3%	10.3%
PV of FCFF 2016-2020	114.1	114.5	111.4	108.2	104.7
Sum of PV of FCFF 2016-2020	553				
Terminal Growth Rate (Perpetuity)	2.0%				
Terminal Value (Perpetuity)	1,287				
Enterprise Value	1,840				
Less: Net Debt / (Cash) FY16	-250				
Plus: Other assets	22				
Less: Dividend payments	73				
Fair value	2,039				
No of shares	136.1				
Value per Share	14.99				
Discount for country-specific risks	0.0%				
Target price	14.99				

Source: IBG Research

We provide below a sensitivity analysis of our valuation results with respect to the discount rate and the perpetuity growth rate. Our sensitivity analysis yields a price range between **EUR 13.40-17.00 per share** for the stock, indicating that Jumbo is clearly undervalued on a fundamental perspective.

DCF valuation sensitivity – WACC and perpetuity rate (in EUR)

		Weighted Average Cost of Capital		
		9.3%	10.3%	11.3%
Terminal Growth rate	1.0%	14.40	13.90	13.40
	2.0%	15.50	14.99	14.50
	3.0%	17.00	16.40	15.80

Source: IBG Research

We have also run a sensitivity analysis using different levels of gross margin and discount rate, maintaining all other assumptions unchanged (revenues, capex, working capital, effective tax rate etc.). In particular, we have calculated Jumbo’s target price by adjusting our estimated gross margin over our forecast period by +/- 100bps. Every 100bps above our projected gross margin over the forecast period will augment our target price by **EUR 0.50/share** or c. 3% and vice versa, which means that our valuation results are very sensitive to any positive or negative surprises on gross margin, which in turn is heavily dependent on EUR/USD rates, transportation costs, pricing policy and sales mix.

DCF valuation sensitivity – WACC and Gross margin

		Gross margin - Deviation from IBG estimates				
EUR/share		-2.0%	-1.0%	0.0%	1.0%	2.0%
WACC	9.3%	14.50	15.00	15.50	16.10	16.60
	10.3%	14.00	14.50	14.99	15.50	16.00
	11.3%	13.50	14.00	14.50	15.00	15.50

Source: IBG Research

On our revised earnings estimates, Jumbo trades at a ‘calendarized’ p/e multiple of 14x for 2017 and 13x for 2018, well below European retailers (21x forward p/e for EuroStoxx Retail index). In terms of ‘calendarized’ EV/EBITDA ratio, Jumbo also looks undervalued compared to selected peers (i.e. 18% discount on 2017e multiple) trading 7.6x its 2017e EBITDA, close to the 10-year average ratio.

Our new target price implies a 16x p/e (17e) multiple, which stands 21% below the benchmark European index and corresponds to a normalized market environment in the home country.

In our view, the current pricing gap against European retailers, as well as value retailers, reflects to a great extent the uncertainties surrounding Greece’s macro outlook in the next couple of years. In addition, Jumbo is greatly exposed to the Greek retail market (70% of FY15/16 revenues), while its dependence on the EUR/USD rate and manufacturing costs in China (70% of total inventory purchases) also casts a shadow on its earnings potential in the medium-term.

Risks to our Estimates and Valuation

The main risks to our forecasts and valuation are summarized below:

On the upside:

- (1) Faster than expected recovery of the Greek economy.
- (2) Convenient FX movements (i.e. stable or stronger euro, devaluation of the Yuan).
- (3) Slow increase in transportation costs from current low levels.
- (4) Use of effective tools to smooth the impact of a weaker euro against the USD on gross margin such as: a) price adjustments, b) renegotiations of inventory prices, c) switch to suppliers in low-cost Asian countries and d) increased purchases from low-cost EU countries and Turkey.
- (5) Faster than expected development of the distribution network in Greece and other countries.

On the downside:

- (1) The continuation of unfavourable currency movements (ie stronger USD against the euro) will negatively affect group's gross margin.
- (2) Weak sales growth on slower than expected economic recovery and political instability in Greece.
- (3) Delays in the roll-out of the distribution network in Greece in Romania amid a tough economic environment in the home country.
- (4) Increased transportation costs and inflationary pressures in China that will negatively impact inventory prices, thus group's gross margin.

Jumbo: Summary tables

PROFIT & LOSS (EURm)	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Sales	542	583	638	680	730	783
Cost of Sales & Operating Costs	-395	-423	-454	-485	-521	-560
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	147	159	184	195	209	223
EBITDA (adj.)*	147	159	184	195	209	223
Depreciation	-19.4	-21.3	-22.7	-23.8	-25.1	-26.5
EBITA	127	138	161	171	184	197
EBITA (adj.)*	127	138	161	171	184	197
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	127	138	161	171	184	197
EBIT (adj.)*	127	138	161	171	184	197
Net Financial Interest	2.7	1.7	1.9	1.6	1.7	1.8
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.2	-2.7	2.2	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	130	137	165	172	185	198
Tax	-28.7	-32.1	-43.9	-45.8	-49.3	-52.7
<i>Tax rate</i>	<i>22.1%</i>	<i>23.4%</i>	<i>26.6%</i>	<i>26.6%</i>	<i>26.6%</i>	<i>26.6%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	101	105	121	127	136	146
Net Profit (adj.)	101	107	119	127	136	146
CASH FLOW (EURm)	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Cash Flow from Operations before change in NWC	142	130	142	151	162	173
Change in Net Working Capital	-12.6	8.2	-23.1	-15.9	-18.4	-17.8
Cash Flow from Operations	130	138	119	135	144	155
Capex	-35.9	-59.1	-34.7	-40.0	-40.0	-40.0
Net Financial Investments	14.4	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	108	79.1	84.5	95.4	104	115
Dividends	0.0	-49.0	0.0	-73.1	-38.0	-40.8
Other (incl. Capital Increase & share buy backs)	-6.5	-0.5	13.7	0.0	0.0	0.0
Change in Net Debt	102	29.6	98.2	22.3	65.7	74.4
NOPLAT	94.1	97.9	114	121	130	140
BALANCE SHEET & OTHER ITEMS (EURm)	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Net Tangible Assets	446	498	499	515	530	543
Net Intangible Assets (incl. Goodwill)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	43.7	35.2	31.7	31.3	31.0	30.6
Total Fixed Assets	490	533	530	546	561	574
Inventories	186	198	197	206	223	240
Trade receivables	56.5	48.8	77.0	77.4	82.0	86.7
Other current assets	14.1	11.7	10.4	10.4	10.4	10.4
Cash (-)	-288	-299	-395	-417	-483	-557
Total Current Assets	544	557	679	710	798	894
Total Assets	1,034	1,090	1,209	1,257	1,359	1,468
Shareholders Equity	745	797	916	969	1,067	1,172
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	745	797	916	969	1,067	1,172
Long term interest bearing debt	144	144	144	144	144	144
Provisions	5.0	6.0	7.7	8.2	8.7	9.2
Other long term liabilities	7.7	19.9	13.6	13.6	13.6	13.6
Total Long Term Liabilities	156	170	165	166	166	167
Short term interest bearing debt	21.4	2.9	0.2	0.2	0.2	0.2
Trade payables	52.2	51.4	39.1	41.1	42.7	44.1
Other current liabilities	59.4	69.0	89.1	80.3	82.4	84.4
Total Current Liabilities	133	123	128	122	125	129
Total Liabilities and Shareholders' Equity	1,034	1,090	1,209	1,257	1,359	1,468
Net Capital Employed	635	671	687	718	751	782
Net Working Capital	205	207	245	252	273	293
GROWTH & MARGINS	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
<i>Sales growth</i>	<i>7.9%</i>	<i>7.5%</i>	<i>9.4%</i>	<i>6.7%</i>	<i>7.4%</i>	<i>7.2%</i>
EBITDA (adj.)* growth	9.4%	8.7%	15.3%	5.9%	7.3%	6.8%
<i>EBITA (adj.)* growth</i>	<i>10.4%</i>	<i>8.5%</i>	<i>16.7%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>7.0%</i>
<i>EBIT (adj.)* growth</i>	<i>10.4%</i>	<i>8.5%</i>	<i>16.7%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>7.0%</i>

Jumbo: Summary tables

GROWTH & MARGINS	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Net Profit growth	6.5%	6.2%	10.7%	6.4%	7.5%	7.0%
EPS adj. growth	1.7%	6.2%	10.7%	6.4%	7.5%	7.0%
DPS adj. growth	n.m.	n.m.	n.m.	-48.1%	7.5%	7.0%
EBITDA (adj)* margin	27.0%	27.3%	28.8%	28.6%	28.6%	28.5%
EBITA (adj)* margin	23.5%	23.7%	25.3%	25.1%	25.2%	25.1%
EBIT (adj)* margin	23.5%	23.7%	25.3%	25.1%	25.2%	25.1%
RATIOS	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Net Debt/Equity	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4
Net Debt/EBITDA	-0.8	-1.0	-1.4	-1.4	-1.6	-1.9
Interest cover (EBITDA/Fin.interest)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/D&A	184.9%	277.3%	152.7%	168.3%	159.2%	151.0%
Capex/Sales	6.6%	10.2%	5.4%	5.9%	5.5%	5.1%
NWC/Sales	37.8%	35.5%	38.4%	37.1%	37.4%	37.4%
ROE (average)	14.6%	13.9%	13.9%	13.4%	13.4%	13.0%
ROCE (adj.)	14.5%	13.9%	15.4%	15.8%	16.3%	16.7%
WACC	9.9%	9.3%	9.5%	10.3%	10.3%	10.3%
ROCE (adj.)/WACC	1.5	1.5	1.6	1.5	1.6	1.6
PER SHARE DATA (EUR)***	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Average diluted number of shares	136.1	136.1	136.1	136.1	136.1	136.1
EPS (reported)	0.74	0.77	0.89	0.93	1.00	1.07
EPS (adj.)	0.74	0.79	0.87	0.93	1.00	1.07
BVPS	5.47	5.86	6.73	7.12	7.84	8.61
DPS	0.36	0.00	0.54	0.28	0.30	0.32
VALUATION	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
EV/Sales	2.7	1.4	2.1	2.1	1.8	1.6
EV/EBITDA	10.1	5.2	7.2	7.3	6.5	5.7
EV/EBITDA (adj.)*	10.1	5.2	7.2	7.3	6.5	5.7
EV/EBITA	11.7	6.1	8.3	8.3	7.3	6.5
EV/EBITA (adj.)*	11.7	6.1	8.3	8.3	7.3	6.5
EV/EBIT	11.7	6.1	8.3	8.3	7.3	6.5
EV/EBIT (adj.)*	11.7	6.1	8.3	8.3	7.3	6.5
P/E (adj.)	16.1	9.4	13.5	13.5	12.6	11.7
P/BV	2.2	1.3	1.8	1.8	1.6	1.5
Total Yield Ratio	3.0%	0.0%	4.3%	2.2%	2.4%	2.6%
EV/CE	2.3	1.2	1.8	1.8	1.7	1.5
OpFCF yield	5.8%	7.8%	5.3%	5.6%	6.1%	6.7%
OpFCF/EV	6.3%	9.5%	6.4%	6.7%	7.7%	9.0%
Payout ratio	48.4%	0.0%	60.3%	30.0%	30.0%	30.0%
Dividend yield (gross)	3.0%	0.0%	4.3%	2.2%	2.4%	2.6%
EV AND MKT CAP (EURm)	06/2014	06/2015	06/2016	06/2017e	06/2018e	06/2019e
Price** (EUR)	11.96	7.42	11.78	12.56	12.56	12.56
Outstanding number of shares for main stock	136.1	136.1	136.1	136.1	136.1	136.1
Total Market Cap	1,627	1,010	1,603	1,709	1,709	1,709
Net Debt	-122	-152	-250	-273	-338	-413
<i>o/w Cash & Marketable Securities (-)</i>	<i>-288</i>	<i>-299</i>	<i>-395</i>	<i>-417</i>	<i>-483</i>	<i>-557</i>
<i>o/w Gross Debt (+)</i>	<i>165</i>	<i>147</i>	<i>144</i>	<i>144</i>	<i>144</i>	<i>144</i>
Other EV components	-22	-22	-22	-21	-21	-21
Enterprise Value (EV adj.)	1,483	835	1,331	1,415	1,350	1,275

Source: Company, Investment Bank of Greece estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: General Retailers/Broadline Retailers

Company Description: Jumbo is the largest toys/babies apparel/bookstore/seasonal products retailer in the Greek market. The company has a resilient business model based on its geographical sales network expansion strategy, a wide assortment of products and a competitive pricing policy. Today, the Jumbo network counts 71 stores (51 in Greece, 5 in Cyprus, 8 in Bulgaria and 7 in Romania), as well as the online store e-Jumbo, while it has attained presence in Western Balkan countries (Serbia, Albania, FYROM, Kosovo, Bosnia) through franchise agreements.

European Coverage of the Members of ESN

Aerospace & Defense	Mem(*)	Bcp	CBI	Kemira	OPG	Corbion	NIBC
Airbus Group	CIC	Bnp Paribas	CIC	Linde	EQB	Danone	CIC
Dassault Aviation	CIC	Bper	BAK	Tikkunila	OPG	Ebro Foods	GVC
Latecoere	CIC	Bpi	CBI	Electronic & Electrical Equipment	Mem(*)	Enervit	BAK
Leonardo	BAK	Caixabank	GVC	Alstom	CIC	Fleury Michon	CIC
Lisi	CIC	Commerzbank	EQB	Areva	CIC	Forfarmers	NIBC
Mtu	EQB	Credem	BAK	Euro micron Ag	EQB	Heineken	NIBC
Ohb Se	EQB	Credit Agricole Sa	CIC	Kontron	EQB	Hksan	OPG
Safran	CIC	Creval	BAK	Legrand	CIC	La Doria	BAK
Thales	CIC	Deutsche Bank	EQB	Neways Electronics	NIBC	Lanso n-Bcc	CIC
Zodiac Aerospace	CIC	Deutsche Pfandbriefbank	EQB	Nexans	CIC	Laurent Perrier	CIC
Airlines	Mem(*)	Eurobank	IBG	Pkc Group	OPG	Ldc	CIC
Air France Klm	CIC	Ing Group	NIBC	Rexel	CIC	Naturex	CIC
Finnair	OPG	Intesa Sanpaolo	BAK	Schneider Electric Se	CIC	Olvi	OPG
Lufthansa	EQB	Mediobanca	BAK	Vaisala	OPG	Parmalat	BAK
Automobiles & Parts	Mem(*)	Merkur Bank	EQB	Viscom	EQB	Pernod Ricard	CIC
Bitium Corporation	OPG	National Bank Of Greece	IBG	Financial Services	Mem(*)	Raisio	OPG
Bmw	EQB	Natixis	CIC	Anima	BAK	Refresco Group	NIBC
Brembo	BAK	Nordea	OPG	Athex Group	IBG	Remy Cointreau	CIC
Continental	EQB	Piraeus Bank	IBG	Azimut	BAK	Vidrala	GVC
Daimler Ag	EQB	Poste Italiane	BAK	Banca Generali	BAK	Vilmorin	CIC
Eirringklinger	EQB	Societe Generale	CIC	Banca Ifis	BAK	Viscofan	GVC
Faurecia	CIC	Ubi Banca	BAK	Banca Sistema	BAK	Vranken Pommery Monopole	CIC
Ferrari	BAK	Unicredit	BAK	Bb Biotech	EQB	Wessanen	NIBC
Fiat Chrysler Automobiles	BAK	Basic Resources	Mem(*)	Binckbank	NIBC	Food & Drug Retailers	Mem(*)
Landi Renzo	BAK	Acerinox	GVC	Bolsas Y Mercados Espanoles Sa	GVC	Ahold	NIBC
Leoni	EQB	Altri	CBI	Capman	OPG	Carrefour	CIC
Michelin	CIC	ArceIomittal	GVC	Christian Dior	CIC	Casino Guichard-Perrachon	CIC
Nokian Tyres	OPG	Corticeira Amorim	CBI	Cir	BAK	Dia	GVC
Norma Group	EQB	Ence	GVC	Comdirect	EQB	Jeronimo Martins	CBI
Piaggio	BAK	Europac	GVC	Corp. Financiera Alba	GVC	Kesko	OPG
Plastic Omnium	CIC	Metka	IBG	Deutsche Boerse	EQB	Marr	BAK
Sogefi	BAK	Metsä Board	OPG	Deutsche Forfait	EQB	Metro	CIC
Stern Groep	NIBC	Mytilineos	IBG	Eq	OPG	Sligro	NIBC
Valeo	CIC	Outokumpu	OPG	Euronext	CIC	Sonae	CBI
Volkswagen	EQB	Semapa	CBI	Ferratum	EQB	General Industrials	Mem(*)
Banks	Mem(*)	Ssab	OPG	Fincombank	BAK	2G Energy	EQB
Aareal Bank	EQB	Stora Enso	OPG	Grenke	EQB	Aalberts	NIBC
Abn Amro Group Nv	NIBC	Surteco	EQB	Hypoport Ag	EQB	Accell Group	NIBC
Aktia	OPG	The Navigator Company	CBI	Mlp	EQB	Ahlstrom	OPG
Alpha Bank	IBG	Tubacex	GVC	Ovb Holding Ag	EQB	Arcadis	NIBC
Banca Carige	BAK	Upm-Kymmene	OPG	Patrizia Ag	EQB	Aspo	OPG
Banca Mps	BAK	Biotechnology	Mem(*)	Rallye	CIC	Huhtamäki	OPG
Banco Popolare	BAK	4Sc	EQB	Unipol Gruppo Finanziario	BAK	Kendrion	NIBC
Banco Popular	GVC	Cytotoools Ag	EQB	Food & Beverage	Mem(*)	Nedap	NIBC
Banco Sabadell	GVC	Epigenomics Ag	EQB	Acomo	NIBC	Pöyry	OPG
Banco Santander	GVC	Wilex	EQB	Atria	OPG	Prelios	BAK
Bankia	GVC	Chemicals	Mem(*)	Bonduelle	CIC	Rubis	CIC
Bankinter	GVC	Air Liquide	CIC	Campari	BAK	Saf-Holland	EQB
Bbva	GVC	Holland Colours	NIBC	Coca Cola Hbc Ag	IBG	Serge Ferrari Group	CIC

Siegfried Holding Ag	EQB	Household Goods	Mem(*)	Axa	CIC	Thermador Groupe	CIC
Tkh Group	NIBC	Bic	CIC	Banca Mediolanum	BAK	Titan Cement	IBG
Wendel	CIC	De Longhi	BAK	Cattolica Assicurazioni	BAK	Trevi	BAK
General Retailers	Mem(*)	Fila	BAK	Delta Lloyd	NIBC	Uponor	OPG
Banzai	BAK	Osram Licht Ag	EQB	Generali	BAK	Vicat	CIC
Beter Bed Holding	NIBC	Seb Sa	CIC	Hannover Re	EQB	Vinci	CIC
Elumeo Se	EQB	Zumtobel Group Ag	EQB	Mapfre Sa	GVC	Yit	OPG
Fielmann	EQB	Industrial Engineering	Mem(*)	Munich Re	EQB	Media	Mem(*)
Folli Follie Group	IBG	Accsys Technologies	NIBC	Nn Group Nv	NIBC	Ad Pepper	EQB
Fourtis Holdings	IBG	Aixtron	EQB	Sampo	OPG	Alma Media	OPG
Groupe Fnac Sa	CIC	Ansaldo Sts	BAK	Talanx Group	EQB	Atresmedia	GVC
Inditex	GVC	Biesse	BAK	Unipolsai	BAK	Axel Springer	EQB
Jumbo	IBG	Cargotec Corp	OPG	Materials, Construction & Infrastructure	Mem(*)	Brill	NIBC
Macintosh	NIBC	Cnh Industrial	BAK	Abertis	GVC	Cofina	CBI
Rapala	OPG	Danieli	BAK	Acs	GVC	Cts Eventim	EQB
Stockmann	OPG	Datalogic	BAK	Aena	GVC	Editoriale L'Espresso	BAK
YooxNet-A-Porter	BAK	Deutz Ag	EQB	Aeroports De Paris	CIC	Gl Events	CIC
Healthcare	Mem(*)	Dmg Mori Seiki Ag	EQB	Astaldi	BAK	Havas	CIC
Amplifon	BAK	Duro Felguera	GVC	Atlantia	BAK	Impresa	CBI
Bayer	EQB	Emak	BAK	Billfinger Se	EQB	Ipsos	CIC
Biotest	EQB	Exel Composites	OPG	Boskalis Westminster	NIBC	Jcdecaux	CIC
Diasorin	BAK	Gesco	EQB	Buzzi Unicem	BAK	Lagardere	CIC
Fresenius	EQB	Ima	BAK	Caverion	OPG	M6-Metropole Television	CIC
Fresenius Medical Care	EQB	Interpump	BAK	Cramo	OPG	Mediaset	BAK
Gerresheimer Ag	EQB	Kone	OPG	Eiffage	CIC	Mediaset Espana	GVC
Korian	CIC	Konecranes	OPG	Ellaktor	IBG	Notorious Pictures	BAK
Merck	EQB	Kuka	EQB	Eitel	OPG	Nrj Group	CIC
Oriola-Kd	OPG	Manz Ag	EQB	Ezentis	GVC	Publicis	CIC
Orion	OPG	Max Automation Ag	EQB	Fcc	GVC	Rcs Mediagroup	BAK
Orpea	CIC	Metso	OPG	Ferrovial	GVC	Relx	NIBC
Pihlajalinna	OPG	Outotec	OPG	Fraport	EQB	Rtl Group	EQB
Recordati	BAK	Pfeiffer Vacuum	EQB	Heidelberg Cement Ag	CIC	Sanoma	OPG
Rhoen-Klinikum	EQB	Ponsse	OPG	Heijmans	NIBC	Solocal Group	CIC
Hotels, Travel & Tourism	Mem(*)	Prima Industrie	BAK	Hochtief	EQB	Spir Communication	CIC
Accor	CIC	Prysmian	BAK	Imerys	CIC	Syzygy Ag	EQB
Autogrill	BAK	Smt Scharf Ag	EQB	Italcementi	BAK	Telegraaf Media Groep	NIBC
Beneteau	CIC	Technotrans	EQB	Lafargeholcim	CIC	Teleperformance	CIC
Elior	CIC	Valmet	OPG	Lehto	OPG	Tf1	CIC
Europcar	CIC	Wärtsilä	OPG	Lemminkäinen	OPG	Ubisoft	CIC
I Grandi Viaggi	BAK	Zardoya Otis	GVC	Maire Tecnimont	BAK	Vivendi	CIC
Ibersol	CBI	Industrial Transportation	Mem(*)	Mota Engil	CBI	Wolters Kluwer	NIBC
Intralot	IBG	Bollore	CIC	Obrascon Huarte Lain	GVC	Oil & Gas Producers	Mem(*)
Kotipizza	OPG	Caf	GVC	Ramirent	OPG	Eni	BAK
Melia Hotels International	GVC	Ctt	CBI	Royal Bam Gro up	NIBC	Galp Energia	CBI
Nh Hotel Group	GVC	Deutsche Post	EQB	Sacyr	GVC	Gas Plus	BAK
Opap	IBG	Hhla	EQB	Saint Gobain	CIC	Hellenic Petroleum	IBG
Snowworld	NIBC	Logwin	EQB	Salini Impregilo	BAK	Maurel Et Prom	CIC
Sodexo	CIC	Insurance	Mem(*)	Sias	BAK	Motor Oil	IBG
Sonae Capital	CBI	Aegon	NIBC	Sonae Industria	CBI	Neste Corporation	OPG
Trigano	CIC	Allianz	EQB	Srv	OPG	Petrobras	CBI

Qgep	CBI	Wcm Ag	EQB	Enav	BAK Falck Renewables	BAK
Repsol	GVC	Renewable Energy	Mem(*)	Fiera Milano	BAK Fortum	OPG
Total	CIC	Daldrup & Soehne	EQB	Lassila & Tikanoja	OPG Gas Natural Fenosa	GVC
Oil Services	Mem(*)	Gamesa	GVC	Openjobmetis	BAK Hera	BAK
Bourbon	CIC	Software & Computer Services	Mem(*)	Technology Hardware & Equipment	Mem(*) Iberdrola	GVC
Cgg	CIC	Affecto	OPG	Asm International	NIBC Iren	BAK
Fugro	NIBC	Akka Technologies	CIC	Asml	NIBC Public Power Corp	IBG
Saipem	BAK	Alten	CIC	Besi	NIBC Red Electrica De Espana	GVC
Sbm Offshore	NIBC	Altran	CIC	Elmos Semiconductor	EQB Ren	CBI
Technip	CIC	Amadeus	GVC	Ericsson	OPG Snam	BAK
Tecnicas Reunidas	GVC	Assystem	CIC	Gemalto	CIC Terna	BAK
Tenaris	BAK	Atos	CIC	Gigaset	EQB	
Vallourec	CIC	Basware	OPG	Ingenico	CIC	
Vopak	NIBC	Cenit	EQB	Nokia	OPG	
Personal Goods	Mem(*)	Comptel	OPG	Roodmicrotec	NIBC	
Adidas	EQB	Ctac	NIBC	Slm Solutions	EQB	
Adler Modemaerkte	EQB	Digia	OPG	Stmicroelectronics	BAK	
Amer Sports	OPG	Docdata	NIBC	Suess Microtec	EQB	
Basic Net	BAK	Econocom	CIC	Teleste	OPG	
Cie Fin. Richemont	CIC	Ekinops	CIC	Telecommunications	Mem(*)	
Geox	BAK	Esi Group	CIC	Acotel	BAK	
Gerry Weber	EQB	Exprivia	BAK	Deutsche Telekom	EQB	
Hermes Intl.	CIC	F-Secure	OPG	Drillisch	EQB	
Hugo Boss	EQB	Gft Technologies	EQB	Elisa	OPG	
Interparfums	CIC	lct Group	NIBC	Euskaltel	GVC	
Kering	CIC	Indra Sistemas	GVC	Freenet	EQB	
L'Oreal	CIC	Nemetschek Se	EQB	Kpn Telecom	NIBC	
Luxottica	BAK	Neuro nes	CIC	Masmo vil	GVC	
Lvmh	CIC	Nexus Ag	EQB	Nos	CBI	
Marimekko	OPG	Novabase	CBI	Oi	CBI	
Moncler	BAK	Ordina	NIBC	Ote	IBG	
Puma	EQB	Psi	EQB	Tele Columbus	EQB	
Safilo	BAK	Reply	BAK	Telecom Italia	BAK	
Salvatore Ferragamo	BAK	Rib Software	EQB	Telefonica	GVC	
Sarantis	IBG	Seven Principles Ag	EQB	Telia	OPG	
Technogym	BAK	Software Ag	EQB	Tiscali	BAK	
Tod'S	BAK	Sopra Steria Group	CIC	United Internet	EQB	
Real Estate	Mem(*)	Tie Kinetix	NIBC	Vodafone	BAK	
Adler Real Estate	EQB	Tieto	OPG	Utilities	Mem(*)	
Beni Stabili	BAK	Tomtom	NIBC	A2A	BAK	
Citycon	OPG	Visiativ	CIC	Acciona	GVC	
Deutsche Euroshop	EQB	Wincor Nixdorf	EQB	Acea	BAK	
Grand City Properties	EQB	Support Services	Mem(*)	Albioma	CIC	
Hispania Activos Inmobiliarios	GVC	Asiakastieto Group	OPG	Direct Energie	CIC	
Igd	BAK	Batenburg	NIBC	Edp	CBI	
Lar España	GVC	Bureau Veritas S.A.	CIC	Edp Renováveis	CBI	
Realia	GVC	Cellnex Telecom	GVC	Enagas	GVC	
Sponda	OPG	Dpa	NIBC	Endesa	GVC	
Technopolis	OPG	Edenred	CIC	Enel	BAK	
Vib Vermoegen	EQB	Ei Towers	BAK	Eydap	IBG	

LEGEND: BAK: Banca Akros; CIC: CM CIC Market Solutions; CBI: Caixa-Banca de Investimento; GVC: GVC Gaesco Beksa, SV, SA; EQB: Equinet bank; IBG: Investment Bank of Greece, as of 1st September 2016

List of ESN Analysts (**)

Ari Agopyan	CIC	+33 1 53 48 80 63	ari.agopyan@cmcic.fr	Victoria Kruchevska (CFA,FRM)	EQB	+49 69 5 89 97 416	victoria.kruchevska@equinet-ag.de
Artur Amaro	CBI	+351 213 89 6822	artur.amaro@caix.abi.pt	Jean-Christophe Lefèvre-Moulénq	CIC	+33 1 53 48 80 65	jeanchristophe.lefevremoulénq@cmcic.fr
Helena Barbosa	CBI	+351 21 389 6831	helena.barbosa@caix.abi.pt	Konstantinos Manolopoulos	IBG	+30 210 817 3388	kmanolopoulos@ibg.gr
Javier Bernat	GVC	+34 91 436 7816	javier.bernat@gv.cgaesco.es	Dario Michi	BAK	+39 02 4344 4237	dario.michi@bancaakros.it
Dimitris Birbos	IBG	+30 210 81 73 392	dbirbos@ibg.gr	Marietta Miernietz CFA	EQB	+49-69-58997-439	marietta.miernietz@equinet-ag.de
Agnès Blazy	CIC	+33 1 53 48 80 67	agnes.blazy@cmcic.fr	José Mota Freitas, CFA	CBI	+351 22 607 09 31	mota.freitas@caix.abi.pt
Charles Edouard Boissy	CIC	+33 01 53 48 80 81	charlesedouard.boissy@cmcic.fr	Henri Parkkinen	OPG	+358 10 252 4409	henri.parkkinen@op.fi
Rafael Bonardell	GVC	+34 91 436 78 171	rafael.bonardell@gv.cgaesco.es	Victor Peiro Pérez	GVC	+34 91 436 7812	victor.peiro@gv.cgaesco.es
Louise Boyer	CIC	+33 1 53 48 80 68	louise.boyer@cmcic.fr	Francis Prêtre	CIC	+33 4 78 92 02 30	francis.pretre@cmcic.fr
Giada Cabrino, CIIA	BAK	+39 02 4344 4092	giada.cabrino@bancaakros.it	Francesco Previtera	BAK	+39 02 4344 4033	francesco.previtera@bancaakros.it
Arnaud Cadart	CIC	+33 1 53 48 80 86	arnaud.cadart@cmcic.fr	Jari Raisanen	OPG	+358 10 252 4504	jari.raisanen@op.fi
Niclas Catani	OPG	+358 10 252 8780	niclas.catani@op.fi	Hannu Rauhala	OPG	+358 10 252 4392	hannu.rauhala@op.fi
Pierre Chedeville	CIC	+33 1 53 48 80 97	pierre.chedeville@cmcic.fr	Matias Rautionmaa	OPG	+358 10 252 4408	matias.rautionmaa@op.fi
Emmanuel Chevalier	CIC	+33 1 53 48 80 72	emmanuel.chevalier@cmcic.fr	Eric Ravary	CIC	+33 1 53 48 80 71	eric.ravary@cmcic.fr
David Consalvo	CIC	+33 1 53 48 80 64	david.consalvo@cmcic.fr	Iñigo Recio Pascual	GVC	+34 91 436 7814	inigo.recio@gv.cgaesco.es
Edwin de Jong	NIBC	+312 0 5508569	edwin.de.jong@nibc.com	Gerard Rijk	NIBC	+31 (0)20 550 8572	gerard.rijk@nibc.com
Martijn den Drijver	NIBC	+312 0 5508636	martijn.den.drijver@nibc.com	André Rodrigues	CBI	+351 21 389 68 39	andre.rodrigues@caix.abi.pt
Christian Devismes	CIC	+33 1 53 48 80 85	christian.devismes@cmcic.fr	Jean-Luc Romain	CIC	+33 1 53 48 80 66	jeanluc.romain@cmcic.fr
Andrea Devita, CFA	BAK	+39 02 4344 4031	andrea.devita@bancaakros.it	Jochen Rothenbacher, CEFA	EQB	+49 69 58997 415	jochen.rothenbacher@equinet-ag.de
Sebastian Droste	EQB	+49 69 58 99 74 34	sebastian.droste@equinet-ag.de	Vassilis Roumantzis	IBG	+30 2108173394	vroumantzis@ibg.gr
Enrico Esposti, CIIA	BAK	+39 02 4344 4022	enrico.esposti@bancaakros.it	Sonia Ruiz De Garibay	GVC	+34 91 436 7841	sonia.ruizdegaribay@gv.cgaesco.es
Rafael Fernández de Heredia	GVC	+34 91 436 78 08	rafael.fernandezdeheredia@gv.cgaesco.es	Antti Saari	OPG	+358 10 252 4359	antti.saari@op.fi
Enrico Filippi, CEFA	BAK	+39 02 4344 4071	enrico.filippi@bancaakros.it	Paola Saglietti	BAK	+39 02 4344 4287	paola.saglietti@bancaakros.it
Gabriele Gambarova	BAK	+39 02 43 444 289	gabriele.gambarova@bancaakros.it	Francesco Sala	BAK	+39 02 4344 4240	francesco.sala@bancaakros.it
Eduardo Garcia Arguelles	GVC	+34 914 367 810	eduardo.garciaarguelles@gv.cgaesco.es	Holger Schmidt, CEFA	EQB	+49 69 58 99 74 32	holger.schmidt@equinet-ag.de
Alexandre Gérard	CIC	+33 1 53 48 80 93	alexandre.gerard@cmcic.fr	Cengiz Sen	EQB	+4969 58997 435	cengiz.sen@equinet-ag.de
Philipp Häßler, CFA	EQB	+49 69 58997 414	philipp.haessler@equinet-ag.de	Pekka Spolander	OPG	+358 10 252 4351	pekka.spolander@op.fi
Simon Heilmann	EQB	+49 69 58 997 413	simon.heilmann@equinet-ag.de	Kimmo Stenvall	OPG	+358 10 252 4561	kimmo.stenvall@op.fi
Dr. Knud Hinkel	EQB	+49 69 58997 419	knud.hinkel@equinet-ag.de	Natalia Svyrou-Svyriadi	IBG	+30 210 81 73 384	nsviriadi@ibg.gr
Marcell Houben	NIBC	+31 20 550 8649	marcell.houben@nibc.com	Luigi Tramontana	BAK	+39 02 4344 4239	luigi.tramontana@bancaakros.it
Carlos Jesus	CBI	+351 21 389 6812	carlos.jesus@caix.abi.pt	Johan van den Hooven	NIBC	+312 0 5508518	johan.van.den.hooven@nibc.com
Mark Josefson	EQB	+4969-58997-437	mark.josefson@equinet-ag.de	Kévin Woringer	CIC	+33 1 53 48 80 69	kevin.woringer@cmcic.fr

(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Disclosure Appendix

The information and opinions in this report were prepared by Investment Bank of Greece, which is regulated by the Bank of Greece (License No: 52/2/17.12.99) and by the Hellenic Capital Market Commission. Investment Bank of Greece has not entered any agreement with the subject companies for the execution of this analysis.

This report is for informative purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy, any security. While the information contained herein has been obtained from sources believed to be reliable, we do not represent that it is accurate or complete and it should not be relied upon as such. In producing its research reports, members of Investment Bank of Greece research department may have received assistance from the subject company(ies) referred to in this report. Any such assistance may have included access to sites of the issuers, visits to certain operations of the subject company(ies), meetings with management, employees or other parties associated with the subject company(ies) and the handing by them of historical data regarding the subject company(ies) (financial statements and other financial data), as well as of all publicly available information regarding strategy and financial targets. Investment Bank of Greece research personnel are prohibited from accepting payment or reimbursement of travel expenses from site visits to subject companies. It should be presumed that the author(s) of this report, in most cases, has had discussions with the subject company(ies) to ensure factual accuracy prior to publication. All opinions, projections and estimates constitute the judgment of the author as of the date of the report and are given in good faith, but are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Investment Bank of Greece or one of its affiliates or persons connected with it may from time to time buy and sell securities referred herein. Although Investment Bank of Greece does not set a predetermined frequency for publication, if this is a fundamental research report, it is the intention of Investment Bank of Greece to provide research coverage of the subject company(ies), including in response to news affecting this issuer, subject to applicable quiet periods and capacity constraints. Investment Bank of Greece may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Investment Bank of Greece does and seeks to do business with companies covered in their research reports. Thus, investors should be aware that the firms may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Securities referred to in this research report are subject to investment risks, including the possible loss of the principal

amount invested. This report is intended for professional investors only and it is not to be reproduced or copied or reprinted or transmitted for any purpose without permission. We certify that this report has been published in accordance with our conflict management policy and guidelines. According to Investment Bank of Greece policies, the Analysis Department of Investment Bank of Greece is bound by confidentiality, with the exception of data allowed to be published in accordance with the applicable laws. Investment Bank of Greece relies on information barriers to control the flow of information in one or more areas within Investment Bank of Greece organization. The communication between the Analysis Department of Investment Bank of Greece and the other departments of the aforementioned company is restricted by Chinese Walls set between the different departments, so that Investment Bank of Greece can abide by the provisions regarding confidential information and market abuse.

Analyst Certification

The following analysts: Dimitris Birbos hereby certify that the views about the companies and securities contained in this report accurately reflect their personal views and that no part of their compensation was or will be directly or indirectly related to the specific recommendations or views in this report.

The analysts mentioned above who prepared this report have the below mentioned financial interests in the companies covered in this report.....none.....

Important Regulatory Disclosures on Subject Company

The information and opinions in this report were prepared by INVESTMENT BANK of GREECE, which is member of the Athens Exchange S.A. and regulated by the Bank of Greece (License No: 52/2/17.12.99) and by the Hellenic Capital Market Commission.

The compensation of the research analysts, strategists, or research associates principally responsible for the preparation of this research report may depend on various factors such as quality of work, stock picking, client feedback and overall firm profitability.

Stock Ratings

You should carefully read the definitions of all ratings used in the research report. Moreover, you should carefully read the entire research report to obtain a clear view of the analyst's opinions and not infer its contents from the rating alone.

IBG Research Rating Distribution

Data current as of 14/10/2016

	Buy	Accumulate	Neutral	Reduce	Sell	Rating Suspended
IBG Research Total Coverage	57%	13%	17%	4%	0%	9%
% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%
Retail	67%	0%	33%	0%	0%	0%
% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%

Regulatory Disclosures on Subject Companies

1.As of the date mentioned on the first page of this report, Investment Bank of Greece (or any of its affiliated companies) owns 5% or more of a class of common equity securities in the following companies mentioned in this report: **None**

2.Investment Bank of Greece acts as a market maker for the following securities of the subject companies mentioned in this report: **None**

3.Within the last 12 months, Investment Bank of Greece has provided advisory services to the following companies mention in this report: **None**

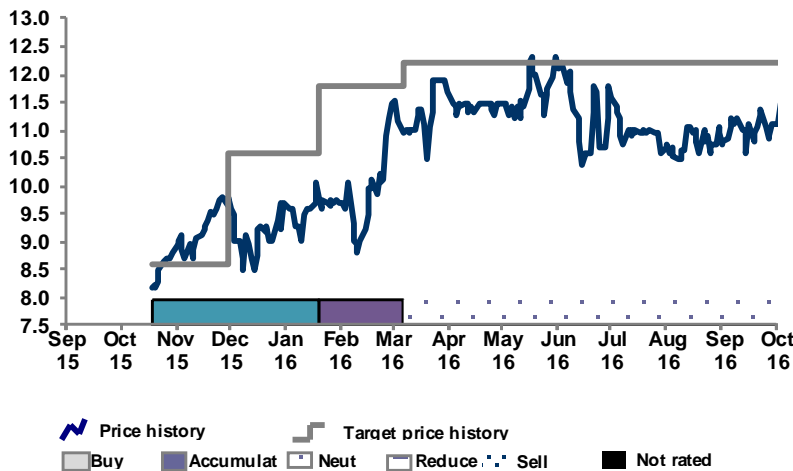
4.Investment Bank of Greece has offered underwriting services to HOUSEMARKET SA (a 100% subsidiary of **Fourlis Group**) relating to the issuance of its corporate bond.

5.Within the last 12 months, Investment Bank of Greece had a contractual relationship or has received compensation for financial advisory services from the following subject companies mentioned in this report: **No (except the abovementioned relationship described above).**

6.Investment Bank of Greece has acted as an Advisors to **Alpha Bank** within the framework of its 2015 share Capital Increase

Recommendation history for JUMBO

Date	Recommendation	Target price	Price at change date
19-Oct-16	Buy	14.99	12.56
07-Mar-16	Neutral	12.20	10.95
20-Jan-16	Buy	11.80	9.80
30-Nov-15	Accumulate	10.60	9.65
02-Oct-15	Accumulate	8.60	7.59
16-Sep-15	Neutral	8.40	8.70
31-Jul-15	Rating Suspended		7.42
02-Jun-15	Neutral	8.80	8.07
03-Feb-15	Neutral	8.60	10.57
27-Nov-14	Accumulate	11.40	10.23



Source: Factset & ESN, price data adjusted for stock splits. This chart shows Investment Bank of Greece continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Risks to our forecasts and valuation

- Group’s earnings performance is sensitive to FX movements is especially the EUR/USD currency pair and manufacturing costs in China.
- Challenging macroeconomic conditions in Greece that may have a negative impact in the company’s financial performance, since as a retail company, Jumbo is affected by factors that influence consumer behaviour.
- A stricter competitive environment (i.e. entry of foreign companies in the Greek market, retail store expansion from existing players) could pose risk to group’s earnings performance in the medium-term.
- Volatility in transportation costs directly affects group’s gross profit margin.
- Exposure to developing markets (Romania, Bulgaria) with embedded increased market risks (political, currency, macroeconomic).
- High dependence of the company’s structure from the Chairman and major shareholder of the group.

Additional disclosures

1. Additional note to our U.S. readers: This document may be distributed in the United States solely to “major US institutional investors” as defined in Rule 15a-6 under the US Securities Exchange Act of 1934. Each person that receives a copy, by acceptance thereof, represents and agrees that he/she will not distribute or otherwise make available this document to any other person.
2. All prices and valuation multiples are based on the closing of ATHEX’s last session prior to the issue of this report, unless otherwise indicated
3. Our research reports are available upon request at www.ibg.gr, on Bloomberg’s IBGR and ESNR functions and on Thomson Reuters website.
4. Additional information is available upon request.

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ('ESN'), ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ('related investments'). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document.

For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members and on each "company recommendation history", please visit the ESN website (www.esnpartnership.eu) or refer to the ESN Members website. Additional information is always available upon request. **For additional information and individual disclaimers please refer to www.esnpartnership.eu and to each ESN Member websites:**

www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cmcioms.com regulated by the AMF - Autorité des marchés financiers

www.equinet-ag.de regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

www.ibg.gr regulated by the HCMC - Hellenic Capital Market Commission

www.nibcmarkets.com regulated by the AFM - Autoriteit Financiële Markten

www.op.fi regulated by the Financial Supervision Authority

www.valores.gvcgaesco.es regulated by CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)



Banca Akros S.p.A.
Viale Eginardo, 29
20149 MILANO
Italy
Phone: +39 02 43 444 389
Fax: +39 02 43 444 302



Caixa-Banco de Investimento
Rua Barata Salgueiro, nº 33
1269-057 Lisboa
Portugal
Phone: +351 21 313 73 00
Fax: +351 21 389 68 98



CM - CIC Market Solutions
6, avenue de Provence
75441 Paris
Cedex 09
France
Phone: +33 1 53 48 80 78
Fax: +33 1 53 48 82 25



equinet Bank AG
Gräfrstraße 97
60487 Frankfurt am Main
Germany
Phone: +49 69 - 58997 - 212
Fax: +49 69 - 58997 - 299



GVC Gaesco Beka, SV, SA
C/ Marques de Villamagna 3
28001 Madrid
Spain
Phone: +34 91 436 7813



Investment Bank of Greece
32 Aigialeias Str & Paradissou,
151 25 Maroussi,
Greece
Tel: +30 210 81 73 383



NIBC Markets N.V.
Nieuwezijds Voorburgwal 162
P.O.Box 235
1000 AE Amsterdam
The Netherlands
Phone: +31 20 550 8500
Fax: +31 20 626 8064



OP Corporate Bank plc
P.O.Box 308
Teollisuuskatu 1, 00013 Helsinki
Finland
Phone: +358 10 252 011
Fax: +358 10 252 2703

