

Jumbo

Consumer Goods

08 March 2017

Investment Opinion: HOLD (3/5)
Price: € 13,48 Cap: € 1.834,09 M
Target: € 13,81 Cap: € 1.879,47 M
ATHEX Composite 643,2

Potential 2,47%

Jumbo at full throttle in the Balkans.

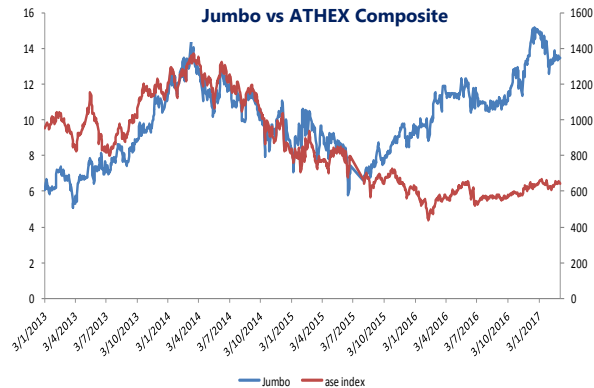
Jumbo records accelerating revenues in the Balkans for H1 2016/2017 and plans 13 store roll-outs within the next 5 years in Romania targeting at 20 stores. We initiate our coverage with a value of 13.81/share indicating a HOLD recommendation for the title that implies a 2.47% potential.

Romanian revenues are estimated to quadruple (190.1m€) on 13 new stores opening contributing 58.45% of forecasted Group's sales growth up to year 2021

- Net cash Position of 0.5bil€ by end 2020
- FCF generation to move above 100mil€ (every year except 2018) and reach 136.20mil€ in 2021
- Margin for higher dividends / capital returns.

Results H1 for FY16/17 & Guidance : The firm continues to impress by presenting H1 2017 net profits (EAT) of 81.4m€ and a 8.12% rise in revenues (401.9m€). The Group's H1 2016/2017 EBITDA were up 11.17% yoy at 117.26m€ while net cash from operations amounted to 114.8m€ increasing Jumbo's net cash position to 250m€. Bulgarian and Romanian revenues improved by 24.25% yoy and 39.5% yoy at 40.13m€ and 39.68m€ respectively. Management sees a 4-7% rise in sales for fiscal year 2017 and relatively flat bottom line profits. Roll-out plan was upgraded to include 13 new stores in Romania aiming at 20 stores from 18 previously, and another 3 in Greece, within the next 5 years.

Our Earnings Estimates 2016/2017: For the current year (FY 2016/2017) we estimate a 6.01%* yoy increase in group's revenues posting at 675.85m€ - within CEO's forecasts (4%-7%)- mainly due to cautious projections for Greek sales, which we see at 451.86m€ (+1.23% yoy) accounting for 66.90% of total sales (one Greek shop opening in Q4 is included). Greek government's tax offensive attitude and overall uncertainty could have a negative impact on private consumption spoiling 1H's impressive outcome, even though 3rd and 4th quarter are traditionally 41% (approx) of annual sales. Continuing, we expect a double digit growth for both Bulgarian(+20.16% yoy) and Romanian sales (+32.11% yoy). In the first case because of the new roll-out in November and an estimated sales/m2 increase of 12% and in the second case because of 24% sales/m2 improvement along with a small input from a shop that is assumed to launch in Q4 (Apr-Jun 16). Following these estimates, we have calculated a gross profit of 351.44m€ for the group, up only 4.00% yoy on lower forecasted gross margin of 52.0% and a 190.18m€ EBITDA (+3.55% yoy) rather flat comparing to fiscal year 2015/2016 and to sales growth. Finally, EBIT are found at 166.76m€ (+3.58% yoy) and net profit (EAT) is expected to reach 125.48m€. Overall, profitability is expected to move higher by 6.03% CAGR for the next 5 years at 162.52m€ (2020/2021).


Company data

Reuters: BAb.AT	Bloomberg: Bela GA
52wk. Price range	€15.36 / €10.00
Market Cap (mls)	1.834,09
No. of shares	136,06
Free float	55.05% / 74,9m shs
Av. Daily volume (12m)	136.670

Valuation metrics

	2017E	2018F	2019F
P/E (x)	14,98	14,06	13,37
EV/EBITDA (x)	8,63	7,75	6,99
Div. yield (%)	2,39%	2,55%	2,68%
FCF yield (%)	5,78%	5,14%	6,14%

Stock returns (%)

	3M	6M	12M
Absolute	-3,02%	19,93%	23,11%
Relative (ATHEX)	-2,42%	5,89%	8,15%

Major shareholders

A. Vakakis	26,72%
FMR - Fidelity	13,18%
Capital Group	5,05%

Nick Kafkas
 Certified Equity analyst
nkafkas@merit.gr
 +30 2103671827

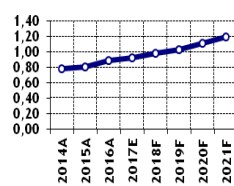
Financials Summary

JUMBO

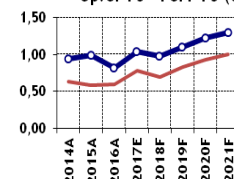
Current Price		2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
13,48									
# of Shares		129,95	129,95	136,06	136,06	136,06	136,06	136,06	136,06
P/E(x)		17,73	17,12	15,50	14,98	14,06	13,37	12,37	11,56
P/Sales (x)		3,31	3,08	2,95	2,78	2,55	2,39	2,25	2,13
P/BV (x)		2,41	2,25	2,05	2,00	1,82	1,67	1,53	1,41
EPS (€)		0,78	0,81	0,89	0,92	0,98	1,03	1,12	1,19
EPS growth (%)			3,5%	10,5%	3,5%	6,5%	5,2%	8,1%	7,0%
PEG (x)			4,83	1,48	4,31	2,16	2,59	1,53	1,66
Operating CFPS (€)		0,94	0,99	0,82	1,04	0,98	1,10	1,22	1,30
FCFF / Share (€)		0,64	0,59	0,60	0,78	0,69	0,83	0,92	1,00
Dividend / Share (€)		0,19		0,71	0,32	0,34	0,36	0,39	0,42
Dividend Yield (%)		1,4%		5,3%	2,4%	2,6%	2,7%	2,9%	3,1%
ROE (%)		0,0%	13,6%	14,2%	13,5%	13,6%	13,1%	12,9%	12,7%
EV/Sales (x)		3,11	2,86	2,59	2,43	2,15	1,91	1,70	1,50
EV/EBITDA (x)		11,50	10,48	8,98	8,63	7,75	6,99	6,13	5,34
Net Debt / Equity (x)		-0,16	-0,19	-0,27	-0,28	-0,31	-0,35	-0,40	-0,44
Current Ratio (x)		4,14	4,51	5,28	5,59	5,94	6,21	6,54	6,87
5yr CAGR									
INCOME STATEMENT (€)		2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
6,68%	Total Turnover	541,85	582,55	637,56	675,85	736,05	787,80	835,21	880,88
7,57%	COGS	254,04	272,84	299,63	324,41	356,98	386,02	409,25	431,63
5,86%	Gross Profit	287,81	309,71	337,93	351,44	379,06	401,78	425,96	449,25
-0,40%	Other Operating Income	3,37	4,00	4,29	4,20	4,20	4,20	4,20	4,20
5,35%	SG&A Expenses	164,06	175,76	181,22	188,88	204,62	216,65	226,34	235,19
6,27%	EBIT	127,12	137,94	161,00	166,76	178,64	189,33	203,82	218,25
5,21%	Depreciation	19,38	21,25	22,67	23,42	25,40	26,34	27,55	29,22
6,14%	EBITDA	146,50	159,19	183,67	190,18	204,05	215,68	231,37	247,47
19,32%	Interest Expense	2,86	(0,99)	4,13	5,60	7,00	7,00	9,00	10,00
6,69%	EBT	129,98	136,95	165,13	172,36	185,64	196,33	212,82	228,25
8,43%	Taxes	28,73	32,11	43,87	46,88	51,98	55,76	60,87	65,74
6,03%	EAT & Minorities	101,25	104,84	121,26	125,48	133,66	140,57	151,95	162,52
CASH FLOW (€)		2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
	Cash flow from Operations	122,15	128,91	111,71	141,42	133,22	150,12	166,52	176,78
	Cash Flow from Investment	-21,47	-53,23	-27,11	-28,86	-28,31	-28,21	-26,18	-25,34
	Net Cash Flow from Financing	16,88	-64,32	-2,70	-100,50	-43,92	-46,78	-43,40	-53,18
BALANCE SHEET (€)		2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
	Total Non-Current Assets	482,43	533,09	530,48	546,93	561,83	575,70	588,33	599,45
	Inventory	186,18	197,79	196,78	201,13	210,62	223,89	231,23	238,48
	Other Current Assets for Sale	8,57	5,91	8,16	8,16	8,16	8,16	8,16	8,16
	Total Cash	287,57	298,92	394,73	406,79	467,78	542,91	639,85	738,11
	Total Current Assets	551,51	557,24	678,93	684,34	767,53	857,68	964,43	1.072,83
	Total Assets	1.033,94	1.090,33	1.209,41	1.231,27	1.329,36	1.433,38	1.552,76	1.672,28
	Long Term Bank Loans	143,68	143,92	144,19	144,20	144,20	144,20	150,00	150,00
	Non Current Liabilities	156,11	169,64	165,26	168,55	170,12	171,41	178,78	180,30
	Short Term Banks	21,41	2,88	0,18					
	Current Liabilities	133,32	123,48	128,56	122,42	129,19	138,13	147,39	156,05
	Equity	744,51	797,21	915,59	940,30	1.030,05	1.123,84	1.226,59	1.335,92
	Total Equity & Liabilities	1.033,94	1.090,33	1.209,41	1.231,27	1.329,36	1.433,38	1.552,76	1.672,28
MARGIN ANALYSIS %		2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
	Gross Profit	53,1%	53,2%	53,0%	52,0%	51,5%	51,0%	51,0%	51,0%
	SG&A Expenses	30,3%	30,2%	28,4%	27,9%	27,8%	27,5%	27,1%	26,7%
	EBITDA	27,0%	27,3%	28,8%	28,1%	27,7%	27,4%	27,7%	28,1%
	EBT	24,0%	23,5%	25,9%	25,5%	25,2%	24,9%	25,5%	25,9%
	EAT&Minorities	18,7%	18,0%	19,0%	18,6%	18,2%	17,8%	18,2%	18,4%
	Effective Tax rate	22,1%	23,4%	26,6%	27,2%	28,0%	28,4%	28,6%	28,8%

Source: MERIT SECURITIES, Company Financial Data

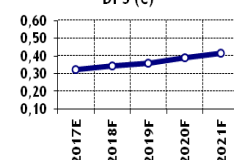
EPS (€)



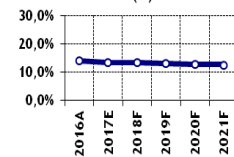
Op.CF PS - FCFF PS (€)



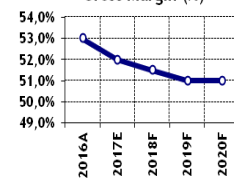
DPS (€)



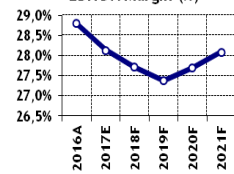
ROE (%)



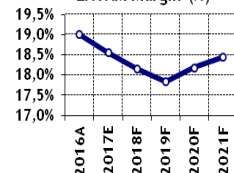
Gross Margin (%)



EBITDA Margin (%)



EATAM Margin (%)



Financial Ratios

JUMBO FINANCIAL RATIOS							
LIQUIDITY	2015A	2016A	2017E	2018F	2019F	2020F	2021F
CURRENT RATIO (x)	4,51	5,28	5,59	5,94	6,21	6,54	6,87
QUICK RATIO (x)	2,91	3,75	3,95	4,31	4,59	4,97	5,35
ACTIVITY	2015A	2016A	2017E	2018F	2019F	2020F	2021F
INVENTORY TURNOVER (days)	257	240	224	211	205	203	199
AVERAGE COLLECTION PERIOD (days)	33	36	38	35	36	35	34
ACCOUNTS PAYABLE (days)	103	96	85	77	77	79	79
Diff	70	60	46	42	41	44	45
INVENTORY TURNOVER (x)	1,42	1,52	1,63	1,73	1,78	1,80	1,84
INVENTORY (% of sales)	34,0%	30,9%	29,8%	28,6%	28,4%	27,7%	27,1%
WC (% of Sales)	30,5%	32,5%	30,2%	30,2%	29,1%	28,0%	27,1%
TOTAL ASSETS TURNOVER (x)	0,55	0,55	0,55	0,57	0,57	0,56	0,55
FIXED ASSETS TURNOVER (x)	1,15	1,20	1,25	1,33	1,39	1,44	1,48
VIABILITY	2015A	2016A	2017E	2018F	2019F	2020F	2021F
S/T BANK DEBT PER SHARE (eurocents)	0,02	0,00	0,00	0,00	0,00	0,00	0,00
L/T BANK DEBT PER SHARE (eurocents)	1,11	1,06	1,06	1,06	1,06	1,10	1,10
TOTAL BANK DEBT PER SHARE (eurocents)	1,13	1,06	1,06	1,06	1,06	1,10	1,10
EFFECTIVE INTEREST RATE	0,05	0,04	0,04	0,03	0,03	0,03	0,03
NET DEBT / EQUITY (x)	-0,19	-0,27	-0,28	-0,31	-0,35	-0,40	-0,44
CURRENT ASSETS TURNOVER (x)	1,05	1,03	0,99	1,01	0,97	0,92	0,86
WORKING CAPITAL TURNOVER (x)	1,37	1,30	1,22	1,23	1,16	1,09	1,02
TIMES INTEREST EARNED (x)	18,7	24,9	30,9	35,7	37,9	40,8	43,7
FINANCIAL LEVERAGE (ASSETS/EQUITY)	1,38	1,34	1,32	1,30	1,28	1,27	1,26
DEBT/EQUITY	0,21	0,18	0,18	0,17	0,15	0,15	0,13
EFFICIENCY	2015A	2016A	2017E	2018F	2019F	2020F	2021F
GROSS PROFIT MARGIN	53,2%	53,0%	52,0%	51,5%	51,0%	51,0%	51,0%
EBITDA MARGIN	27,3%	28,8%	28,1%	27,7%	27,4%	27,7%	28,1%
EBIT MARGIN	23,7%	25,3%	24,7%	24,3%	24,0%	24,4%	24,8%
EBT MARGIN	23,5%	25,9%	25,5%	25,2%	24,9%	25,5%	25,9%
EATAM MARGIN	17,4%	16,4%	17,9%	17,0%	17,0%	16,8%	17,2%
RETURN ON CAPITAL EMPLOYED	14,8%	15,7%	15,2%	15,5%	15,2%	15,1%	14,9%
Average R.O.E.	13,1%	12,2%	13,1%	12,7%	12,4%	12,0%	11,9%
INVESTING	2015A	2016A	2017E	2018F	2019F	2020F	2021F
EPS BT (eurocents)	1,05	1,21	1,27	1,36	1,44	1,56	1,68
EPS AT & MINORITIES (eurocents)	0,78	0,77	0,89	0,92	0,98	1,03	1,12
CASH FLOW PER SHARE (eurocents)	0,99	0,82	1,04	0,98	1,10	1,22	1,30
FREE CASH FLOW PER SHARE (eurocents)	0,59	0,60	0,78	0,69	0,83	0,92	1,00
P/EBT CURRENT (x)	12,8	11,1	10,6	9,9	9,3	8,6	8,0
P/EAT CURRENT (x)	17,3	17,5	15,1	14,6	13,7	13,0	12,1
AVERAGE P/E (x)	17,3	17,5	15,1	14,6	13,7	13,0	12,1
PRICE TO CASH FLOW (x)	13,6	16,4	13,0	13,8	12,2	11,0	10,4
DIVIDEND PER SHARE (eurocents)	0,00	0,71	0,32	0,34	0,36	0,39	0,42
BOOK VALUE PER SHARE €	6,13	6,73	6,91	7,57	8,26	9,02	9,82
PRICE TO BOOK VALUE (x)	2,20	2,00	1,95	1,78	1,63	1,50	1,37
DuPont (ROE decomposition)	2015A	2016A	2017E	2018F	2019F	2020F	2021F
NET PROFIT MARGIN	17,4%	16,4%	17,9%	17,0%	17,0%	16,8%	17,2%
ASSET TURNOVER (TURNOVER / ASSETS) (x)	0,55	0,55	0,55	0,57	0,57	0,56	0,55
ROA	9,5%	9,1%	9,9%	9,8%	9,7%	9,4%	9,4%
FINANCIAL LEVERAGE (ASSETS / EQUITY) (x)	1,38	1,34	1,32	1,30	1,28	1,27	1,26
Average R.O.E.	13,1%	12,2%	13,1%	12,7%	12,4%	12,0%	11,9%

Source: MERIT SECURITIES, Company Financial Data

Valuation & Rating

Valuation Assumptions: We use a two stage model DCF providing explicit forecasts for a 5 year period up to fiscal year 2020/2021 and then assigning a perpetuity growth of 1.5%. Our long term **WACC is set to 9.54%**, while the average WACC for the 5-year period is 10.06%. The rest of our long term assumptions (tables below) **include a risk free rate of 3.5%, a country market risk premium of 8.5%, a beta of 0.85x and a debt/debt+equity ratio of 15%**. These inputs return a Target Price of €13.81/share implying a marginally positive total return of **2.47%** from current levels. Our target price includes of 21.8m€ of assets and 43.9m€ of dividends (pay out ratio 35%, 0.31€ per share for current year). We note that management has already announced the distribution of 0.18€/share dividend from current year's profit (ex-date 22 March 2017)

Share Price metrics: Jumbo currently trades round €13.50/share after peaking at €15.36/share at the end of 2016. Our target price implies a forward P/E 2016/2017 of 15x, a 2017/2018 P/E of 14.1x and 2018/2019 P/E of 13.4x. Respectively, EV/EBITDA posts at 8.63x, 7.75x and 6.99x.

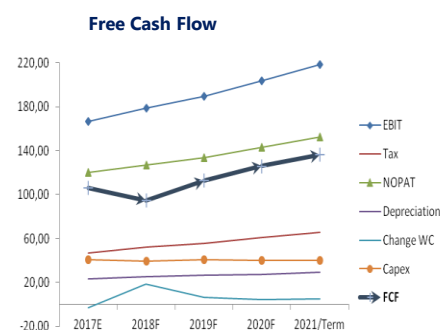
VVV By the end of fiscal year 2017 we have estimated the Jumbo's net cash position will be above 250m€ after having paid 100m€ of dividends/capital returns in H1 (plus another 23.5m€ in 22/3/2017). For the 5-year period we expect FCF production to stand above 100m€ (except fiscal year 2018) and reach 136.2m€ in 2021 leading to a net cash position of approximately 0.5bil€ after the 4th year (2020). This may permit higher future payouts to shareholders given that CAPEX and working capital needs do not deviate substantially from our expectations.

FREE CASH FLOW	2017E	2018F	2019F	2020F	2021/Term
Turnover	675,85	736,05	787,80	835,21	880,88
EBIT	166,76	178,64	189,33	203,82	218,25
Less: Tax	46,88	51,98	55,76	60,87	65,74
NOPAT	119,88	126,66	133,57	142,95	152,52
Plus: Depreciation	23,42	25,40	26,34	27,55	29,22
Less: Change in Working Capital	-3,29	18,42	6,59	4,65	5,18
Less: Net Capex	40,65	39,34	40,65	40,07	40,35
Cash Flow to the Firm (FCFF)	105,94	94,32	112,68	125,78	136,20
<i>growth rate of FCFF % in perpetuity → 1,50%</i>					
Discount Factor	0,953	0,866	0,788	0,716	0,651
Present Value of Cash Flows	101,01	81,72	88,80	90,12	88,66
Accumulated Present Value	101,01	182,72	271,52	361,64	450,30
Residual Value		1.730,44			
Present Value of Residual Value		1.126,39			
Value of Firm		1.576,69			
% Residual Value of Total		71,4%			

Source: MERIT SECURITIES

VALUATION	
Present Value of Future Cash Flows	450
Present Value of Residual Value	1.126
Value of firm	1.577
Less: Net Debt (Adjusted)	-237,10
Plus: Other Assets	21,77
Plus: Dividends	43,92
Value of Equity	1.879,47
Outstanding number of shares (mls)	136,06
Current Price: 08/03/2017	13,48
Value of share	13,81
% upside potential	2,47%

Source: MERIT SECURITIES



Source: MERIT SECURITIES

SENSITIVITY ANALYSIS						
LT WACC	PERPETUITY GROWTH OF FCFF					
	0,50%	1,00%	1,50%	2,00%	2,50%	
9%	13,72	14,31	14,98	15,76	16,67	
9,49%	12,82	13,29	13,81	14,41	15,09	
9,80%	12,58	13,01	13,50	14,06	14,68	
10,20%	12,29	12,69	13,14	13,64	14,21	
10,50%	12,08	12,46	12,88	13,35	13,88	

WACC CALCULATION	2017E	2018F	2019F	2020F	2021F	LT
Risk Free Rate	2,25%	2,25%	2,50%	2,75%	3,00%	3,50%
Beta Factor	0,85	0,85	0,85	0,85	0,85	0,85
Country Adjusted Market Risk Premium	10,0%	10,0%	9,5%	9,3%	9,0%	8,5%
Debt / Debt+Equity	9,3%	8,5%	7,9%	7,5%	7,0%	15,0%
Cost of Debt	3,7%	3,5%	3,5%	3,3%	3,3%	3,50%
Tax Rate	27,20%	28,00%	28,40%	28,60%	28,80%	29,0%
cost of equity CAPM	10,75%	10,75%	10,58%	10,61%	10,65%	10,73%
Weighted Average Cost of Capital (WACC)	10,01%	10,05%	9,94%	9,99%	10,07%	9,49%
P/E at EV	14,98	14,06	13,37	12,37	11,56	

Source: MERIT SECURITIES

Investment Risks / Upside Catalysts

Downside Risks

In our view key downside risks include:

1. Greece's political and macroeconomic environment. Jumbo's exposure in Greece is such that can severely affect the share price, both in terms of country risk (WACC sensitivity, page 4) and shrinking disposable income that directly presses on retail sales growth.

2. Currency volatility _ Eur/Usd. The group's purchases of goods are 80% in Usd, thus a subsiding Eur/Usd exchange rate implies a lower gross margin and naturally a lower gross profit. We have calculated that a 5% drop in the Eur/Usd rate means a ≈100bps drop in Jumbo's gross margin no action taken (assuming parity is 1.12 Eur/Usd).

3. Implementation of firm's expansion plan in Romania. Jumbo's target for Romania involves the operation of 20 stores (from 7 stores today). In our forecasts we have assumed that all 20 stores will open within our model's 5 year period. Any possible changes in the roll-out plan will affect our estimates accordingly.

Catalysts

Our forecasts hide the following upside risks:

1. Greek sales could improve substantially on a Greek economy turnaround. Our forecasts of 2.48% CAGR in sales per m2 until fiscal year 2021 could prove rather conservative if the European commission's forecasts (2.7% y-o-y for 2017, 3.0% y-o-y for 2018) materialize. In that case our estimates may be upgraded by a +1.5% CAGR in sales per m2 positively impacting the share price. So far official forecasts have been deviating from actual figures leading us to preserve a conservative stance in our estimates. This is supported by announced 4th quarter GDP figures for Greece that were presented decreasing by 1.1% yoy, according to ELSTAT .

2. Cypriot Sales on higher than expected growth (not exceeding 2% annually until 2021, IMF). Our assumption has margin for amendment if Cypriot economy grows faster than IMF's official forecasts.

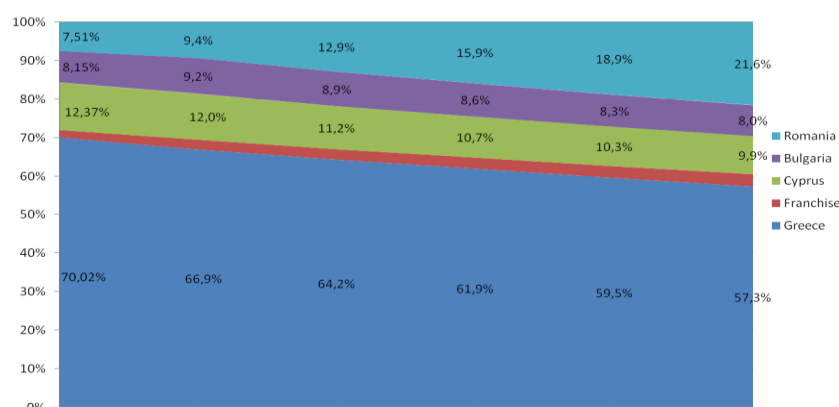
3. Bulgaria – Romania faster convergence of sales/m2 with Greece's sales/m2 to depict GDP per capita adjusted for purchasing power parity (PPP) differences. Our estimated difference of 15%-20% in sales/m2 for Bulgaria and 25%-30% in sales/m2 for Romania compared to Greece's sales/m2 benchmarking on GDP per capita PPP is assumed to cross off within our forecasting 5 yr period. Faster convergence implies higher sales sooner and may mean upgrading our target price per share.

Earnings Model

Sales Breakdown

Group's revenues come from the homeland by a percentage of 70.02%, but the completion of management's expansion plan in Romania will relieve this weight and lead Greek sales to <60% of Group's sales and more specifically it will shrink to 57.3% by the end of fiscal year 2021.

Furthermore, Romania will rank 2nd and contribute 21.6% sales (year 2021), whereas Cyprus will take up 3rd place (9.9% of group's sales until our terminal year) in case Bulgaria's forecasted growth does not bit our estimates. Bulgaria will weigh 8% of group's sales (Graph below).



Source: MERIT SECURITIES

Country Breakdown

m/s €	2013	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
Total Sales	502,18 €	541,85 €	582,55 €	637,56 €	675,85 €	736,05 €	787,80 €	835,21 €	880,88 €
<i>YoY % Sales Growth</i>		7,9%	7,5%	9,4%	6,0%	8,9%	7,0%	6,0%	5,5%
COGS	239,41 €	254,04 €	272,84 €	299,63 €	324,41 €	356,98 €	386,02 €	409,25 €	431,63 €
<i>Gross Margin %</i>	52,3%	53,1%	53,2%	53,0%	52,0%	51,5%	51,5%	51,0%	51,0%
Gross profit	262,78 €	287,81 €	309,71 €	337,93 €	351,44 €	379,06 €	401,78 €	425,96 €	449,25 €
Greece	414,00 €	426,00 €	438,00 €	446,39 €	451,86 €	472,85 €	487,67 €	497,03 €	504,48 €
<i>YoY % Sales Growth</i>	0,5%	2,9%	2,8%	1,9%	1,2%	4,6%	3,1%	1,9%	1,5%
Franchise				12,49 €	17,49 €	20,07 €	22,82 €	25,52 €	28,35 €
<i>YoY % Sales Growth</i>					40,1%	14,7%	13,7%	11,8%	11,1%
Cyprus Sales	54,00 €	67,00 €	75,00 €	78,86 €	80,83 €	82,45 €	84,10 €	85,78 €	87,50 €
<i>YOY % SALES GROWTH</i>	-1,82%	24,07%	11,94%	5,15%	2,5%	2,0%	2,0%	2,0%	2,0%
Bulgaria Sales	34,0 €	40,0 €	45,0 €	51,9 €	62,4 €	65,7 €	67,7 €	69,1 €	70,5 €
<i>YOY % SALES GROWTH</i>	25,93%	17,65%	12,50%	15,44%	20,2%	5,3%	3,0%	2,0%	2,0%
Romania		9,00 €	24,00 €	47,87 €	63,24 €	94,93 €	125,50 €	157,81 €	190,09 €
<i>YOY % SALES GROWTH</i>			166,67%	99,47%	32,1%	50,1%	32,2%	25,8%	20,5%
% Sales Country									
Greece	82,44%	78,62%	75,19%	70,02%	66,9%	64,2%	61,9%	59,5%	57,3%
Franchise				1,96%	2,6%	2,7%	2,9%	3,1%	3,2%
Cyprus	10,75%	12,37%	12,87%	12,37%	12,0%	11,2%	10,7%	10,3%	9,9%
Bulgaria	6,77%	7,38%	7,72%	8,15%	9,2%	8,9%	8,6%	8,3%	8,0%
Romania		1,66%	4,12%	7,51%	9,4%	12,9%	15,9%	18,9%	21,6%
	100%	100%	100%	100%	100,00%	100,00%	100,00%	100,00%	100,00%

Source: MERIT SECURITIES

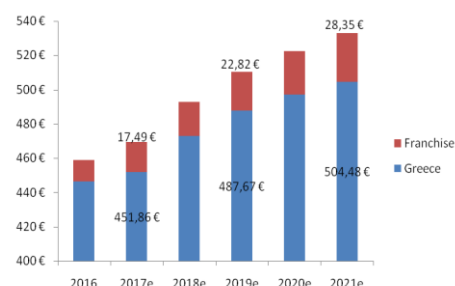
Greece & Franchise - Sales

Greek sales are estimated at 504.5ml€ from 446.4ml€(2015/2016) by fiscal year 2021 growing at 2.48% CAGR and contributing 23.9% of our total forecasted additional Group revenues

Domestic Sales in Greece have grown at 2.02% CAGR reaching 446.39ml€ (without franchise) for the 4-year period 2013-2016 operating under a hostile macro environment that has put severe pressure on Greek disposable income. This amount stands for 70.02% of group revenues and is mostly attributed to new shop opening, but also to 1st generation stores' replacement. Jumbo currently operates 51 stores, adding 7 and closing 4 since fiscal year 2013 (48 stores). The average size per store is 8040m².

For the next 5 years up to 2020/2021 we estimate a 2.48% CAGR on domestic sales up to 504.5ml€ plus 28.35ml€ from franchise operations assuming the addition of 1 POS (point –of-sale) every year. This gives a total of 532.8ml€ sales in the homeland. The 3-year CAGR is 3.62% (up to 2018/2019) mainly due to three new stores rolling out by the end of 2018/2019 in line with management's guidance. Even though the macroeconomic environment has shown signs of improvement the path to steady and viable GDP growth is not visible in the near future, thus we have embodied a +2.50% increase in sales/m² (adjusting for 2016 store open-closures and Jumbo's H1 results) for the current year, +1.00% increase for fiscal years 2018 and 2019 and a 1.5% increase for 2020 – 2021. This returns a 5-year 1.50% CAGR for sales/m² from 1072€ sales/m² to 1154€ sales/m², which is triple compared to period 2014-2016 when sales/m² rose by 0.50% CAGR according to our calculations. We note that our measure of sales/m² includes retail space, warehouses and parking.

Sales Greece – Franchise mls €



Source: MERIT SECURITIES

Store O/C - POS Greece - Franchise

	2016	2017e	2018e	2019e	2020e	2021e
Greece total stores	53	51	52	53	54	54
Sq mts	416.793	410.037	419.037	428.037	437.037	437.037
Greece Stores Open	1	1	1	1		
Sq mts	9.000	9.000	9.000	9.000		
Greece Stores Close	3					
Sq mts	15.756					
Franchise Stores	9	10	11	12	13	14
Franchise New		1	1	1	1	1

Projected Sales / sales per m2 Greece – Franchise

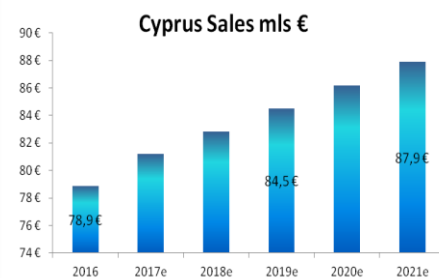
mls €	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
Greece & Franchise	426,00 €	438,00 €	458,88 €	469,36 €	492,92 €	510,49 €	522,55 €	532,84 €
Greece	426,00 €	438,00 €	446,39 €	451,86 €	472,85 €	487,67 €	497,03 €	504,48 €
YoY % Sales Growth	2,9%	2,8%	1,9%	1,2%	4,6%	3,1%	1,9%	1,5%
Franchise			12,49 €	17,49 €	20,07 €	22,82 €	25,52 €	28,35 €
YoY % Sales Growth				40,1%	14,7%	13,7%	11,8%	11,1%
€/m2								
Greece sales/m2	1.042,49 €	1.054,30 €	1.071,60 €	1.098,39 €	1.109,37 €	1.120,46 €	1.137,27 €	1.154,33 €
yoY% sales/m2 growth				2,5%	1,0%	1,0%	1,5%	1,5%

Source: MERIT SECURITIES

Cyprus

Cypriot sales are estimated to reach 87.50ml€ in 2021 from 78.86ml€ (2015 / 2016), growing at 2.10% CAGR within our forecasting 5-yr period contributing less than 4% of our total forecasted additional Group revenues, assuming no store roll – out is being planned.

Jumbo's presence in Cyprus goes back to 1992, but last generation store was first opened in December 2001 (8800 m2). Today's network includes 5 stores of 10760 m2 average size providing 1466€/m2 according to 2016 recorded 78.86ml € revenues. Given that no new roll-outs are expected within our forecasting 5-yr period, and that the company's brand name is already established we see revenue closely relating to the macro environment. Cyprus GDP per Capita adjusted by purchasing power parity (PPP) stands almost 25.5% above Greece's (24,535 USD) at 30,800 USD (tradingeconomics.com, World Bank) (graph. 1), a difference that approximates the percentage gap in our sales/m2 calculations for the two regions. In our calculations we use an adjusting factor to mitigate the effect of larger stores in Cyprus compared to those in Greece We therefore estimate a 2.5% rise in sales/m2 for the current year, which is in line with the firm's latest press release (+3% for the period July 2016-December 2016) and we estimate a 2.0% annual increase for the next 4 years until fiscal year 2021 to account for GDP growth of ≈2% annually (up to 2021), according to the IMF.



Source: MERIT SECURITIES

CYPRUS GDP PER CAPITA PPP

Cyprus GDP per Capita PPP (in USD)



Source: tradingeconomics.com, World Bank

SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK

Store O/C Cyprus	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
Cyprus Stores	3	4	5	5	5	5	5	5
Sq mts total	31.300	41.800	53.800	53.800	53.800	53.800	53.800	53.800
Cyprus Stores Open	1	1	0	0				
Sq mts	10.500	12.000						
Cyprus Stores Close								
Sq mts								

Projected Sales / sales per m2 Cyprus

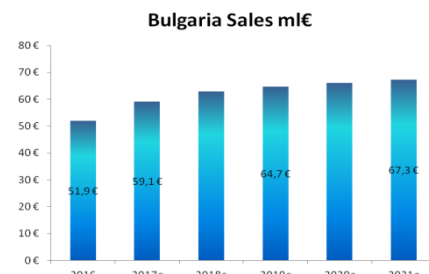
mls €	2016	2017e	2018e	2019e	2020e	2021e
Cyprus Sales	78,86 €	80,83 €	82,45 €	84,10 €	85,78 €	87,50 €
YOY % SALES GROWTH	5,15%	2,5%	2,0%	2,0%	2,0%	2,0%
€/m2						
Cyprus Sales/m2	1.465,83 €	1.502,48 €	1.532,53 €	1.563,18 €	1.594,44 €	1.626,33 €
yoY% sales/m2 growth		2,5%	2,0%	2,0%	2,0%	2,0%

Source: MERIT SECURITIES

Bulgaria

Bulgarian sales are expected at 70.50ml€ from 51.95ml€(2015/2016) by fiscal year 2021 growing at 6.28% CAGR and contributing 8.0% of our total forecasted additional Group revenues. We estimate a 4.33% CAGR (5-year) in sales/m2 and assume no roll-outs.

Jumbo seems to have met its target in Bulgaria with the last store opening in November 2016. Using GDP per Capita adjusted by purchasing power parity (PPP) in USD (Bulgaria 17060 USD, Graph below) as reference, we have found that Bulgarian sales/m2 could converge by an extra 20% with current Greek sales/m2 from last year's 458.5€/m2 levels. This gap is estimated after adjusting for different capacity per store. Part of this convergence (50%) is added in this year's growth forecast and latest sales momentum provide full support. The rest is spread out in the remaining 4 years. Thus, as shown in the table below sales/m2 are estimated at +12% yoy for 2016/2017 and +3% yoy for fiscal years 2018 and 2019. For years 2020 and terminal year 2021 we have estimated a growth of 2% in sales/m2.



Source: MERIT SECURITIES

Bulgaria GDP per Capita PPP (in USD)

BULGARIA GDP PER CAPITA PPP



Source: tradingeconomics.com, World Bank

SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK

Store O/C Bulgaria	2013	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
BULGARIA	7	8	8	8	8	9	9	9	9
Sq mts total	97.300	113.300	113.300	113.300	113.300	124.300	124.300	124.300	124.300
BULGARIA STORES OPEN					1				
Sq mts	16.000				11.000				
BULGARIA STORES CLOSE									
Sq mts									

Projected Sales & sales per m2 Bulgaria

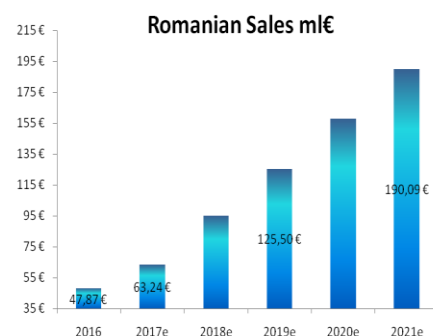
mls €	2016	2017e	2018e	2019e	2020e	2021e
Bulgaria Sales	51,9 €	62,4 €	65,7 €	67,7 €	69,1 €	70,5 €
YOY % SALES GROWTH	15,44%	20,2%	5,3%	3,0%	2,0%	2,0%
€/m2						
Bulgaria Sales/m2	458,50 €	513,52 €	528,93 €	544,80 €	555,69 €	566,80 €
yoy% sales/m2 growth		12,0%	3,0%	3,0%	2,0%	2,0%

Source: MERIT SECURITIES

Romania

Romanian sales are the main source of sales growth given that 13 out of 16 stores are expected to open in Romania according to guidance. Therefore, we estimate a 31.76% CAGR in sales for our 5 year period leading to 190.1m€ (2020/2021) of revenues from 47.87m€ last year. This implies a 58.45% contribution in our total forecasted additional Group revenues. We have assumed 24% yoy rise in sales/m2 for the current year, which is fully supported by H1 results, and +4% sales/m2 for 2017/2018.

Jumbo launched its' first 2 stores in Timisoara and Bucharest in the last quarter of 2013 and currently operates 7 stores. Benchmarking on GDP per Capita adjusted by purchasing power parity (PPP) in USD (Romania 19935 USD, Graph below), we have found that, like Bulgaria, there is a gap of approximately 25%-30% in terms of sales/m2 compared to current Greek sales/m2 adjusted for different capacity per store. Current sales/m2 in Romania is calculated at 632.39€/m2 in 2015/2016 and is expected to reach 784.17 €/m2 by the end of this fiscal period(2016/2017) up +24% yoy. Following this rationale we have estimated a 4% yoy increase in sales/m2 in 2017/2018, +3% yoy for the 2 years after that, and +2% for our terminal year 2021.



Source: MERIT SECURITIES

ROMANIA GDP PER CAPITA PPP Romania GDP per Capita PPP (in USD)



SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK

Source: tradingeconomics.com, World Bank

Store O/C Romania	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
STORES								
Romania	0	2	5	7	8	11	14	17
Sq mts total	0	24.000	57.000	79.000	90.000	123.000	156.000	189.000
Romania Stores Open	2	3	2	1	3	3	3	3
Sq mts	24.000	33.000	22.000	11.000	33.000	33.000	33.000	33.000
Romania Stores Close								
Sq mts								

Projected Sales & sales per m2 Romania

m/s €	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
Romanian Sales	9,00 €	24,00 €	47,87 €	63,24 €	94,93 €	125,50 €	157,81 €	190,09 €
YOY % SALES GROWTH		166,67%	99,47%	32,1%	50,1%	32,2%	25,8%	20,5%
€/m2								
Romania sales/m2	441,18 €	461,10 €	632,39 €	784,17 €	815,53 €	840,00 €	865,20 €	882,50 €
yoy% sales/m2 growth		4,5%	37,2%	24,0%	4,0%	3,0%	3,0%	2,0%

Source: MERIT SECURITIES

Stores/Points of Sale Roll-out plan

The store roll-out plan assumed in our 5 year DCF model involves the opening of 13 stores in Romania and 3 stores in Greece fully in line with official announcements. On top, we have assumed the addition of one POS for every year for the franchise segment. Therefore, Jumbo will operate 88 super-stores and 14 points of sale by the end of 2021. Total store capacity in square meters is estimated to approach 837,137m² by terminal year 2021 from 667,137m² today.

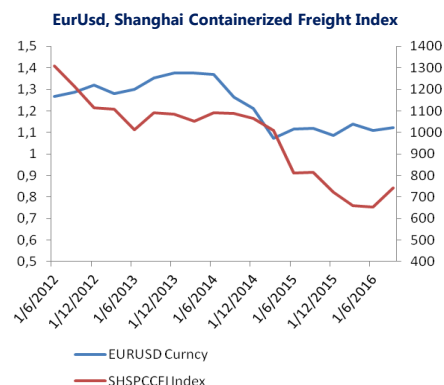
In our model we embody the assumption that stores opened in Greece and Romania will approximate the size of 9000m² and 11000m² respectively. Also, the firm's management is oriented in 3-4 store roll-outs a year but Romania's performance may speed things up.

Stores - 5 year Roll-Out Plan		2014	2015	2016	2017e	2018e	2019e	2020e	2021e
STORES									
Greece total stores	51	52	53	51	52	53	54	54	54
Sq mts	395.483	407.793	416.793	410.037	419.037	428.037	437.037	437.037	437.037
Cyprus	3	4	5	5	5	5	5	5	5
Sq mts total	31.300	41.800	53.800	53.800	53.800	53.800	53.800	53.800	53.800
Bulgaria	8	8	8	8	9	9	9	9	9
Sq mts total	113.300	113.300	113.300	113.300	124.300	124.300	124.300	124.300	124.300
Romania	0	2	5	7	8	11	14	14	17
Sq mts total	0	24.000	57.000	79.000	90.000	123.000	156.000	156.000	189.000
Net New Stores	4	5	0	3	4	4	3	3	3
Net New Store Sq mts	46.810	54.000	15.244	31.000	42.000	42.000	33.000	33.000	33.000
Greece Stores Open	2	1	1	1	1	1			
Sq mts	20.000	9.000	9.000	9.000	9.000	9.000			
Greece Stores Close	1		3						
Sq mts	7.690		15.756						
Cyprus Stores Open	1	1							
Sq mts	10.500	12.000							
Cyprus Stores Close									
Sq mts									
Bulgaria Stores Open				1					
Sq mts				11.000					
Bulgaria Stores Close									
Sq mts									
Romania Stores Open	2	3	2	1	3	3	3	3	3
Sq mts	24.000	33.000	22.000	11.000	33.000	33.000	33.000	33.000	33.000
Romania Stores Close									
Sq mts									
Total Stores	66	71	71	74	78	82	85	85	88
Total Store Sq mts	586.893	640.893	656.137	687.137	729.137	771.137	804.137	804.137	837.137
Franchise / POS			9	10	11	12	13	13	14
Franchise New				1	1	1	1	1	1
Total Stores & Point of Sales			80	84	89	94	98	98	102

Source: MERIT SECURITIES

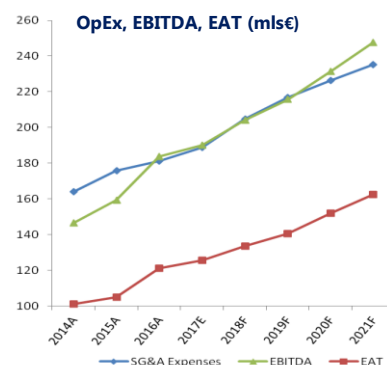
Key Highlights

Gross Margin%: The group's purchases of goods are in Usd by a percentage approaching 80%, thus a subsiding Eur/Usd exchange rate implies a lower gross margin. We have calculated that a 5% drop in the Eur/Usd rate translates into a ≈100bps drop in Jumbo's gross margin, given that the company will take no action to offset the negative impact (assuming parity is 1.12 Eur/Usd). The Eur/Usd exchange rate has landed to 1.06 from 1.35 in Jan 2014 even though gross margins were maintained above 53%. The drop in euro vs usd was relieved by lower transportation costs and inventory management. However, since January 2016 undesirable currency movements and higher transportation costs are a challenge for the firm's competent management. We believe that Jumbo will temper most of the negative effects, thus we assume a 52% gross margin for 2016/2017 and 51.5% for the next two fiscal years(2018 & 2019). Finally, we estimate a 51% gross margin for fiscal years 2020 and 2021 in line with management's view that long run gross margin is more likely to land around 50%. We also note that the reduction in gross margins reflects the effect of the VAT increase in Greece.



Source: MERIT SECURITIES

Operating Expenses: The company's cost discipline record is remarkable fully unraveling economies of scale. Operational expenses declined from 30.28% (164.06ml€) of turnover in 2013 to 28.42% (181.22ml€) of turnover in 2016. We expect the trend to continue with operational expenses from 27.95% of turnover (188.9ml€) this year to reach 26.7% of turnover at 235.19ml€ in 2021. This returns a 5.35% CAGR growth of operational expenses for our model's period compared to a 6.68% CAGR growth of sales and 6.03% CAGR growth of Earnings after tax. (Graph OpEx, EBITDA, EAT ml€)



Source: MERIT SECURITIES

EBITDA: Current's year EBITDA is expected to post at 190.18ml€ 3.55% higher yoy on gross margin pressures. For the years to come we estimate an increase of 6.14% CAGR that sets 2019 EBITDA at 215.7ml€ and 2021 EBITDA at 247.47ml€. Also, EBITDA margins are expected to post at 28.1% for the current year and 27.74% for 2017/2018.

Earnings After Tax (EAT) & EPS: The Group has generated almost 0.5bil€ of net profits during 2012-2016 and we estimate another 714.2ml€ for the forward 5 year period. For 2016/2017 EAT will go slightly above last year at 125.5ml€ and will reach 162.5ml€ by 2021. EAT margin will remain in the area of 18%. Earnings per share (EPS) will respectively climb to 1.19eps (1.03eps in fiscal year 2019) from 0.89eps last year.

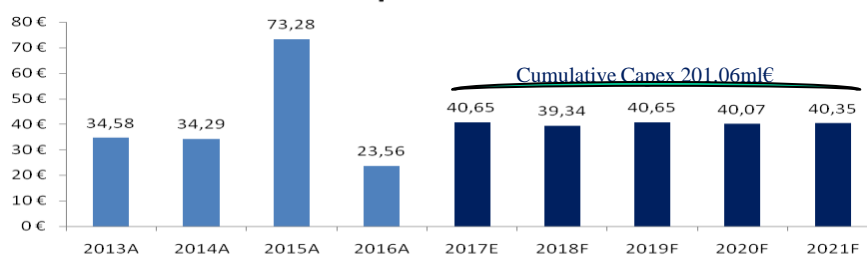
Cash Flow generation (OpCF / FCF) : Operating cash flows will stay above 7% and are expected to grow by 9.61% CAGR for our model's 5 year period. Also, within our working capital estimates free cash flow generation is shown to post at 5.6% for the current year and reach 7.2% in terminal year demonstrating a 10.69% CAGR for the next 5 years. Regarding working capital, inventories are projected to increase to 223.9ml€ in 2018/2019 at 28.42% of turnover and to 238.47ml€ by 2020/2021 approaching 27.07% of turnover. This implies an Inventory turnover ratio (in Days) of 206 and 199 days respectively. Trade Payables turnover ratio (in Days) is assumed to reach 44 days at 12.00% of COGS by 2020/2021.

OpCF growing at 9.61% CAGR (5years)

FCF growing at 10.69% CAGR (5 years)

Capex: We set cumulative capex at 201.06ml€ up to 2021 in proportion to store expansion plan in Greece and Romania and in line with guidance (approx 40ml€ annually).

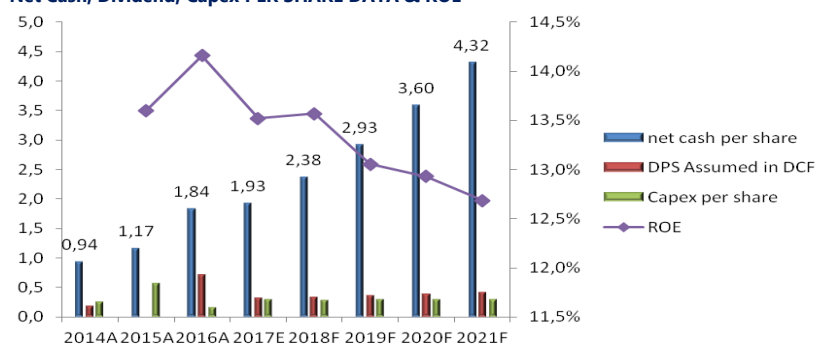
Capex in ml€



Source: MERIT SECURITIES

Dividends / Capital returns: According to our projections net cash per share (Cash-Debt) will rise to 2.93 €/share by fiscal year 2019 from 1.84 €/share last year and climb to 4.32 €/share by 2021. High cash reserves put pressure on Return on Equity (ROE) which is estimated to shrink to 12.0% from current $\approx 14\%$ levels (Graph below). Recall that our DCF already includes a payout ratio of 35% annually returning a dividend yield of 2.4% for current year and 2.6%, 2.7%, 2.9% and 3.1% respectively for the 5year period up to 2021. Suggested payout policy could be reviewed upwards or one-off capital returns could be frequent for the years to come as it is demonstrated in the graph below.

Net Cash, Dividend, Capex PER SHARE DATA & ROE



Source: MERIT SECURITIES

Shareholders' Structure

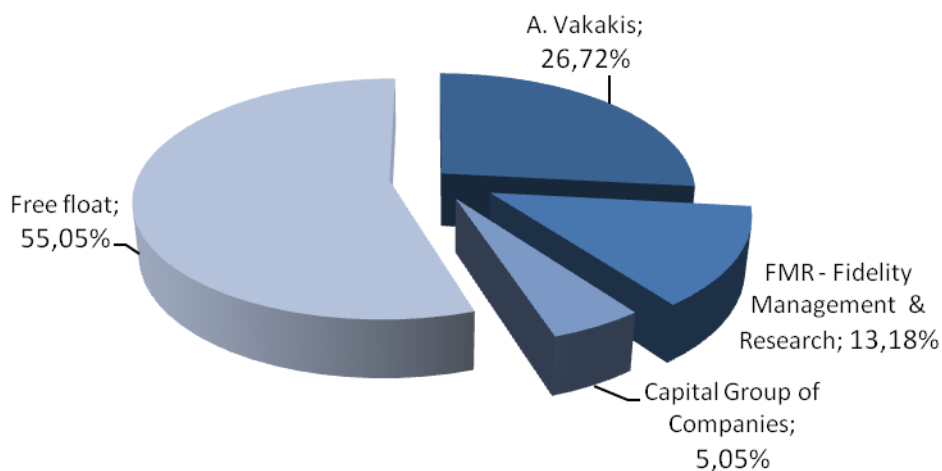
Apostolos-Evangelos Vakakis is the Founder/President of the Board of Directors and holds 26.72% of Jumbo's common shares.

FMR – Fidelity Management & Research directly and indirectly holds 13.18% of common shares since 17th of December 2012.

Capital Group of Companies investment management firm has acquired 5.05% of Jumbo's common shares.

Free Float is presented at 55.05% of total number of common shares and includes many institutional investors.

Shareholders %



JUMBO								
Balance sheet (000s. €)								
ASSETS	2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
NON CURRENT ASSETS								
PROPERTY PLANT & EQUIPMENT	445,85	497,88	498,77	516,00	529,93	544,24	556,76	567,89
INVESTMENT PROPERTIES ADDITIONS	6,50	6,12	5,74	5,74	5,74	5,74	5,74	5,74
INTANGIBLE ASSETS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
INVESTMENT IN SUBSIDIARIES ADDITIONS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
AVAILABLE FOR SALE FINANCIAL ASSETS	6,50	10,38	7,88	8,00	9,00	9,00	9,00	9,00
DEFERRED INCOME TAX ASSETS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
DERIVATIVE FINANCIAL ASSETS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
NON CURRENT RECEIVABLES	22,64	17,76	17,14	16,22	16,19	15,76	15,87	15,86
LONG TERM RECEIVABLES	0,93	0,95	0,97	0,97	0,97	0,97	0,97	0,97
TOTAL NON CURRENT ASSETS	482,43	533,09	530,48	546,93	561,83	575,70	588,33	599,45
CURRENT ASSETS								
INVENTORY	186,18	197,79	196,78	201,13	210,62	223,89	231,23	238,48
ACCOUNTS RECEIVABLE (CLIENTS)	30,70	15,55	32,57	20,28	29,44	31,51	30,90	30,83
OTHER ACCOUNTS RECEIVABLE	25,82	33,25	44,45	44,61	47,84	47,27	50,11	52,85
CURRENT FINANCIAL ASSETS AVAILABLE F	8,57	5,91	8,16	8,16	8,16	8,16	8,16	8,16
FINANCIAL ASSETS VALUED AT FAIR PRICE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
CURRENT ASSETS AVAILABLE FOR SALE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
CASH & EQUIVALENT	287,57	298,92	394,73	406,79	467,78	542,91	639,85	738,11
OTHER CURRENT ASSETS	12,67	5,82	2,23	3,38	3,68	3,94	4,18	4,40
TOTAL CURRENT ASSETS	551,51	557,24	678,93	684,34	767,53	857,68	964,43	1.072,83
TOTAL ASSETS	1.033,94	1.090,33	1.209,41	1.231,27	1.329,36	1.433,38	1.552,76	1.672,28
EQUITY & LIABILITIES								
SHARE CAPITAL	161,91	161,91	119,73	119,73	119,73	119,73	119,73	119,73
ADDITIONAL PAID IN CAPITAL	7,70	7,70	50,00	50,00	50,00	50,00	50,00	50,00
CURRENCY DIFFERENCES	-0,64	-0,89	-1,84	-2,29	-2,29	-2,29	-2,29	-2,29
TOTAL RESERVES	339,47	361,64	436,80	439,76	446,45	453,48	461,07	469,20
RETAINED EARNINGS	236,06	266,85	310,90	333,10	416,16	502,92	598,07	699,28
MINORITY RIGHTS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL EQUITY	744,51	797,21	915,59	940,30	1.030,05	1.123,84	1.226,59	1.335,92
OTHER PROVISIONS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
L/T BANK LOANS	143,68	143,92	144,19	144,20	144,20	144,20	150,00	150,00
PROVISIONS FOR EMPLOYEES	4,70	5,78	7,45	8,50	9,00	9,50	10,00	10,50
OTHER L/T LIABILITIES	0,08	12,95	5,81	6,00	6,00	6,00	6,00	6,00
DEFERRED INCOME TAX LIABILITIES	7,65	6,99	7,81	9,85	10,92	11,71	12,78	13,80
TOTAL LONG TERM LIABILITIES	156,11	169,64	165,26	168,55	170,12	171,41	178,78	180,30
ACCOUNTS PAYABLE (CLIENTS)	52,23	51,41	39,06	45,42	48,19	50,18	53,20	56,11
S/T BANK LOANS	21,41	2,88	0,18	0,00	0,00	0,00	0,00	0,00
LIABILITIES FOR TAXES - DUES	38,60	40,01	51,42	49,00	52,00	52,50	56,60	60,30
OTHER ACCOUNTS PAYABLE	21,08	29,19	37,90	28,00	29,00	35,45	37,58	39,64
TOTAL SHORT TERM LIABILITIES	133,32	123,48	128,56	122,42	129,19	138,13	147,39	156,05
TOTAL LIABILITIES	289,43	293,12	293,82	290,96	299,31	309,54	326,17	336,36
LIABILITIES & EQUITY	1.033,94	1.090,33	1.209,41	1.231,27	1.329,36	1.433,38	1.552,76	1.672,28
PROFIT & LOSS ACCOUNT								
TOTAL TURNOVER	541,85	582,55	637,56	675,85	736,05	787,80	835,21	880,88
(COGS)	-254,04	-272,84	-299,63	-324,41	-356,98	-386,02	-409,25	-431,63
GROSS EARNINGS	287,81	309,71	337,93	351,44	379,06	401,78	425,96	449,25
OTHER OPERATING INCOME	3,37	4,00	4,29	4,20	4,20	4,20	4,20	4,20
(ADMINISTRATIVE EXPENSES)	-21,25	-22,88	-22,14	-22,30	-24,29	-26,00	-26,73	-27,31
OTHER EXPENSES	-5,01	-6,44	-6,40	-6,40	-6,62	-7,09	-7,52	-7,93
(DISTRIBUTION EXPENSES)	-137,80	-146,44	-152,68	-160,18	-173,71	-183,56	-192,10	-199,96
EBITDA	146,50	159,19	183,67	190,18	204,05	215,68	231,37	247,47
EBIT	127,12	137,94	161,00	166,76	178,64	189,33	203,82	218,25
INCOME FROM INVESTMENTS AND INTER	9,12	6,39	10,59	11,00	12,00	12,00	14,00	15,00
INCOME FROM AFFILIATES	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
FINANCIAL EXPENSES								
(INTEREST EXPENSE)	-6,26	-7,38	-6,46	-5,40	-5,00	-5,00	-5,00	-5,00
EBT	129,98	136,95	165,13	172,36	185,64	196,33	212,82	228,25
(TAXES)	-28,73	-32,11	-43,87	-46,88	-51,98	-55,76	-60,87	-65,74
EAT	101,25	104,84	121,26	125,48	133,66	140,57	151,95	162,52
(MINORITY RIGHTS)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
EAT PER SHARE (IN €)	0,74	0,77	0,89	0,00	0,00	0,00	0,00	0,00
EATAM	73,96	101,25	104,84	121,26	125,48	133,66	140,57	151,95

JUMBO								
CASH FLOW STATEMENT (in 000s. €)	2014A	2015A	2016A	2017E	2018F	2019F	2020F	2021F
OPERATING ACTIVITIES								
EBT	130,0	137,0	165,1	172,4	185,6	196,3	212,8	228,3
PLUS/MINUS ADJUSTMENTS FOR:								
DEPRECIATION	19,4	21,2	22,7	23,4	25,4	26,3	27,6	29,2
PROVISIONS	0,2	0,3	0,2	1,1	0,5	0,5	0,5	0,5
CURRENCY DIFFERENCES	(0,1)	(0,1)	0,0	(0,4)				
PROFIT/LOSS FROM INVESTMENTS	(0,2)	2,7	(2,2)					
INTEREST AND OTHER EXPENSES	(3,3)	(1,7)	(1,9)	(5,6)	(7,0)	(7,0)	(9,0)	(10,0)
PLUS/MINUS CHANGE IN WORKING CAPITAL								
DECREASE/INCREASE INVENTORIES	(10,2)	(11,6)	0,9	(4,4)	(9,5)	(13,3)	(7,3)	(7,2)
DECREASE/INCREASE RECEIVABLES	(12,1)	12,2	(15,6)	11,0	(12,7)	(1,8)	(2,5)	(2,9)
DECREASE/INCREASE IN LIABILITIES	23,0	7,6	(8,5)	(3,4)	3,8	8,4	5,2	5,0
MINUS:								
INTEREST AND OTHER EXPENSES PAID	(6,3)	(7,0)	(6,2)	(5,4)	(5,0)	(5,0)	(5,0)	(5,0)
TAX PAID	(18,3)	(31,7)	(42,8)	(47,3)	(47,9)	(54,5)	(55,7)	(61,0)
INFLOW/OUTFLOW FROM OPERATIONS (1)	122.1	128.9	111.7	141.4	133.2	150.1	166.5	176.8
INVESTING ACTIVITIES								
ACQUISITION OF SUBSIDIARIES/JOINT VENT								
ACQUISITION OF TANGIBLE AND INTAGIBLE	(35,9)	(59,1)	(34,7)	(40,7)	(39,3)	(40,7)	(40,1)	(40,4)
INCOME FROM SALE OF TANGIBLE AND INTA	0,6	2,9	0,1					
INTEREST & DIVIDEND INCOME	7,6	9,3	7,5	11,0	12,0	12,0	14,0	15,0
OTHER INVESTING ACTIVITIES	6,2	(6,3)		0,8	(1,0)	0,4	(0,1)	0,0
INFLOW/OUTFLOW FROM INVESTING ACT	(21,5)	(53,2)	(27,1)	(28,9)	(28,3)	(28,2)	(26,2)	(25,3)
FINANCIAL ACTIVITIES								
INCOME FROM CAPITAL INCREASE								
INCOME/(REPAYMENTS) FROM LOANS &LEA	18,3	(18,5)	(2,7)	(0,2)			5,8	
DIVIDENDS PAID		(45,8)		(100,3)	(43,9)	(46,8)	(49,2)	(53,2)
OTHER FINANCIAL ACTIVITIES	(1,4)							
INFLOW/OYTFLOW (1)+(2)	100,7	75,7	84,6	112,6	104,9	121,9	140,3	151,4
INFLOW/OUTFLOW FROM FINANCIAL ACT	16,9	(64,3)	(2,7)	(100,5)	(43,9)	(46,8)	(43,4)	(53,2)
CHANGE IN CASH	117,6	11,4	81,9	12,1	61,0	75,1	96,9	98,3
CASH AT THE BEGINNING OF PERIOD	170,0	287,6	298,9	394,7	406,8	467,8	542,9	639,9
CURRENCY DIFFERENCES	(0,0)	(0,0)	(0,5)					
CASH FROM CONSOLIDATION			14,4					
CASH AT END	287,6	298,9	394,7	406,8	467,8	542,9	639,9	738,1

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Date	Rating	Price	Target price
March 2017	HOLD	13,48	13,81

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MERIT INVESTMENT SECURITIES S.A.

Member of Athens Stock Exchange, Derivatives Market, Athex Market Specialist, Advisor in Alternative Market (ENA)
3 Georgiou Souris Street, 105 57, Athens, Greece

Tel: +30 210 36 71 800
Fax: +30 210 36 71 830
E-mail: analysisdept@merit.gr

Equity Research

Nick +30 210 36 71 827
Kafkas
Petros +30 210 36 78 823
Tsourtis

Institutional Sales

Thanos +30 210 36 78 753
Vlachopoulos
Petros Tsourtis +30 210 36 71823
Nick Kafkas +30 210 36 71 827

Trading

Tomas +30 210 36 71 821
Tomaras