Jumbo

Company Update
2H/FY15/2016 Results Review

27 October 2015

Market Share Gains in Greece and increased weight of foreign markets support a positive outlook

Rating: **Outperform**
(unchanged)

Target Price: **€15.20**
(from €13.00)

Last closing Price (26 Oct): **€12.42**

Total Expected Return: **25.00%**

Investment Case

Following the announcement of 2H/FY 2015/16 results that stood slightly above our estimates in terms of EBITDA & bottom line, as well as of the positive 1Q16/17 sales preannouncement, we upgrade our estimates to incorporate Group's new openings in Romania, Bulgaria and Greece, as well as the increased operating efficiency. We raise our target price to EUR 15.20 from EUR 13.00 with an implied upside potential of 22.4% from current levels. We reiterate an Outperform rating that is based on: i) increased weight of foreign operations due to increased penetration in Romania and Bulgaria, ii) market share gains in Greece, with the Group constantly outperforming retail sales index, iii) Group's strong FCF generation that came in at EUR 77.1mn, with the Net OCF standing at EUR 111.7mn, recording a high conversion rate to EBITDA (OCF/EBITDA at 61%), iii) Group's strong Net Cash position that came in at EUR 250.4mn at the end of FY 2015/16 period (before dividends), or EUR 1.84/share.

Valuation / Three-Year Outlook

We stand above Company's guidance that calls for increased sales in the range of 4-7% and flat Net Profit for the 2016/17 period. Our DCF-P/E derived target price reflects a targeted P/E of 14.2x the Group's FY 2017/18 projected earnings, slightly above Group's pre-crisis historical average of 13.6x. We are modeling Sales, EBITDA and NI CAGRs of 7.7%, 6.9% and 8%, respectively, in the 2016/17-2018/19 period. We upgrade our estimates to incorporate Group's new openings in Romania, Bulgaria and Greece, as well as the increased operating efficiency; on the gross profit margin front we are modeling gross profit margin contraction of 40bps for the current FY due to increased weight of the foreign markets and the absorption of the increased VAT rate in Greece by 1p.p., as of June 2016. We expect the EBITDA margin to stabilize at around 28-28.5% benefited from increased operating efficiency. We are now modeling an effective tax rate of 24.7%.

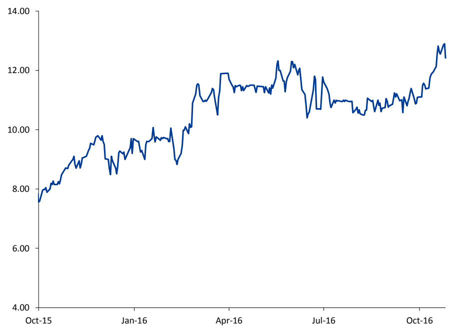
A strong start for FY 2016/17

During a presentation to Greek institutional investors the management commented that 1Q16/17 sales (c. 23% of FY sales) were increased by 11.53%. Sales in Greece and Cyprus were increased by 4%, while sales in Romania and Bulgaria were increased by double digit. We consider 1Q15/16 sales preannouncement as positive, since it stands above Company's guidance for the FY period, despite easy comps related to the imposition of the capital controls the year ago period. All in all, we would expect the management to raise its sales guidance for the FY period after the completion of the seasonally important Christmas period. Management also announced its proposal for the distribution of an ordinary dividend amounting to EUR 0.27/share for the FY 2015/16 period; combined with the special dividend distributed earlier this summer, this raises total dividend yield at 4.6% for FY 2015/16 period; x-date was set on 4-Nov-2016.

Company data	
RIC	BABr.AT
Market Cap.	1,690
Shares Outstanding	136.06
Free float	73.24%
Average daily volume	197,504

Absolute performance over			
1m	6m	12m	y-t-d
12.5%	9.2%	43.6%	28.0%

Relative to the Athens General Index			
1m	6m	12m	y-t-d
7.6%	11.1%	74.9%	37.1%



Fundamentals (€ m)	2015/2016	2016/2017F	2017/2018E	2018/2019E
Sales	637.56	688.73	759.45	797.15
EBITDA	183.71	196.40	215.27	224.60
Net Profit	121.26	131.56	145.84	152.93
EPS (€)	0.89	0.97	1.07	1.12
DPS (€)	0.54	0.32	0.36	0.37
FCF yield (%)	4.8%	5.3%	5.7%	5.6%
Net Cash (€)	250.36	267.51	329.77	385.72
Valuation ratios	**2015/2016**	**2016/2017F**	**2017/2018E**	**2018/2019E**
P/E (x)	13.22	12.84	11.59	11.05
EV/Sales (x)	2.12	2.07	1.79	1.64
EV/EBITDA (x)	7.36	7.24	6.32	5.81

Ratios are computed on recurring earnings, average prices until 2015/16 and last close thereafter

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Note: Jumbo's fiscal year ends in June

Changes to Estimates

Following the announcement of a good set of 2H/FY 15/16 results and the strong 1Q 16/17 sales preannouncement we raise to our estimates to incorporate i) continuous market share gains in Greece, ii) Increased weight of the foreign markets that accounted for 28% of Group's s sales, iii) a gross profit margin contraction that should stand at 40bps for the current FY, due to the absorption of the VAT increase in Greece, and iv) the opening of two new stores in Romania and one in Bulgaria for the current FY, as well as three new openings in Greece for the FY 2017/18 period.

The following table summarizes the changes to our estimates.

Exhibit 1: Chng in Est.	OLD	NEW	OLD	NEW	NEW
P&L (in Euro m)	**Jun-17 e**	**Jun-17 e**	**Jun-18 e**	**Jun-18 e**	**Jun-19 e**
Turnover	**673.78**	**688.73**	**717.13**	**759.45**	**797.15**
% chng	*na*	*2.2%*	*na*	*5.9%*	*na*
EBITDA	**189.29**	**196.40**	**200.27**	**215.27**	**224.60**
% chng	*na*	*3.8%*	*na*	*7.5%*	*na*
EBIT	**165.04**	**172.23**	**174.52**	**189.60**	**197.43**
% chng	*na*	*4.4%*	*na*	*8.6%*	*na*
Net Profit	**126.36**	**131.56**	**134.70**	**145.84**	**152.93**
% chng	*na*	*4.1%*	*na*	*8.3%*	*na*
EPS	**0.93**	**0.97**	**0.99**	**1.07**	**1.12**
% chng	*na*	*4.1%*	*na*	*8.3%*	*na*

Source: Piraeus Securities

Valuation

We value Jumbo by employing a Discounted Cash Flow model, using explicit forecasts for the 2016/17-2018/19 period. Our risk free rate stands at 6% that incorporates a potential improvement of the prospects of the Greek economy, after the completion of the second review of the third bailout program for Greece. We maintain our equity risk premium at 5.5% and as a result our total market return stands at 11.5%. Our leveraged beta for the Group stands at 0.9, with our Cost of Equity shaping at 10.9%. Our WACC stands at 10.0%.

Our 10-year sales CAGR stand at 8.8% (7.7% for the explicit period's CAGR and 6.2% for the non-explicit period). In terms of Operating Profitability, our 10-year CAGR stands at 6.8% (7.0% for the explicit period and 6.1% for the non-explicit period).

We use a combination of DCF method and P/E multiples to derive our target price. Our DCF model generates a target price of EUR 15.74/share with the implied P/E ratio for 2017/18 standing at 14.7x, slightly above Group's 5-year pro-crisis historical average of 13.6x. Our targeted P/E ratio for 2017/18 projected earnings stands at 13.6x (in line with Group's 5-year pro-crisis historical average) with a derived target price of EUR 14.66/share. The average of the two methods derives a target price of EUR 15.20/share with a targeted P/E of 14.2x Group's 2017/18 earnings. Our target price implies an upside potential of 22.4% from current levels.

A summary of our assumptions of the DCF valuation method can be found in the following table.

Exhibit 2: DCF / Multiples Valuation

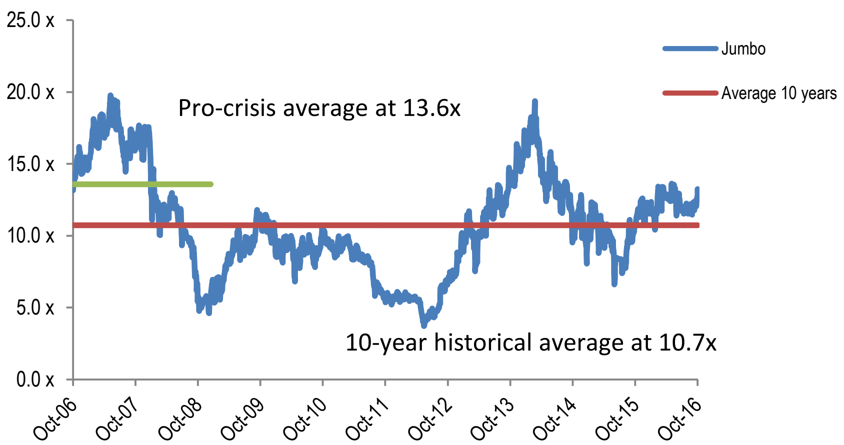
Year	**Jun-17f**	**Jun-18f**	**Jun-19f**	**Jun-20f**	**Jun-21f**	**Jun-22f**	**Jun-23f**	**Jun-24f**	**Jun-25f**	**Jun-26f**	**Jun-27f**	**TV**
After Tax EBIT	**130**	**143**	**149**	**166**	**184**	**200**	**215**	**227**	**238**	**246**	**251**	**251**
Less: Working Capital Additions	18	25	32	30	32	35	37	38	38	39	39	0
Plus Depreciation	24	26	27	30	34	36	39	42	44	45	46	0
Less Capex & Acquisitions	46	46	46	46	46	46	46	46	46	46	46	0
Free Cash Flow	**90**	**98**	**98**	**121**	**139**	**156**	**173**	**186**	**198**	**206**	**213**	**251**
Discounted Free Cash Flow	90	89	81	91	95	97	97	95	92	87	82	0
WACC	10.0%											
Sum of PV of Cash Flows (Jun18e-June27e)	907											
Perpetuity Growth	0.00%											
PV of Residual Value	967											
Firm Value	1,875											
Less: Net debt June 2017	-268											
Less: Minority rights 2017 (P/BV)	0.00											
Plus: Participations 2017	0.00											
Equity Value	**2,142**											
DCF 12M Target Price	**15.74**											
Targeted P/E multiple at 13.6x	**14.66**											
Average	**15.20**											
Upside Potential	***22.4%***											
Dividend yield	2.6%											
Total Investors' Return	25.0%											

Jumbo trades at 14.8% discount vs. Group's pre-crisis 5-year historical average based on our 2017/18 P/E estimate

At current levels and based on our 2017/18 estimates, Jumbo trades at 14.8% discount vs. its pre-crisis historical average P/E of 13.6x, while it trades at a 8.3% premium vs. Group's 10-year historical average of 10.7x. Assuming that Greece after the completion of the second review of the third bailout program will return on a recovery path, we could see Jumbo trade even above the Group's historical average since the market will factor in the Group's healthy balance sheet, the increased penetration into foreign markets and more importantly its strong position in the Greek market due to continuous market share gains during the crisis. As a result and based on Group's recent stock weakness we would be buyers at current levels.

In the following graph, we show Jumbo's historical 12-month forward P/E.

Exhibit 3: Jumbo's Next 12 Months Forward P/E



Jumbo Trades at 35% Discount vs. Eurostoxx Retail Index, above the average discount over the last 10 years

In our view there is no global peer group for Jumbo due to the Company's unique business model and diverse product portfolio. Since Jumbo could be classified as a hyper-store, we use as proxy the Eurostoxx Retail Index. At current levels Jumbo trades at a 35% discount vs. the Eurostoxx Retail Index based on FY 2017 projected earnings, which stands above its average 28% discount over the last 10 years. Since Jumbo trades at deep discount over Eurostoxx Retail Index and taking into account the possibility for a potential recovery of the Greek economy, as of 2017, we remain buyers on the stock.

The following table shows how Jumbo compares to large retail Groups and Eurostoxx Retail Index.

Exhibit 4: Jumbo vs. Large Retail Chains/Eurostoxx

Company	P/E 2017	P/E 2018	EV/EBITDA 2017	EV/EBITDA 2018
Jumbo S.A.	13.5 x	12.6 x	7.4 x	6.7 x
Carrefour SA	13.2 x	12.1 x	5.4 x	5.0 x
Debenhams plc	7.6 x	8.1 x	3.9 x	3.9 x
Marks and Spencer Group plc	11.6 x	11.6 x	6.0 x	5.9 x
Halfords Group Plc	11.3 x	10.9 x	6.1 x	5.7 x
WH Smith PLC	14.8 x	13.8 x	9.4 x	9.0 x
Next plc	10.6 x	10.1 x	8.2 x	8.2 x
Kingfisher Plc	14.7 x	12.3 x	7.4 x	na
Wal-Mart Stores, Inc.	16.0 x	15.1 x	8.0 x	8.0 x
Eurostoxx Retail Index	20.8 x	18.6 x		
Average discount/premium vs. Index	*-35%*	*-32%*		
Source: Factset, Piraeus Securities				

2H/FY 15/16 Results – Key Highlights

Jumbo announced a strong set of FY 15/16 results that stood slightly above our estimates in terms of EBITDA and bottom line, despite the marginal miss to our gross profit margin estimate.

The following table summarizes 2H/FY 15/16 results vs. our estimates:

Exhibit 5: 2H/FY 15/16 Results vs. Estimates

Jumbo Estimates	FY14/15	FY15/16	FY15/16e	Act vs Pir	2H14/15	2H15/16	2H15/16e	Act vs Pir
Turnover (€ m)	**582.5**	**637.6**	**637.6**	*0.0%*	**241.4**	**265.8**	**265.8**	*0.0%*
% Change	*7.5%*	*9.4%*	*9.4%*		*7.2%*	*10.1%*	*10.1%*	
Gross Profit	**309.7**	**337.9**	**339.3**	*-0.4%*	**135.8**	**146.3**	**147.7**	*-0.9%*
% Change	*7.6%*	*9.1%*	*9.6%*		*7.4%*	*7.7%*	*8.8%*	
% margin	*53.2%*	*53.0%*	*53.2%*		*56.3%*	*55.1%*	*55.6%*	
EBITDA(€ m)	**159.3**	**183.7**	**181.1**	*1.4%*	**67.6**	**78.2**	**75.7**	*3.4%*
% Change	*8.7%*	*15.3%*	*13.7%*		*9.3%*	*15.7%*	*11.9%*	
% margin	*27.3%*	*28.8%*	*28.4%*		*28.0%*	*29.4%*	*28.5%*	
Net Profit (€ m)	**104.8**	**121.3**	**120.8**	*0.4%*	**42.2**	**48.7**	**48.3**	*0.9%*
% Change	*3.5%*	*15.7%*	*15.3%*		*-0.3%*	*15.6%*	*14.6%*	
% margin	*18.0%*	*19.0%*	*19.0%*		*17.5%*	*18.3%*	*18.2%*	
EPS	**0.77**	**0.89**	**0.89**		**0.31**	**0.36**	**0.36**	

Source: Company Reports, Piraeus Securities

FY Sales – Strong growth across all geographical segments

For FY15/16, sales came in at EUR 637.6m, increased by 9.4%. We point out the strong growth across all geographical segments; Greece recorded increased sales by 4.8%; excluding wholesale, Greek stores recorded growth of 4% y-o-y, benefited by strong market share gains. We point out that during 1H16, retails sales recorded decreased volumes by 2.2% (excl. fuels); during the same period Jumbo recorded increased sales in Greece by 6.7%. We also notice the increased weight of the Romanian operations that almost doubled during FY 2015/16 period reaching EUR 47.9mn. The following table shows 2H/FY15/16 sales on per country basis.

Exhibit 6: Sales per Country

Sales Country Mix	2H14/15	2H15/16	FY14/15	FY15/16
Greece	**181.5**	**193.7**	**437.9**	**458.9**
% Change	*3.0%*	*6.7%*	*2.9%*	*4.8%*
% total	*75.2%*	*72.9%*	*75.2%*	*72.0%*
Cyprus	**31.6**	**33.1**	**75.0**	**78.9**
% Change	*8.1%*	*4.6%*	*12.2%*	*5.1%*
% total	*13.1%*	*12.4%*	*12.9%*	*12.4%*
Bulgaria	**16.7**	**19.6**	**45.3**	**51.9**
% Change	*10.9%*	*17.4%*	*12.0%*	*14.6%*
% total	*6.9%*	*7.4%*	*7.8%*	*8.1%*
Romania	**11.6**	**19.4**	**24.3**	**47.9**
% Change	*na*	*68.0%*	*175.1%*	*97.1%*
% total	*4.8%*	*7.3%*	*4.2%*	*7.5%*
Total	**241.4**	**265.8**	**582.5**	**637.6**
% Change	*7.2%*	*10.1%*	*7.5%*	*9.4%*

Source: Company Reports, Piraeus Securities

Marginally decreased Gross Profit margin for the FY period

During the FY period, Gross Profit came in at EUR 337.9mn, up 9.1%, recording gross profit margin contraction of 16bps; this was attributed to the absorption of the increase in the VAT rate by 1%. However, we notice that the increased VAT rate was applied just for one month in the period under examination; as a result additional factors that may have a slight negative effect on gross profit margin may have to do with the increased use of debit/credit cards and the fees related to their use. At the moment, more than 50% of Group's sales in Greece are paid with the use of debit/credit cards. For the FY period, gross profit margin in the country dropped by 30bps period and by 120bps during 2H.

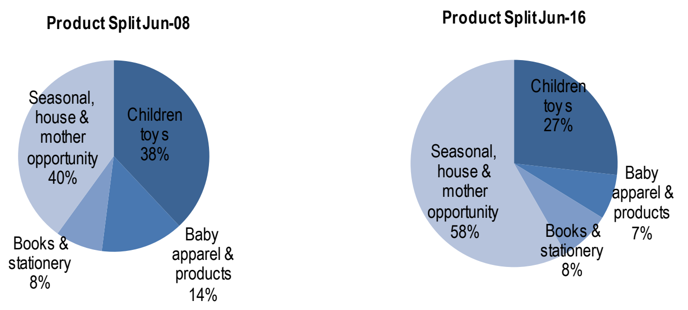
The following graphs show the gross profit margin development on a per country basis and the change of the product mix throughout the years.

Exhibit 7: Gross Profit per Country

Country Mix - Gross Profit	FY14/15	FY15/16	2H14/15	2H15/16
Greece	**236.5**	**246.2**	**105.4**	**109.5**
% Change	*3.0%*	*4.1%*	*3.4%*	*3.9%*
% Gross margin	*54.0%*	*53.7%*	*58.1%*	*56.6%*
Cyprus	**38.3**	**40.7**	**16.2**	**17.0**
% Change	*13.6%*	*6.2%*	*9.4%*	*4.7%*
% Gross margin	*51.1%*	*51.7%*	*51.4%*	*51.4%*
Bulgaria	**22.4**	**26.3**	**8.4**	**9.9**
% Change	*13.6%*	*17.4%*	*14.3%*	*18.4%*
% Gross margin	*49.3%*	*50.6%*	*50.0%*	*50.4%*
Romania	**12.4**	**24.7**	**5.8**	**9.9**
% Change	*na*	*98.9%*	*na*	*70.2%*
% Gross margin	*51.2%*	*51.6%*	*50.4%*	*51.1%*
Total	**309.7**	**337.9**	**135.8**	**146.3**
% Change	*7.6%*	*9.1%*	*7.4%*	*7.7%*
% Gross margin	*53.2%*	*53.0%*	*56.3%*	*55.1%*

Source: Company Reports, Piraeus Securities

Exhibit 8: Product Mix Development

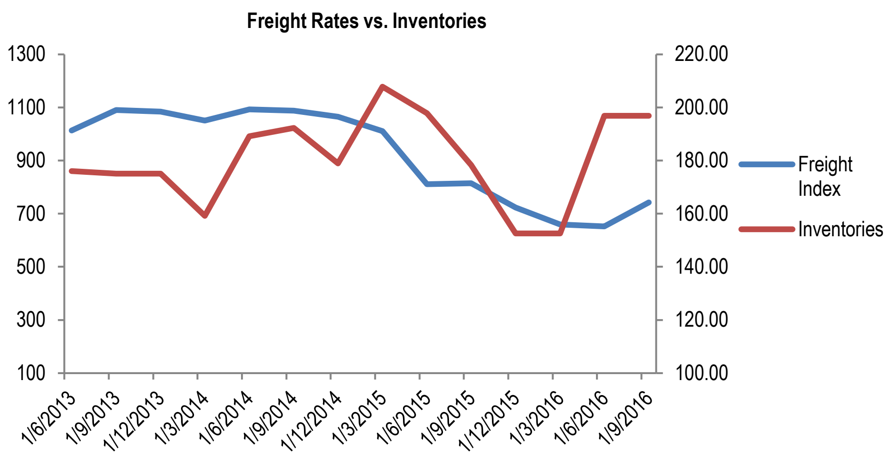


Decreased Freight rates support Group's Gross Profit margin

Adverse FX movements related to the strengthening of the US dollar were fully offset by the negative trajectory of the freight rates during the FY period. We point out that during the current FY, China's Containerised Freight Index showed its highs on 21-Aug-2015 at 844.42 units, before entering a negative trajectory with its lows been recorded on 29-Apr-2016 at 632.36 units.

The following graph shows the movements of the SCFI Index vs. Group's Inventory levels during the last years. We point out that Jumbo's inventories seem to recover towards the end of FY 2015/16 when the relevant Index recorded its lows.

Exhibit 9: SCFI Index vs. Group's Inventories



Improved Operating Efficiency led to EBITDA margin expansion by 148bps

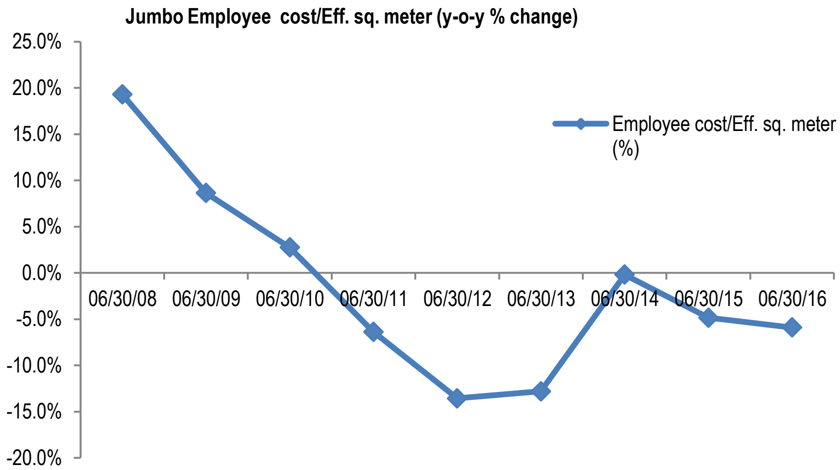
During the FY period EBITDA stood at EUR 183.7mn, up 15.3%, while the relevant margin increased by 148bps. Since gross profit margin was marginally down for the FY period, the improvement was derived from slightly decreased SG&A expenses (as % of sales) by c. 166bps. Despite the cost cutting achieved during last years, the management still find ways to maintain the number of employees/store below 70 thus effectively reducing employee cost/effective square meter. This effort is supported by the restructuring that takes place in Greece, in which smaller stores are replaced by large hyper-stores; this effort will be intensified in the following years.
The following table & graph detail trends in Jumbo's employee cost over the last years.

Exhibit 10: Analysis of Jumbo's Employee Cost

Jumbo Employee Cost	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15	06/30/16
Average Headcount	3,071	3,387	3,643	3,653	3,807	4,129	4,569	4,798
Change (%)	16.7%	10.3%	7.6%	0.3%	4.2%	8.5%	10.7%	5.0%
Employee cost	64.77	69.68	73.74	74.70	72.22	78.06	80.84	81.03
Change (%)	21.8%	7.6%	5.8%	1.3%	-3.3%	8.1%	3.6%	0.2%
Average employee cost	21,090	20,572	20,241	20,449	18,971	18,906	17,693	16,888
Change (%)	4.3%	-2.5%	-1.6%	1.0%	-7.2%	-0.3%	-6.4%	-4.6%
Effective square meters	211,077	220,991	249,774	292,735	324,568	351,462	382,453	407,366
Change (%)	12.1%	4.7%	13.0%	17.2%	10.9%	8.3%	8.8%	6.5%
Employee cost/Eff. sq. meter	306.84	315.29	295.21	255.18	222.52	222.11	211.37	198.91
Change (%)	8.6%	2.8%	-6.4%	-13.6%	-12.8%	-0.2%	-4.8%	-5.9%
Employees/store	70	75	70	63	61	63	63	68

Source: The Company, Piraeus Securities

Exhibit 11: Employee cost / Effective square meter



Net Profit – Gains from financial instruments mitigate pressures from increased tax rate in Greece

FY 15/16 Net Profit stood at EUR 121.3mn, beating our estimate by 0.4%, with EPS shaping at 0.89. The effective tax rate for the period stood at 26.6% vs. 23.4% the year ago period, due to increased tax rate in the Greek operations. For the 2H period, Net Profit reached EUR 48.7mn, up 15.6%, with the relevant margin shaping at 18.3% vs. 17.5% the year ago period. During the FY period, Net Profit benefited by gains of EUR 2.25mn related to investments at financial instruments measured at fair value; the Company recorded losses of EUR 2.66mn from these instruments the year ago period.

Strong Net Cash position leads to generous dividend payments

The Group maintained a strong Net Cash Position of EUR 250.4mn (before dividends) vs. EUR 152.12mn the year ago period. OCF stood at EUR 111.7mn recording a high conversion rate (OCF / EBITDA at 61%). FCF reached EUR 77.1mn vs. EUR 72.64mn the year ago period, benefited by decreased Capex needs that came in at EUR 34.7mn vs. EUR 59.1mn the year ago period due to a slowdown in new openings.The management proposed the distribution of an ordinary dividend amounting to EUR 0.27/share, on the top of a special dividend of EUR 0.27/share that was distributed earlier this summer, thus raising total dividend yield for FY 2015/16 at 4.6%. X-date was set on 4-Nov-2016.

Outlook

We stand above Company's guidance that calls for increased sales in the range of 4-7% and flat Net Profit for FY 2016/17 period. We are modelling Sales, EBITDA and NI CAGRs of 7.7%, 6.9% and 8%, respectively, in the 2016/17-2018/19 period. We upgrade our estimates to incorporate Group's new openings in Romania, Bulgaria and Greece, as well as the increased operating efficiency; on the gross profit margin front we are modelling gross profit margin contraction of 40bps for the current FY due to increased weight of the foreign markets and the absorption of the increased VAT rate in Greece by 1p.p., as of June 2016. We expect the EBITDA margin to stabilize at around 28-28.5% benefited from increased operating efficiency. We are now modelling an effective tax rate of 24.7%.

The following table summarizes our estimates for the 2016/17-2018/19 period:

Exhibit 12: Jumbo's Estimates

Jumbo	Jun-14	Jun-15	Jun-16	Jun-17e	Jun-18e	Jun-19e	3-Year CAGR
Sales	**541.8**	**582.5**	**637.6**	**688.7**	**759.4**	**797.1**	*7.7%*
% chng	*7.9%*	*7.5%*	*9.4%*	*8.0%*	*10.3%*	*5.0%*	
Gross Profit	**287.8**	**309.7**	**337.9**	**362.3**	**397.4**	**414.8**	*7.1%*
% chng	*9.5%*	*7.6%*	*9.1%*	*7.2%*	*9.7%*	*4.4%*	
margin	*53.1%*	*53.2%*	*53.0%*	*52.6%*	*52.3%*	*52.0%*	
EBITDA	**146.5**	**159.3**	**183.7**	**196.4**	**215.3**	**224.6**	*6.9%*
% chng	*9.4%*	*8.7%*	*15.3%*	*6.9%*	*9.6%*	*4.3%*	
margin	*27.0%*	*27.3%*	*28.8%*	*28.5%*	*28.3%*	*28.2%*	
EBIT	**127.1**	**137.9**	**161.0**	**172.2**	**189.6**	**197.4**	*7.0%*
% chng	*10.4%*	*8.5%*	*16.7%*	*7.0%*	*10.1%*	*4.1%*	
margin	*23.5%*	*23.7%*	*25.3%*	*25.0%*	*25.0%*	*24.8%*	
EBT	**130.0**	**137.0**	**165.1**	**174.8**	**193.8**	**203.2**	*7.2%*
% chng	*35.8%*	*5.4%*	*20.6%*	*5.9%*	*10.9%*	*4.9%*	
margin	*24.0%*	*23.5%*	*25.9%*	*25.4%*	*25.5%*	*25.5%*	
Net Profit	**101.2**	**104.8**	**121.3**	**131.6**	**145.8**	**152.9**	*8.0%*
% chng	*36.9%*	*3.5%*	*15.7%*	*8.5%*	*10.9%*	*4.9%*	
margin	*18.7%*	*18.0%*	*19.0%*	*19.1%*	*19.2%*	*19.2%*	
EPS	**0.74**	**0.77**	**0.89**	**0.97**	**1.07**	**1.12**	*8.0%*

Source: Piraeus Securities

Macro Data justify Group's decision to focus its investment program on the Romanian market in the coming years

During the presentation at the Association of the Greek Institutional Investors the management guided that Capex for Fy 2016/17 will stand in the area of EUR 45-50mn; in our view the scale of Capex for the current FY may imply additional openings compared to the three (3) ones already included in our estimates. Maintenance Capex for the Group stands in the range of EUR 15-20mn. Focus will be in Romania with two new openings at Bucharest, while we also notice the restart of the investment program in Bulgaria with one new opening during November at Stara Zagora. We also point that Group will continue its restructuring plan in Greece, with three new openings during the next two years and the closing of some of first generation stores that will further improve Group's operating efficiency.
Macro data support Group's decision to focus its investment program in Romania over the coming years.

The following table present the main macro indicators as projected by the IMF in the markets, where the Group activates.

Exhibit 13: Macro Data for Group's core markets

Macro Data	GDP growth projections (% change)			CPI projections (% change)		
Year	**2016**	**2017**	**2018**	**2016**	**2017**	**2018**
Greece	0.1	2.8	3.1	-0.1	0.6	1.0
Cyprus	2.8	2.2	2.3	-1.0	0.5	1.5
Bulgaria	3.0	2.8	2.5	-1.6	0.6	1.6
Romania	5.0	3.8	3.3	-1.5	1.7	3.1

Source: IMF, Factset, Piraeus Securities

Greece: Excessive taxation could place at risk the expected recovery in 2017 but Jumbo's model has proven its resilience during the last years

IMF's projections for Greece call for flat GDP in 2016, while the country will enter in a recovery mode during 2017; however, we recognize that the expected recovery in 2017 could be placed at risk due to the excessive taxation that reduces available disposable income. On the other hand, Jumbo's model that ''sells prices and not products'' has proven its resilience over the last years with continuous market share gains in the Greek market. Management commented that during the 1Q16/17 period sales in Greece were up 4%; this is partly attributed to favorable comps related to the imposition of the capital controls the last year in the Greek market.

We adopt the scenario of a gradual normalisation of the situation in Greece during FY2016/17 and we are now modelling a 3-year sales CAGR of 6.8%. We believe that the expected stabilization of the Greek economy will allow the Group to leverage on its market share gains during last years and increased brand recognition in Greece. The Group plans the implementation of a restructuring program in the country with the replacement of small stores with large hyper-stores in areas without presence, such as Aigina and Mytilini. We are now modelling the opening of three new hyper-stores in the Greek market as of 2017/18. An additional factor that will enhance wholesale actibity in Greece has to do with the extension of Group's franchise network in Bosnia-Herzegovina during the current FY.

The following table summarizes our estimates for the 2016/17-2018/19 period.

Exhibit 14: Revenues CAGR in Greece	Jun-15	Jun-16	Jun-17e	Jun-18e	Jun-19e	3-Year CAGR
Revenues Greece	**437.9**	**458.9**	**481.3**	**531.7**	**558.3**	***6.8%***
% chng	*2.9%*	*4.8%*	*4.9%*	*10.5%*	*5.0%*	
% of total	*75.2%*	*72.0%*	*69.9%*	*70.0%*	*70.0%*	
No of stores	53	51	51	54	54	
sales / store	8.3	9.0	9.4	9.8	10.3	
% chng	*0.9%*	*8.9%*	*4.9%*	*4.3%*	*5.0%*	
y-end Square meters	262,303	256,829	256,829	280,829	280,829	
sales / square meters	1,669	1,787	1,874	1,893	1,988	
% chng	*0.9%*	*7.0%*	*4.9%*	*1.0%*	*5.0%*	
effective sq meters	261,320	259,566	256,829	272,829	280,829	
sales /effective square meters (incl. wholes	1,676	1,768	1,874	1,949	1,988	
chng %	*1.0%*	*5.5%*	*6.0%*	*4.0%*	*2.0%*	
Sales with same (prervious year) sq meters	430	462	486	501	542	
l-f-f growth	*1.0%*	*5.5%*	*6.0%*	*4.0%*	*2.0%*	

Source: Piraeus Securities

Cyprus: We are modeling a 3-year sales CAGR of 3.3% on the back of improved economic environment

According to IMF's projections it seems that the Cypriot economy enters on a recovery path, as of 2016, with a projected GDP growth rate of 2.8%. Jumbo's business model proved quite resilient during the crisis and managed to gain market share across all of its product categories. As per our estimates, Jumbo will post sales CAGR of 3.3% over the next three years, benefited from increased brand awareness and market share gains. During 1Q16/17 sales in Cyprus grew by 4%.
The following table summarizes our estimates:

Exhibit 15: Revenues CAGR in Cyprus	Jun-15	Jun-16	Jun-17e	Jun-18e	Jun-19e	3-Year CAGR
Revenues Cyprus	**75.0**	**78.9**	**82.0**	**84.5**	**87.0**	***3.3%***
% chng	*12.2%*	*5.1%*	*4.0%*	*3.0%*	*3.0%*	
% of total	*12.9%*	*12.4%*	*11.9%*	*11.1%*	*10.9%*	
No of stores	5	5	5	5	5	
sales / store	15.0	15.8	16.4	16.9	17.4	
% chng	*-10.3%*	*5.1%*	*4.0%*	*3.0%*	*3.0%*	
Square meters	36,800	36,800	36,800	36,800	36,800	
sales / square meters	2,039	2,143	2,229	2,295	2,364	
% chng	*-12.2%*	*5.1%*	*4.0%*	*3.0%*	*3.0%*	
effective sq meters	34,133	36,800	36,800	36,800	36,800	
sales /effective square meters	2,198	2,143	2,229	2,295	2,364	
chng %	*-12.5%*	*-2.5%*	*4.0%*	*3.0%*	*3.0%*	
Sales with same (prervious year) sq meters	59	73	82	84	87	
l-f-f growth	*-12.5%*	*-2.5%*	*4.0%*	*3.0%*	*3.0%*	

Source: Piraeus Securities

Bulgaria: First new opening in the country after 2012

The Group maintained its strong growth momentum in Bulgaria with double-single digit growth during FY15/16. The Group plans to procced with the addition of the ninth store in the country, at the city of Stara Zagora; the new store will open its doors during November 2016. This will be the first new opening in the country after December 2012. Bulgaria enjoys the benefits of increased marketing activity and enriched product portfolio that leads to increased brand awareness and market share gains. Our estimates call for increased sales by 19.3% for the current FY, while our estimated CAGR for the three year period stands at 12.2%. During 1Q16/17, Bulgaria recorded double-digit growth in the country.

Romania should fuel growth over the coming years

Management commented that the new investment program will focus in Romania over the coming years; the Group plans the opening of two (2) new stores at the capital city of Bucharest before Christmas 2016, while until the completion of its investment program in Romania, its store network will count for eighteen (18) stores. In terms of top line management commented that sales in the country grew by double-digit during 1Q16/17; our estimates call for increased sales by 32.6% during the current FY, while our estimated CAGR for the three year period stands at 17.9%.

The following tables summarize our estimates for Bulgaria and Romania.

Exhibit 16: Revenues CAGR in Bulgaria	Jun-15	Jun-16	Jun-17e	Jun-18e	Jun-19e	3-Year CAGR
Revenues Bulgaria	**45.3**	**51.9**	**62.0**	**69.2**	**73.3**	***12.2%***
% chng	*12.0%*	*14.6%*	*19.3%*	*11.6%*	*6.1%*	
% of total	*7.8%*	*8.1%*	*9.0%*	*9.1%*	*9.2%*	
No of stores	8	8	9	9	9	
sales / store	5.7	6.5	6.9	7.7	8.1	
% chng	*12.0%*	*14.6%*	*6.0%*	*11.6%*	*6.1%*	
Square meters	57,000	57,000	65,000	65,000	65,000	
sales / square meters	796	911	953	1,064	1,128	
% chng	*12.0%*	*14.6%*	*4.6%*	*11.6%*	*6.1%*	
effective sq meters	57,000	57,000	62,334	65,000	65,000	
sales /effective square meters	796	911	994	1,064	1,128	
chng %	*12.0%*	*14.6%*	*9.1%*	*7.1%*	*6.1%*	
Sales with same (prervious year) sq meters	45	52	57	66	73	
l-f-f growth	*12.0%*	*14.6%*	*9.1%*	*7.1%*	*6.1%*	

Source: Piraeus Securities

Exhibit 17: Revenues CAGR in Romania	Jun-15	Jun-16	Jun-17e	Jun-18e	Jun-19e	3-Year CAGR
Revenues Romania	**24.3**	**47.9**	**63.5**	**74.1**	**78.5**	***17.9%***
% chng	*175.1%*	*97.1%*	*32.6%*	*16.7%*	*6.0%*	
% of total	*4.2%*	*7.5%*	*9.2%*	*9.8%*	*9.8%*	
No of stores	6	7	9	9	9	
sales / store	4.0	6.8	7.1	8.2	8.7	
% chng	*-8.3%*	*68.9%*	*3.1%*	*16.7%*	*6.0%*	
Square meters	48,000	56,000	72,000	72,000	72,000	
sales / square meters	506	855	882	1,029	1,090	
% chng	*-8.3%*	*68.9%*	*3.1%*	*16.7%*	*6.0%*	
effective sq meters	30,000	54,000	66,000	72,000	72,000	
sales /effective square meters	810	887	962	1,029	1,090	
chng %	*3.9%*	*9.5%*	*8.5%*	*7.0%*	*6.0%*	
Sales with same (prervious year) sq meters	9	27	52	68	79	
l-f-f growth	*3.9%*	*9.5%*	*8.5%*	*7.0%*	*6.0%*	

Source: Piraeus Securities

Gross Profit margin: Slightly negative FX rates, absorption of the VAT and increased use of plastic money in Greece will be partly offset by low freight rates and improved product mix

During FY 2015/16, the Group recorded gross profit margin contraction of 16bps, due to the absorption of the increased VAT rate in Greece during June 2016 and the burden from fees related to the increased use of plastic money in Greece after the imposition of the capital controls. Based on current spot rates, management guided for gross profit margin contraction of up to 300bps during FY 2016/17. In our view Group's guidance seems quite pessimistic, since the slight negative FX rate (EUR/USD FX rate at 1.10), the absorption of the increased VAT rate in Greece and the negative effect from the increased fees related with the use of plastic money will be offset by low freight rates and further improvement on product mix. We are looking for groos profit margin contraction of 40bps during the current FY.

In terms of product mix, we notice that seasonal and household products represent c. 58.3% of total product portfolio; since the bulk of the items in these product categories are classified as unbranded this has a positive effect on the gross profit margin.

The following tables show Group's gross profit margins on a per country basis, as well as the large stock of inventories held by the Group.

Exhibit 18 – Gross Profit margins on a per country basis

Gross Profit Margin	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Greece	54.8%	54.5%	53.6%	53.7%	52.9%	54.0%	54.0%	53.7%
Cyprus	50.2%	50.7%	50.2%	51.2%	50.2%	50.5%	51.1%	51.7%
Bulgaria	52.8%	51.4%	52.5%	50.3%	48.7%	48.7%	49.3%	50.6%
Romania						52.1%	51.2%	51.6%

Source: Piraeus Securities

Exhibit 19 – Average Stock days

Jumbo	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Inventory/Stock Days	285	305	300	279	280	272	260	257	240

Source: Piraeus Securities

Exhibit 20 – 2H/FY15/16 Product Mix

Product Mix	FY14/15	FY15/16	2H14/15	2H15/16
Children Toys	**168.8**	**170.7**	**68.5**	**62.9**
% Change	*7.4%*	*1.1%*	*8.6%*	*-8.2%*
% total	*29.0%*	*26.8%*	*28.4%*	*23.7%*
Baby apparel	**46.5**	**44.6**	**19.2**	**19.6**
% Change	*-12.2%*	*-3.9%*	*-18.4%*	*2.4%*
% total	*8.0%*	*7.0%*	*7.9%*	*7.4%*
Stationery	**47.8**	**50.7**	**14.8**	**16.2**
% Change	*6.1%*	*6.0%*	*6.9%*	*9.1%*
% total	*8.2%*	*7.9%*	*6.1%*	*6.1%*
Seasonal	**319.5**	**371.6**	**139.0**	**167.1**
% Change	*11.4%*	*16.3%*	*11.4%*	*20.3%*
% total	*54.8%*	*58.3%*	*57.6%*	*62.9%*
Total	**582.5**	**637.6**	**241.4**	**265.8**
% Change	*7.5%*	*9.4%*	*7.2%*	*10.1%*

Source: Company Reports, Piraeus Securitie:

Improved Operating efficiency should maintain EBITDA margin in the area of 28-28.5%

For FY 2016/17, we expect EBITDA of EUR 196.4m increased by 6.9% vs. EBITDA of EUR 183.7mn for the 2015/16 period, with an EBITDA margin of 28.5% vs. last year's EBITDA margin of 28.8%. EBITDA margin should be negatively affected by a gross profit margin contraction of c. 40bps due to pressure from the absorption of the increased VAT rate in Greece; this should be partly offset by an additional improvement on the SG&A expenses by 10bps (as % of sales). Al in all we expect EBITDA margin to stabilize in the area of 28-28.5% during the explicit period.

We are looking for increased EPS by 8.5% for the current FY

Our Net Profit estimate for FY 2016/17 stands at EUR 131.6mn up 8.5% vs. 2015/16's Net profit of EUR 121.3mn. Net Profit should be benefited by slightly increased net financial income, while corporate tax rate should be slightly reduced at 24.7% vs. 25.9% the year ago period, due to the increased weight of foreign operations that carry lower tax rates compared to Greece. Our EPS estimate for FY 2016/17 and FY 2017/18 stand at EUR 0.97 and EUR 1.07, respectively. We are looking for a 3-years Net Profit CAGR of 8.0%. We are modelling a dividend pay-out ratio of 33.3% during the explicit period.

Company Snapshot

Company Description

Jumbo is the largest retailer and wholesaler of toys, infant products, books & stationery and seasonal, home & mother opportunity products in Greece. It enjoys a 40% share in the domestic market. The Company's distribution network at the end of June 2017 will account for 74 retail stores, 51 of which will be located in Greece, 5 in Cyprus, 9 in Bulgaria and 9 in Romania with a net sales surface of ca 430,629m^2. It also has franchise agreements to distribute its products in the non-EU members of the Balkans namely, Serbia, Bosnia-Herzegovina, FYROM, Albania and Kossovo.

Investment Theme

Our view on Jumbo is based on: i) the resilience of the business model that through new store additions over the last years has helped BELA become one of the dominant retailers in the Greek market, ii) the retailer's increased international presence through its presence in Cyprus, Bulgaria and Romania, iii) its strong balance sheet with projected Net Cash position of EUR 267.5m at the end of June 2017, and iv) Jumbo's fixed assets that hide significant value and can be used to fund future expansion plans or for generous share capital returns. Based on valuation grounds our target price stands at EUR 15.20/share, 22.4% higher than current levels.

Valuation Method

We value Jumbo by employing a combination of a DCF model/P/E multiples, using explicit forecasts for the 16/17-18/19 period. Our risk free rate and equity risk premium stand at 6% and 5.5%, respectively, implying a total market return of 11.5%. Our cost of equity stands at 10.9%, in view of the current economic and trading conditions, while our WACC stands at 10.0%. In terms of P/E multiple we use as proxy Group's pre-crisis 5-year historical average that stood at 13.6x.

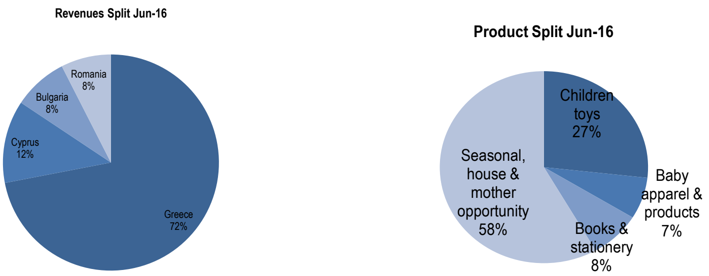
Upside risks

Apart from lower bond yields (ie lower sovereign risks), faster or more rollouts and higher-than-expected same-store sales (on improved customer visits and/or higher spending per customer) are the two main factors that could place upside risk on our estimates.

Downside Risks

Medium term, the investment case depends on domestic private consumption, the timing of new store rollouts, and the pace of expansion in Romania. Additional taxation of any form would hurt earnings and valuation. Jumbo's management has cautioned investors over the impact from VAT hikes, COGS inflation, higher freights and a weaker Euro vis-à-vis the USD on the group's gross profit margin. We also highlight risks associated with overdependence on Chairman Vakakis and the remote event of important injury from a non-branded product malfunction.

Jumbo in two graphs

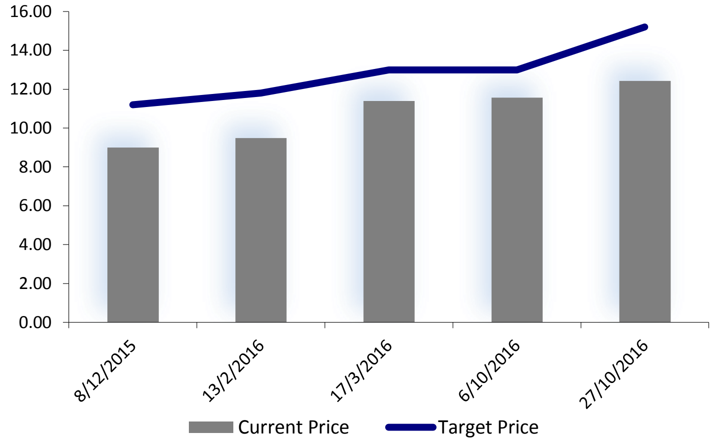


Jumbo consolidated accounts

in mn unless otherwise stated	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17 e	Jun-18 e	Jun-19 e
BALANCE SHEET	**Jun-13**	**Jun-14**	**Jun-15**	**Jun-16**	**Jun-17 e**	**Jun-18 e**	**Jun-19 e**
Net fixed assets	431	446	498	499	521	541	560
Current Assets	421	552	557	679	743	815	906
Accounts receivable	44	57	49	77	83	92	96
Inventories	176	186	198	197	214	238	269
Cash	170	288	299	395	435	475	515
TOTAL ASSETS	894	1,034	1,090	1,209	1,295	1,386	1,496
Net debt position	**-21**	**-122**	**-152**	**-250**	**-268**	**-330**	**-386**
Shareholders' equity	639	745	797	916	973	1,075	1,180
Minority interest on share capital	0	0	0	0	0	0	0
Long-term liabilities	13	156	170	165	166	166	166
Bank debt	1	144	144	144	144	144	144
Subsidies	1	2	3	4	5	6	7
Short-term liabilities	242	133	123	129	156	145	150
Accounts payable & other ST liabilities	72	73	81	77	82	89	92
Liabilities for taxes	22	39	40	51	51	56	58
Liabilities to banks	148	21	3	0	23	1	0
TOTAL EQUITY & LIABILITIES	894	1,034	1,090	1,209	1,295	1,386	1,496
RATIO ANALYSIS	**Jun-13**	**Jun-14**	**Jun-15**	**Jun-16**	**Jun-17 e**	**Jun-18 e**	**Jun-19 e**
Activity: Avg working capital to turnover days	120	119	114	110	114	114	122
Avg receivables to turnover days	257	257	257	257	257	257	257
Avg trade creditors to purchases days	159	159	159	159	159	159	159
Avg inventories to turnover days	121	121	121	121	121	121	121
Financial Structure: Bank debt to equity	0.23	0.22	0.18	0.16	0.17	0.13	0.12
Fixed to total assets	52.9%	46.7%	48.9%	43.9%	42.6%	41.2%	39.5%
Profitability: Return on total assets	8.4%	10.5%	9.9%	10.5%	10.5%	10.9%	10.6%
Return on equity	12.0%	14.6%	13.6%	14.2%	13.9%	14.2%	13.6%
Return on capital employed	9.4%	10.9%	11.4%	11.8%	11.8%	12.1%	11.6%
CASH FLOW	**Jun-13**	**Jun-14**	**Jun-15**	**Jun-16**	**Jun-17 e**	**Jun-18 e**	**Jun-19 e**
Profit after tax before minorities	78.4	111.7	105.3	122.4	131.6	145.8	152.9
Plus: Depreciation & amortization	18.9	19.4	21.2	22.7	24.2	25.7	27.2
Plus: net interest expenses	-4.1	-2.9	1.0	-4.1	-2.6	-4.2	-5.8
Less: gain/loss on disposal of PP&E	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Gross cash flow	**93.1**	**128.2**	**127.5**	**140.9**	**153.1**	**166.3**	**172.3**
Plus: Chng in accounts payable	-3.6	-0.1	-0.8	-12.3	3.5	4.6	2.6
Less: Chng in accounts receivable	5.1	7.0	-15.2	17.0	2.6	3.6	1.9
Less: Chng in inventories	-4.5	10.2	11.6	-1.0	17.6	23.4	31.1
Working capital chng	3.2	20.5	-9.3	28.6	18.4	24.6	32.4
Operating cash flow	**68.5**	**121.0**	**129.0**	**112.3**	**134.7**	**141.7**	**139.9**
Less: Purchases of fixed assets	38.3	35.9	59.1	34.7	45.5	45.5	45.5
Less: Chng in investments	-1.0	-0.6	-2.9	-0.1	0.0	0.0	0.0
Free cash flow	**31.2**	**85.7**	**72.7**	**77.7**	**89.2**	**96.2**	**94.4**
PROFIT & LOSS	**Jun-13**	**Jun-14**	**Jun-15**	**Jun-16**	**Jun-17 e**	**Jun-18 e**	**Jun-19 e**
Turnover	**502.2**	**541.8**	**582.5**	**637.6**	**688.7**	**759.4**	**797.1**
% chng	*1.6%*	*7.9%*	*7.5%*	*9.4%*	*8.0%*	*10.3%*	*5.0%*
COGS & SG&A	368.1	395.3	423.4	453.9	492.3	544.2	572.6
EBITDA	**110.4**	**146.5**	**159.3**	**183.7**	**196.4**	**215.3**	**224.6**
% chng	*-17.9%*	*9.4%*	*8.7%*	*15.3%*	*6.9%*	*9.6%*	*4.3%*
EBITDA margin	*22.0%*	*27.0%*	*27.3%*	*28.8%*	*28.5%*	*28.3%*	*28.2%*
Net depreciation	18.9	19.4	21.2	22.7	24.2	25.7	27.2
EBIT	**91.6**	**127.1**	**137.9**	**161.0**	**172.2**	**189.6**	**197.4**
% chng	*-21.7%*	*10.4%*	*8.5%*	*16.7%*	*7.0%*	*10.1%*	*4.1%*
Operating profit margin	*18.2%*	*23.5%*	*23.7%*	*25.3%*	*25.0%*	*25.0%*	*24.8%*
Net interest expenses	-4.1	-2.9	1.0	-4.1	-2.6	-4.2	-5.8
% of avg debt	*16.0%*	*4.0%*	*-0.7%*	*2.1%*	*1.0%*	*1.4%*	*1.6%*
Pre-tax profit	95.7	130.0	137.0	165.1	174.8	193.8	203.2
% chng	*-19.9%*	*35.8%*	*5.4%*	*20.6%*	*5.9%*	*10.9%*	*4.9%*
Minority stake in profits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority profit/Net profit	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*	*200.0%*
Income tax	21.7	28.7	32.1	43.9	43.3	48.0	50.3
% effective tax rate	*22.7%*	*22.1%*	*23.4%*	*26.6%*	*24.7%*	*24.7%*	*24.7%*
Profit after tax	**74.0**	**101.2**	**104.8**	**121.3**	**131.6**	**145.8**	**152.9**
% chng	*-24.0%*	*36.9%*	*3.5%*	*15.7%*	*8.5%*	*10.9%*	*4.9%*
Net profit margin	*14.7%*	*18.7%*	*18.0%*	*19.0%*	*19.1%*	*19.2%*	*19.2%*
EPS after tax (in Euro)	0.57	0.74	0.77	0.89	0.97	1.07	1.12
EPS chng	*-24.0%*	*31.0%*	*3.5%*	*15.7%*	*8.5%*	*10.9%*	*4.9%*
Dividends	**0.0**	**49.0**	**0.0**	**74.0**	**43.8**	**48.6**	**50.9**
Dividend policy: Payout Ratio	*0.0%*	*48.4%*	*0.0%*	*61.0%*	*33.3%*	*33.3%*	*33.3%*
DPS (in Euro)	0.00	0.36	0.00	0.54	0.32	0.36	0.37
% chng	*na*	*na*	*-100.0%*	*n/a*	*-40.8%*	*10.9%*	*4.9%*
Market cap	**948**	**1,627**	**1,010**	**1,603**	**1,690**	**1,690**	**1,690**
Diluted number of shares	129,994,676	136,029,796	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759
Basic number of shares	129,994,676	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759
EV	**927**	**1,505**	**857**	**1,352**	**1,422**	**1,360**	**1,304**
End-year/current stock price common shares	7.29	11.96	7.42	11.78	12.42	12.42	12.42
% chng of common stock price	*151.1%*	*64.1%*	*-38.0%*	*58.8%*	*5.4%*	*0.0%*	*0.0%*
Out/under performance	***81.1%***	***14.5%***	***-5.5%***	***133.6%***	***-3.0%***	***0.0%***	***0.0%***

Rating History

Date	Rating	Target Price	Current Price
8/12/2015	Outperform	11.20	9.00
13/2/2016	Outperform	11.80	9.48
17/3/2016	Outperform	13.00	11.39
6/10/2016	Outperform	13.00	11.57
27/10/2016	Outperform	15.20	12.42



The table above shows Piraeus Securities' continuing coverage of the stock; the current analyst may or may have not covered the stock over the entire period.

Source: Piraeus Securities

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Piraeus Bank Research Stock Ratings	Coverage Universe Weighted on Mcap	Coverage Universe Un-weighted	Rating Definitions	Investment Banking Activities within 12-month period
Outperform :	56.9%	45.0%	Total return (*) expected to be greater than 10% compared to the market's return (**) over a 12-month period	-
Neutral:	41.0%	40.0%	Total return (*) expected to be between -10%/+10% compared to the market's return (**) over a 12-month period	-
Underperform:	0.0%	0.0%	Total return (*) expected to be below -10% compared to the market's return (**)over a 12-month period	-
Restricted:	0.7%	5.0%	In certain circumstances that Piraeus Bank S.A. policy or applicable law / regulations preclude certain types of communication and investment recommendations	-
Under Review:	1.4%	10.0%	Rating/TP may be subject to future revision	-

*) Total return = Price appreciation + Dividend
(**) Market return = Risk free rate + 5% (an approximation of equity risk premium)
Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in rating, or a change in target price. At other times, the expect returns may fall outside of these ranges because of price movement and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject tc by Research Management.

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