

Jumbo (BELA GA)

Neutral

Target price (EUR)	16.50
Share price (EUR)	15.40
Potential total return (%)	7.1

Jun	2016a	2017e	2018e
EPS	0.89	0.97	1.04
PE (x)	17.3	16.0	14.8
Performance	1M	3M	12M
Absolute (%)	-3.8	9.2	40.0
Relative (%)	-10.6	-12.0	-9.1

12 July 2017

Spiros Tsangalakis
Analyst
BETA Securities S.A.
+30 2106478 751
s.tsangalakis@beta.gr

BETA Securities S.A.

For analyst certifications and other important disclosures, see the Disclosure Appendix.

Excellence comes at a price

- Fiscal 2017e net profit to rise 8% y-o-y to EUR131.3m, thanks to upbeat SEE ops, resilient gross margins and efficiency gains...
- ...advancing 8% y-o-y to EUR141.4m in fiscal 2018e, on improved consumer sentiment in Greece (ex-franchise L-F-L sales +2.3%)
- Neutral rating reiterated with higher EUR16.5 TP (from EUR13.6) to account for lower risk premia and mild EPS forecast upgrades

Fiscal 2017 group sales grew c7% y-o-y to EUR681.4m (figure out yesterday), in line, courtesy of SEE 18% jump to EUR210.5m, reflecting double-digit growths in Romania and Bulgaria. Losing momentum in 2H17 (up 1.2% y-o-y to EUR195.9m), FY17 Greece sales advanced 2.6% to EUR470.9m (vs BETAe EUR472.7m), +0.8% ex-SEE franchise activity, amid tough market conditions.

We estimate fiscal 2016a-19e group EPS CAGR of c9%. As Greek economy swings to growth (real GDP to expand 2.2% and 2.7% in 2017e-18e, IMF), we expect consumer spending uptrend to boost earnings outlook. Hence, Jumbo's domestic L-F-L sales upswing (+2.3% to 3.9% y-o-y through fiscal 2018e-20e), coupled with planned inroads in fast-growing Romania (seven store rollouts by end fiscal 2020e) should act as key growth drivers. We look for 2018e-19e net profit growths of 8% and 9% to EUR141.4m and EUR153.6m, on improved Greek economic backdrop, upbeat SEE and ongoing product re-engineering.

Reiterate Neutral rating, TP raised to EUR16.5 (EUR13.6), on the back of 5.0% Rf rate (6.0%), soft near-term EPS upgrades, as well as rolling our DCF 1-yr forward. After stellar 55% 2016 gains (+52% vs Athens GI), at 14.8x June 2018e PE and 8.5x EV/EBITDA, Jumbo seems reasonably priced. Assuming EUR/USD at 1.14 (vs BETAe 1.09 baseline) this would add 73bps to our 2018e gross margin call of 52.4%, raising net profit forecasts by c3% to EUR145.3m.

Unique growth story, well placed to benefit from Greek economic recovery, capturing extra market share, thanks to its strong brand name, increasing exposure to highly profitable home/seasonal products and well-dispersed store network. End-June 2018e net cash should reach EUR286.6m (14% of mkt cap or EUR2.11 per share), on robust EUR95.9m FCF, leaving plenty of scope for extra dividends. Potential negative catalysts: a) L-F-L sales growth slowdown (particularly painful in Greece), b) gross margin erosion linked to stronger USD (sourcing cost in China) and c) freight rates recovery on higher oil prices.

ATHENS SE Index level	844.33
RIC	BABr.AT
Bloomberg	BELA GA

Source: BETA Securities

Enterprise value (EURm)	1,878
Market cap (EURm)	2,095
Market cap (USDm)	2,405

Source: BETA Securities

Financials & valuation

Financial statements (IFRS)

Year to	06/2016a	06/2017e	06/2018e	06/2019e
Profit & loss summary (EURm)				
Revenue	637.6	681.4	732.9	785.5
EBITDA	183.7	198.3	212.7	229.7
Depreciation & amortisation	(22.7)	(23.4)	(25.0)	(26.6)
Operating profit/EBIT	161.0	175.0	187.7	203.2
Net interest	4.1	2.2	2.6	3.0
PBT	165.1	177.2	190.3	206.2
Clean PBT	162.9	177.2	190.3	206.2
Taxation	43.9	45.9	48.9	52.6
Net profit	121.3	131.3	141.4	153.6
Clean net profit	119.7	131.3	141.4	153.6

Cash flow summary (EURm)

Year to	06/2016a	06/2017e	06/2018e	06/2019e
Cash flow from operations	124.7	127.0	137.9	152.4
Capex	(22.1)	(44.1)	(41.2)	(40.2)
Free cash flow	104.8	82.1	95.9	111.4
Dividends	100.2	27.2	57.1	62.6
Change in net debt	(105.4)	27.3	(69.4)	(55.0)
FCF equity	105.9	82.1	95.9	111.4

Balance sheet summary (EURm)

Year to	06/2016a	06/2017e	06/2018e	06/2019e
Intangible fixed assets	-	-	-	-
Tangible fixed assets	686.8	730.9	772.1	812.3
Current assets	678.9	681.5	781.5	866.6
Cash & others	394.7	367.4	436.8	491.8
Total assets	1,209.4	1,233.4	1,350.4	1,449.9
Operating liabilities	134.2	136.4	138.4	140.8
Gross debt	165.4	166.2	166.9	167.6
Net debt/(cash)	(244.5)	(217.2)	(286.6)	(341.6)
Shareholders funds	915.6	936.7	1,050.8	1,147.3
Invested capital	742.1	788.7	831.0	869.5

Ratio, growth and per share analysis

Year to	06/2016a	06/2017e	06/2018e	06/2019e
---------	----------	----------	----------	----------

Y-o-y % change

Revenue	9.4	6.9	7.6	7.2
EBITDA	15.4	8.0	7.2	8.0
Operating profit	16.7	8.7	7.3	8.3
PBT	20.6	7.3	7.4	8.4
Clean EPS	12.1	9.7	7.7	8.7

Ratios (%)

Revenue/IC (x)	0.9	0.9	0.9	0.9
ROIC	15.8	16.4	16.7	17.3
ROE	14.2	14.2	14.2	14.0
ROA	10.8	11.0	11.2	11.2
EBITDA margin	28.8	29.1	29.0	29.2
Operating profit margin	25.3	25.7	25.6	25.9
EBITDA/net interest (x)	-44.4	-88.6	-82.3	-77.0
Net debt/equity	-26.7	-23.2	-27.3	-29.8
Net debt/EBITDA (x)	-1.3	-1.1	-1.3	-1.5
CF from operations/net debt	-67.7	-78.6	-64.3	-59.1

Per share data (EUR)

EPS reported/fully diluted	0.89	0.97	1.04	1.13
Recurring EPS/fully diluted	0.88	0.97	1.04	1.13
DPS	0.63	0.38	0.42	0.46
NAV	6.73	6.88	7.72	8.43

Key forecast drivers (EURm)

Year to	06/2016a	06/2017e	06/2018e	06/2019e
Greece store network	51	51	52	52
Greece store closings	2	-	-	-
Cyprus store network	5	5	5	5
Bulgaria store network	8	9	9	9
Romania store network	7	8	11	13
Group store network	71	73	77	79
Greece selling space (year-end)	281,003	281,003	287,003	287,003
Greece selling sp. (weighted avg)	283,690	281,003	284,753	287,003
Greece selling sp. (year-end) chg	-1.9%	0.0%	2.1%	0.0%
Greece selling sp. (weighted avg) chg	1.4%	-0.9%	1.3%	0.8%
Group selling sp. (year-end)	454,803	472,803	498,803	512,803
Group selling sp. (weighted avg)	455,156	459,830	485,719	507,553
Group selling sp. (year-end) chg	0.6%	4.0%	5.5%	2.8%
Group selling sp. (weighted avg) chg	7.3%	1.0%	5.6%	4.5%
Greece L-F-L sales growth	3.8%	3.3%	3.5%	4.8%
Ex-franchise L-F-L sales growth	3.6%	1.5%	2.3%	3.6%
Cyprus L-F-L sales growth	-2.8%	2.3%	2.4%	2.3%
Bulgaria L-F-L sales growth	14.6%	20.1%	9.7%	7.9%
Romania L-F-L sales growth	43.8%	32.7%	8.2%	6.7%
Group L-F-L sales growth	4.2%	6.1%	4.1%	3.4%
Ex-franchise L-F-L sales growth	4.0%	4.9%	3.5%	3.1%
Greece sales/sq. m (EUR)	1,618	1,676	1,727	1,796
Ex-franchise sales/sq. m (EUR)	1,574	1,602	1,633	1,687
Cyprus sales/sq. m (EUR)	2,143	2,192	2,245	2,297
Bulgaria sales/sq. m (EUR)	658	773	838	905
Romania sales/sq. m (EUR)	860	1,116	1,107	1,104
Group sales/sq. m (EUR)	1,401	1,482	1,509	1,548
Ex-franchise sales/sq. m (EUR)	1,373	1,437	1,454	1,487

Valuation data

Year to	06/2016a	06/2017e	06/2018e	06/2019e
EV/sales	2.9	2.8	2.5	2.2
EV/EBITDA	10.1	9.5	8.5	7.6
EV/IC	2.5	2.4	2.2	2.0
PE	17.3	16.0	14.8	13.6
P/NAV	2.3	2.2	2.0	1.8
FCF yield (%)	5.1	3.9	4.6	5.3
Dividend yield (%)	4.1	2.5	2.7	3.0

Issuer information

Share price (EUR)	15.40	Target price (EUR)	16.50	Potent'l return (%)	7%
Reuters (Equity)	BABR.AT	Bloomberg (Equity)	BELA GA		
Market cap (USDm)	2,405	Market cap (EURm)	2,095		
Free float (%)	73	Enterprise value (EURm)	1,878		
Country	Greece	Sector	General Retail		
Analyst	Spiros Tsangalakis	Contact	+30 210 6478751		



Source: BETA Securities Note; price at close of 11 July 2017

Contents

Contents	3
Valuation and risks	4
Fiscal 2017 sales trading update/results preview	6
Financials and outlook	9
Appendix	17
H1 2017a group results	18
Disclosure appendix	19

Valuation and risks

- Well placed to benefit from Greek economic recovery, while upbeat Bulgaria and ongoing expansion in Romania bolster growth potential
- At 14.8x its June 2018e PE and 8.5x EV/EBITDA, offering 2016a-19e EPS CAGR of c9%, however, Jumbo appears fairly priced, in our view
- Robust EUR95.9m FCF to drive end-June 2018e net cash to EUR286.6m (14% of mkt cap or EUR2.11/sh), leaves plenty of room for extra dividends

After stellar gains of 55.3% in 2016, beating Athens GI by 52.3%, Jumbo is up 2.3% y-t-d, dropping 22% against the local market. This, in our view, reflects Jumbo's somewhat demanding valuation, as the stock currently trades 14.8x its June 2018e EPS and 8.5x EV/EBITDA.

That said, we believe Jumbo is well placed to benefit from a Greek economic recovery, capturing extra market share, thanks to its strong brand name, increasing exposure to highly profitable home/seasonal product lines and well-dispersed store network.

Following a tough fiscal 2H17e (to June 30) largely due to delays in the completion of Greek 2nd review bailout programme, we see domestic sales gathering pace in fiscal 2018e, driven by a consumer sentiment rebound.

Growth drivers

Thereby, Jumbo's growth prospects will be spurred by:

- upbeat Greek L-F-L sales (+2.3% to 3.9% y-o-y over fiscal 2018e-20e) and growing SEE footprint, notably in Romania, also due to solid performance in Bulgaria
- strong network expansion: we expect four new outlet additions in fiscal 2018e: 1 Greece-based and 3 in fast-growing Romania - another two rollouts per annum over the following two years (all in Romania). As a result, Jumbo will run 81 stores by end June-2020e: Greece 52, Romania 15, Bulgaria 9, Cyprus 5 vs 73 currently
- further diversification into higher value-added non-toy product lines.

		Pre-tax Margin		
		21.3%	23.3%	25.3%
WACC	8.78%	18.40	18.91	19.42
	9.28%	17.18	17.63	18.08
	9.78%	16.10	16.50	16.90
	10.28%	15.15	15.50	15.85
	10.78%	14.29	14.61	14.92

Source: BETA Securities estimates

Jumbo: Fiscal 2018e-19e relative valuation								
	Price (EUR)	Mtk Cap (EURm)	PE (x)		EV/EBITDA (x)		EPS growth	
			2018e	2019e	2018e	2019e	2018e	2019e
Jumbo* (BELA GA)	15.40	2,095	14.8	13.8	8.5	7.6	7.7%	8.7%
Folli Follie (FFGRP GA)	21.34	1,599	6.5	6.1	4.4	4.0	6.6%	6.8%
Sarantis (SAR GA)	12.53	436	15.0	14.0	9.5	8.8	8.5%	7.2%
Fourlis Holdings (FOYRK GA)	5.75	293	20.5	16.0	7.9	6.9	33.6%	28.5%
BETA Athens SE retail univ. <i>Jumbo premium/(discount)</i>			12.2 21.5%	11.1 23.1%	7.1 20.0%	6.4 19.6%	9.1% -15.7%	9.2% -5.6%
Jumbo@target price	16.50	2,245	15.9	14.6	9.2	8.3	7.7%	8.7%

Source: BETA Securities estimates
Note: prices at close of 11 July 2017

Jumbo* FY ends on June 30, Folli Follie, Sarantis, Fourlis on December 31

Valuation

We continue to value Jumbo via a 3-stage DCF model: WACC 9.78% (vs 10.71% previously, COE 10.0% (vs 10.92% previously), Rf 5.0% (vs 6.0% previously), ERP 5.0% (unchanged), asset beta 1.00.

Owing to lower risk premia, mild EPS upward revisions, but also due to rolling over our DCF model 1-yr forward, we lift TP to EUR16.5 from EUR13.60 previously.

Under BETA's research model, the Neutral band is -10.0% to +10.0% potential total return. Given that new TP points to 7% upside potential, we maintain our Neutral rating on the stock.

Jumbo offers a strong cEUR287m end-June 2018e net cash position (c14% of market cap), solid FCF, superior margins, excellent track record and outstanding management.

Key catalysts

- as Greece swings to growth in H2 (IMF sees GDP +2.2% and 2.7% y-o-y in 2017e-18e), consumer spending may heat up boosting sales beyond BETAE
- net cash position (EUR2.11/share at end-fiscal 2018e) leaves plenty of scope for extra dividend/capital returns
- positive sales mix effects could enhance profitability ahead of our forecasts.

Risks

Downside risks, we believe, include:

- declining consumer sentiment in Greece should put top-line growth under strain
- reduction in disposable income in SEE would hit growth outlook
- aggressive USD gains over the EURO could put gross margins under pressure
- freight fares uptrend or/and higher labour costs in China should hit profitability
- unfavourable SEE demographics may dent toy/baby apparel future growth prospects.

FY2017 sales trading update/results preview

- We expect fiscal 2017e net profit 8% higher to EUR131.3m, on upbeat international ops, resilient gross margins and operating efficiency gains
- Fiscal 2017 group sales rose 6.9% y-o-y to EUR681.4m (in line), vs +8.1% in 1H17, driven by growths of 36% and 24% in Romania and Bulgaria
- Sales in Greece (ex-SEE franchise) up 1% y-o-y to EUR450.1m, marginally down in 2H17, amid persistently weak economic backdrop

Yesterday, post market hours, Jumbo announced that fiscal 2017 (to June 30) group sales rose 6.9% y-o-y to EUR681.4m (vs +8.1% in fiscal 1H17), coming in slightly lower vs our call of EUR683.6m, driven by double-digit growths in Romania and Bulgaria.

Sales generated in Greece (i.e. ex-franchise activity in SEE, including e-shop) were up 1% y-o-y to EUR450.1m (vs BETAe of EUR454.1m) in fiscal 2017, amid tough market conditions, dropping to 66% of group total vs 70% in the previous year.

Meanwhile, fiscal 2017 reported Greece sales posted a growth of 2.6% y-o-y to EUR470.9m (below vs BETAe of EUR472.7m) against EUR458.9m a year earlier.

This figure, however, includes franchise sales (via Veropoulos and Kindzone) in Albania, Kosovo, FYROM and since July 1, 2016 in Serbia as well.

That said, franchise sales were up 67% y-o-y to EUR20.9m (on our estimates) compared with EUR12.5m in fiscal 2016, boosted also by new Serbia agreement.

On the other hand, international sales advanced 18% y-o-y to EUR210.5m (spot on), making up 30.9% of Jumbo total against 28% in fiscal 2016.

More particularly, upbeat Romanian sales climbed 36% y-o-y to EUR65.2m (vs BETAe of EUR67.6m) in fiscal 2017, on growing brand awareness and higher store maturities.

In a similar fashion, Bulgaria maintained a robust sales growth momentum, expanding 24% y-o-y to EUR64.6m (4% above our EUR62.2m forecasts) in fiscal 2017, vs +15% a year earlier, aided also by new Stara Zagora hyperstore (11,000 sq. m.). The latter commenced operations last November.

Jumbo: FY/H2 2017e group results (June 30, EURm)						
	FY 2016a	FY 2017e	FY y-o-y	H2 2016a	H2 2017e	H2 y-o-y
Greece sales	458.9	470.9	2.6%	193.7	195.9	1.2%
<i>% of total</i>	72.0%	69.1%		72.9%	70.1%	
Franchise sales (to SEE)	12.5	20.9	67%	5.8	9.4	61%
<i>% of total</i>	2.0%	3.1%		2.2%	3.4%	
Greece ex-franchise sales	446.4	450.1	0.8%	187.8	186.5	-0.7%
<i>% of total</i>	70.0%	66.0%		70.7%	66.8%	
International sales	178.7	210.5	18%	72.2	83.4	16%
<i>% of total</i>	28.0%	30.9%		27.1%	29.9%	
Cyprus sales	78.9	80.7	2%	33.1	33.4	1.1%
<i>% of total</i>	12.4%	11.8%		12.4%	12.0%	
Bulgaria sales	51.9	64.6	24%	19.6	24.4	24%
<i>% of total</i>	8.1%	9.5%		7.4%	8.7%	
Romania sales	47.9	65.2	36%	19.4	25.6	32%
<i>% of total</i>	7.5%	9.6%		7.3%	9.2%	
Total Sales	637.6	681.4	7%	265.8	279.3	5%
Ex-Romania	589.7	616.2	4%	246.4	253.8	3%
COGS	(299.6)	(322.9)	8%	(119.5)	(126.7)	6%
Gross Profit	337.9	358.6	6%	146.3	152.6	4%
<i>Gross Margin</i>	53.0%	52.6%		55.1%	54.6%	
Other Operating Income	(2.1)	(1.3)	-38%	0.2	(0.7)	
Administrative Expenses	(22.1)	(22.2)	0%	(8.7)	(8.8)	1%
<i>% of Sales</i>	3.5%	3.3%		3.3%	3.1%	
Selling Expenses	(130.0)	(136.8)	5%	(59.7)	(62.3)	4%
<i>% of Sales</i>	20.4%	20.1%		22.5%	22.3%	
Total SG&A Expenses	(152.1)	(158.9)	4%	(68.4)	(71.1)	4%
<i>% of Sales</i>	23.9%	23.3%		25.7%	25.5%	
EBITDA	183.7	198.3	8%	78.1	80.8	3%
<i>EBITDA Margin</i>	28.8%	29.1%		29.4%	28.9%	
Depreciation	(22.7)	(23.4)	3%	(11.4)	(12.0)	5%
EBIT	161.0	175.0	9%	66.7	68.8	3%
<i>EBIT Margin</i>	25.3%	25.7%		25.1%	24.6%	
Net Financials	4.1	2.2	-46%	1.6	1.2	-31%
EBT	165.1	177.2	7%	68.3	70.0	2%
<i>EBT Margin</i>	25.9%	26.0%		25.7%	25.1%	
Taxation	(43.9)	(45.9)	5%	(19.6)	(20.3)	4%
<i>Effective Tax Rate</i>	26.6%	25.9%		28.6%	29.0%	
Net Profit	121.3	131.3	8%	48.7	49.7	2%
<i>Net Margin</i>	19.0%	19.3%		18.3%	17.8%	
Adjusted Net profit	119.7	131.3	10%	48.5	49.7	2%
<i>Net Margin</i>	18.8%	19.3%		18.2%	17.8%	

Source: Jumbo, BETA Securities estimates

Note: FY 2017 sales figures released on July 11, 2017

Turning to Cyprus, fiscal 2017 sales increased by 2% y-o-y to EUR80.7m, against growths of 5% and 12% in 2016 and 2015.

In Greece, fiscal 2017 L-F-L sales growth (ex-franchise activity) decelerated to +1.5% y-o-y from +3.6% in the previous year, adversely affected by persistently weak marcoeconomic backdrop.

On flip side, fiscal 2017 group L-F-L sales were up 4.9% y-o-y vs +4% a year earlier, mirroring double-digit jumps in Romania (+33%) and Bulgaria (+20%).

In turn, fiscal 2017 Greece, Cyprus, Romania and Bulgaria sales per sq. m. shaped at EUR1,602 (+1.8% y-o-y), EUR2,192 (+2.3%), EUR773 (+17%) and EUR1,116 (+30%), respectively. At a group level, Jumbo fiscal 2017 average sales per sq. m. rose 4.6% higher y-o-y to EUR1,437.

The group gross margin is seen edging 38bps lower to 52.6% in fiscal 2017e, mostly owing to increased freight costs.

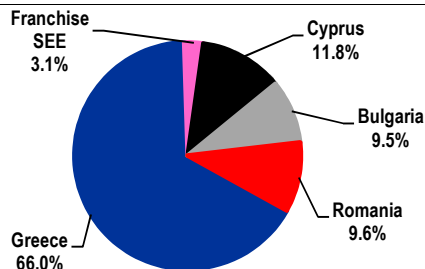
In this context, we expect group EBITDA to expand 8% y-o-y to EUR198.3m, mirroring a further progress at the cost front, as total overheads (+4% to EUR158.9m) should ease at 23.3% of sales from 23.9% in fiscal 2016.

We estimate fiscal 2017e group EBIT up 9% y-o-y to EUR175m (depreciation +3% to EUR23.4m), while EBT should grow by 7% to EUR177.2m on reduced net financial income (cut almost in half to EUR2.2m).

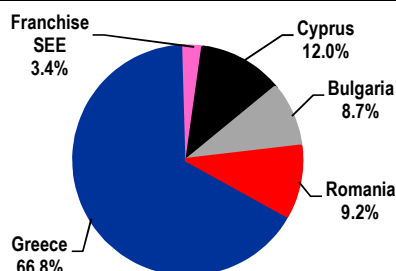
Adjusting for last years' EUR2.2m m-t-m bond valuation gains, we look for fiscal 2017e group net earnings growth of 10% y-o-y to EUR131.3m (+8% at a reported level).

In H2 2017e (01/01/17 to 30/06/17), we see group EBITDA, EBT and net earnings up 3%, 2% and 2% y-o-y to EUR80.8m, EUR70m and EUR49.7m, respectively.

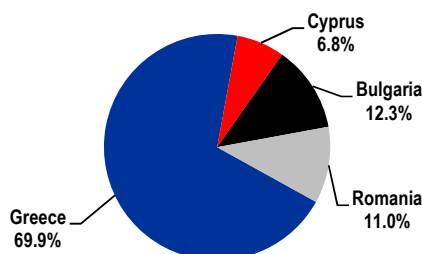
Jumbo: Fiscal 2017a sales per country (%)



Jumbo: H2 2017a sales per country (%)



Jumbo: Fiscal 2017a store network per country (%)



Source: BETA Securities estimates

Despite EUR82.1m FCF generation (on 2x up capex to EUR44.1m), we forecast end-June 2017e net cash falling to EUR217.2m (vs EUR244.5m a year ago) burdened by massive EUR110.2m cash returns/dividend payments.

On top of interim dividend EUR0.18 per share (payment date March 28, 2017), we pencil-in EUR0.20 remaining DPS for FY17, implying a yield of 1.3% vs current price levels.

Financials & outlook

- We expect a positive fiscal 2018e-19e earnings momentum looking at growths of 8% and 9% y-o-y to EUR141.4m and EUR153.6m...
- ...triggered by consumer sentiment recovery in Greece, robust SE Europe performance, store-network expansion and higher operating efficiency
- Assuming EUR/USD at 1.14 (vs 1.09 baseline) this would add 73bps to our 2018e gross margin, leading to net earnings upward revisions of 3%

Vigorous fiscal 2018e-19e store network expansion programme

Following two store openings in fiscal 2017: one in Bulgaria (November 2016) and one in Romania (June 2017), we forecast six new rollouts over the next two years.

More specifically, we expect four hyperstore openings in fiscal 2018e: three in Romania and one in Greece, raising Jumbo's network to 77 vs 73 currently.

In addition, we estimate two new outlets to commence operations through fiscal 2019e, both located in Romania.

Hence, Jumbo should run a total of 79 stores (52 based in Greece, 5 in Cyprus, 9 in Bulgaria and 13 in Romania) at end-fiscal 2019e.

Greece sales

Fiscal 2018e-19e Greece reported sales are seen 4.4% and 4.8% higher y-o-y to EUR491.7m and EUR515.3m, respectively. Ex-franchising activity of EUR26.8m(+29% y-o-y) and EUR31m (+16%), we see Greek sales up 3.3% and 4.2% to EUR464.9m and EUR484.3m (vs +0.8% in 2017), slipping to 63.4% and 61.7% of fiscal 2018e-19e total.

Jumbo: 2016a-20e group store network					
	2016a	2017e	2018e	2019e	2020e
Greece	51	51	52	52	52
% of total	71.8%	69.9%	67.5%	65.8%	64.2%
Cyprus	5	5	5	5	5
% of total	7.0%	6.8%	6.5%	6.3%	6.2%
Bulgaria	8	9	9	9	9
% of total	11.3%	12.3%	11.7%	11.4%	11.1%
Romania	7	8	11	13	15
% of total	9.9%	11.0%	14.3%	16.5%	18.5%
Total	71	73	77	79	81

Jumbo: 2018e group store network	
Greece	67.5%
Romania	14.3%
Bulgaria	11.7%
Cyprus	6.5%

Source: Jumbo, BETA Securities estimates

That said, we expect fiscal 2018e domestic L-F-L sales (ex-SEE franchise) 2.3% higher y-o-y (against 1.5% increase a year earlier), rising 3.6% next year, thanks to upbeat consumer spending linked to Greece's economic recovery.

Jumbo: Greece 2016a-20e store network, sales/sq m, L-F-L y-o-y growth (June 30)					
	2016a	2017e	2018e	2019e	2020e
Sales (EURm)	458.9	470.9	491.7	515.3	538.4
<i>y-o-y change</i>	4.8%	2.6%	4.4%	4.8%	4.5%
Ex-franchise sales (EURm)	446.4	450.1	464.9	484.3	503.4
<i>y-o-y change</i>	4.5%	0.8%	3.3%	4.2%	3.9%
Number of stores	51	51	52	52	52
Selling space (sq m) year-end	281,003	281,003	287,003	287,003	287,003
<i>Increase in sq m (year-end)</i>	-1.9%	0.0%	2.1%	0.0%	0.0%
Selling sp. (sq m) weighted average	283,690	281,003	284,753	287,003	287,003
<i>Increase in sq m (weighted average)</i>	1.4%	-0.9%	1.3%	0.8%	0.0%
Sales per sq m (EUR)	1,618	1,676	1,727	1,796	1,876
<i>y-o-y change</i>	3.4%	3.6%	3.0%	4.0%	4.5%
Ex-franchise sales per sq m (EUR)	1,574	1,602	1,633	1,687	1,754
<i>y-o-y change</i>	3.1%	1.8%	1.9%	3.4%	3.9%
L-F-L sales growth y-o-y	4.2%	3.3%	3.5%	4.8%	4.5%
Ex-franchise L-F-L sales growth y-o-y	3.6%	1.5%	2.3%	3.6%	3.9%

Source: Jumbo, BETA Securities estimates

Cyprus sales

On our forecasts, fiscal 2018e-19e sales in Cyprus should expand 2.4% and 2.3% y-o-y to EUR82.6m and EUR84.5m, respectively, amid challenging market conditions.

This means Cyprus' sales contribution should drop further to 10.8% of group total in fiscal 2019e from 11.8% in the previous fiscal year and c13% back in 2015.

Bulgaria sales

For fiscal 2018e, we expect a top-line increase of 12% y-o-y to EUR72.4m, advancing 8% to EUR78.1m in the following year, making up c10% of total.

On our estimates, Bulgaria L-F-L sales growth should remain strong, up 9.7% and 7.9% y-o-y over fiscal 2018e-19e, vs +15% and 20% over the last two years.

Jumbo: Cyprus, Bulgaria 2016a-20e store network, sales/sq m, L-F-L y-o-y growth (June 30)						
		2016a	2017e	2018e	2019e	2020e
Cyprus	Sales (EURm)	78.9	80.7	82.6	84.5	86.4
	<i>% change</i>	5.1%	2.3%	2.4%	2.3%	2.2%
	Number of stores	5	5	5	5	5
	Selling space (sq m) year-end	36,800	36,800	36,800	36,800	36,800
	<i>Increase in sq m (year-end)</i>	0.0%	0.0%	0.0%	0.0%	0.0%
	Selling sp. (sq m) weighted average	36,800	36,800	36,800	36,800	36,800
	<i>Increase in sq m (weighted average)</i>	11.1%	0.0%	0.0%	0.0%	0.0%
	Sales per sq m (EUR)	2,143	2,192	2,245	2,297	2,347
<i>% change</i>	-5.4%	2.3%	2.4%	2.3%	2.2%	
L-F-L sales growth y-o-y	-2.8%	2.3%	2.4%	2.3%	2.2%	
Bulgaria	Sales (EURm)	51.9	64.6	72.4	78.1	82.5
	<i>y-o-y change</i>	14.6%	24.3%	12.1%	7.9%	5.7%
	Number of stores	8	9	9	9	9
	Selling space (sq m) year-end	79,000	86,333	86,333	86,333	86,333
	<i>Increase in sq m (year-end)</i>	0.0%	9.3%	0.0%	0.0%	0.0%
	Selling sp. (sq m) weighted average	79,000	83,583	86,333	86,333	86,333
	<i>Increase in sq m (weighted average)</i>	0.0%	5.8%	3.3%	0.0%	0.0%
	Sales per sq m (EUR)	658	773	838	905	956
<i>y-o-y change</i>	14.6%	17.5%	8.5%	7.9%	5.7%	
L-F-L sales growth y-o-y	14.6%	20.1%	9.7%	7.9%	5.7%	

Source: Jumbo, BETA Securities estimates

Jumbo: Group, Romania 2016a-20e store network, sales/sq m, L-F-L y-o-y growth (June 30)		2016a	2017e	2018e	2019e	2020e
Romania	Sales (EURm)	47.9	65.2	86.2	107.6	123.5
	<i>y-o-y change</i>	97.1%	36.3%	32.1%	24.8%	14.8%
	Number of stores	7	8	11	13	15
	Selling space (sq m) year-end	58,000	68,667	88,667	102,667	117,333
	<i>Increase in sq m (year-end)</i>	16.0%	18.4%	29.1%	15.8%	14.3%
	Selling sp. (sq m) weighted average	55,667	58,444	77,833	97,417	110,000
	<i>Increase in sq m (weighted average)</i>	74.0%	5.0%	33.2%	25.2%	12.9%
	Sales per sq m (EUR)	860	1,116	1,107	1,104	1,123
	<i>y-o-y change</i>	13.3%	29.8%	-0.8%	-0.3%	1.7%
L-F-L sales growth y-o-y	43.8%	32.7%	8.2%	6.7%	5.4%	
Group	Sales (EURm)	637.6	681.4	732.9	785.5	830.8
	<i>% change</i>	9.4%	6.9%	7.56%	7.2%	5.8%
	Ex-franchise sales (EURm)	625.1	660.6	706.1	754.5	795.8
	<i>y-o-y change</i>	9.3%	5.7%	6.9%	6.9%	5.5%
	Number of stores	71	73	77	79	81
	Selling space (sq m) year-end	454,803	472,803	498,803	512,803	527,469
	<i>Increase in sq m (year-end)</i>	0.6%	4.0%	5.5%	2.8%	2.9%
	Selling sp. (sq m) weighted average	455,156	459,830	485,719	507,553	520,136
	<i>Increase in sq m (weighted average)</i>	7.3%	1.0%	5.6%	4.5%	2.5%
	Sales per sq m (EUR)	1,401	1,482	1,509	1,548	1,597
	<i>y-o-y change</i>	2.0%	5.8%	1.8%	2.6%	3.2%
	Ex-franchise sales per sq m (EURm)	1,373	1,437	1,454	1,487	1,530
	<i>y-o-y change</i>	1.8%	4.6%	1.2%	2.3%	2.9%
L-F-L sales growth y-o-y	4.2%	6.1%	4.1%	3.4%	4.0%	
Ex-franchise L-F-L sales growth y-o-y	4.0%	4.9%	3.5%	3.1%	3.7%	

Source: Jumbo. BETA Securities estimates

Romania sales

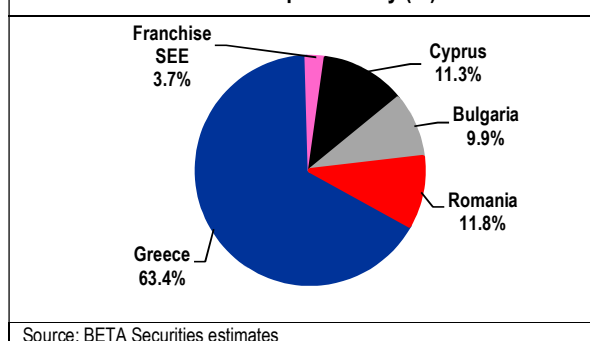
In fiscal 2018e-19e we look for sales jumps of 32% and 25% y-o-y to EUR86.2m and EUR107.6m, respectively, mirroring higher brand equity/penetration rates, but also robust organic growth (five new store openings by end-June 2019e).

Having said that, we expect Romania L-F-L sales growth to slowdown to 8.2% and 6.7% y-o-y in fiscal 2018e-19e, respectively, from 33% in the previous year.

Group sales

Wrapping it all up, we forecast group sales advancing 8% and 7% y-o-y in fiscal 2018e and 2019e to EUR732.9m and EUR785.5m, respectively.

Jumbo: Fiscal 2018e sales per country (%)



Source: BETA Securities estimates

As such, we expect fiscal 2018e L-F-L group sales growth (ex-franchise) of 3.5% y-o-y, against +4.9% in 2017, rising at lower pace in the following year (+3.1%). This is mainly attributed to a sharp deceleration in Romania L-F-L sales momentum - and to a lesser extent in Bulgaria - more than offsetting Greece's uptrend.

Jumbo: FY 2017e-18e forecast revisions (June 30, EURm)									
	2016a	FY 2017e				FY 2018e			
		Old	New	Revision	y-o-y	Old	New	Revision	y-o-y
Greece sales	458.9	475.2	470.9	-1%	3%	497.4	491.7	-1%	4%
<i>of total</i>	72.0%	69.3%	69.1%			68.0%	67.1%		
International sales	178.7	210.7	210.5	0%	18%	233.8	241.2	3%	15%
<i>of total</i>	28.0%	30.7%	30.9%			32.0%	32.9%		
Cyprus sales	78.9	82.3	80.7	-2%	2%	85.6	82.6	-3%	2%
<i>of total</i>	12.4%	12.0%	11.8%			11.7%	11.3%		
Bulgaria sales	51.9	59.1	64.6	9%	24%	64.0	72.4	13%	12%
<i>of total</i>	8.1%	8.6%	9.5%			8.8%	9.9%		
Romania sales	47.9	69.3	65.2	-6%	36%	84.2	86.2	2%	32%
<i>of total</i>	7.5%	10.1%	9.6%			11.5%	11.8%		
Total sales	637.6	685.9	681.4	-1%	7%	731.3	732.9	0%	8%
Gross Profit	337.9	357.4	358.6	0%	6%	378.8	383.8	1%	7%
<i>Gross Margin</i>	53.0%	52.1%	52.6%			51.8%	52.4%		
EBITDA	183.7	194.0	198.3	2%	8%	207.0	212.7	3%	7%
<i>EBITDA Margin</i>	28.8%	27.9%	29.1%			28.3%	29.0%		
Financial Income/(Exp.)	4.1	2.6	2.2	-14%	-46%	3.2	2.6	-22%	16%
EBT	165.1	172.9	177.2	2%	7%	185.2	190.3	3%	7%
<i>EBT Margin</i>	25.9%	25.2%	26.0%			25.3%	26.0%		
Taxation	(43.9)	(45.3)	(45.9)	1%	5%	(48.0)	(48.9)	2%	7%
<i>Effective Tax Rate</i>	26.6%	26.2%	25.9%			25.9%	25.7%		
Net profit	121.3	127.6	131.3	3%	8%	137.2	141.4	3%	8%
<i>Net Margin</i>	19.0%	18.6%	19.3%			18.8%	19.3%		
Adjusted Net Profit	119.7	127.6	131.3	3%	10%	137.2	141.4	3%	8%
EPS	0.89	0.94	0.97	3%	8%	1.01	1.04	3%	8%

Source: Jumbo, BETA Securities estimates

Sales per sq. m. on the upswing...

This fiscal year, Greece (ex-franchising), Cyprus, Romania and Bulgaria sales per sq. m. are seen at EUR1,633 (+1.9% y-o-y), EUR2,245 (+2%), EUR1,107 (flattish) and EUR838 (+8.5%), respectively.

For fiscal 2019e, we expect Greece, Cyprus, Romania and Bulgaria average sales per sq. m. reaching EUR1,687 (+3.4% y-o-y), EUR2,297 (+2.3%), EUR1,104 (-0.3%) and EUR905 (+7.9%), respectively. Thus, fiscal 2018e-19e group average sales per sq. m. should post growths of 1.2% and 2.3% y-o-y to EUR1,454 and EUR1,487, respectively.

Further down, we pencil-in a group gross margin erosion of 25bps to 52.4% for fiscal 2018e, edging lower 30bps to 52.1% in fiscal 2019e.

This reflects rising freight rate costs, which should offset the positive impact on gross margins linked to weaker U.S. dollar (China purchases).

Despite declining gross margins, we see fiscal 2018e group EBITDA advancing 7% y-o-y to EUR212.7m, up 8% to EUR229.7m in 2019e, on high operating leverage.

That said, we expect Jumbo to further improve operational efficiency, as total overheads should settle at 23.1% of sales in fiscal 2018e from 23.3% a year earlier, down to 22.6% in the following year.

For fiscal 2018e-19e, we estimate group EBIT increases of 7% and 8% y-o-y to EUR187.7m and EUR203.2m, respectively, held back by higher depreciation, up by 7% and 6% to EUR25m and EUR26.6m.

In a similar pattern, group EBT should rise 7% and 8% y-o-y to EUR190.3m and EUR206.2m, respectively, on our forecasts. Lastly, fiscal 2018e-19e group net earnings are seen 8% and 9% higher y-o-y to EUR141.4m and EUR153.6m, respectively, on our expectations.

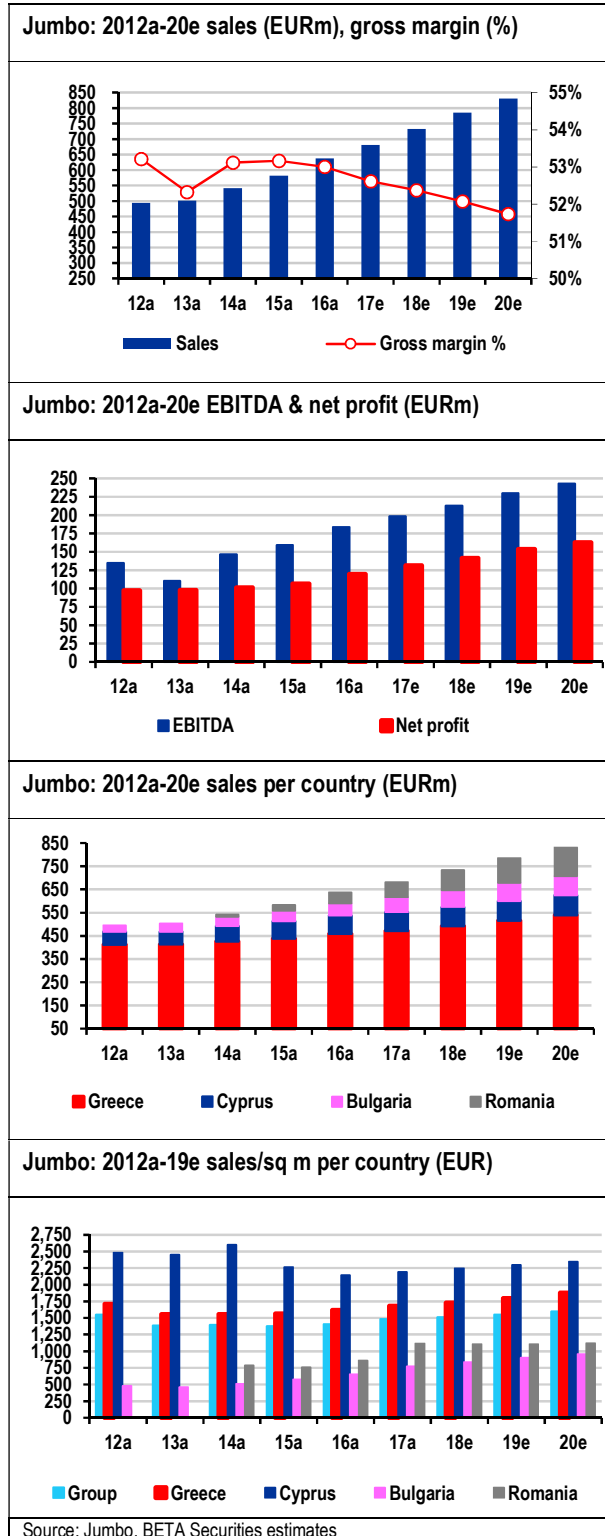
Strong net cash position on robust FCF

Jumbo fiscal 2018e net cash is estimated at EUR286.6m (representing c14% of mkt cap or EUR2.11 per share), compared with EUR217.2m at end-June 2017e, climbing to EUR341.6m in the following year.

This mirrors Jumbo's positive EPS growth momentum and solid FCF generation ability - EUR95.9m and EUR111.4m over fiscal 2018e-19e., respectively.

Dividend yields of 2.7% to 3% over fiscal 2018e-19e

For fiscal 2018e-19e we calculate DPS of EUR0.42 and EUR0.46, implying dividend yields of 2.7% and 3% from current levels, respectively.



Jumbo: Sensitivity of fiscal 2018e EBITDA, EBT, EPS to various gross margin assumptions (June 30, EURm)							
				2018e baseline			
	50.87%	51.37%	51.87%	52.37%	52.87%	53.37%	53.87%
	(150bps)	(100bps)	(50bps)		50bps	100bps	150bps
Sales	732.9	732.9	732.9	732.9	732.9	732.9	732.9
EBITDA	201.7	205.4	209.0	212.7	216.4	220.0	223.7
EBT	179.3	182.9	186.6	190.3	193.9	197.6	201.3
Net profit	133.2	135.9	138.6	141.4	144.1	146.8	149.5
EPS	0.98	1.00	1.02	1.04	1.06	1.08	1.10
P/E	15.7	15.4	15.1	14.8	14.5	14.3	14.0
EV/EBITDA	9.0	8.8	8.7	8.5	8.3	8.2	8.0
vs base case							
Sales	0%	0%	0%		0%	0%	0%
EBITDA	-5%	-3%	-2%		2%	3%	5%
EBT	-6%	-4%	-2%		2%	4%	6%
Net profit	-6%	-4%	-2%		2%	4%	6%
EPS	-6%	-4%	-2%		2%	4%	6%

Source: BETA Securities estimates

EPS and gross margin sensitivity analysis to USD moves

- a potential +/-10% move (to 1.20/0.98) vs EUR/USD 1.09 baseline scenario would add/cut 147bps from our fiscal 2018e gross margin call of 52.37% (up to 53.84% or down to 50.90%)
- our sensitivity analysis suggests that a gross margin increase/(decrease) of 150bps to 53.87%/(50.87%) vs BETAe 52.37% basecase should trigger 6% EPS upgrades/(cuts) to EUR1.10/0.98 (from EUR1.04 basecase) for fiscal 2018e
- assuming EUR/USD parity at 1.00, this would shave 121bps off our gross margin call (to 51.16%), leading to EBITDA and EPS estimates downgrades of 4.2% and 4.7%, respectively.

Jumbo: Fiscal 2016a-20e group results (June 30, EURm)					
	2016a	2017e	2018e	2019e	2020e
Greece sales	458.9	470.9	491.7	515.3	538.4
% change	4.8%	2.6%	4.4%	4.8%	4.5%
% of total	72.0%	69.1%	67.1%	65.6%	64.8%
Franchise sales	12.5	20.9	26.8	31.0	35.0
% change	15.8%	67.2%	28.6%	15.6%	12.9%
% of total	2.0%	3.1%	3.7%	4.0%	4.2%
Ex-franchise sales	446.4	450.1	464.9	484.3	503.4
% change	4.5%	0.8%	3.3%	4.2%	3.9%
% of total	70.0%	66.0%	63.4%	61.7%	60.6%
International sales	178.7	210.5	241.2	270.2	292.4
% change	23.5%	17.8%	14.6%	12.0%	8.2%
% of total	28.0%	30.9%	32.9%	34.4%	35.2%
Cyprus sales	78.9	80.7	82.6	84.5	86.4
% change	5.1%	2.3%	2.4%	2.3%	2.2%
% of total	12.4%	11.8%	11.3%	10.8%	10.4%
Bulgaria sales	51.9	64.6	72.4	78.1	82.5
% change	14.6%	24.3%	12.1%	7.9%	5.7%
% of total	8.1%	9.5%	9.9%	9.9%	9.9%
Romania sales	47.9	65.2	86.2	107.6	123.5
% change	97.1%	36.3%	32.1%	24.8%	14.8%
% of total	7.5%	9.6%	11.8%	13.7%	14.9%
Sales	637.6	681.4	732.9	785.5	830.8
% change	9.4%	6.9%	7.6%	7.2%	5.8%
Ex-franchise sales	625.1	660.6	706.1	754.5	795.8
% change	9.3%	5.7%	6.9%	6.9%	5.5%
Cost of Goods Sold	(299.6)	(322.9)	(349.1)	(376.5)	(401.0)
Gross Profit	337.9	358.6	383.8	409.0	429.8
Gross Margin	53.0%	52.6%	52.4%	52.1%	51.7%
Other Operating Income	(2.1)	(1.3)	(1.5)	(1.6)	(1.7)
Administration Expenses	(22.1)	(22.2)	(22.5)	(22.8)	(23.2)
% of sales	3.5%	3.3%	3.1%	2.9%	2.8%
Selling Expenses	(130.0)	(136.8)	(147.2)	(154.9)	(162.3)
% of sales	20.4%	20.1%	20.1%	19.7%	19.5%
Total SG&A Expenses	(152.1)	(158.9)	(169.7)	(177.7)	(185.5)
% of sales	23.9%	23.3%	23.1%	22.6%	22.3%
EBITDA	183.7	198.3	212.7	229.7	242.6
% change	15.4%	8.0%	7.2%	8.0%	5.6%
EBITDA Margin	28.8%	29.1%	29.0%	29.2%	29.2%
Depreciation	(22.7)	(23.4)	(25.0)	(26.6)	(27.8)
EBIT	161.0	175.0	187.7	203.2	214.7
% change	16.7%	8.7%	7.3%	8.3%	5.7%
EBIT Margin	25.3%	25.7%	25.6%	25.9%	25.8%
Financial Income/(Expenses)	4.1	2.2	2.6	3.0	3.4
EBT (Pretax Profit)	165.1	177.2	190.3	206.2	218.1
% change	20.6%	7.3%	7.4%	8.4%	5.8%
EBT Margin	25.9%	26.0%	26.0%	26.2%	26.2%
Adjusted EBT	162.9	177.2	190.3	206.2	218.1
Taxation	(43.9)	(45.9)	(48.9)	(52.6)	(55.2)
Effective Tax Rate	26.6%	25.9%	25.7%	25.5%	25.3%
Net Profit	121.3	131.3	141.4	153.6	162.9
% change	15.7%	8.3%	7.7%	8.7%	6.1%
Net Margin	19.0%	19.3%	19.3%	19.6%	19.6%
Adjusted Net Profit	119.7	131.3	141.4	153.6	162.9

Source: Jumbo. BETA Securities estimates

Jumbo: Fiscal 2016a-20e group balance sheet (June 30, EURm)					
	2016a	2017e	2018e	2019e	2020e
Fixed Assets at Cost	686.8	730.9	772.1	812.3	853.9
Accumulated Depreciation	(182.3)	(205.7)	(230.8)	(257.3)	(285.2)
Net Fixed Assets	504.5	525.2	541.3	554.9	568.8
Participations/Other Long-Term Receivables	26.0	26.8	27.6	28.4	29.2
Current Assets					
-Inventories	196.8	218.1	238.9	259.2	275.8
-Trade Debtors	32.6	36.2	40.5	44.5	49.0
-Cash & equivalents	394.7	367.4	436.8	491.8	553.0
-Other	54.8	59.9	65.3	71.0	77.3
Total Current Assets	678.9	681.5	781.5	866.6	955.1
TOTAL ASSETS	1,209.4	1,233.4	1,350.4	1,449.9	1,553.1
Share Capital	119.7	119.7	119.7	119.7	119.7
Share Premium	50.0	50.0	50.0	50.0	50.0
Reserves & Retained Earnings	747.7	768.8	882.9	979.4	1,079.7
Consolidation Differences	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Shareholders' Funds	915.6	936.7	1,050.8	1,147.3	1,247.6
Long-Term Liabilities					
-Retirement & termination benefit obligations	7.4	8.2	8.9	9.6	10.4
-Deferred Tax Liabilities	7.8	7.8	7.8	7.8	7.8
-Bank Loans	144.2	144.2	144.2	144.2	144.2
-Other Long-Term Liabilities	5.8	5.8	5.8	5.8	5.8
Long-Term Liabilities	165.3	166.0	166.7	167.5	168.2
Current Liabilities					
-Bank Loans & L-T Loans payable in the next FY	0.2	0.2	0.2	0.2	0.2
-Trade Creditors	39.3	40.9	42.4	44.2	45.7
-Taxes & Social Sec. Contributions	51.4	51.6	51.8	52.0	52.3
-Other	37.7	38.0	38.4	38.8	39.2
Total Current Liabilities	128.6	130.8	132.8	135.2	137.3
TOTAL EQUITY & LIABILITIES	1,209.4	1,233.4	1,350.4	1,449.9	1,553.1

Source: Jumbo, BETA Securities estimates

Appendix

Jumbo: H1 2017a group results (December 31, EURm)						
	H1 2016a	H1 2017a	H1 y-o-y	Q2 2016a	Q2 2017a	Q2 y-o-y
Greece sales	265.2	275.0	4%	153.5	157.9	3%
<i>% of total</i>	71.3%	68.4%		70.1%	68.1%	
Franchise sales	6.6	11.5	73%			
<i>% of total</i>	1.8%	2.9%				
Ex-franchise sales	258.6	263.6	2%			
<i>% of total</i>	69.6%	65.6%				
International sales	106.5	126.9	19%	65.6	73.8	13%
<i>% of total</i>	28.7%	31.6%		29.9%	31.9%	
Cyprus sales	45.8	47.0	3%	25.8	26.2	1%
<i>% of total</i>	12.3%	11.7%		11.8%	11.3%	
Bulgaria sales	32.3	40.1	24%	19.9	25.9	30%
<i>% of total</i>	8.7%	10.0%		9.1%	11.2%	
Romania sales	28.4	39.7	40%	19.9	21.7	9%
<i>% of total</i>	7.7%	9.9%		9.1%	9.4%	
Sales	371.7	401.9	8%	219.1	231.7	6%
Ex-Romania sales	343.3	362.2	6%	199.2	209.9	5%
COGS	(180.2)	(196.2)	9%	(100.7)	n/a	
Gross Profit	191.6	205.7	7%	118.4	n/a	
<i>Gross Margin</i>	51.5%	51.2%		54.0%		
Other Operating Income	(2.3)	(0.6)	-74%	(1.3)	n/a	
Administrative Expenses	(13.4)	(13.4)	0%	(6.3)	n/a	
<i>% of Sales</i>	3.6%	3.3%		2.9%		
Selling Expenses	(70.3)	(74.4)	6%	(38.0)	n/a	
<i>% of Sales</i>	18.9%	18.5%		17.4%		
Total SG&A Expenses	(83.7)	(87.8)	5%	(44.4)	n/a	
<i>% of Sales</i>	22.5%	21.8%		20.3%		
EBITDA	105.6	117.3	11%	72.7	n/a	
<i>EBITDA Margin</i>	28.4%	29.2%		33.2%		
Depreciation	(11.3)	(11.4)	1%	(5.7)	n/a	
EBIT	94.3	105.9	12%	67.0	n/a	
<i>EBIT Margin</i>	25.4%	26.4%		30.6%		
Net Financials	2.6	1.1		0.6		
EBT	96.8	107.0	11%	67.6	n/a	
<i>EBT Margin</i>	26.0%	26.6%		30.9%		
Taxation	(24.3)	(25.6)	5%	(16.9)	n/a	
<i>Effective Tax Rate</i>	25.1%	23.9%		25.0%		
Net Profit	72.5	81.4	12%	50.7	n/a	
<i>Net Margin</i>	19.5%	20.3%		23.2%		
Adjusted Net profit	71.2	81.4	14%	50.7	n/a	
<i>Net Margin</i>	19.2%	20.3%		23.2%		

Source: Jumbo

Disclosure appendix

RESPONSIBLE ENTITY

- Responsible Entity: BETA Securities
- Research Analysts: Manolis Chatzidakis Certified Equity Analyst, Spiros Tsangalakis Certified Equity Analyst.
- Authority: Hellenic Capital Market Committee.

Analyst Certification

Analysts identified in this report hereby certify that:

- (a) All the views about the companies and securities contained in this report accurately reflect our personal views
- (b) No part of our compensation was or will be directly or indirectly related to the specific recommendations or views in this report. The compensation of the research analysts, strategists or research associates principally responsible for the preparation of this research report may depend on various factors such as quality of work stock picking, client feedback, experience and overall firm profitability. The remuneration of analysts referred on the first page does not relate to any investment banking services provided by BETA Securities and its affiliates.

Probable Conflict of Interest

BETA Securities or its employees and directors may have a position; make markets or engage in any of the securities mentioned herein. Investors therefore should take into account that BETA Securities might have a conflict of interest that could influence the integrity of the research. BETA Securities is not responsible for investment decisions taken out from this report.

Important Disclosures

- The content of the research has not been sent to the above mentioned listed enterprises.
- Equity Analysts in order to provide the best analysis for the companies mentioned in this report may make company visits, access to the internet or read domestic and international press.
- BETA Securities will issue equity reports according to companies mentioned in this report news, announcements, developments and market conditions.
- The opinions, judgments and estimates in this report express the view of each equity analyst on that date and are subject to change without warning.
- All equity research reports are written by the equity research department with absolute discretion without the participation of other departments of the company and released at the same time to both the public and the company.
- The information contained in these reports and any opinion expressed does not constitute an offer or an invitation to make an offer to buy or sell any securities or any opinions, futures or other derivatives related to such securities (related investments).
- Although the information in this report has been obtained from sources that BETA Securities believes to be reliable we do not guarantee its accuracy or fairness and such information may be incomplete or condensed.

Share Prices

- The aforementioned prices and related financial ratios regard the closing price of the previous day.

Definition of risk

- Risk analysis: We evaluate risk based on fundamental analysis share price volatility and past forecasting experience. We distinguish risk into three levels: low risk, medium risk and high risk.

Definition of Investment ratings

- Outperform: The stock is expected to perform more than 10.0% relative to the General Index in the next 12 months.
- Neutral: The stock is expected to perform between -10.0% and +10.0% relative to the General Index in the next 12 months.
- Underperform: The stock is expected to perform less than 10.0% relative to the General Index in the next 12 months.

Research Team

Manos Chatzidakis
Analyst, Head of Research
+30 210 6478 75 mchatzidakis@beta.gr

Spiros Tsangalakis
Analyst
+30 210 6478 751 s.tsangalakis@beta.gr

Specialist Sales

Vaggelis Charatsis
+30 210 6478 920 xaratsisv@beta.gr

Petros Papathanasiou
+30 210 6478 764 petrosp@beta.gr

George Karadimas
+30 210 6478 767 gkaradimas1@beta.gr

Frida Sotiropoulou
+30 210 6478 792 f.sotiropoulou@beta.gr

Global Markets

Nicholaos Ritsonis
+30 210 6478 928 ritsonisn@beta.gr

Konstantinos Boukas
+30 210 6478 995 kboukas@beta.gr

Panos Biniaris
+30 210 6478 926 biniaris@beta.gr

Derivatives

Nick Zacharopoulos
+30 210 6478 946 zaxaropoulos@beta.gr

BETA Securities S.A.

Member of the Athens Stock Exchange

Member of the Athens Derivatives Market

International Markets, Portfolio Management, Consulting Services, On Line Trading

29.Alexandras Av.P.C.114 73.Athens, Greece

Tel: +30 210 64 78 900 | Fax: +30 210 64 78 901 | Email: info@beta.gr | Web: www.beta.gr

