PIRAEUS SECURITIES

Greek Equity Research | Retail

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Jumbo

Company Update
2H/FY17/2018 Results Review

15 November 2018

Impressive Set of 2H/FY Results and proven cash reserves instill confidence for the future

Investment Case Following the announcement of a strong set of 2H/FY 2017/18 results that stood above our estimates in terms of EBITDA & bottom line, as well as of the positive 1Q18/19 sales preannouncement, we upgrade our estimates to incorporate Group's new openings in Romania and Greece, as well as the increased operating efficiency that led to improved gross profit margin, as well as to decreased Opex margin for FY 2017/18. We raise our target price to EUR 18.20 from EUR 18.00 with an implied upside potential of 40.2% from current levels. We reiterate an Outperform rating that is based on: i) increased weight of foreign operations due to increased penetration in Romania, ii) a gradually improved performance in Greece, despite the slow start for the year, iii) Group's impressive FCF generation that came in at EUR 123mn, with the Net OCF standing at EUR 164.5mn, recording a high conversion rate to EBITDA (OCF/EBITDA at 74%), iv) Group's strong Net Cash position that came in at EUR 287.27mn at the end of FY 2017/18 period or EUR 2.11/share accounting for 16.3% of Group's current market cap. We also point out that the management has recently submitted to the HCMC all the relevant documents (incl. Bank statements) on Group's cash reserves for the FY 2017/18 period that amounted to EUR 436.89mn, thus enhancing confidence on the Group.

Valuation / Three-Year Outlook We stand above Company's guidance that calls for increased sales in the range of 5-7%, while it calls for negative to flat Net Profit for the 2018/19 period. Our DCF-P/E derived target price reflects a targeted P/E of 15.0x the Group's FY 2018/19 projected earnings, slightly above Group's pre-crisis historical average of 13.6x. We are modeling Sales, EBITDA and NI CAGRs of 7.8%, 7.3% and 7.5%, respectively, in the 2018/19-2020/21 period. We upgrade our estimates to incorporate Group's new openings in Romania, and Greece, as well as the increased operating efficiency; on the gross profit margin front we remain conservative and we are modeling gross profit margin contraction of 42bps for the current FY. We expect the EBITDA margin to stabilize at c. 29% benefited from increased operating efficiency. Below EBITDA, we are modeling an effective tax rate of 24% for the current FY that gradually drops to 23% in the 2020/21 period benefited by the increased weight of the foreign operations.

A good start for FY 2018/19 During a presentation to Greek institutional investors the management commented that 1Q18/19 sales (c. 23% of FY sales) were increased by c. 6%. During the 4M period sales were increased by 7% y-o-y, benefited by the improved environment in Greece in October. We consider 1Q18/19 sales preannouncement and the performance during the 4M period as positive, since it stands close to the upper-end of Company's guidance for the FY period, despite tough comps y-o-y (1Q17/18 sales up 12% y-o-y). 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. The Group has already announced its proposal for the distribution of a final dividend amounting to EUR 0.2172/share for the FY 2017/18 period; combined with the interim dividend distributed in March 2018, this raises total dividend yield at 2.8% for FY 2017/18 period; x-date was set on 13-Dec-2018.

Rating: Outperform
(unchanged)

Target Price: €18.20
(from €18.00)

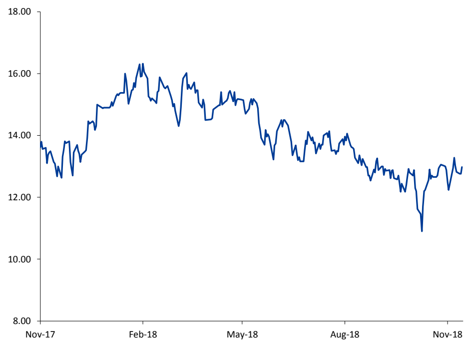
Last closing Price (14 Nov): €12.98

Total Expected Return: 43.51%

Company data	
RIC	BABr.AT
Market Cap.	1,766
Shares Outstanding	136.06
Free float	73.24%
Average daily volume	177,220

Absolute performance over			
1m	6m	12m	y-t-d
6.0%	-13.7%	-0.8%	-12.9%

Relative to the Athens General Index			
1m	6m	12m	y-t-d
5.0%	11.0%	12.5%	10.1%



Fundamentals (€ m)	2017/2018	2018/2019F	2019/2020E	2020/2021E
Sales	753.30	814.29	879.01	944.33
EBITDA	221.25	236.66	253.45	273.32
Net Profit	151.10	161.43	173.74	187.88
EPS (€)	1.11	1.19	1.28	1.38
DPS (€)	0.39	0.43	0.46	0.50
FCF yield (%)	6.4%	4.2%	6.7%	7.6%
Net Cash (€)	287.27	342.63	411.82	492.02
Valuation ratios	**2017/2018**	**2018/2019F**	**2019/2020E**	**2020/2021E**
P/E (x)	12.71	10.94	10.16	9.40
EV/Sales (x)	2.17	1.75	1.54	1.35
EV/EBITDA (x)	7.38	6.01	5.34	4.66

Ratios are computed on recurring earnings, average prices until 2017/18 and last close thereafter

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Note: Jumbo's fiscal year ends in June

Next Key Event
X-date for Jumbo's final dividend of EUR 0.2172/share was set on 13-Dec-2018

Changes to Estimates

Following the announcement of a strong set of 2H/FY 17/18 results and the good 1Q 18/19 sales preannouncement, despite the tough comps y-o-y, we raise our EBITDA and Net Profit estimates to incorporate i) a gradually improved picture in the Greek market, which including October posted flat sales y-o-y, ii) Increased weight of the foreign markets that accounted for 35.1% of Group's s sales, iii) the opening of three new stores in Romania and one in Greece for the current FY and iv) increased operating efficiency of the Group benefited by the gradual maturity of the existing stores in Romania.

The following table summarizes the changes to our estimates.

Exhibit 1: Chng in Est.	OLD	NEW	OLD	NEW	OLD	NEW
P&L (in Euro m)	Jun-19 e	Jun-19 e	Jun-20 e	Jun-20 e	Jun-21 e	Jun-21 e
Turnover	**820.10**	**814.29**	**883.37**	**879.01**	**941.03**	**944.33**
% chng	*na*	*-0.7%*	*na*	*-0.5%*	*na*	*0.4%*
EBITDA	**232.19**	**236.66**	**252.33**	**253.45**	**271.98**	**273.32**
% chng	*na*	*1.9%*	*na*	*0.4%*	*na*	*0.5%*
EBIT	**206.14**	**210.45**	**224.78**	**225.74**	**242.93**	**244.11**
% chng	*na*	*2.1%*	*na*	*0.4%*	*na*	*0.5%*
Net Profit	**158.14**	**161.43**	**172.70**	**173.74**	**186.64**	**187.88**
% chng	*na*	*2.1%*	*na*	*0.6%*	*na*	*0.7%*
EPS	**1.16**	**1.19**	**1.27**	**1.28**	**1.37**	**1.38**
% chng	*na*	*2.1%*	*na*	*0.6%*	*na*	*0.7%*

Source: Piraeus Securities

Valuation

We value Jumbo by employing a Discounted Cash Flow model, using explicit forecasts for the 2018/19-2020/21 period. Our risk free rate stands at 5% that incorporates a potential improvement of the prospects of the Greek economy, after the recent exit from the memorandum and return of the Greek economy in a growth phase. We maintain our equity risk premium at 5.5% and as a result our total market return stands at 10.5%. Our leveraged beta for the Group stands at 0.8, with our Cost of Equity shaping at 9.6%. Our WACC stands at 8.6%.

Our 10-year sales CAGR stand at 6.3% (7.8% for the explicit period's CAGR and 5.6% for the non-explicit period). In terms of Operating Profitability, our 10-year CAGR stands at 4.4% (7.5% for the explicit period and 3.1% 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 19.56/share with the implied P/E ratio for 2018/19 standing at 16.3x. Our targeted P/E ratio for 2018/19 projected earnings stands at 14.2x (slightly above Group's 5-year pro-crisis historical average of 13.6x) with a derived target price of EUR 16.84/share. The average of the two methods derives a target price of EUR 18.20/share with a targeted P/E of 15.1x Group's 2018/19 earnings. Our target price implies an upside potential of 40.2% 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-19f	Jun-20f	Jun-21f	Jun-22f	Jun-23f	Jun-24f	Jun-25f	Jun-26f	Jun-27f	Jun-28f	Jun-29f	TV
After tax EBIT	**160**	**172**	**186**	**197**	**208**	**219**	**228**	**235**	**239**	**242**	**244**	**244**
Less: Working Capital additions	59	28	29	30	31	30	29	28	27	25	22	0
Plus: depreciation	26	28	29	31	33	35	36	37	38	39	39	0
Less: Cap ex	50	50	50	50	50	50	50	50	50	50	50	0
Free Cash Flow	**77**	**122**	**136**	**148**	**161**	**173**	**185**	**194**	**201**	**206**	**210**	**244**
Discounted Free Cash Flow	77	112	115	116	115	115	112	108	103	98	92	0

WACC	8.6%
Sum of PV of Cash Flows (Jun19e-June28e)	1,087
Perpetuity Growth	0.00%
PV of Residual Value	1,232
Firm Value	2,319
Less: Net debt June 2018	-343
Less: Minority rights 2018 (P/BV)	0.00
Plus: Participations 2018	0.00
Equity Value	**2,662**
DCF 12M Target Price	**19.56**
Targeted P/E multiple at 14.2x	**16.84**
Average	**18.20**
Upside Potential	***40.2%***
Dividend yield	3.3%
Total Investors' Return	**43.5%**

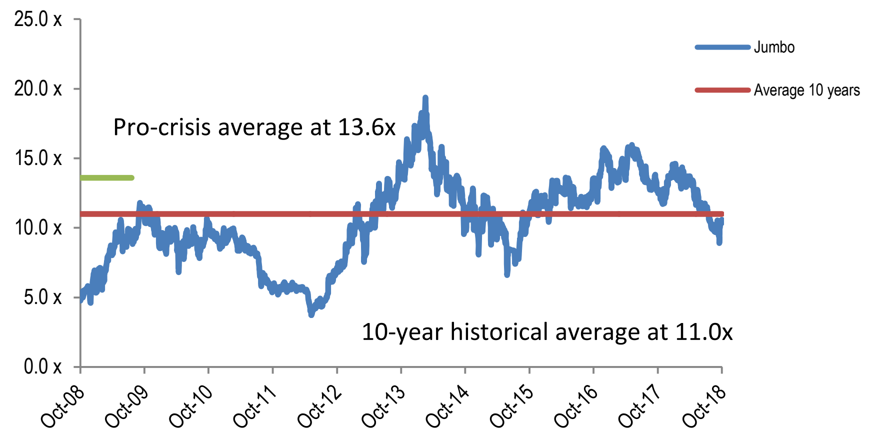
Source: Piraeus Securities

Jumbo trades at 20% discount vs. Group's pre-crisis 5-year historical average based on our 2018/19 P/E estimate and at 21% discount vs. Group's 10-year historical average EV/EBITDA of 7.6x

At current levels and based on our 2018/19 estimates, Jumbo trades at 20% discount vs. its pre-crisis historical average P/E of 13.6x, while it trades at a 2% discount vs. Group's 10-year historical average of 11.0x. We also point out that based on our 2018/19 estimates, Jumbo trades at 21% discount vs. Group's 10-year historical average EV/EBITDA of 7.6x. Taking into account the recent exit of Greece from memorandum and the gradual return of the Greek economy 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 38% 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 38% discount vs. the Eurostoxx Retail Index based on FY 2018/19 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, going forward, we retain our Outperform rating on the stock, while the large upside potential vs. our target price lead us to retain Jumbo as one of our top picks.

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 2019	P/E 2020	P/E 2021	EV/EBITDA 2019	EV/EBITDA 2020	EV/EBITDA 2021
Jumbo S.A.	10.8 x	9.9 x	9.1 x	5.9 x	5.3 x	4.5 x
Carrefour SA	15.0 x	12.9 x	11.8 x	4.4 x	3.9 x	3.6 x
Marks and Spencer Group plc	10.8 x	10.8 x	12.1 x	5.4 x	5.4 x	6.0 x
Halfords Group Plc	10.0 x	9.6 x	8.2 x	5.8 x	5.4 x	4.7 x
WH Smith PLC	14.9 x	13.9 x	13.2 x	9.4 x	8.9 x	8.4 x
Next plc	11.3 x	10.9 x	*n/a*	9.1 x	8.9 x	*n/a*
Kingfisher Plc	8.6 x	7.4 x	6.7 x	4.7 x	4.0 x	4.0 x
Wal-Mart Stores, Inc.	20.8 x	19.9 x	19.0 x	10.3 x	10.1 x	9.9 x
Eurostoxx Retail Index	17.5 x	15.8 x	n/a			
Average discount/premium vs. Index	*-38.0%*	*-19.1%*				
Source: Factset, Piraeus Securities						

2H/FY 17/18 Results – Key Highlights

Jumbo announced a strong set of FY 17/18 results that stood above our estimates in terms of Gross Profit, EBITDA and bottom line.

The following table summarizes 2H/FY 17/18 results vs. our estimates:

Exhibit 5: 2H/FY 17/18 Results vs. Estimates

Jumbo Estimates	2H16/17	2H17/18	2H17/18e	Act vs Pir	FY16/17	FY17/18	FY17/18e	Act vs Pir
Turnover (€ m)	**279.5**	**310.3**	**310.3**	*0.0%*	**681.4**	**753.3**	**753.3**	*0.0%*
% Change	*5.2%*	*11.0%*	*11.0%*		*6.9%*	*10.5%*	*10.5%*	
Gross Profit	**149.8**	**172.2**	**164.7**	*4.5%*	**355.5**	**395.1**	**387.7**	*1.9%*
% Change	*2.3%*	*15.0%*	*10.0%*		*5.2%*	*11.2%*	*9.1%*	
% margin	*53.6%*	*55.5%*	*53.1%*		*52.2%*	*52.5%*	*51.5%*	
EBITDA(€ m)	**77.5**	**92.0**	**81.7**	*12.6%*	**194.8**	**221.2**	**210.9**	*4.9%*
% Change	*-0.9%*	*18.7%*	*5.4%*		*6.0%*	*13.6%*	*8.3%*	
% margin	*27.7%*	*29.6%*	*26.3%*		*28.6%*	*29.4%*	*28.0%*	
Net Profit (€ m)	**49.6**	**60.7**	**52.4**	*15.8%*	**131.0**	**151.1**	**142.8**	*5.8%*
% Change	*1.7%*	*22.4%*	*5.7%*		*8.0%*	*15.3%*	*9.0%*	
% margin	*17.7%*	*19.6%*	*16.9%*		*19.2%*	*20.1%*	*19.0%*	
EPS	**0.36**	**0.45**	**0.39**		**0.96**	**1.11**	**1.05**	

Source: Company Reports, Piraeus Securities

FY Sales – Growth across all geographical segments with Romania gradually gaining weight

For FY17/18, sales came in at EUR 753.3m, increased by 10.55%. We point out the strong growth across all geographical segments; Greece recorded increased sales by 3.9%; excluding wholesale, Greek stores recorded growth of 2.8% y-o-y, benefited by market share gains based on Jumbo's vfm approach. Cyprus and Bulgaria recorded increased sales growth by 6.2% and 20.8% y-o-y, each. We point out the increased weight of the Romanian operations that recorded increased sales by 53.3%, y-o-y, while it significantly exceeded Bulgarian sales on absolute basis. The following table shows 2H/FY17/18 sales on per country basis.

Exhibit 6: Sales per Country

Sales Country Mix	2H16/17	2H17/18	FY16/17	FY17/18
Greece	**195.5**	**205.7**	**470.5**	**489.0**
% Change	*0.9%*	*5.2%*	*2.5%*	*3.9%*
% total	*69.9%*	*66.3%*	*69.0%*	*64.9%*
Cyprus	**33.6**	**36.2**	**80.7**	**85.7**
% Change	*1.6%*	*7.8%*	*2.3%*	*6.2%*
% total	*12.0%*	*11.7%*	*11.8%*	*11.4%*
Bulgaria	**24.5**	**28.8**	**64.7**	**78.1**
% Change	*24.8%*	*17.5%*	*24.5%*	*20.8%*
% total	*8.8%*	*9.3%*	*9.5%*	*10.4%*
Romania	**25.9**	**39.6**	**65.6**	**100.6**
% Change	*33.4%*	*52.9%*	*37.0%*	*53.3%*
% total	*9.3%*	*12.8%*	*9.6%*	*13.4%*
Total	**279.5**	**310.3**	**681.4**	**753.3**
% Change	*5.2%*	*11.0%*	*6.9%*	*10.5%*

Source: Company Reports, Piraeus Securities

Increased Gross Profit margin for the FY period

During the FY period, Gross Profit came in at EUR 395.1mn, up 11.2%, recording gross profit margin expansion by c. 29bps. The expansion of the gross profit margin is quite impressive, if we take into account the increased weight of foreign operations that carry lower margin compared to Greece, as well as the increased use of debit/credit cards in Greece that put additional pressure on the gross margin. At the moment, more than 50% of Group's sales in Greece are paid with the use of debit/credit cards. Gross Profit margin was benefited by the decreased freight during the FY period, as well as from positive product mix through the continuous expansion of the seasonal items.

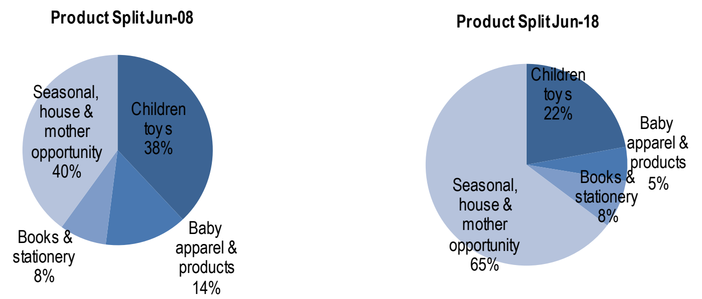
The following graphs show the gross profit margin development on a per country basis and the change of the product mix throughout the years.

Exhibit 7: Gross Profit per Country

Country Mix - Gross Profit	2H16/17	2H17/18	FY16/17	FY17/18
Greece	**107.4**	**118.6**	**248.1**	**260.3**
% Change	*-2.0%*	*10.4%*	*0.8%*	*4.9%*
% Gross margin	*54.9%*	*57.6%*	*52.7%*	*53.2%*
Cyprus	**17.1**	**18.8**	**41.2**	**43.9**
% Change	*0.6%*	*9.9%*	*1.2%*	*6.5%*
% Gross margin	*50.9%*	*51.9%*	*51.1%*	*51.2%*
Bulgaria	**12.3**	**14.7**	**32.5**	**39.4**
% Change	*24.0%*	*19.7%*	*23.6%*	*21.5%*
% Gross margin	*50.1%*	*51.0%*	*50.2%*	*50.5%*
Romania	**13.0**	**20.1**	**33.8**	**51.5**
% Change	*31.1%*	*54.6%*	*36.5%*	*52.7%*
% Gross margin	*50.2%*	*50.8%*	*51.5%*	*51.2%*
Total	**149.8**	**172.2**	**355.5**	**395.1**
% Change	*2.3%*	*15.0%*	*5.2%*	*11.2%*
% Gross margin	*53.6%*	*55.5%*	*52.2%*	*52.5%*

Source: Company Reports, Piraeus Securities

Exhibit 8: Product Mix Development

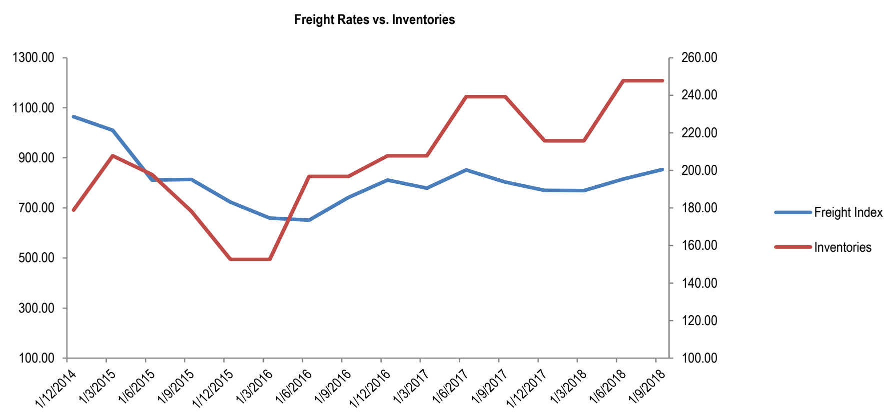


Decreased Freight rates to offset FX pressures on Group's Gross Profit margin

Adverse FX movements related to the strengthening of the US dollar were more than offset by the negative trajectory of the freight rates during the FY period. We point out that during the last 18 months, China's Containerised Freight Index showed its highs on 21-July-2017 at 877.3 units, before entering a negative trajectory with its lows been recorded on 4-May-2018 at 743.71 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 2017/18 when the relevant Index recorded its lows. Despite a partial recovery at the beginning of the current FY, we would expect freight rates to have a positive effect of Group's Gross profit margin during FY 2018/19.

Exhibit 9: SCFI Index vs. Group's Inventories



Improved Operating Efficiency along with improved Gross profit margin led to EBITDA margin expansion by 79bps, y-o-y

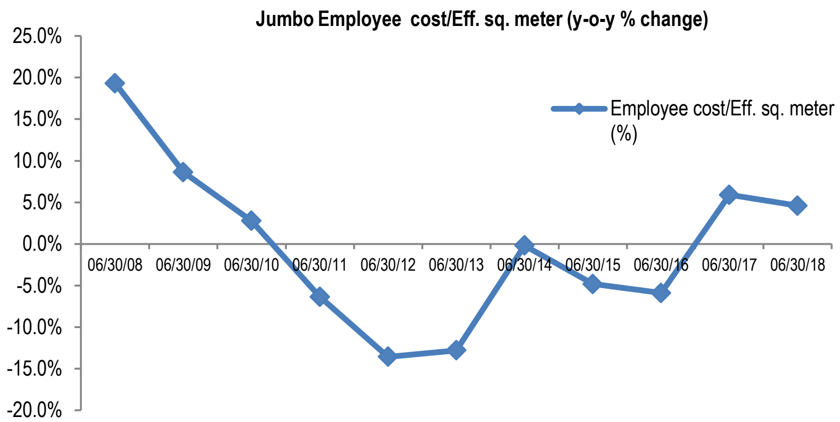
During the FY period EBITDA stood at EUR 221.2mn, up 13.6%, while the relevant margin increased by 78.7bps. Since gross profit margin was increased by 29bps, the remaining improvement was derived from decreased SG&A expenses (as % of sales) by c. 50bps. The recent expansion in Romania led to an increase of the number of employees/store at 80, due to the increased training needs that mainly take place during the pre-opening period. However, this was partly offset by reduced employee cost/effective square meter by 2.9%, y-o-y.
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	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Average Headcount	3,643	3,653	3,807	4,129	4,569	4,798	5,292	6,000
Change (%)	7.6%	0.3%	4.2%	8.5%	10.7%	5.0%	10.3%	13.4%
Employee cost	73.74	74.70	72.22	78.06	80.84	81.03	86.95	95.69
Change (%)	5.8%	1.3%	-3.3%	8.1%	3.6%	0.2%	7.3%	10.0%
Average employee cost	20,241	20,449	18,971	18,906	17,693	16,888	16,431	15,948
Change (%)	-1.6%	1.0%	-7.2%	-0.3%	-6.4%	-4.6%	-2.7%	-2.9%
Effective square meters	249,774	292,735	324,568	351,462	382,453	407,366	412,796	434,296
Change (%)	13.0%	17.2%	10.9%	8.3%	8.8%	6.5%	1.3%	5.2%
Employee cost/Eff. sq. meter	295.21	255.18	222.52	222.11	211.37	198.91	210.64	220.33
Change (%)	-6.4%	-13.6%	-12.8%	-0.2%	-4.8%	-5.9%	5.9%	4.6%
Employees/store	70	63	61	63	63	68	72	80

Source: The Company, Piraeus Securities

Exhibit 11: Employee cost / Effective square meter



Net Profit – Improved Operating Profitability and a lower tax rate led Net Profit to surpass the threshold of EUR 150mn

FY 17/18 Net Profit stood at EUR 151.1mn, increased by 15.3% y-o-y, beating our estimate by 5.8%, with EPS shaping at 1.11. The effective tax rate for the period stood at 23.6% vs. 24.5% the year ago period, benefited by the increased weight of the foreign markets that carry lower tax rates. For the 2H period, Net Profit reached EUR 60.7mn, up 22.4%, with the relevant margin shaping at 19.6% vs. 17.7% the year ago period. Net Profit was benefited by the increased operating leverage of the Group, as well as by improved operating efficiency that resulted in higher Operating Profitability.

Proven Cash Reserves of EUR 436.9mn – Record Net Cash position of EUR 287.27mn leaves room for increased dividends in the near future

During the recent AGM, the management confirmed the recent inquiry by the HCMC on Company's cash reserves for the FY 2017/18 period pointing out that all the relevant documents were submitted in a three days period; these documents (bank statements etc.) proved beyond any doubt Company's cash reserves that amounted at EUR 436.89mn at the end of FY 2017/18. The Group maintained a strong Net Cash Position of 287.27mn at the end of FY 2017/18 period or EUR 2.11/share accounting for 16.6% of Group's current market cap. OCF stood at EUR 164.48mn recording a high conversion rate (OCF / EBITDA at 74.3%). FCF reached EUR 123.2mn vs. EUR 67.05mn the year ago period, benefited by the effective working capital management. The management proposed the distribution of a final dividend amounting to EUR 0.2172/share, on the top of an interim dividend of EUR 0.1728/share that was distributed back in March 2017, thus raising total dividend yield for FY 2017/18 at 2.8%, while it was committed to examine the possibility of an increased interim dividend for FY 208/19, assuming that Greece will remain in a growth path. X-date for the final dividend was set on 13-Dec-2018.

Outlook

We stand above Company's guidance that calls for increased sales in the range of 5-7% and flat to negative Net Profit for FY 2018/19 period. We are modelling Sales, EBITDA and NI CAGRs of 7.8%, 7.3% and 7.5%, respectively, in the 2018/19-2020/21 period. We upgrade our estimates to incorporate Group's new openings in Romania and Greece, as well as the increased operating efficiency; on the gross profit margin front we are modelling gross profit margin contraction of 50bps for the current FY due to the relative strengthening of the US $. We expect the EBITDA margin to stabilize at around 29% benefited from increased operating efficiency. We are now modelling an effective tax rate of 24.0%.

The following table summarizes our estimates for the 2018/19-2020/21 period:

Exhibit 12: Jumbo's Estimates

Jumbo	Jun-17	Jun-18	Jun-19f	Jun-20e	Jun-21e	3-Year CAGR
Sales	**681.4**	**753.3**	**814.3**	**879.0**	**944.3**	*7.8%*
% chng	*6.9%*	*10.5%*	*8.1%*	*7.9%*	*7.4%*	
Gross Profit	**355.5**	**395.1**	**423.7**	**454.4**	**488.2**	*7.3%*
% chng	*5.2%*	*11.2%*	*7.2%*	*7.2%*	*7.4%*	
margin	*52.2%*	*52.5%*	*52.0%*	*51.7%*	*51.7%*	
EBITDA	**194.8**	**221.2**	**236.7**	**253.5**	**273.3**	*7.3%*
% chng	*6.0%*	*13.6%*	*7.0%*	*7.1%*	*7.8%*	
margin	*28.6%*	*29.4%*	*29.1%*	*28.8%*	*28.9%*	
EBIT	**171.8**	**196.6**	**210.5**	**225.7**	**244.1**	*7.5%*
% chng	*6.7%*	*14.4%*	*7.1%*	*7.3%*	*8.1%*	
margin	*25.2%*	*26.1%*	*25.8%*	*25.7%*	*25.9%*	
EBT	**173.5**	**197.9**	**212.3**	**228.3**	**247.7**	*7.8%*
% chng	*5.0%*	*14.1%*	*7.3%*	*7.5%*	*8.5%*	
margin	*25.5%*	*26.3%*	*26.1%*	*26.0%*	*26.2%*	
Net Profit	**131.0**	**151.1**	**161.4**	**173.7**	**187.9**	*7.5%*
% chng	*8.0%*	*15.3%*	*6.8%*	*7.6%*	*8.1%*	
margin	*19.2%*	*20.1%*	*19.8%*	*19.8%*	*19.9%*	
EPS	**0.96**	**1.11**	**1.19**	**1.28**	**1.38**	*7.5%*

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 2018/19 will stand in the area of EUR 50-60mn; for FY 208/19, management guided for three (3) new openings in Romania and one (1) in Grecee. We remind that maintenance Capex for the Group stands in the range of EUR 15-20mn. Focus of the investment program will be in Romania with one new opening at Bucharest and one (1) at Bacau, while an additional new opening will take place in the country by year-end; the management targets to double the stores in the country during the next five (5) years. We also point out that the Group plans to proceed with one new opening at Katerini, Greece, since the Council of State has recently published a decision in favor of the Company's rights for this store. In addition, the Group has recently completed the acquisition of a new store at Nicosia, Cyprus that should commence operations during the following two years.

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	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
Greece	2.4	2.2	1.6	1.2	1.5	1.7
Cyprus	4.2	3.3	2.8	1.8	2.0	1.9
Bulgaria	3.1	2.8	2.8	2.3	2.3	2.3
Romania	3.4	3.3	3.2	2.7	2.8	2.6

Source: IMF, Factset, Piraeus Securities

Greece slowly enters in a recovery path

Following the exit from memorandum, Greece gradually enters on a recovery path with IMF's projections for the country calling for GDP growth of 2.4% in 2019 and 2.2% and 1.6% for 2020 and 2021. We point out that Jumbo's model that ''sells prices and not products'' has proven its resilience during the crisis with continuous market share gains in the Greek market. Management commented that during the 1Q18/19 period sales in Greek stores were up 0.5%, while during October the Group experienced a better environment in Greece, thus leading Greek stores to post flat sales during the 4M period.

We adopt the scenario of a gradual normalisation of the situation in Greece during FY2018/19 and we are now modelling a 3-year sales CAGR of 3.0%. 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 completed the implementation of a restructuring program in the country with the replacement of small stores with large hyper-stores in specific areas. We are now modelling the opening of one new hyper-store in the Greek market as of 2018/19 at Katerini. We remind that the Council of State has recently published a decision in favor of the Company's rights for the new store at Katerini. An additional factor that will enhance wholesale actibity in Greece has to do with increased brand recognition of Group's franchises at Kossovo, Albania, Serbia and Bosnia-Herzegovina.

The following table summarizes our estimates for the 2018/19-2020/21 period.

Exhibit 14: Revenues CAGR in Greece	Jun-17	Jun-18	Jun-19e	Jun-20e	Jun-21e	3-Year CAGR
Revenues Greece	**470.5**	**489.0**	**504.1**	**521.7**	**533.8**	***3.0%***
% chng	*2.5%*	*3.9%*	*3.1%*	*3.5%*	*2.3%*	
% of total	*69.0%*	*64.9%*	*61.9%*	*59.4%*	*56.5%*	
No of stores	51	51	52	52	52	
sales / store	9.2	9.6	9.7	10.0	10.3	
% chng	*2.5%*	*3.9%*	*1.1%*	*3.5%*	*2.3%*	
y-end Square meters	256,829	256,829	264,829	264,829	264,829	
sales / square meters	1,832	1,904	1,904	1,970	2,016	
% chng	*2.5%*	*3.9%*	*0.0%*	*3.5%*	*2.3%*	
effective sq meters	256,829	256,829	260,829	264,829	264,829	
sales /effective square meters (incl. wholesale)	1,832	1,904	1,933	1,970	2,016	
chng %	*3.6%*	*3.9%*	*1.5%*	*1.9%*	*2.3%*	
Sales with same (prervious year) sq meters (incl. wholesale)	476	489	496	514	534	
l-f-f growth	*3.6%*	*3.9%*	*1.5%*	*1.9%*	*2.3%*	
Source: Piraeus Securities						

Cyprus: We are modeling a 3-year sales CAGR of 4.2% on the back of increased brand recognition; a new store opening is expected at Nicosia in 2021

According to IMF's projections it seems that the Cypriot economy retains a good growth momentum with a projected GDP growth rate of 4.2% in 2019 and 3.3% and 2.8% in 2020 and 2021, respectively. 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 4.2% over the next three years, benefited from increased brand awareness and market share gains. During 1Q18/19 sales in Cyprus grew in the single-digit. During the AGM, the management pointed out that it has recently completed the acquisition of a new store at Nicosia, Cyprus that should commence operations in the following two years The following table summarizes our estimates:

Exhibit 15: Revenues CAGR in Cyprus	Jun-17	Jun-18	Jun-19e	Jun-20e	Jun-21e	3-Year CAGR
Revenues Cyprus	**80.7**	**85.7**	**89.3**	**93.0**	**96.9**	***4.2%***
% chng	*2.3%*	*6.2%*	*4.2%*	*4.2%*	*4.2%*	
% of total	*11.8%*	*11.4%*	*11.0%*	*10.6%*	*10.3%*	
No of stores	5	5	5	5	5	
sales / store	16.1	17.1	17.9	18.6	19.4	
% chng	*2.3%*	*6.2%*	*4.2%*	*4.2%*	*4.2%*	
Square meters	36,800	36,800	36,800	36,800	36,800	
sales / square meters	2,192	2,328	2,426	2,528	2,634	
% chng	*2.3%*	*6.2%*	*4.2%*	*4.2%*	*4.2%*	
effective sq meters	36,800	36,800	36,800	36,800	36,800	
sales /effective square meters	2,192	2,328	2,426	2,528	2,634	
chng %	*2.3%*	*6.2%*	*4.2%*	*4.2%*	*4.2%*	
Sales with same (prervious year) sq meters	81	86	89	93	97	
l-f-f growth	*2.3%*	*6.2%*	*4.2%*	*4.2%*	*4.2%*	
Source: Piraeus Securities						

Bulgaria continues to post double-digit growth rates

The Group maintained its strong growth momentum in Bulgaria with double-single digit growth during FY17/18. We point-out that the strong growth sales in Bulgaria was achieved without the addition of any new store in the country. 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 9.8% for the current FY, while our estimated CAGR for the three year period stands at 8.3%. During 1Q18/19, Bulgaria recorded an 11% sales growth in the country.

Romania to double its stores over the next five (5) years; management targets Romania to be of equal size to Greece during the next decade

Management commented that the new investment program will focus in Romania over the coming years; the Group plans the opening of three (3) new stores in the country during the current FY (two already opened their gates at Bucharest and Bacau), while during the next five (5) years its plans to double its network in the country. In addition, the management guided that Romania should be of equal size to Greece during the next decade. In terms of top line management commented that sales in the country grew by a dynamic double-digit during 1Q18/19; our estimates call for increased sales by 34.4% during the current FY, while our estimated CAGR for the three year period stands at 28.7%.

The following tables summarize our estimates for Bulgaria and Romania.

Exhibit 16: Revenues CAGR in Bulgaria	Jun-17	Jun-18	Jun-19e	Jun-20e	Jun-21e	3-Year CAGR
Revenues Bulgaria	**64.7**	**78.1**	**85.7**	**92.4**	**99.2**	***8.3%***
% chng	*24.5%*	*20.8%*	*9.8%*	*7.8%*	*7.3%*	
% of total	*9.5%*	*10.4%*	*10.5%*	*10.5%*	*10.5%*	
No of stores	9	9	10	10	10	
sales / store	7.2	8.7	8.6	9.2	9.9	
% chng	*10.6%*	*20.8%*	*-1.2%*	*7.8%*	*7.3%*	
Square meters	65,000	65,000	65,000	65,000	65,000	
sales / square meters	995	1,201	1,319	1,422	1,525	
% chng	*9.1%*	*20.8%*	*9.8%*	*7.8%*	*7.3%*	
effective sq meters	62,334	65,000	65,000	65,000	65,000	
sales /effective square meters	1,037	1,201	1,319	1,422	1,525	
chng %	*13.8%*	*15.8%*	*9.8%*	*7.8%*	*7.3%*	
Sales with same (prervious year) sq meters	59	75	86	92	99	
l-f-f growth	*13.8%*	*15.8%*	*9.8%*	*7.8%*	*7.3%*	

Source: Piraeus Securities

Exhibit 17: Revenues CAGR in Romania	Jun-17	Jun-18	Jun-19e	Jun-20e	Jun-21e	3-Year CAGR
Revenues Romania	**65.6**	**100.6**	**135.2**	**171.9**	**214.4**	***28.7%***
% chng	*37.0%*	*53.3%*	*34.4%*	*27.2%*	*24.8%*	
% of total	*9.6%*	*13.4%*	*16.6%*	*19.6%*	*22.7%*	
No of stores	8	10	13	16	19	
sales / store	8.2	10.1	10.4	10.7	11.3	
% chng	*19.9%*	*22.7%*	*3.4%*	*3.3%*	*5.1%*	
Square meters	66,000	82,000	106,000	130,000	154,000	
sales / square meters	994	1,227	1,275	1,322	1,392	
% chng	*16.3%*	*23.4%*	*3.9%*	*3.7%*	*5.3%*	
effective sq meters	56,833	75,667	96,667	118,000	142,000	
sales /effective square meters	1,154	1,329	1,398	1,456	1,510	
chng %	*30.2%*	*15.2%*	*5.2%*	*4.2%*	*3.7%*	
Sales with same (prervious year) sq meters	62	76	106	141	178	
l-f-f growth	*30.2%*	*15.2%*	*5.2%*	*4.2%*	*3.7%*	

Source: Piraeus Securities

Favourable FX and improved product mix led to gross profit margin expansion by 30bps for FY 2017/18

During the 2H17/18 period, gross Profit came in at EUR 172.2mn, up 15.0%, beating our estimate by 4.5%, while it recorded gross profit margin expansion by 191bps and 30bps for the FY period; this was attributed to favourable FX rates, partly offset by the higher freight rates and the deflation enforced in the Greek market. Based on the recent strengthening of the US $, management guided for gross profit margin contraction during FY 2018/19. We follow management's guidance but we expect that FX headwinds will be partly offset by lower freight rates and continuous improvement on the product mix. We are looking for gross profit margin contraction of c. 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, the stock days of the Group, as well as the product mix during the 2H and the FY period.

Exhibit 18 – Gross Profit margins on a per country basis

Gross Profit Margin	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18
Greece	54.5%	53.6%	53.7%	52.9%	54.0%	54.0%	53.7%	52.7%	53.2%
Cyprus	50.7%	50.2%	51.2%	50.2%	50.5%	51.1%	51.7%	51.1%	51.2%
Bulgaria	51.4%	52.5%	50.3%	48.7%	48.7%	49.3%	50.6%	50.2%	50.5%
Romania					52.1%	51.2%	51.6%	51.5%	51.2%

Source: Piraeus Securities

Exhibit 19 – Average Stock days

Jumbo	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jul-18
Inventory/Stock Days	260	257	240	244	248	245

Source: Piraeus Securities

Exhibit 20 – 2H/FY17/18 Product Mix

Product Mix	2H16/17	2H17/18	FY16/17	FY17/18
Children Toys	**60.4**	**65.7**	**152.7**	**166.8**
% Change	*-4.0%*	*8.8%*	*-10.5%*	*9.2%*
% total	*21.6%*	*21.2%*	*22.4%*	*22.1%*
Baby apparel	**19.0**	**17.7**	**43.1**	**41.0**
% Change	*-3.2%*	*-6.8%*	*-3.4%*	*-5.0%*
% total	*6.8%*	*5.7%*	*6.3%*	*5.4%*
Stationery	**16.4**	**19.1**	**52.8**	**57.8**
% Change	*1.2%*	*16.6%*	*4.1%*	*9.5%*
% total	*5.9%*	*6.1%*	*7.7%*	*7.7%*
Seasonal	**183.8**	**207.9**	**432.9**	**487.8**
% Change	*10.0%*	*13.1%*	*16.5%*	*12.7%*
% total	*65.8%*	*67.0%*	*63.5%*	*64.7%*
Total	**279.5**	**310.3**	**681.4**	**753.3**
% Change	*5.2%*	*11.0%*	*6.9%*	*10.5%*

Source: Company Reports, Piraeus Securities

Improved Operating efficiency should maintain EBITDA margin in the area of 29%

For FY 2018/19, we expect EBITDA of EUR 236.7m increased by 7% with the relevant margin shaping at 29.1% vs. last year's EBITDA margin of 29.4%. EBITDA margin should be negatively affected by a gross profit margin contraction of c. 40bps due to FX headwinds 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 29% during the explicit period.

We are looking for increased EPS by 6.8% for the current FY

Our Net Profit estimate for FY 2018/19 stands at EUR 161.43mn up 6.8% vs. 2017/18's Net profit of EUR 151.1mn. Net Profit should be benefited by slightly decreased net financial income, while corporate tax rate should stand at 24%, due to the increased weight of foreign operations that carry lower tax rates compared to Greece. Our EPS estimate for FY 2018/19 and FY 2019/20 stand at EUR 1.19 and EUR 1.28, respectively. We are looking for a 3-year Net Profit CAGR of 7.5%. We are modelling a dividend pay-out ratio of 36% during the explicit period.

Issue of bomd loan of up to EUR 200mn to support expansion plans to double the size of the Company in the next ten years

In August 2018, a bond loan of eight year duration and a maximum amount of up to EUR 200mn was signed between the parent company and a credit institution, with the issue of the Loan Bonds in November 2018 at an interest margin of 2.75%. The purpose of the above loan is to refinance the existing common bond loan of EUR 145mn, maturing in May 2019, as well as to finance the company's capital expenditures. The issue of the bond loan along with Jumbo's strong Net Cash position should support management's intentions to double the size of the Company in the next ten years, through continuous expansion in Romania, as well as through the expansion on new territories, such as Croatia and Slovenia in the next 4-5 years.

Jumbo values its real-estate assets at acquisition cost

Following queries related to Group's real estate assets, Jumbo announced that it had never cooperated in the past with B.W. Binswager Evaluation Services Ltd that is owned by its ex-Vice President Mr. Papaevangelou, for the valuation of its real estate assets. It also clarified that based on IFRS, its real estate assets are booked at acquisition cost and has never asked for any independent valuation on these assets. We point out that at the end of FY 2017/18, 53% of Jumbo's stores (40/75) were self-owned, while the net fixed asset property of the Group amounted to EUR 542.46mn, with more than EUR 492mn comprising land and buildings. Based on our estimates, Jumbo's privately owned stores cover an area of c. 265,000 square meters of net selling spaces, while including storage facilities these stores span in an area of 345,000 square meters.

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 2018 accounted for 75 retail stores, 51 of which will be located in Greece, 5 in Cyprus, 9 in Bulgaria and 10 in Romania with a net sales surface of ca 440,629m^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 342m at the end of June 2019, and iv) Jumbo's fixed assets that seem to 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 18.20/share, 40.2% 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 18/19-20/21 period. Our risk free rate and equity risk premium stand at 5% and 5.5%, respectively, implying a total market return of 10.5%. Our cost of equity stands at 9.6%, in view of the current economic and trading conditions, while our WACC stands at 8.6%. In terms of P/E multiple we use as proxy Group's pre-crisis 5-year historical average that stood at 13.6x.

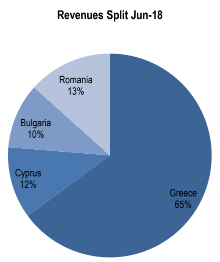
Upside risks

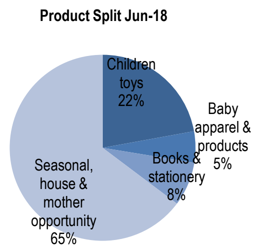
Apart from lower bond yields (ie lower sovereign risks), faster or more rollouts and higher-than-expected same-store sales (on improved customer visits and/or higher spending per customer) are the two main factors that could place upside risk on our estimates.

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



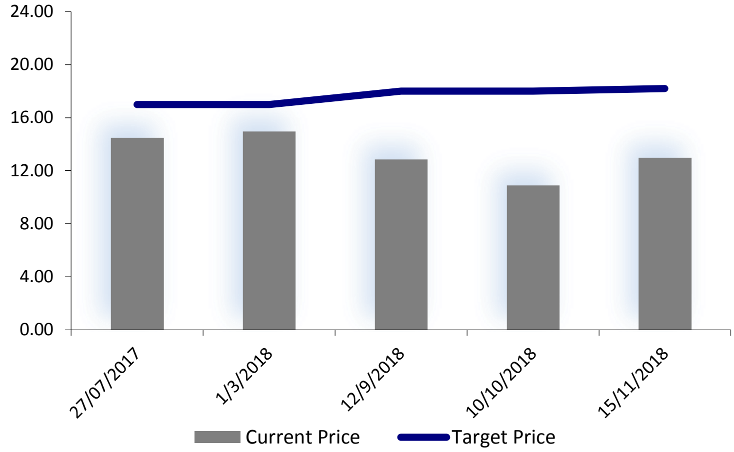


Jumbo consolidated accounts

in mn unless otherwise stated	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19 e	Jun-20 e	Jun-21 e
BALANCE SHEET	**Jun-15**	**Jun-16**	**Jun-17**	**Jun-18**	**Jun-19 e**	**Jun-20 e**	**Jun-21 e**
Net fixed assets	498	499	515	542	567	590	611
Current Assets	557	679	713	792	936	1,039	1,150
Accounts receivable	49	77	105	105	116	125	134
Inventories	198	197	239	248	276	300	322
Cash	299	395	366	437	477	517	557
TOTAL ASSETS	1,090	1,209	1,260	1,362	1,530	1,655	1,788
Net debt position	**-152**	**-250**	**-207**	**-287**	**-343**	**-412**	**-492**
Shareholders' equity	797	916	962	1,058	1,167	1,282	1,408
Minority interest on share capital	0	0	0	0	0	0	0
Long-term liabilities	170	165	164	34	234	234	235
Bank debt	144	144	144	0	200	200	200
Subsidies	3	4	5	6	7	8	9
Short-term liabilities	123	129	134	270	129	138	145
Accounts payable & other ST liabilities	81	77	70	71	75	80	85
Liabilities for taxes	40	51	49	50	54	58	60
Liabilities to banks	3	0	15	150	0	0	0
TOTAL EQUITY & LIABILITIES	1,090	1,209	1,260	1,362	1,530	1,655	1,788
RATIO ANALYSIS	**Jun-15**	**Jun-16**	**Jun-17**	**Jun-18**	**Jun-19 e**	**Jun-20 e**	**Jun-21 e**
Activity: Avg working capital to turnover days	114	110	124	126	132	140	141
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	0.18	0.16	0.17	0.14	0.17	0.16	0.14
Fixed to total assets	48.9%	43.9%	43.4%	41.9%	38.8%	37.2%	35.6%
Profitability: Return on total assets	9.9%	10.5%	10.6%	11.5%	11.2%	10.9%	10.9%
Return on equity	13.6%	14.2%	14.0%	15.0%	14.5%	14.2%	14.0%
Return on capital employed	11.4%	11.8%	12.0%	12.7%	12.0%	11.9%	11.8%
CASH FLOW	**Jun-15**	**Jun-16**	**Jun-17**	**Jun-18**	**Jun-19 e**	**Jun-20 e**	**Jun-21 e**
Profit after tax before minorities	105.3	122.4	130.9	151.1	161.4	173.7	190.7
Plus: Depreciation & amortization	21.2	22.7	23.1	24.7	26.2	27.7	29.2
Plus: net interest expenses	1.0	-4.1	-1.6	-1.3	-1.9	-2.6	-3.6
Less: gain/loss on disposal of PP&E	0.0	0.0	0.0	0.0	2.0	3.0	4.0
Gross cash flow	**127.5**	**140.9**	**152.3**	**174.5**	**183.8**	**195.9**	**212.3**
Plus: Chng in accounts payable	-0.8	-12.3	0.8	0.5	3.6	3.8	3.6
Less: Chng in accounts receivable	-15.2	17.0	2.0	-1.9	3.4	2.9	2.9
Less: Chng in inventories	11.6	-1.0	42.5	8.6	27.8	24.0	22.3
Working capital chng	-9.3	28.6	48.5	10.0	58.8	27.8	28.7
Operating cash flow	**129.0**	**112.3**	**103.9**	**164.5**	**125.0**	**168.0**	**183.6**
Less: Purchases of fixed assets	59.1	34.7	38.0	42.2	50.0	50.0	50.0
Less: Chng in investments	-2.9	-0.1	-1.1	-0.9	0.0	0.0	0.0
Free cash flow	**72.7**	**77.7**	**67.1**	**123.2**	**75.0**	**118.0**	**133.6**
PROFIT & LOSS	**Jun-15**	**Jun-16**	**Jun-17**	**Jun-18**	**Jun-19 e**	**Jun-20 e**	**Jun-21 e**
Turnover	**582.5**	**637.6**	**681.4**	**753.3**	**814.3**	**879.0**	**944.3**
% chng	*7.5%*	*9.4%*	*6.9%*	*10.5%*	*8.1%*	*7.9%*	*7.4%*
COGS & SG&A	423.4	453.9	486.6	532.0	577.6	625.6	671.0
EBITDA	**159.3**	**183.7**	**194.8**	**221.2**	**236.7**	**253.5**	**273.3**
% chng	*8.7%*	*15.3%*	*6.0%*	*13.6%*	*7.0%*	*7.1%*	*7.8%*
EBITDA margin	*27.3%*	*28.8%*	*28.6%*	*29.4%*	*29.1%*	*28.8%*	*28.9%*
Net depreciation	21.2	22.7	23.1	24.7	26.2	27.7	29.2
EBIT	**137.9**	**161.0**	**171.8**	**196.6**	**210.5**	**225.7**	**244.1**
% chng	*8.5%*	*16.7%*	*6.7%*	*14.4%*	*7.1%*	*7.3%*	*8.1%*
Operating profit margin	*23.7%*	*25.3%*	*25.2%*	*26.1%*	*25.8%*	*25.7%*	*25.9%*
Net interest expenses	1.0	-4.1	-1.6	-1.3	-1.9	-2.6	-3.6
% of avg debt	*-0.7%*	*2.1%*	*0.7%*	*0.5%*	*0.6%*	*0.7%*	*0.8%*
Pre-tax profit	137.0	165.1	173.5	197.9	212.3	228.3	247.7
% chng	*5.4%*	*20.6%*	*5.0%*	*14.1%*	*7.3%*	*7.5%*	*8.5%*
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%*	*100.0%*	*200.0%*	*300.0%*	*400.0%*
Income tax	32.1	43.9	42.5	46.8	50.9	54.6	57.1
% effective tax rate	*23.4%*	*26.6%*	*24.5%*	*23.6%*	*24.0%*	*23.9%*	*23.0%*
Profit after tax	**104.8**	**121.3**	**131.0**	**151.1**	**161.4**	**173.7**	**187.9**
% chng	*3.5%*	*15.7%*	*8.0%*	*15.3%*	*6.8%*	*7.6%*	*8.1%*
Net profit margin	*18.0%*	*19.0%*	*19.2%*	*20.1%*	*19.8%*	*19.8%*	*19.9%*
EPS after tax (in Euro)	0.77	0.89	0.96	1.11	1.19	1.28	1.38
EPS chng	*3.5%*	*15.7%*	*8.0%*	*15.3%*	*6.8%*	*7.6%*	*8.1%*
Dividends	**0.0**	**74.0**	**49.0**	**53.1**	**58.1**	**62.5**	**67.6**
Dividend policy: Payout Ratio	*0.0%*	*61.0%*	*37.4%*	*35.1%*	*36.0%*	*36.0%*	*36.0%*
DPS (in Euro)	0.00	0.54	0.36	0.39	0.43	0.46	0.50
% chng	*-100.0%*	*n/a*	*-33.8%*	*8.3%*	*9.5%*	*7.6%*	*8.1%*
Market cap	**1,010**	**1,603**	**2,177**	**1,921**	**1,766**	**1,766**	**1,766**
Diluted number of shares	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759
Basic number of shares	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759	136,059,759
EV	**857**	**1,352**	**1,970**	**1,634**	**1,423**	**1,354**	**1,274**
End-year/current stock price common shares	7.42	11.78	16.00	14.12	12.98	12.98	12.98
% chng of common stock price	*-38.0%*	*58.8%*	*35.8%*	*-11.8%*	*-8.1%*	*0.0%*	*0.0%*
Out/under performance	***-5.5%***	***133.6%***	***-10.6%***	***-4.0%***	***9.7%***	***0.0%***	***0.0%***

Rating History

Date	Rating	Target Price	Current Price
27/07/2017	Outperform	17.00	14.48
1/3/2018	Outperform	17.00	14.96
12/9/2018	Outperform	18.00	12.86
10/10/2018	Outperform	18.00	10.90
15/11/2018	Outperform	18.20	12.98



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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 :	44.8%	41.2%	Total return (*) expected to be greater than 10% compared to the market's return (**) over a 12-month period	-
Neutral:	45.3%	29.4%	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:	4.4%	5.9%	In certain circumstances that Piraeus Bank S.A. policy or applicable law / regulations preclude certain types of communication and investment recommendations	-
Under Review:	5.5%	23.5%	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)
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