

Equity Research | Update

10 March 2017

RIC: BABr.AT, BBG: BABY GA

Changes Rating - TP EPS

Target price 15.6
of which DPS 0.36
Previous 14.60
Total stock return 17.4%

Valuation	2015a	2016e	2017e	2018e
P/E	14.9x	13.5x	12.9x	12.1x
P/BV	2.0x	1.8x	1.6x	1.5x
EV/Sales	2.4x	2.2x	2.0x	1.8x
EV/EBITDA	8.5x	7.5x	7.0x	6.3x
EV/EBIT	9.6x	8.5x	7.9x	7.2x
Dividend yield	2.0%	2.6%	2.7%	2.9%
FCF yield	5.4%	6.4%	7.7%	9.4%

Per share	2015a	2016e	2017e	2018e
EPS	0.89	0.98	1.03	1.09
EPS old	0.89	0.93	0.98	1.05
DPS	0.27	0.34	0.36	0.38

BS data (€m)	2015a	2016e	2017e	2018e
Sh. Equity	916	1,003	1,093	1,190
Net debt	-250	-300	-362	-438

P&L data (€m)	2015a	2016e	2017e	2018e
Revenues	638	686	731	762
EBITDA	184	200	206	216
EBIT	161	177	182	190
Net income	121	134	140	149

Trading data	1m	3m	6m	12m
Rel. Performance	-5.5%	-8.7%	3.7%	-16.4%
Abs. Performance	1.1%	-7.3%	18.2%	1.1%
H L 52w	15.36	8.75		

Market cap. (mn) 1802.79
Shares outstanding (m): 136

Free float (% , mn) 68% | 1225.90
Avg. vol. Traded (52w): 202k

Index constituent & weight:
ASE (5.2%), FTSE LC (6.34%), FTSE MI (6.18%)

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Setting the barrier higher

It is common for Jumbo beating not only its own guidance but also consensus. In 1H 16/17 sales grew by 8.1% y-o-y to €402mn when guidance for this year 4-7%. Gross Profits was resilient at 51.2% (vs. 51.5% in 1H 15/16), while EBITDA margin reached 29.2% (vs. 28.5% in 1H 15/16). Greek performance was once again above expectations since sales stood at €275mn (+3.7% y-o-y) on an EBITDA of €77mn (+6.8% y-o-y, margin 28%). Company guidance for FY 16/17 group sales growth 4-7% was not reiterated but also looks low given recent performance. We revised upwards our FY 16/17 revenue growth estimates to 7.7% from 6.7% before, on the back of superb track record, consolidation strategy in Greece (focus on hyper stores), Romanian expansion and growth prospects in other markets. On these grounds we reiterate our 'Outperform' recommendation by upgrading our target price to €15.6/share vs. €14.6/share previously.

Performance

Despite its superb performance during the last six months (+18%), shares seem stalled for now. Jumbo underperformed ASE during the last month by 5.5%, while it was just 0.6% up vs. Eurostoxx retail index.

New Estimates

Taking into account network investments, the latest trends in all markets, the unique business model of Jumbo and that inferior goods demand increases when disposable income deteriorates, we have set sales CAGR 15/16-18/19e to 5.1% vs. AFe old 4%. Greek sales CAGR stands at +1% vs. 0.7%. EBITDA CAGR 15/16-18/19e could reach 4.1% (AFe old 2.4%), on a margin of 27-28% (AFe old 27%). Gross margin is seen 52-53% in line with AFe old, while long term FCF yield is forecasted at 12% vs. AFe old 11%.

Business Strategy – Network Rollout

By the end of 1H 16/17 Jumbo operated 72 stores out of which 51 are located in Greece, 5 in Cyprus, 9 in Bulgaria, 7 in Romania and one e-shop. Until Christmas 2017 4 hyper stores are expected to operate in Romania, while the plan remains to reach 20 in the next five years. A new hyper store will also open in N Greece during the same period. We estimate that in two years' time Jumbo will have a network of 80 stores with the majority of new openings in Romania.

1H 16/17 Snapshot

Revenues, EBITDA and net income came at €401.9mn (+8.1% y-o-y), €117.3mn (+11.8% y-o-y – margin 29.1% increased by 2% compared to 1H15/6) and €81.4mn (+12.3% y-o-y) respectively. Greek stores presented a small increase, reversing the weak trends in September – October. In Cyprus, sales were up 3% y-o-y, while Romania and Bulgaria are still in double digit growth. The company also decided to distribute an interim dividend of €0.18/share. Ex-dividend date will be March 22nd, record date will be on March 23rd and payment on March 28th.

Jumbo is the biggest toy, baby, home and seasonal products retailer in Greece with strong presence in Cyprus and Bulgaria. The company operates 71 stores, 51 of which in Greece, 5 in Cyprus, 7 in Romania and 8 in Bulgaria.

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Please refer to important disclosures in the Disclosure Appendix

Rating: Outperform High risk		Share price performance					
Target price:	15.6	(%)	1m	6m	12m		
of which DPS:	0.36	Rel	-6%	4%	-16%		
Total stock return:	17.4%	Abs	1%	18%	1%		
Mkt cap (mn):	1,803	Free Float:	68.0%				
Enterprise value	1,651	H L 52w	15.36	8.75			
Headline figures (*)	2013a	2014a	2015a	2016e	2017e	2018e	2019e
P&L items (€mn)							
Revenues	542	583	638	686	731	762	779
Ebitda	146	159	184	200	206	216	224
Ebit	127	138	161	177	182	190	196
Pre tax income	130	137	165	184	191	202	210
Minorities	0	0	0	0	0	0	0
Net income	101	105	121	134	140	149	156
EPS (€)	0.74	0.77	0.89	0.98	1.03	1.09	1.14
DPS (€)	0.18	0.18	0.27	0.34	0.36	0.38	0.40
No. of shares, weighted	136	136	136	136	136	136	136
Balance sheet items (€mn)	2013a	2014a	2015a	2016e	2017e	2018e	2019e
Fixed assets, net	446	498	499	526	537	546	554
Cash & equivalents	288	299	395	445	506	582	669
Current assets	552	557	679	739	821	909	1,002
Total assets	1,034	1,090	1,209	1,297	1,389	1,486	1,586
Equity	745	797	916	1,003	1,093	1,190	1,291
Minorities	0	0	0	0	0	0	0
Long term debt	144	144	144	144	144	144	144
Long term liabs	156	170	165	165	165	165	165
Short term debt	21	3	0	0	0	0	0
Current liabilities	133	123	129	129	131	130	129
Equity & liabilities	1,034	1,090	1,209	1,297	1,389	1,486	1,586
Cash flow items (€mn)	2013a	2014a	2015a	2016e	2017e	2018e	2019e
Gross cash flow	138	127	135	156	164	175	183
Δworking capital	10	-12	23	10	19	12	7
Operating cash flow	128	139	112	146	145	163	176
Capex	28	63	27	50	35	35	35
Free cash flow	100	76	85	97	110	128	141
Δdebt	16	-18	-2	0	0	0	0
Δequity	1	0	0	0	0	0	0
Dividends	0	45	0	47	49	52	54
Dividends to mins	0	0	0	0	0	0	0
Cash Position	288	299	395	445	506	582	669
Y-o-Y change (%)	2013a	2014a	2015a	2016e	2017e	2018e	2019e
Revenues	8%	8%	9%	8%	6%	4%	2%
Ebitda	33%	9%	15%	9%	3%	5%	3%
Ebit	39%	9%	17%	10%	3%	5%	3%
Pre tax income	36%	5%	21%	12%	4%	6%	4%
Net income	37%	4%	16%	10%	5%	6%	5%
EPS	37%	4%	16%	10%	5%	6%	5%
Margins (%)	2013a	2014a	2015a	2016e	2017e	2018e	2019e
Ebitda	27%	27%	29%	29%	28%	28%	29%
Ebit	23%	24%	25%	26%	25%	25%	25%
Pre tax income	24%	24%	26%	27%	26%	26%	27%
Net income	19%	18%	19%	19%	19%	20%	20%
Ratios & valuation	2013a	2014a	2015a	2016e	2017e	2018e	2019e
P/E	17.9x	17.3x	15.0x	13.6x	13.0x	12.2x	11.7x
P/BV	2.4x	2.3x	2.0x	1.8x	1.7x	1.5x	1.4x
EV/Sales	3.1x	2.9x	2.5x	2.2x	2.0x	1.8x	1.7x
EV/EBITDA	11.5x	10.4x	8.5x	7.6x	7.1x	6.4x	5.8x
EV/EBIT	13.3x	12.0x	9.7x	8.5x	8.0x	7.2x	6.6x
FCF Yield	5.9%	4.6%	5.4%	6.4%	7.6%	9.3%	10.9%
Dividend Yield	1.4%	1.4%	2.0%	2.6%	2.7%	2.9%	3.0%
Payout ratio	24%	23%	30%	35%	35%	35%	35%
Debt/equity	0.2x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x
Net debt/ebitda	-0.8x	-1.0x	-1.4x	-1.5x	-1.8x	-2.0x	-2.3x
Interest covered	20.3x	18.7x	24.9x	27.4x	28.1x	29.5x	30.4x
RoE	14%	13%	13%	13%	13%	13%	12%
RoIC	11%	11%	11%	11%	11%	11%	10%

(*) Each year refers to the Fiscal year starting on July 1st of that year and ends June 31st the next. For example 2014 refers to the Fiscal year 2014/15a.

source: company data & Alpha Finance Research Estimates

Jumbo	
Current Price	€13.25
Sector:	

Jumbo is the biggest toy, baby, home and seasonal products retailer in Greece with strong presence in Cyprus and Bulgaria. The company operates 71 stores, 51 of which in Greece, 5 in Cyprus, 7 in Romania and 8 in Bulgaria and one e-shop.

website: www.jumbo.gr

all prices as of March 9th

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Valuation

Valuation

We re-visited our DCF analysis and rolled over our target price to 17/18. Our valuation points to a target of €15.6/share (vs. €14.6/share previously) taking into account the latest trends in all markets, new guidance and freight/commodity prices. We have set our variable WACC at 9.1% vs. 9.6% previously, by adjusting ERP and blended Rf to 5% and 5.82% respectively.

Jumbo DCF Model (mn eu)	2015 - 16e	2016- 17e	2017- 18e	2018- 19e	2019- 20e	2020- 21e	2021- 22e	2022- 23e	2023- 24e
Revenues	459	473	477	482	487	492	497	502	507
EBITDA	184	200	206	216	224	228	232	237	246
EBIT * (1 - tax rate) (I)	118	128	133	140	145	147	149	152	157
CAPEX	27	50	35	35	35	35	35	35	35
Depreciation & Amortization	23	23	24	26	27	29	31	33	35
- (Capex - Depreciation) (II)	5	27	11	9	8	6	4	2	0
- Change in Working Capital (II)	23	10	19	12	7	7	8	8	9
Reinvestment (II+III=IV)	28	37	30	21	15	13	12	10	9
Free Cash Flow (I-IV)	90	91	103	119	130	134	137	142	148
WAAC	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Discounting Factor	100%	100%	92%	84%	77%	70%	65%	59%	54%
Discounted FCF			95	100	100	94	89	84	80
PV of Cash Flows	642								
+ Residual Value	1064								
Terminal Growth Rate	1.5%								
- Net Debt	-362								
- Minorities	0								
Equity Value	2067								
Shares (mn)	136								
Dividend per Share	0.36								
DCF per share	15.6								

Source: Company data | AFe |

Wacc/Tg adjustments

Our sensitivity analysis examines the upside and downside potential of the stock given different levels of Rf and terminal growth.

WAAC/Tg	0.0%	1.5%	3.0%
7.6%	14.6	16.1	18.2
9.1%	14.2	15.6	17.6
10.6%	13.8	15.1	17.0

Forecast Changes – Management Guidance

Forecast Changes (mn eu)	2015/16a		2016/17e		2017/18e		CAGR	
		Old	New	Old	New	Old	New	
Greece	458.9	458.9	472.6	463.5	477.4	0.7%	1.7%	
%change	4.8%	0.0%	3.0%	1.0%	1.0%			
L-F-L Growth	4.6%	-2.6%	3.0%	-1.7%	1.0%			
% of sales	72.0%	67.4%	68.9%	65.4%	65.3%			
Bulgaria	51.9	56.1	61.6	58.9	64.7	6.0%	9.3%	
%change	14.6%	8.0%	18.6%	5.0%	5.0%			
% of sales	8.1%	8.2%	9.0%	8.3%	8.9%			
Cyprus	78.9	82.8	82.8	85.3	85.3	3.7%	3.7%	
%change	5.1%	5.0%	5.0%	3.0%	3.0%			
% of sales	12.4%	12.2%	12.1%	12.0%	11.7%			
Romania	47.9	82.5	69.3	101.5	103.3	36.7%	37.5%	
%change	97.1%	72.4%	44.8%	23.0%	49.0%			
% of sales	7.5%	12.1%	10.1%	14.3%	14.1%			
Total Revenues	637.6	680.3	686.4	709.2	730.6	5.1%	6.1%	
% change	9.4%	6.7%	7.7%	4.2%	6.4%			
EBIT	161.0	167.3	177.0	173.5	181.6	4.2%	5.7%	
% change	16.7%	3.9%	10.0%	3.7%	2.6%			
% margin	25.3%	24.6%	25.8%	24.5%	24.9%			
Greece	130.0	127.0	139.0	127.1	134.0	-0.3%	1.5%	
%change	8.4%	-2.3%	6.9%	0.1%	-3.6%			
% margin	28.3%	27.7%	29.4%	27.4%	28.1%			
% of EBITDA	70.8%	66.9%	69.6%	64.3%	65.1%			
Bulgaria	10.3	12.5	13.7	14.3	15.0	15.9%	17.8%	
%change	41.0%	21.0%	32.9%	14.2%	9.2%			
% margin	19.9%	22.3%	22.3%	24.3%	23.2%			
% of EBITDA	5.6%	6.6%	6.9%	7.2%	7.3%			
Cyprus	27.1	28.4	28.4	29.3	29.3	3.7%	3.7%	
%change	7.3%	4.7%	4.7%	3.1%	3.1%			
% margin	34.3%	34.3%	34.3%	34.3%	34.3%			
% of EBITDA	14.7%	14.9%	14.2%	14.8%	14.2%			
Romania	16.2	22.0	18.5	27.1	27.5	26.2%	27.0%	
%change	143.7%	35.7%	14.0%	23.0%	49.0%			
% margin	33.9%	26.6%	26.6%	26.6%	26.6%			
% of EBITDA	8.8%	11.6%	9.3%	13.7%	13.4%			
Total EBITDA	183.7	189.9	199.6	197.7	205.8	4.2%	5.6%	
% change	15.4%	3.4%	8.7%	4.1%	3.1%			
% margin	28.8%	27.9%	29.1%	27.9%	28.2%			
Pre Tax Income	165.1	174.5	184.4	182.8	190.9	5.4%	6.9%	
% change	20.6%	5.7%	11.7%	4.7%	3.5%			
% margin	25.9%	25.6%	26.9%	25.8%	26.1%			
Net Income	121.3	127.0	133.8	133.9	139.9	5.5%	7.1%	
% change	15.7%	4.7%	10.3%	5.4%	4.5%			
% margin	19.0%	18.7%	19.5%	18.9%	19.1%			

Financials

Profit & Loss (mn eu)	2012/13a	2013/14a	2014/15a	2015/16a	2016/17e	2017/18e	2018/19e
Greece	413.7	425.6	437.9	458.9	472.6	477.4	482.1
%change	0.4%	2.9%	2.9%	4.8%	3.0%	1.0%	1.0%
% of sales	82.4%	78.6%	75.2%	72.0%	68.9%	65.3%	63.2%
Bulgaria	34.2	40.5	45.3	51.9	61.6	64.7	67.9
%change	25.7%	18.5%	12.0%	14.6%	18.6%	5.0%	5.0%
% of sales	6.8%	7.5%	7.8%	8.1%	9.0%	8.9%	8.9%
Cyprus	54.3	66.9	75.0	78.9	82.8	85.3	87.8
%change	-1.2%	23.3%	12.2%	5.1%	5.0%	3.0%	3.0%
% of sales	10.8%	12.3%	12.9%	12.4%	12.1%	11.7%	11.5%
Romania	8.8	24.3	47.9	69.3	103.3	124.5	124.5
%change		0.0%	175.1%	97.1%	44.8%	49.0%	20.5%
% of sales		1.6%	4.2%	7.5%	10.1%	14.1%	16.3%
Total Revenues	502.2	541.8	582.5	637.6	686.4	730.6	762.4
% change	1.6%	7.9%	7.5%	9.4%	7.7%	6.4%	4.3%
Gross Profit	262.8	287.8	309.7	337.9	368.9	385.6	402.7
% margin	52.3%	53.1%	53.2%	53.0%	53.7%	52.8%	52.8%
% change	-0.1%	9.5%	7.6%	9.1%	9.2%	4.5%	4.5%
EBIT	91.6	127.1	137.9	161.0	177.0	181.6	190.3
% change	-21.7%	38.8%	8.5%	16.7%	10.0%	2.6%	4.8%
% margin	18.2%	23.5%	23.7%	25.3%	25.8%	24.9%	25.0%
Greece	109.8	114.6	120.0	130.0	139.0	134.0	135.8
%change	0.4%	4.4%	4.6%	8.4%	6.9%	-3.6%	1.3%
% margin	26.5%	26.9%	27.4%	28.3%	29.4%	28.1%	28.2%
% of EBITDA	99.4%	78.3%	75.4%	70.8%	69.6%	65.1%	62.8%
Bulgaria	-18.0	5.7	7.3	10.3	13.7	15.0	16.9
%change	-472.4%	-131.9%	27.9%	41.0%	32.9%	9.2%	12.7%
% margin	-52.6%	14.2%	16.2%	19.9%	22.3%	23.2%	24.9%
% of EBITDA	-16.3%	3.9%	4.6%	5.6%	6.9%	7.3%	7.8%
Cyprus	18.6	22.6	25.2	27.1	28.4	29.3	30.2
%change	-9.5%	21.1%	11.9%	7.3%	4.7%	3.1%	3.1%
% margin	34.3%	33.7%	33.6%	34.3%	34.3%	34.3%	34.3%
% of EBITDA	16.9%	15.4%	15.9%	14.7%	14.2%	14.2%	14.0%
Romania	3.6	6.7	16.2	18.5	27.5	33.2	33.2
%change		0.0%	87.0%	143.7%	14.0%	49.0%	20.5%
% margin		40.3%	27.4%	33.9%	26.6%	26.6%	26.6%
% of EBITDA		2.4%	4.2%	8.8%	9.3%	13.4%	15.4%
Total EBITDA	110.5	146.5	159.2	183.7	199.6	205.8	216.0
% change	-17.8%	32.6%	8.7%	15.4%	8.7%	3.1%	5.0%
% margin	22.0%	27.0%	27.3%	28.8%	29.1%	28.2%	28.3%
Financials	3.6	2.7	1.7	1.9	7.4	9.3	11.7
% change	47.6%	-25.4%	-38.0%	13.2%	291.1%	25.9%	25.5%
Pre Tax Income	95.7	130.0	137.0	165.1	184.4	190.9	202.0
% change	-19.9%	35.8%	5.4%	20.6%	11.7%	3.5%	5.8%
% margin	19.1%	24.0%	23.5%	25.9%	26.9%	26.1%	26.5%
Total Tax	21.7	28.7	32.1	43.9	50.6	51.0	53.1
% Effective tax rate	22.7%	22.1%	23.4%	26.6%	27.4%	26.7%	26.3%
Net Income	74.0	101.2	104.8	121.3	133.8	139.9	148.8
% change	-24.0%	36.9%	3.5%	15.7%	10.3%	4.5%	6.4%
% margin	14.7%	18.7%	18.0%	19.0%	19.5%	19.1%	19.5%
EPS	0.54	0.74	0.77	0.89	0.98	1.03	1.09
% change	-27.2%	36.8%	3.5%	15.7%	10.3%	4.5%	6.4%

Balance Sheet (mn eu)	2012/13a	2013/14a	2014/15a	2015/16a	2016/17e	2017/18e	2018/19e
Cash	170.0	287.6	298.9	394.7	444.6	506.1	582.3
Inventories	176.0	186.2	197.8	196.8	204.2	221.9	231.3
Trade debtors and other							
Trading Receivables	23.7	30.7	15.5	32.6	35.8	38.5	40.5
Other Receivables	34.7	33.3	33.3	44.5	44.5	44.5	44.5
Other Current Assets	16.4	14.1	11.7	10.4	10.4	10.4	10.4
Current Assets	420.9	551.8	557.2	678.9	739.4	821.3	908.9
Tangible Assets	430.9	445.9	497.9	498.8	526.2	537.0	546.3
Investment Property	6.9	6.5	6.1	5.7	5.4	5.1	4.8
Investments in Subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other l/t Receivables	35.3	30.1	29.1	26.0	26.0	26.0	26.0
L/T Assets	473.1	482.4	533.1	530.5	557.6	568.1	577.1
Total Assets	894.0	1034.2	1090.3	1209.4	1297.0	1389.4	1486.0
S/T debt	0.0	20.0	2.9	0.2	0.2	0.2	0.2
L/T debt payable in the subsequent year	148.0	1.4	0.0	0.0	0.0	0.0	0.0
Account Payables	52.4	52.2	51.4	39.1	39.6	41.2	41.0
Provisions	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Current tax liabilities	21.7	38.6	40.0	51.4	51.4	51.4	51.4
Other Current liabilities	19.8	20.8	29.0	37.7	37.7	37.7	37.7
S/T liabilities	242.0	133.3	123.5	128.6	129.1	130.7	130.5
L/T Debt	1.4	143.7	143.9	144.2	144.2	144.2	144.2
Other long Term liabilities	0.0	0.1	13.0	5.8	5.8	5.8	5.8
Deferred tax liabilities	7.6	7.6	7.0	7.8	7.8	7.8	7.8
Liabilities for pension plans	3.9	4.7	5.8	7.4	7.4	7.4	7.4
L/T Liabilities	12.9	156.1	169.6	165.3	165.3	165.3	165.3
Share Capital	154.7	161.9	161.9	119.7	119.7	119.7	119.7
Share Premium	14.0	7.7	7.7	50.0	50.0	50.0	50.0
Currency translation adjustments	-0.7	-0.6	-0.9	-1.8	-1.8	-1.8	-1.8
other reserves	267.7	339.5	361.6	436.8	436.8	436.8	436.8
Retained earnings	203.5	236.1	266.9	310.9	397.9	488.8	585.5
Equity	639.1	744.5	797.2	915.6	1002.6	1093.5	1190.2
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity & Minorities	639.1	744.5	797.2	915.6	1002.6	1093.5	1190.2
Total Liabilities	894.0	1033.9	1090.3	1209.4	1297.0	1389.4	1486.0

Cash Flow(mn eu)	2012/13a	2013/14a	2014/15a	2015/16a	2016/17e	2017/18e	2018/19e
Net income	74.0	101.2	104.8	121.3	133.8	139.9	148.8
Plus: Depreciation & Amortization	18.9	19.4	21.2	22.7	22.6	24.2	25.8
Plus: Chng in Provisions	0.0	0.1	(0.1)	0.0	0.0	0.0	0.0
Plus: Chng in Taxes Payable	(0.1)	16.9	1.4	(9.8)	0.0	0.0	0.0
Plus: Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: non cash taxes	1.5	0.0	(0.7)	0.8	0.0	0.0	0.0
Gross Cash Flow	94.3	137.7	126.8	135.0	156.4	164.0	174.6
Plus: Chng in Acc Payable	(3.6)	(0.1)	(0.8)	(7.8)	0.6	1.6	(0.2)
Plus: Chng in other current Liabilities	(1.8)	1.0	8.2	8.7	0.0	0.0	0.0
Less: Chng in Acc. Receivable	5.1	7.0	(15.2)	17.0	3.2	2.7	2.1
Less: Other Receivable	23.8	(6.7)	(1.0)	8.1	0.0	0.0	0.0
Less: Chng in Inventories	(4.5)	10.2	11.6	(1.0)	7.4	17.7	9.4
Working Capital Chng	29.9	9.5	(11.9)	23.2	10.0	18.9	11.7
Operating Cash Flow	64.4	128.1	138.7	111.7	146.4	145.2	162.9
Less: Purchases of Fixed Assets	33.9	33.6	63.4	27.5	50.0	35.0	35.0
Less: Chng in Investments	(0.0)	(5.8)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)
Free Cash Flow	30.5	100.4	75.7	84.6	96.7	110.5	128.2
Less: Dividends Paid	0.0	0.0	45.0	0.0	46.8	49.0	52.1
Plus: Equity Chng	-27.1	1.0	0.0	0.1	0.0	0.0	0.0
Plus: Debt Chng	-4.6	15.7	-18.3	-2.4	0.0	0.0	0.0
Plus: Grants Chng	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Dividends to Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Consolidation adjustments	-1	-3	0	0	0	0	0
Plus: Other	-12.1	3.2	-1.0	13.6	0.0	0.0	0.0
Chng in Cash Position	(14.7)	117.6	11.4	95.8	49.9	61.5	76.1
Cash Position	170.0	287.6	298.9	394.7	444.6	506.1	582.3

DISCLOSURE APPENDIX

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Company specific regulatory disclosures

Disclosure checklist for companies mentioned & other price data information

	Reuters	Rating	Price	Price date/time	Disclosure
Jumbo (Babyland)	BABr.AT	Outperform	€13.25	Official close @ 9 Mar 2016	none

Source: Alpha Finance

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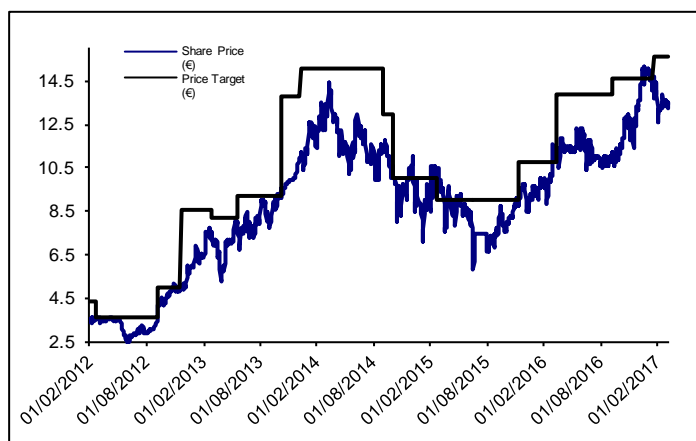
Major changes vs. previous research reports

Date of report	Price on report date (€)	TP (€)	Rating	Forward ¹ EPS (€)
17/10/2017	11.94	14.6	Outperform	0.93

Source: Alpha Finance | 1: next year's EPS used from December onwards

Ratings and target price history

Price chart for Jumbo



Rating history for Jumbo

DATE	Rating	Share Price (€)	Price Target (€)
09/04/2012	neutral	3.82	3.53
23/11/2012	neutral	5.11	5.00
27/2/2013	neutral	7.23	8.55
20/5/2013	neutral	7.95	8.20
09/10/2013	neutral	9.60	9.20
09/12/2013	outperform	11.20	13.80
07/03/2014	outperform	13.05	15.10
01/10/2014	outperform	10.35	13.00
08/12/2014	neutral	11.07	10.06
14/10/2015	neutral	8.19	9.30
08/12/2014	neutral	9.75	10.80
29/03/2016	outperform	11.89	13.90
17/10/2016	outperform	11.94	14.60
10/03/2017	outperform	13.25	15.60

Regulatory disclosures

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Valuation method

Our valuation for Jumbo is based on a DCF model. We use a WACC 9.6% with terminal growth rate at 1.5%. We use a blended risk free rate of 5.82%, a beta of 0.9 and equity risk premium of 5%.

Risk rating

We rate Jumbo as medium risk based on the qualitative/ quantitative assessment of risk we apply on the company (see definitions of risk below). We consider the following the biggest investment risks for the shares: a) over-reliance to CEO b) timely execution of store rollout plan, c) worsening Greek Consumer environment, d) price pressures from suppliers, e) adverse currency changes, f) macroeconomic environment.

Definitions of Fundamental and Risk Ratings and Allocations

		RISK RATING							
		Low (L)	Medium (M)	High (H)	Relative to	Horizon ²	Coverage ³	IB services ⁴	
FUNDAMENTAL RATING	Outperform O/P	TRP ¹ > +5%		TRP ¹ > +15%	ASE Index	Dec.'11	10/50	10.0%	
	Neutral N	(5%) < TRP ¹ < +5%					16/50	0.0%	
	Underperform U/P	TRP ¹ < (5%)	TRP ¹ < (15%)				4/50	0.0%	
	Restricted (G) R(G)	Alpha Finance belongs to the same group of companies						1/50	0.0%
	Restricted (IB) R (IB)	Alpha Finance is currently rendering investment banking services						0/50	0.0%
	Under review UR/ Not rated NR	No rating currently available						19/50	0.0%

Source: Alpha Finance | Data as of 31.12.10 | 1: Total Return Potential (=capital return + dividend yield) | 2: except otherwise stated | 3: Percentage of companies under coverage within this category as of 31.12.10 | 4: Percentage of companies within this rating category for which investment banking services were provided over the past 12 months, as of 31.12.10. In several occasions, subject to the analyst's view and/or due to volatility of the shares, the ratings applied may fall out of the brackets described in the table above.

The Alpha Finance universe consists of 50 companies accounting as of 31.12.10 for 79.9% of total market value

Risk ratings explained

We derive the overall risk rating for a stock by applying a 60% weight on quantitative and a 40% weight on qualitative factors. We use a scale from 1 to 3 to describe 'low', 'medium' and 'high' risk respectively. We compute two different quantitative risks namely liquidity and volatility. We assign equal weights to liquidity and volatility risks to arrive at a so-called trading or quantitative risk for the specific stock researched. Using a scale of 1-to-3 scale, each analyst also assigns a qualitative risk that is entirely up to his/her discretion to determine. Following this, we calculated the combined risk of the specific stock applying the weights mentioned earlier. All IPOs are classified 'high risk' for 12 months after their listing date.

Definitions of Risk Ratings

Quant factor	Definition	Brackets	Risk rating
Liquidity	Number of shares traded over the last 12 months as % of total shares outstanding	If less than or equal to 33% If greater than 33% but less than or equal to 66% If greater than 66%	High Medium Low
Volatility	The standard deviation of daily changes during the last 12 months. Volatility is used as a statistical measure of dispersion and indicates the propensity of a specific equity to suffer large swings in price. The stock's volatility is measured against the volatility of the ASE index	If equity volatility against the market's is greater than 2 If equity volatility against the market's is greater than 1.5 but less than or equal to 2 If equity volatility against the market's is less than or equal to 1.5	High Medium Low

Source: Alpha Finance | Data as of 31.12.10 | The quant factors are updated at the end of each calendar quarter

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