

Company Update

Reason: Company results (post view)

17 October 2018

Neutral

Recommendation unchanged

Share price: EUR 12.90

closing price as of 16/10/2018

Target price: EUR 13.70

from Target Price: EUR 12.70

Upside/Downside Potential 6.2%

Reuters/Bloomberg BABR.AT/BELA GA

Market capitalisation (EURm) 1,755

Current N° of shares (m) 136

Free float 59%

Daily avg. no. trad. sh. 12 mth 139

Daily avg. trad. vol. 12 mth (m) 2,674.57

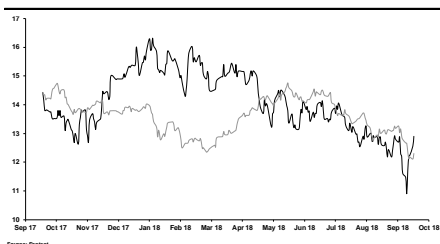
Price high/low 12 months 10.90 / 16.32

Abs Perfs 1/3/12 mths (%) 2.22/-8.38/-10.60

Key financials (EUR)	06/18	06/19e	06/20e
Sales (m)	753	810	877
EBITDA (m)	221	236	257
EBITDA margin	29.4%	29.2%	29.3%
EBIT (m)	197	210	228
EBIT margin	26.1%	25.9%	26.0%
Net Profit (adj.)(m)	151	162	176
ROCE	16.3%	16.4%	16.8%
Net debt/(cash) (m)	(287)	(344)	(410)
Net Debt Equity	-0.3	-0.3	-0.3
Net Debt/EBITDA	-1.3	-1.5	-1.6
Int. cover(EBITDA/Fin.int)	(171.2)	(117.4)	(92.6)
EV/Sales	2.2	1.7	1.5
EV/EBITDA	7.3	5.9	5.2
EV/EBITDA (adj.)	7.3	5.9	5.2
EV/EBIT	8.3	6.7	5.8
P/E (adj.)	12.7	10.8	9.9
P/BV	1.8	1.5	1.4
OpFCF yield	6.7%	6.4%	7.2%
Dividend yield	3.0%	3.3%	3.6%
EPS (adj.)	1.11	1.19	1.30
BVPS	7.78	8.56	9.41
DPS	0.39	0.43	0.47

Shareholders

Vakakis Apostolos-Evangelos 23%; FMR LLC 13%; Capital Group Companies Inc 5%;



Analyst(s)

Dimitris Birbos

dbirbos@ibg.gr

+30 210 81 73 392

Strong finish to FY18 thanks to improved gross margin; 'Neutral' rating remains on valuation grounds

We raise our target price to EUR 13.70/share (vs. EUR 12.70/share previously) due to the downward revision to our assumptions about working capital needs in the medium-term and the upward revision to our mid-term earnings forecasts. Our new target price stands 6% above current price levels, thus we affirm our 'Neutral' rating on the stock.

- ✓ **Key takeaways from FY18 results:** Jumbo delivered robust FY18 results characterized by strong revenue growth driven by foreign markets), a small increase in the gross margin (+30bps y-o-y) on currency tailwinds and a solid free cash flow of EUR 130m owing to EBITDA accretion and a modest increase in working capital needs. In more detail, Jumbo reported revenues of EUR 753.3m (+10.5% y-o-y, management has announced this figure in July), EBITDA of EUR 221.2m (+14% y-o-y, 3% above consensus; 2% above our call) and net profits of EUR 151m (+15% y-o-y, 6% above consensus; 3% above our call). The positive surprise against our and consensus estimates should be mainly attributed to the unexpected increase of group's gross margin by 190bps y-o-y in 2H18, reflecting the adoption of successful inventory management practices and the positive sales mix (i.e. increased contribution of high-margin home products to consolidated sales).
- ✓ **Cautious outlook for FY19:** Management guided for sales growth in the range of 5%-6% in FY19, highlighting the stagnation of the Greek market that will offset to some extent the dynamic growth in Romania and Bulgaria this year. In 1Q19, Jumbo's sales increased by 6% y-o-y thanks to the robust performance of Romania (double-digit growth) and Bulgaria (11% increase), as the performance of group's operations in Greece and Cyprus was modest.
- ✓ **Dividend policy:** The company proposed the distribution of a gross ordinary dividend of EUR 0.39/share (before 15% dividend tax) for FY18, which stood below our call of EUR 0.41/share. The company has paid an interim dividend of EUR 0.17/share last March, thus shareholders will receive the remaining DPS of EUR 0.2172 (ex-dividend date: 13.12.2018).
- ✓ **IBG view:** On the whole, Jumbo delivered record-high earnings for another year, driven by growing revenues, a broadly stable gross margin despite higher transport costs and the deflation policy enforced in the Greek market, improved productivity (opex/sales ratio up 40bps y-o-y in FY18), that led to robust free cash flow and a net cash position of EUR 287m (16% of MCAP). On the flip side, FY18 DPS fell short of our expectations, especially when taking into account the positive surprise in FY18 EPS (3% above our estimates, 15% y-o-y growth), while 1Q19 trading figures revealed a deceleration of the pace of revenue growth versus the first half of FY18 (1Q18: +12% y-o-y, 1H18: +10% y-o-y), mainly due to the soft performance of Greek operations. Having these in mind, we cut our FY19e sales to EUR 810m (+7.5% y-o-y, 1% downward revision) following management's guidance for 5%-6% revenue growth, sticking to our assumption for a 50bps margin contraction on pricing pressures in Greece. We now forecast, EBITDA of EUR 236m (+7% y-o-y) and net profits of EUR 162m (+7% y-o-y) respectively.



CONTENTS

Overview of FY18 results	3
New set of forecasts	7
Dividend policy	9
Free cash flow	9
Valuation & Rating	10
Risks to our Estimates and Valuation	11
Upcoming Corporate Events Calendar	11
ESN Recommendation System	18

Overview of FY18 results

Forecast-beating results...: Jumbo delivered solid results for the financial year 2017/2018, surpassing our and consensus earnings forecasts on higher than expected gross margin. In particular, Jumbo reported revenues of EUR 753.3m (+10.5% y-o-y, management has announced this figure in July), EBITDA of EUR 221.2m (+14% y-o-y, 3% above consensus and 2% above our call) and net profits of EUR 151m (+15% y-o-y, 6% above consensus, 3% better than we expected). Group EBITDA margin improved by 80bps y-o-y to 29.4% in FY18, reflecting better sales and reduced opex/sales ratio. In the second half of FY18, sales came in at EUR 310m (+11% y-o-y), EBITDA shaped at EUR 92m (+19% y-o-y), while net profits stood at EUR 61m (+22% y-o-y).

...thanks to stable gross margin: Group's gross profit margin soared by 190bps y-o-y in 2H18 at 55.5%, driving the annual gross margin at 52.5% (+30bps y-o-y; IBG call for 51.5%). On a full-year basis, Jumbo reported gross profits of EUR 395m (+11% y-o-y), while 2H18 gross profit was up by 15% y-o-y at EUR 172m. The sharp increase in the gross margin in 2H18 was a positive surprise for us, based on the decrease of the margin in the first half of 2018 (-90bps y-o-y), which the management attributed to the transport cost increase and the continuing deflation policy enforced in the Greek market. Still, Greece (including franchise stores in Western Balkans) was the main driver of the improvement of group's gross margin in 2H18, displaying a 270bps y-o-y margin accretion compared to a less than 100bps margin increase in Romania (+60bps y-o-y) and Bulgaria (+90bps y-o-y).

Opex on the rise: Operating expenses grew by 9% y-o-y at EUR 199m (IBG call: EUR 195m) in FY18 pointing to a SGA/sales ratio of 26.4% (-40bps y-o-y). In 2H18, operating expenses posted a 12% y-o-y increase shaping at EUR 93m. Per cost item, personnel expenses increased by 10% y-o-y to EUR 96m in FY18 following 688 net hirings last year (a 12% y-o-y increase in group's workforce), rents shaped at EUR 16m (+3% y-o-y), while advertisement expenses came in at EUR 10m, accounting for 1.3% of total sales

Other P&L items: Other income (net) reached EUR 0.5m in FY18 from negative income of EUR 1.2m in FY17 (we were expecting negative other income of EUR 1.6m for FY18), also explaining the positive deviation of group's EBITDA against our estimates. Depreciation expenses were slightly higher in FY18 to EUR 24.7m (vs. EUR 23.0m in FY17) driving group's EBIT at EUR 197m (+14% y-o-y). Net finance income shaped at EUR 1.3m (in line with our estimates) versus EUR 1.6m in FY17. The effective tax rate shaped at 23.6% in FY18 versus 24.5% in FY17, in line with our estimates, leading to income taxes of EUR 47m (+10% y-o-y) in FY18.

Dividend policy: The company announced the distribution of a gross ordinary dividend of EUR 0.39/share (before 15% dividend tax) for FY18, which stood below our call of EUR 0.41/share. The company has paid an interim dividend of EUR 0.17/share last March, thus shareholders will receive the remaining DPS of EUR 0.2172 (ex-dividend date: 13.12.2018). The payout ratio is 35% and the gross dividend yield is 1.7%.

Store openings: The company maintained its guidance regarding its investment plans in FY18. In particular, Jumbo will open 3 new stores in Romania and 1 new store in Greece by the end of FY19. We note that the company has already opened a new privately owned store in Romania (Bucharest) with total surface of 13,600sqm.

New bond loan: In August 2018, the company signed a bond loan of up to EUR 200m and 8-year tenor. The new loan bonds will be issued in November 2018 and carry an interest margin of 2.75%. The purpose of the above loan is to refinance the existing common bond loan of EUR 145m, as well as to finance company's capex.

2H / FY 18 P&L results

EUR m	FY17	FY18	y-o-y	2H17	2H18	y-o-y
Revenues	681.4	753.3	10.5%	279.5	310.3	11.0%
COGS	-325.9	-358.2	9.9%	-129.8	-138.2	6.5%
Gross Profit	355.5	395.1	11.2%	149.8	172.2	15.0%
Gross Margin	52.2%	52.5%	30bps	53.6%	55.5%	190bps
Other Income	4.5	6.4	40.7%	1.3	2.7	104.9%
Administrative Expenses	-21.6	-22.5	4.2%	-8.2	-9.7	17.9%
Distribution Costs	-160.9	-176.6	9.7%	-75.1	-83.8	11.5%
Other Expenses	-5.7	-5.9	4.0%	-1.9	-1.9	0.0%
EBIT	171.8	196.6	14.4%	65.9	79.6	20.8%
EBIT Margin	25.2%	26.1%	90bps	23.6%	25.6%	210bps
Depreciation	23.0	24.7	7.5%	11.6	12.5	6.9%
EBITDA	194.8	221.2	13.6%	77.5	92.0	18.7%
EBITDA margin	28.6%	29.4%	80bps	27.7%	29.6%	190bps
Net Financial Results	1.6	1.3		0.6	0.7	
EBT	173.5	197.9	14.1%	66.5	80.2	20.7%
Income Tax	-42.5	-46.8	10.1%	-16.9	-19.5	15.7%
Effective tax rate	24.5%	23.6%		25.4%	24.3%	
Net profit	131.0	151.1	15.3%	49.6	60.7	22.4%
% margin	19.2%	20.1%	80bps	17.7%	19.6%	180bps

Source: The Company, IBG Research, Note: Jumbo's financial year ends on June 30.

Material improvement in FCF on better profits and a mediocre increase in working capital needs: Operating cash flow settled at EUR 165m in FY18 compared to EUR 104m in the same period of the previous financial year, reflecting a small increase in working capital needs versus the previous financial year (i.e. EUR 5m in FY18 versus EUR 42m in FY17) on efficient inventory management (i.e. EUR 9m increase in FY18 compared to a EUR 43m increase in FY17). Capex shaped at EUR 42m in FY18 compared to EUR 38m in FY17. That said, free cash flow shaped at EUR 130m in FY18 compared to EUR 82m in FY17. As a result of the solid FCF generation, group's net cash position reached EUR 287m on 30 June 2018 compared to EUR 207m on 30 June 2017.

FY 18 cash flow statement

EUR m	FY17	FY18	Delta
OpCF before WC changes	195.3	222.2	26.9
Change in working capital	-41.6	-5.1	36.5
Income taxes	-44.7	-47.5	-2.8
Interest expenses	-5.1	-5.1	0.1
OpCF	103.9	164.5	60.6
Capex	-38.0	-42.2	-4.2
Interest received	6.5	6.8	0.3
Other	9.1	0.9	-8.2
Cash flow before financing	81.5	130.0	48.5

Source: The Company, IBG Research, Note: Jumbo's financial year ends on June 30.

Strong momentum in the Balkans offset the soft performance of domestic operations: Revenues from Greek operations rose 3% y-o-y to EUR 463m in FY18, pointing to a 4% turnover accretion in 2H18, reflecting growing online sales and increased market shares. Jumbo stores in Cyprus generated revenues of EUR 85.7m (+6% y-o-y) maintaining their modest positive momentum for another year (FY16: +5% y-o-y, FY17: +2% y-o-y).

Sales from Bulgaria grew by 20.8% y-o-y to EUR 78m driven by market share gains and a positive macro environment in the country, while revenues from Romania advanced by 53% y-o-y reaching EUR 101m in FY18, on the back of market share gains (like-for-like sales were up by 20% y-o-y) and the contribution of new stores (28% y-o-y increase in effective selling capacity).

Finally, franchise stores in Serbia, Bosnia, FYROM, Albania and Kosovo recorded revenues of EUR 26m in FY18 (+25% y-o-y) reflecting the addition of 7 new stores during FY18. As at June 30th 2018, 18 franchise stores were in operation in Western Balkans (4 in FYROM, Albania, Kosovo, Serbia and 2 in Bosnia). On the whole, sales from foreign markets grew by 25% y-o-y to EUR 290m in FY18, accounting for 38.5% of consolidated revenues.

2H / FY 18 P&L results

(EUR m)	FY17	FY18	y-o-y	2H17	2H18	y-o-y
Greece	449.6	462.9	3.0%	186.1	194.0	4.3%
Other (Franchise stores)	20.9	26.1	24.6%	9.4	11.7	23.9%
Greece & Other	470.5	489.0	3.9%	195.5	205.7	5.2%
% of total sales	69.0%	64.9%	-410bps	69.9%	66.3%	-370bps
Cyprus	80.7	85.7	6.2%	33.6	36.2	7.8%
% of total sales	11.8%	11.4%	-50bps	12.0%	11.7%	-40bps
Bulgaria	64.7	78.1	20.8%	24.5	28.8	17.5%
% of total sales	9.5%	10.4%	90bps	8.8%	9.3%	50bps
Romania	65.6	100.6	53.3%	25.9	39.6	52.9%
% of total sales	9.6%	13.4%	370bps	9.3%	12.8%	350bps
Group Sales	681.4	753.3	10.5%	279.5	310.3	11.0%
Greece & Other	248.1	260.3	4.9%	107.4	118.6	10.4%
% margin	52.7%	53.2%	50bps	54.9%	57.6%	270bps
Cyprus	41.2	43.9	6.5%	17.1	18.8	9.9%
% margin	51.1%	51.2%	10bps	50.9%	51.9%	100bps
Bulgaria	32.5	39.4	21.5%	12.3	14.7	19.7%
% margin	50.2%	50.5%	30bps	50.1%	51.0%	90bps
Romania	33.8	51.5	52.7%	13.0	20.1	54.6%
% margin	51.5%	51.2%	-20bps	50.2%	50.8%	60bps
Group Gross profits	355.5	395.1	11.2%	149.8	172.2	15.0%
% margin	52.2%	52.5%	30bps	53.6%	55.5%	190bps
Greece & Other	124.1	131.0	5.6%	51.8	58.7	13.3%
% margin	26.4%	26.8%	40bps	26.5%	28.5%	200bps
Cyprus	28.0	30.3	8.2%	11.3	13.2	17.1%
% margin	34.7%	35.3%	60bps	33.6%	36.5%	290bps
Bulgaria	19.3	24.0	24.2%	6.3	7.8	23.6%
% margin	29.9%	30.8%	90bps	25.6%	26.9%	130bps
Romania	23.5	36.1	53.7%	8.1	12.4	53.4%
% margin	35.8%	35.9%	10bps	31.3%	31.4%	10bps
Group EBITDA	194.9	221.4	13.6%	77.5	92.0	18.7%
% margin	28.6%	29.4%	80bps	27.7%	29.6%	190bps

Source: The Company, IBG Research, Note: Jumbo's financial year ends on June 30.

Turning into a home product retailer: Per product category, home products expanded their portion on total sales by 130bps y-o-y to 33.3% in FY18, thanks to the 15% y-o-y growth of the turnover of this category, explaining the stabilization of group's gross margin at the level of 52.5% last year. High-margin seasonal products accounted for 24% of total sales, posting a 10% y-o-y turnover increase, while stationary sales also grew by 10% y-o-y.

On the positive side, toy sales jumped by 9% y-o-y in FY18, but still their contribution to group's top line has been further decreased to 22%, while the baby apparel category maintained its declining sales performance (-5% y-o-y) on unfavorable demographic trends in Greece.

The new product category 'Haberdashery & similar items' generated revenues of EUR 57m (+12% y-o-y) in FY18, accounting for 7.5% of total sales. It has become more evident now that Jumbo is gradually being transformed into a home equipment retailer, as its traditional product categories (toys, baby items) are accounting for a lower portion of total sales year by year.

Revenue analysis per product category

(EUR m)	FY17	FY18	y-o-y	2H17	2H18	y-o-y
Toys	152.7	166.8	9.2%	60.4	65.7	8.8%
% of total	22.4%	22.1%	-30bps	21.6%	21.2%	-40bps
Baby apparel	43.1	41.0	-5.0%	19.0	17.7	-6.8%
% of total	6.3%	5.4%	-90bps	6.8%	5.7%	-110bps
Stationary	52.8	57.8	9.5%	16.4	19.1	16.6%
% of total	7.7%	7.7%	-10bps	5.9%	6.1%	30bps
Seasonal / Other	164.0	180.6	10.1%	61.1	65.8	7.8%
% of total	24.1%	24.0%	-10bps	21.8%	21.2%	-60bps
Home products	218.2	250.7	14.9%	100.7	117.7	16.9%
% of total	32.0%	33.3%	130bps	36.0%	37.9%	190bps
Haberdashery & similar	50.7	56.5	11.5%	22.1	24.3	10.2%
% of total	7.4%	7.5%	10bps	7.9%	7.8%	-10bps
Total Sales	681.4	753.3	10.5%	279.5	310.3	11.0%

Source: The Company, IBG Research, Note: Jumbo's financial year ends on June 30.

New set of forecasts

We have modified our P&L forecast to take into account management's guidance for FY19 i.e. sales growth in the range of 5% to 6%, as well as the positive surprise regarding group's gross margin in FY18. For the current financial year, we forecast revenues of EUR 810m (+7.5% y-o-y), EBITDA of EUR 236m (+7% y-o-y) and net profits of EUR 162m (+7% y-o-y), sticking to our assumptions for a 50bps y-o-y contraction in the gross margin, a 6% y-o-y opex increase and an effective tax rate of 23.6% (unchanged).

Per country, we expect the positive momentum in Romania (revenues up 34% y-o-y, same-store sales up 20% y-o-y) and Bulgaria (sales up 12% y-o-y) to continue, while the revenue performance of group's operations in Greece (+1% y-o-y) and Cyprus (+4% y-o-y) is expected to remain mediocre throughout FY19.

On the whole, Jumbo is expected to post solid EPS accretion in the medium-term (EPS GAGR of 8% over the next 5 years) driven by the robust growth momentum in foreign markets and the gradual improvement of consumer sentiment in Greece. We note that we have factored in the opening of 4 new stores during financial years 2019-2022 and no entry in new markets in the coming years.

P&L Forecasts 2019-2023

EUR m	FY 2018	FY 2019f	FY 2020f	FY 2021f	FY 2022f	FY 2023f	CAGR 18-23f
Greece	462.9	467.4	470.8	482.0	498.9	515.0	2%
Cyprus	85.7	88.2	90.9	93.6	96.4	99.3	3%
Bulgaria	78.1	87.4	98.9	110.7	117.3	122.0	9%
Romania	100.6	134.6	180.0	220.0	265.4	302.9	25%
Other*	26.1	32.3	36.6	40.8	44.2	48.5	13%
Sales	753.3	810.0	877.2	947.0	1,022.2	1,087.7	8%
% change	10.5%	7.5%	8.0%	8.4%	7.8%	5.8%	
Cost of sales	-358.2	-388.8	-425.5	-464.0	-506.0	-543.8	
Gross profit	395.1	421.2	451.8	483.0	516.2	543.8	
% margin	52.5%	52.0%	51.5%	51.0%	50.5%	50.0%	
SGA	-199.0	-211.7	-223.8	-235.9	-248.2	-259.6	
SGA/sales	26.4%	26.1%	25.5%	24.9%	24.3%	23.9%	
Other income / expenses	0.4	0.3	0.3	0.3	0.3	0.3	
EBIT	196.6	209.8	228.3	247.3	268.3	284.5	
% margin	26.1%	25.9%	26.0%	26.1%	26.2%	26.2%	
Depreciation	24.7	26.5	28.4	30.2	32.1	34.1	
EBITDA	221.2	236.4	256.6	277.6	300.4	318.6	8%
% margin	29.4%	29.2%	29.3%	29.3%	29.4%	29.3%	
% change	13.6%	6.8%	8.6%	8.2%	8.2%	6.1%	
Net financials	1.3	2.0	2.8	3.8	4.8	5.8	
EBT	197.9	211.8	231.0	251.1	273.1	290.3	
Income taxes	-46.8	-50.1	-54.6	-59.3	-64.5	-68.6	
Effective tax rate	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	
Net profit	151.1	161.8	176.4	191.8	208.6	221.7	8%
% change	15.3%	7.1%	9.1%	8.7%	8.8%	6.3%	

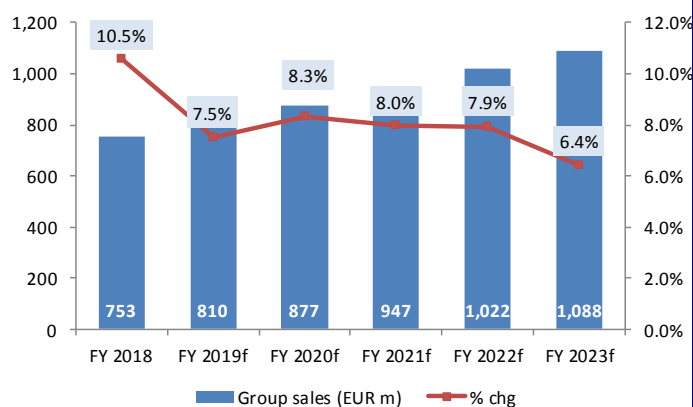
Source: IBG Research, The Company, Note: Jumbo's fiscal year ends on June 30, * Sales from franchise stores in Western Balkans

Forecast Changes for financial years 2019-2023

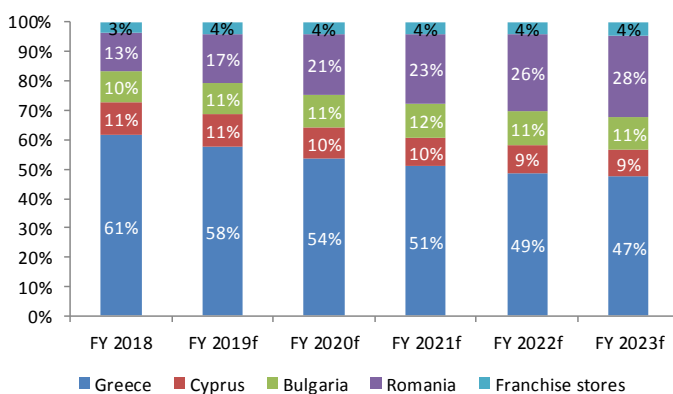
EUR m	FY 2019f	FY 2020f	FY 2021f	FY 2022f	FY 2023f
Sales - New	810.0	877.2	947.0	1,022	1,088
Sales - Old	818.5	892.9	968.3	1,044	1,105
New vs. Old	-1%	-2%	-2%	-2%	-2%
EBITDA - New	236.4	256.6	277.6	300.4	318.6
EBITDA - Old	235.5	258.2	279.6	299.6	311.7
New vs. Old	0%	-1%	-1%	0%	2%
Net profits - New	161.8	176.4	191.8	208.6	221.7
Net profits - Old	161.3	177.0	191.8	205.3	212.8
New vs. Old	0%	0%	0%	2%	4%

Source: IBG Research, Note: Jumbo's fiscal year ends on June 30

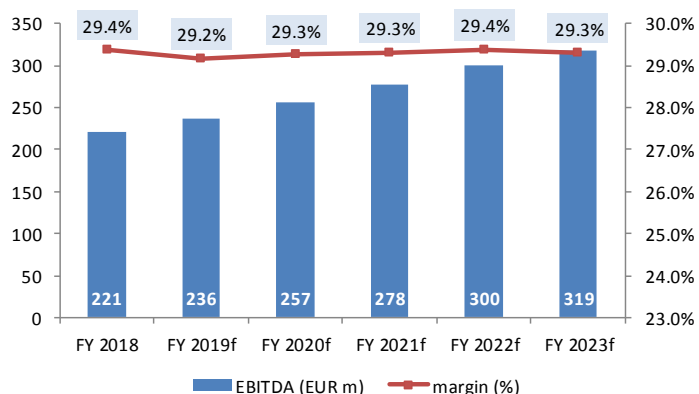
Revenue forecasts



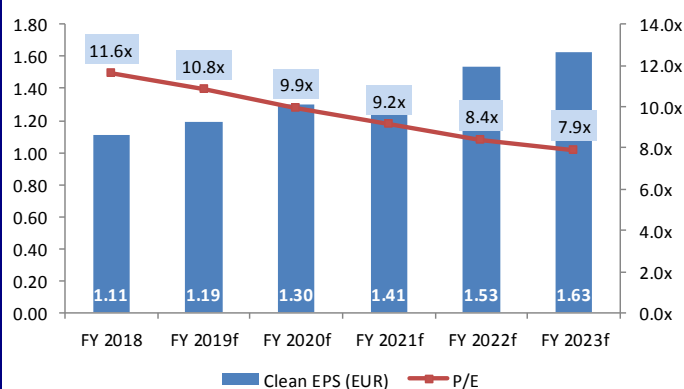
Revenue mix per geography



EBITDA forecasts



EPS forecasts



Source: IBG Research, Note: Jumbo's fiscal year ends on June 30

Dividend policy

Management has a strict rule to distribute at least 1/3 of group's net profits to shareholders. The new feature in the company's dividend policy is the distribution of an interim dividend for 2 consecutive years i.e. EUR 0.1728/share for FY18, EUR 0.18/share for FY17. Despite the ample liquidity, we expect the management team to remain conservative on the dividend front. We have set the dividend payout ratio at 36% over our forecast period, driving our DPS projections at EUR 0.42 for FY19 and EUR 0.46 for FY20. The implied dividend yield is a mediocre 3.5% over the next couple of years.

DPS forecasts 2019-2023

EUR m	FY 2018	FY 2019f	FY 2020f	FY 2021f	FY 2022f	FY 2023f
Earnings per share	1.11	1.19	1.30	1.41	1.53	1.63
Dividend payout	35.1%	36.0%	36.0%	36.0%	36.0%	36.0%
DPS (EUR per share)	0.39	0.43	0.47	0.51	0.55	0.59
Dividend yield	3.0%	3.3%	3.6%	3.9%	4.3%	4.5%
Interim dividend (EUR per share)	0.1728	0.1897	0.2069	0.2248	0.2445	0.2599

Source: The Company, IBG Research, Note: Jumbo's fiscal year ends on June 30

Free cash flow

We stick to our expectation for solid FCF generation in the medium-term driven by strong earnings potential that will more than offset higher income taxes, increased working capital needs and investment plans. In particular, we expect FCF of EUR 112m for FY19 and EUR 126m for FY20, assuming capex of EUR 50m each year. On our estimates, Jumbo's net cash position will reach EUR 344m in FY19, accounting for c. 20% of its current MCAP.

Projected FCF 2019-2023

EUR m	FY 2018	FY 2019f	FY 2020f	FY 2021f	FY 2022f	FY 2023f
EBITDA	221.2	236.4	256.6	277.6	300.4	318.6
Income taxes	-46.8	-50.1	-54.6	-59.3	-64.5	-68.6
Interest expenses	1.3	2.0	2.8	3.8	4.8	5.8
Working capital needs	-5.1	-24.3	-27.0	-29.3	-32.5	-32.0
Capex	-42.2	-50.0	-50.0	-50.0	-50.0	-50.0
Other	1.5	-1.6	-2.0	-2.0	-2.0	-2.0
Free cash flow	130.0	112.4	125.8	140.7	156.1	171.8
% of MCAP	7.4%	6.4%	7.2%	8.0%	8.9%	9.8%
Net cash	287.3	344.3	409.5	484.2	568.6	663.2
% of MCAP	16.4%	19.6%	23.3%	27.6%	32.4%	37.8%

Source: The Company, IBG Research, Note: Jumbo's fiscal year ends on June 30

Valuation & Rating

We raise our target price to **EUR 13.70/share** (vs. EUR 12.70/share previously) due to the downward revision to our assumptions about working capital needs in the medium-term and the upward revision to our mid-term earnings forecasts. In relation to the discount rate (WACC), we stick to our assumption for 11.4% that properly reflects the elevated country risks (GGB yield) and group's very low leverage, in our view. Our new target price stands 6% above current price levels, thus we affirm our '**Neutral**' rating on the stock on valuation grounds.

DCF Valuation

EUR m	2019f	2020f	2021f	2022f	2023f
EBIT	210	228	247	268	285
Notional tax (24% of EBIT)	-50	-55	-59	-64	-68
Depreciation & Provision	27	28	30	32	34
CAPEX	-50	-50	-50	-50	-50
Δ(WC)	-24	-27	-29	-33	-32
Free Cash Flow to the Firm	112.2	124.8	138.9	153.5	168.3
WACC	11.4%	11.4%	11.4%	11.4%	11.4%
PV of FCFF 2019-2023	100.7	100.6	100.5	99.7	98.2
Sum of PV of FCFF 2019-2023	500				
Terminal Growth Rate (Perpetuity)	2.0%				
Terminal Value (Perpetuity)	1,069				
Enterprise Value	1,569				
Less: Net Debt / (Cash) FY18	-287				
Plus: Other assets	6				
Equity value	1,862				
No of shares	136.1				
Target price	13.70				

Source: IBG Research

We have performed a sensitivity analysis of our valuation results with respect to the discount rate and the perpetuity growth rate. Our sensitivity analysis yields a price range between **EUR 12.40 – 15.20** per share and in particular a 100bps reduction in the discount rate will add **EUR 0.40/share or 3.0% to our target price** and vice-versa.

DCF valuation sensitivity – WACC and perpetuity rate (in EUR)

	Weighted Average Cost of Capital			
	EUR/share	10.4%	11.4%	12.4%
Terminal Growth rate	1.0%	13.30	12.80	12.40
	2.0%	14.10	13.70	13.20
	3.0%	15.20	14.70	14.20

Source: IBG Research

Risks to our Estimates and Valuation

The main risks to our forecasts and valuation are summarized below:

On the upside:

1. The faster than we had expected recovery of the Greek economy that will improve consumer confidence, will positively impact the turnover of a leading retailer such as Jumbo.
2. The strengthening of the euro against the USD will provide some relief on COGS (80% of the products are USD-denominated).
3. The company has achieved to maintain the gross margin at satisfactory levels (>52% in the last 10 years) despite a quite volatile currency environment, owing to a favourable sales mix, early stocking practices and the switch to new suppliers. For conservative reasons, we have assumed a modest decrease in gross margin in the medium-term versus financial year 2018.
4. Entry in new markets in the Balkans and Eastern Europe that are best-fitted to accept Jumbo's product proposition and faster than we had expected store roll-out in existing markets.

On the downside:

1. Unfavourable currency movements (i.e. stronger USD against the euro) will negatively affect group's gross margin.
2. Weak sales growth on slower than expected economic recovery and political instability in Greece.
3. Higher transport costs and inflationary pressures in China that will negatively impact inventory prices, thus group's gross margin.
4. Delays in the roll-out of the distribution network in Romania.

Upcoming Corporate Events Calendar

Date	Event Type	Description	Period
07/11/18	AGM	Full year 2018 AGM - 1st call	2018
19/10/18	Analyst Meeting	Full year 2018 Analyst meeting	2018

Source: *Precise*

Jumbo : Summary tables

PROFIT & LOSS (EURm)	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Sales	638	681	753	810	877	947
Cost of Sales & Operating Costs	-454	-487	-532	-574	-621	-669
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	184	195	221	236	257	278
EBITDA (adj.)*	184	195	221	236	257	278
Depreciation	-22.7	-23.0	-24.7	-26.5	-28.4	-30.2
EBITA	161	172	197	210	228	247
EBITA (adj)*	161	172	197	210	228	247
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	161	172	197	210	228	247
EBIT (adj.)*	161	172	197	210	228	247
Net Financial Interest	1.9	1.8	1.3	2.0	2.8	3.8
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	2.2	-0.2	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	165	173	198	212	231	251
Tax	-43.9	-42.5	-46.8	-50.1	-54.6	-59.3
<i>Tax rate</i>	26.6%	24.5%	23.6%	23.6%	23.6%	23.6%
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	121	131	151	162	176	192
Net Profit (adj.)	119	131	151	162	176	192
CASH FLOW (EURm)	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Cash Flow from Operations before change in NWC	142	152	176	187	203	220
Change in Net Working Capital	-23.1	-41.6	-5.1	-24.3	-27.0	-29.3
Cash Flow from Operations	119	110	171	162	176	191
Capex	-34.7	-38.0	-42.2	-50.0	-50.0	-50.0
Net Financial Investments	0.1	9.1	0.9	0.0	0.0	0.0
Free Cash Flow	84.6	81.5	130	112	126	141
Dividends	0.0	-110	-48.0	-55.4	-60.6	-66.0
Other (incl. Capital Increase & share buy backs)	13.6	-14.9	-1.6	0.0	0.0	0.0
Change in Net Debt	98.2	-43.5	80.4	57.0	65.2	74.7
NOPLAT	114	122	140	149	162	176
BALANCE SHEET & OTHER ITEMS (EURm)	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Net Tangible Assets	499	515	542	566	588	607
Net Intangible Assets (incl. Goodwill)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	31.7	31.4	27.9	27.4	27.4	27.4
Total Fixed Assets	530	546	570	593	615	635
Inventories	197	239	248	274	306	340
Trade receivables	77.0	105	105	110	115	120
Other current assets	10.4	3.2	2.0	2.0	2.0	2.0
Cash (-)	-395	-366	-437	-549	-615	-689
Total Current Assets	679	713	792	936	1,037	1,151
Total Assets	1,209	1,260	1,362	1,529	1,652	1,786
Shareholders Equity	916	962	1,058	1,165	1,281	1,407
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	916	962	1,058	1,165	1,281	1,407
Long term interest bearing debt	144	144	0.0	200	200	200
Provisions	7.7	7.1	8.0	8.0	8.0	8.0
Other long term liabilities	13.6	12.7	25.9	25.9	25.9	25.9
Total Long Term Liabilities	165	164	33.8	234	234	234
Short term interest bearing debt	0.2	14.8	150	5.0	5.0	5.0
Trade payables	39.1	39.8	40.3	42.6	45.5	48.3
Other current liabilities	89.1	79.0	79.9	82.6	87.4	92.4
Total Current Liabilities	128	134	270	130	138	146
Total Liabilities and Shareholders' Equity	1,209	1,260	1,362	1,529	1,652	1,786
Net Capital Employed	687	775	805	854	905	956
Net Working Capital	245	307	315	344	378	414
GROWTH & MARGINS	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
<i>Sales growth</i>	9.4%	6.9%	10.5%	7.5%	8.3%	8.0%
EBITDA (adj.)* growth	15.3%	6.0%	13.6%	6.8%	8.6%	8.2%
<i>EBITA (adj.)* growth</i>	16.7%	6.7%	14.4%	6.7%	8.8%	8.4%
<i>EBIT (adj)* growth</i>	16.7%	6.7%	14.4%	6.7%	8.8%	8.4%

Jumbo : Summary tables

GROWTH & MARGINS	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Net Profit growth	10.7%	10.1%	15.3%	7.1%	9.1%	8.7%
EPS adj. growth	10.7%	10.1%	15.3%	7.1%	9.1%	8.7%
DPS adj. growth	n.m.	-42.9%	8.3%	9.8%	9.1%	8.7%
EBITDA (adj)* margin	28.8%	28.6%	29.4%	29.2%	29.3%	29.3%
EBITA (adj)* margin	25.3%	25.2%	26.1%	25.9%	26.0%	26.1%
EBIT (adj)* margin	25.3%	25.2%	26.1%	25.9%	26.0%	26.1%
RATIOS	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Net Debt/Equity	-0.3	-0.2	-0.3	-0.3	-0.3	-0.3
Net Debt/EBITDA	-1.4	-1.1	-1.3	-1.5	-1.6	-1.7
Interest cover (EBITDA/Fin.interest)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/D&A	152.7%	165.3%	171.0%	188.4%	176.2%	165.4%
Capex/Sales	5.4%	5.6%	5.6%	6.2%	5.7%	5.3%
NWC/Sales	38.4%	45.1%	41.8%	42.4%	43.0%	43.7%
ROE (average)	13.9%	14.0%	15.0%	14.6%	14.4%	14.3%
ROCE (adj.)	15.4%	14.8%	16.3%	16.4%	16.8%	17.2%
WACC	9.5%	10.3%	10.0%	11.4%	11.4%	11.4%
ROCE (adj.)/WACC	1.6	1.4	1.6	1.4	1.5	1.5
PER SHARE DATA (EUR)***	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Average diluted number of shares	136.1	136.1	136.1	136.1	136.1	136.1
EPS (reported)	0.89	0.96	1.11	1.19	1.30	1.41
EPS (adj.)	0.87	0.96	1.11	1.19	1.30	1.41
BVPS	6.73	7.07	7.78	8.56	9.41	10.34
DPS	0.63	0.36	0.39	0.43	0.47	0.51
VALUATION	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
EV/Sales	2.1	2.9	2.2	1.7	1.5	1.3
EV/EBITDA	7.2	10.0	7.3	5.9	5.2	4.5
EV/EBITDA (adj.)*	7.2	10.0	7.3	5.9	5.2	4.5
EV/EBITA	8.3	11.4	8.3	6.7	5.8	5.1
EV/EBITA (adj.)*	8.3	11.4	8.3	6.7	5.8	5.1
EV/EBIT	8.3	11.4	8.3	6.7	5.8	5.1
EV/EBIT (adj.)*	8.3	11.4	8.3	6.7	5.8	5.1
P/E (adj.)	13.5	16.6	12.7	10.8	9.9	9.2
P/BV	1.8	2.3	1.8	1.5	1.4	1.2
Total Yield Ratio	6.9%	2.2%	3.2%	3.5%	3.8%	4.1%
EV/CE	1.8	2.4	1.9	1.5	1.4	1.2
OpFCF yield	5.3%	3.3%	6.7%	6.4%	7.2%	8.0%
OpFCF/EV	6.4%	3.7%	8.0%	8.0%	9.4%	11.2%
Payout ratio	70.7%	37.4%	35.1%	36.0%	36.0%	36.0%
Dividend yield (gross)	5.3%	2.3%	3.0%	3.3%	3.6%	3.9%
EV AND MKT CAP (EURm)	06/2016	06/2017	06/2018	06/2019e	06/2020e	06/2021e
Price** (EUR)	11.78	16.00	14.12	12.90	12.90	12.90
Outstanding number of shares for main stock	136.1	136.1	136.1	136.1	136.1	136.1
Total Market Cap	1,603	2,177	1,921	1,755	1,755	1,755
Net Debt	-250	-207	-287	-344	-410	-484
<i>o/w Cash & Marketable Securities (-)</i>	<i>-395</i>	<i>-366</i>	<i>-437</i>	<i>-549</i>	<i>-615</i>	<i>-689</i>
<i>o/w Gross Debt (+)</i>	<i>144</i>	<i>159</i>	<i>150</i>	<i>205</i>	<i>205</i>	<i>205</i>
Other EV components	-22	-14	-11	-11	-11	-11
Enterprise Value (EV adj.)	1,331	1,956	1,623	1,400	1,335	1,260

Source: Company, Investment Bank of Greece estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: General Retailers/Broadline Retailers

Company Description: Jumbo is the largest toys/babies apparel/bookstore/home/seasonal products retailer in the Greek market, also with presence in Cyprus, Bulgaria, Romania and Western Balkan countries through franchise agreements. The company has a successful business model based on its geographical sales network expansion strategy, a wide assortment of products and a competitive pricing policy. Currently, Jumbo operates 76 stores (51 in Greece, 11 in Romania, 9 in Bulgaria and 5 in Cyprus).

European Coverage of the Members of ESN

Aerospace & Defense	Mem(*)	Bbva	GVC	Holland Colours	NIBC	Advini	CIC
Airbus Se	CIC	Bcp	CBI	Imcd	NIBC	Altia	OPG
Dassault Aviation	CIC	Bnp Paribas	CIC	K+S Ag	EQB	Atria	OPG
Latecoere	CIC	Bper	BAK	Kemira	OPG	Baywa	EQB
Leonardo	BAK	Bpi	CBI	Kws Saat	EQB	Bonduelle	CIC
Lisi	CIC	Caixabank	GVC	Lanxess	EQB	Campari	BAK
Mtu Aero Engines	EQB	Commerzbank	EQB	Linde	EQB	Coca Cola Hbc Ag	IBG
Ohb Se	EQB	Credem	BAK	Siegfried Holding Ag	EQB	Corbion	NIBC
Rheinmetall	EQB	Credit Agricole Sa	CIC	Symrise Ag	EQB	Danone	CIC
Safran	CIC	Creval	BAK	Tikkurila	OPG	Ebro Foods	GVC
Thales	CIC	Deutsche Bank	EQB	Electronic & Electrical Equipment	Mem(*)	Enervit	BAK
Alternative Energy	Mem(*)	Deutsche Pfandbriefbank	EQB	Euro micron Ag	EQB	Fleury Michon	CIC
Daldrup & Soehne	EQB	Eurobank	IBG	Neways Electronics	NIBC	Forfarmers	NIBC
Siemens Gamesa Re	GVC	Intesa Sanpaolo	BAK	Rexel	CIC	Heineken	NIBC
Sif Group	NIBC	Liberbank	GVC	Vaisala	OPG	Hkscan	OPG
Solaria	GVC	Mediobanca	BAK	Viscom	EQB	La Doria	BAK
Automobiles & Parts	Mem(*)	Merkur Bank	EQB	Financial Services	Mem(*)	Lanson-Bcc	CIC
Bittium Corporation	OPG	National Bank Of Greece	IBG	Amundi	CIC	Laurent Perrier	CIC
Bmw	EQB	Natixis	CIC	Anima	BAK	Ldc	CIC
Brembo	BAK	Nordea	OPG	Athex Group	IBG	Lucas Bols	NIBC
Continental	EQB	Piraeus Bank	IBG	Azimut	BAK	Massimo Zanetti	BAK
Daimler Ag	EQB	Poste Italiane	BAK	Banca Farmafactoring	BAK	Naturex	CIC
Delfingen Industry	CIC	Procredit Holding	EQB	Banca Generali	BAK	Olvi	OPG
Elringklinger	EQB	Rothschild & Co	CIC	Banca Ifis	BAK	Orsero	BAK
Ferrari	BAK	Societe Generale	CIC	Banca Sistema	BAK	Pernod Ricard	CIC
Fiat Chrysler Automobiles	BAK	Ubi Banca	BAK	Bb Biotech	EQB	Raisio	OPG
Gestamp	GVC	Unicredit	BAK	Bolsas Y Mercados Espanoles Sa	GVC	Refresco Group	NIBC
Hella Gmbh & Co. Kga	EQB	Basic Resources	Mem(*)	Capman	OPG	Remy Cointreau	CIC
Indelb	BAK	Acerinox	GVC	Cir	BAK	Suedzucker	EQB
Kamux	OPG	Altri	CBI	Comdirect	EQB	Takeaway.Com	NIBC
Landi Renzo	BAK	Arcelormittal	GVC	Corestate Capital Holding S.A.	EQB	Telepizza	GVC
Leoni	EQB	Corticeira Amorim	CBI	Corp. Financiera Alba	GVC	Tipiak	CIC
Nokian Tyres	OPG	Ence	GVC	Digital Magics	BAK	Vapiano	EQB
Norma Group	EQB	Europac	GVC	Dobank	BAK	Vidrala	GVC
Piaggio	BAK	Metka	IBG	Dws	EQB	Vilmorin	CIC
Pininfarina	BAK	Metsä Board	OPG	Eq	OPG	Viscofan	GVC
Pwo	EQB	Mytilineos	IBG	Eurazeo	CIC	Vranken Pommeroy Monopole	CIC
Schaeffler	EQB	Outokumpu	OPG	Eyemaxx Real Estate	EQB	Wessanen	NIBC
Sogefi	BAK	Semapa	CBI	Ferratum	EQB	Food & Drug Retailers	Mem(*)
Stabilus	EQB	Ssab	OPG	Ffp	CIC	Ahold Delhaize	NIBC
Stern Groep	NIBC	Stora Enso	OPG	Finecobank	BAK	Carrefour	CIC
Volkswagen	EQB	Surteco Group	EQB	Grenke	EQB	Casino Guichard-Perrachon	CIC
Banks	Mem(*)	The Navigator Company	CBI	Hypoport Ag	EQB	Dia	GVC
Aareal Bank	EQB	Tubacex	GVC	Mip	EQB	Jeronimo Martins	CBI
Aktia	OPG	Upm-Kymmene	OPG	Ovb Holding Ag	EQB	Kesko	OPG
Alpha Bank	IBG	Chemicals	Mem(*)	Patrizia	EQB	Marr	BAK
Banca Carige	BAK	Air Liquide	CIC	Rallye	CIC	Metro Ag	EQB
Banca Mps	BAK	Arkema	CIC	Tip Tamburi Investment Partners	BAK	Sligro	NIBC
Banco Sabadell	GVC	Avantium	NIBC	Unipol Gruppo Finanziario	BAK	Sonae	CBI
Banco Santander	GVC	Brenntag	EQB	Wendel	CIC		
Bankia	GVC	Evonik	EQB	Food & Beverage	Mem(*)		
Bankinter	GVC	Fuchs Petrolub	EQB	Acomo	NIBC		

General Industrials	Mem(*)	Heidelberg Pharma	EQB	Prima Industrie	BAK	Obrascon Huarte Lain	GVC
2G Energy	EQB	Korian	CIC	Prysmian	BAK	Ramirent	OPG
Aalberts	NIBC	Kuros	NIBC	Schaltbau Holding Ag	EQB	Royal Bam Group	NIBC
Accell Group	NIBC	Merck	EQB	Smt Scharf Ag	EQB	Sacyr	GVC
Arcadis	NIBC	Oncodesign	CIC	Talgo	GVC	Saint Gobain	CIC
Aspo	OPG	Oriola-Kd	OPG	Technotrans	EQB	Salini Impreglio	BAK
Cembre	BAK	Orion	OPG	Valmet	OPG	Sias	BAK
Huhtamäki	OPG	Orpea	CIC	Wacker Neuson Se	EQB	Sonae Industria	CBI
Kendrion	NIBC	Pihlajalinna	OPG	Wärtsilä	OPG	Srv	OPG
Nedap	NIBC	Recordati	BAK	Zardoya Otis	GVC	Tarkett	CIC
Pöyry	OPG	Siemens Healthineers Ag	EQB	Industrial Transportation	Mem(*)	Thermador Groupe	CIC
Saf-Holland	EQB	Silmaasema	OPG	Bollere	CIC	Titan Cement	IBG
Sergeferrari Group	CIC	Terveystalo	OPG	Ctt	CBI	Trevi	BAK
Tkh Group	NIBC	Household Goods	Mem(*)	Logwin	EQB	Uponor	OPG
General Retailers	Mem(*)	De Longhi	BAK	Insurance	Mem(*)	Vicat	CIC
Beter Bed Holding	NIBC	Elica	BAK	Allianz	EQB	Vinci	CIC
Ceconomy Ag	EQB	Fila	BAK	Axa	CIC	Volkerwessels	NIBC
Elumeo Se	EQB	Maisons Du Monde	CIC	Banca Mediolanum	BAK	Yit	OPG
Fielmann	EQB	Signify	NIBC	Cattolica Assicurazioni	BAK	Media	Mem(*)
Fnac Darty	CIC	Industrial Engineering	Mem(*)	Generali	BAK	Alma Media	OPG
Folli Follie Group	IBG	Accsys Technologies	NIBC	Hannover Re	EQB	Arnoldo Mondadori Editore	BAK
Fourlis Holdings	IBG	Aixtron	EQB	Mapfre Sa	GVC	Atresmedia	GVC
Grandvision	NIBC	Alstom	CIC	Munich Re	EQB	Axel Springer	EQB
Hornbach Holding	EQB	Ansaldo Sts	BAK	Sampo	OPG	Cairo Communication	BAK
Inditex	GVC	Biesse	BAK	Talanx Group	EQB	Cofina	CBI
Jumbo	IBG	Caf	GVC	Unipolsai	BAK	Cts Eventim	EQB
Ovs	BAK	Cargotec Corp	OPG	Materials, Construction & Infrastructure	Mem(*)	Digital Bros	BAK
Rapala	OPG	Carraro	BAK	Abeo	CIC	Digitouch	BAK
Stockmann	OPG	Cnh Industrial	BAK	Abertis	GVC	Gedi Gruppo Editoriale	BAK
Takkt Ag	EQB	Danieli	BAK	Acs	GVC	GI Events	CIC
Tokmanni	OPG	Datalogic	BAK	Aena	GVC	Impresa	CBI
Unieuro	BAK	Duerr	EQB	Aeroports De Paris	CIC	lol	BAK
Windeln.De	EQB	Emak	BAK	Astaldi	BAK	Ipsos	CIC
Zalando	EQB	Envipco	NIBC	Atlantia	BAK	Jcdecaux	CIC
Healthcare	Mem(*)	Exel Composites	OPG	Boskalis Westminster	NIBC	Lagardere	CIC
4Sc	EQB	Fincantieri	BAK	Buzzi Unicem	BAK	M6-Metropole Television	CIC
Ab Biotics	GVC	Gea Group	EQB	Capelli	CIC	Mediaset	BAK
Abivax	NIBC	Gesco	EQB	Caverion	OPG	Mediaset Espana	GVC
Advicenne	NIBC	Groupe Gorge	CIC	Cramo	OPG	Nrj Group	CIC
Amplifon	BAK	Heidelberger Druck	EQB	Eiffage	CIC	Publicis	CIC
Atrys Health	GVC	Ima	BAK	Eitel	OPG	Rcs Mediagroup	BAK
Bayer	EQB	Indus Holding Ag	EQB	Ezentis	GVC	Relx	NIBC
Biocartis	NIBC	Interpump	BAK	Fcc	GVC	Rtl Group	EQB
Biotest	EQB	Koenig & Bauer	EQB	Ferrovial	GVC	Sanoma	OPG
Cellnovo	CIC	Kone	OPG	Groupe Poujoulat	CIC	Solocal Group	CIC
Cerenis	CIC	Konecranes	OPG	Groupe Sfpj S.A.	CIC	Szygyy Ag	EQB
Crossject	CIC	Krones Ag	EQB	Heijmans	NIBC	Teleperformance	CIC
Diasorin	BAK	Manitou	CIC	Herige	CIC	Tf1	CIC
El.En.	BAK	Manz Ag	EQB	Imerys	CIC	Ubisoft	CIC
Epigenomics Ag	EQB	Max Automation Se	EQB	Lafargeholcim	CIC	Vivendi	CIC
Fermentalg	CIC	Metso Corporation	OPG	Lehto	OPG	Wolters Kluwer	NIBC
Genfit	CIC	Outotec	OPG	Maire Tecnimont	BAK	Xing Se	EQB
Gerresheimer Ag	EQB	Pfeiffer Vacuum	EQB	Maisons France Confort	CIC		
Guerbet	CIC	Ponsse	OPG	Mota Engil	CBI		

Oil & Gas Producers	Mem(*)	Citycon	OPG	Amadeus	GVC	Tiscali	BAK
Ecoslops	CIC	Demire	EQB	Asiakastieto Group	OPG	United Internet	EQB
Eni	BAK	Deutsche Euroshop	EQB	Batenburg	NIBC	Vodafone	BAK
Galp Energia	CBI	Grivalia	IBG	Bureau Veritas	CIC	Travel & Leisure	Mem(*)
Gas Plus	BAK	Hispania Activos Inmobiliarios	GVC	Cellnex Telecom	GVC	Accor	CIC
Hellenic Petroleum	IBG	Igd	BAK	Dpa	NIBC	Aegean Airlines	IBG
Maurel Et Prom	CIC	Kojamo	OPG	Ei Towers	BAK	Autogrill	BAK
Motor Oil	IBG	Lar España	GVC	Enav	BAK	Beneteau	CIC
Neste Corporation	OPG	Leg Immobilien Ag	EQB	Fiera Milano	BAK	Compagnie Des Alpes	CIC
Qgep	CBI	Merlin Properties	GVC	Inwit	BAK	Elior	CIC
Repsol	GVC	Realia	GVC	Lassila & Tikanoja	OPG	Europcar	CIC
Total	CIC	Technopolis	OPG	Openjobmetis	BAK	Finnair	OPG
Oil Services	Mem(*)	Wcm Ag	EQB	Rai Way	BAK	Gamenet	BAK
Bourbon	CIC	Software & Computer Services	Mem(*)	Technology Hardware & Equipment	Mem(*)	I Grandi Viaggi	BAK
Cgg	CIC	Agile Content	GVC	Adeunis	CIC	Ibersol	CBI
Fugro	NIBC	Akka Technologies	CIC	Asm International	NIBC	Int. Airlines Group	GVC
Gaztransport Et Technigaz	CIC	Alten	CIC	Asml	NIBC	Intralot	IBG
Rubis	CIC	Altran	CIC	Besi	NIBC	Kotipizza	OPG
Saipem	BAK	Assystem	CIC	Ericsson	OPG	Melia Hotels International	GVC
Sbm Offshore	NIBC	Atos	CIC	Evolis	CIC	Nh Hotel Group	GVC
Technipfmc Plc	CIC	Axway Software	CIC	First Sensor Ag	EQB	Opap	IBG
Tecnicas Reunidas	GVC	Basware	OPG	Gigaset	EQB	Sodexo	CIC
Tenaris	BAK	Cast	CIC	Hf Company	CIC	Sonae Capital	CBI
Vallourec	CIC	Ctac	NIBC	Nokia	OPG	Trigano	CIC
Vopak	NIBC	Digia Plc	OPG	Osmozis	CIC	Utilities	Mem(*)
Personal Goods	Mem(*)	Econocom	CIC	Roodmicrotec	NIBC	Acciona	GVC
Adidas	EQB	Esi Group	CIC	S&T Ag	EQB	Acea	BAK
Adler Modemaerkte	EQB	Exprivia	BAK	Slm Solutions	EQB	Albioma	CIC
Amer Sports	OPG	F-Secure	OPG	Stmicroelectronics	BAK	Derichebourg	CIC
Basicnet	BAK	Gft Technologies	EQB	Suess Microtec	EQB	Direct Energie	CIC
Cie Fin. Rlichemont	CIC	Groupe Open	CIC	Teleste	OPG	Edp	CBI
Geox	BAK	Ict Group	NIBC	Va-Q-Tec	EQB	Edp Renováveis	CBI
Gerry Weber	EQB	Indra Sistemas	GVC	Telecommunications	Mem(*)	Enagas	GVC
Hermes Intl.	CIC	Intershop Communications Ag	EQB	1&1Drillisch Ag	EQB	Endesa	GVC
Hugo Boss	EQB	Nemetschek Se	EQB	Acotel	BAK	Enel	BAK
Interparfums	CIC	Neurones	CIC	Bouygues	CIC	Erg	BAK
Kering	CIC	Nexus Ag	EQB	Deutsche Telekom	EQB	Eydap	IBG
Luxottica	BAK	Novabase	CBI	Dna	OPG	Falck Renewables	BAK
Lvmh	CIC	Ordina	NIBC	Elisa	OPG	Fortum	OPG
Marimekko	OPG	Psi Software Ag	EQB	Euskaltel	GVC	Hera	BAK
Moncler	BAK	Reply	BAK	Freenet	EQB	Iberdrola	GVC
Puma	EQB	Rib Software	EQB	Iliad	CIC	Iren	BAK
Safilo	BAK	Rovio Entertainment	OPG	Kpn Telecom	NIBC	Italgas	BAK
Salvatore Ferragamo	BAK	Scout24	EQB	Masmovil	GVC	Naturgy	GVC
Sarantis	IBG	Seven Principles Ag	EQB	Nos	CBI	Public Power Corp	IBG
Swatch Group	CIC	Sii	CIC	Orange	CIC	Red Electrica De Espana	GVC
Technogym	BAK	Software Ag	EQB	Ote	IBG	Ren	CBI
Tod'S	BAK	Sopra Steria Group	CIC	Tele Columbus	EQB	Snam	BAK
Real Estate	Mem(*)	Tieto	OPG	Telecom Italia	BAK	Terna	BAK
Adler Real Estate	EQB	Tomtom	NIBC	Telefonica	GVC		
Arcona Property Fund Nv	NIBC	Visiativ	CIC	Telefonica Deutschland	EQB		
Beni Stabili	BAK	Support Services	Mem(*)	Telia	OPG		

LEGEND: BAK: Banca Akros; CIC: CM CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Beksa, SV, SA; EQB: equinet bank; IBG: Investment Bank of Greece; NIBC: NIBC Bank N.V.; OPG: OP Corporate Bank; as of 3rd September 2018

List of ESN Analysts (**)

Artur Amaro	CBI	+351 213 89 6822	artur.amaro@caixabi.pt	Jean-Christophe Lefèvre-Moulenq	CIC	+33 1 53 48 80 65	jeanchristophe.lefevre@moulenq@cmcic.fr
Stefan Augustin	EQB	+49-69-58997-430	stefan.augustin@equinet-ag.de	João Miguel Lourenço	CBI	+35 121 389 6841	joao.lourenco@caixabi.pt
Helena Barbosa	CBI	+351 21 389 6831	helenabarbosa@caixabi.pt	Konstantinos Manolopoulos	IBG	+30 210 817 3388	kmanolopoulos@ibg.gr
Winfried Becker	EQB	+49 69 58997-416	winfried.becker@equinet-ag.de	Katharina Mayer	EQB	+49 69 58997-432	katharina.mayer@equinet-ag.de
Javier Bernat	GVC	+34 91 436 7816	javier.bernat@gvcaesco.es	Fanny Meindre, PhD	CIC	+33 1 53 48 80 84	fanny.meindre@cmcic.fr
Dennis Berzhanin, CFA	EQB	+49 69 58997 434	dennis.berzhanin@equinet-ag.de	Dustin Mildner	EQB	+49 69 58997-438	dustin.mildner@equinet-ag.de
Dimitris Birbos	IBG	+30 210 81 73 392	dbirbos@ibg.gr	Henri Parkkinen	OPG	+358 10 252 4409	henri.parkkinen@op.fi
Agnès Blazy	CIC	+33 1 53 48 80 67	agnes.blazy@cmcic.fr	Victor Peiro Pérez	GVC	+34 91 436 7812	victor.peiro@gvcaesco.es
Charles Edouard Boissy	CIC	+33 01 53 48 80 81	charlesedouard.boissy@cmcic.fr	Alexandre Plaud	CIC	+33 1 53 48 80 90	alexandre.plaud@cmcic.fr
Rafael Bonardell	GVC	+34 91 436 78 71	rafael.bonardell@gvcaesco.es	Francis Prêtre	CIC	+33 4 78 92 02 30	francis.pretre@cmcic.fr
Andrea Bonfà	BAK	+39 02 4344 4269	andrea.bonfa@bancaakros.it	Francesco Previtera	BAK	+39 02 4344 4033	francesco.previtera@bancaakros.it
Jean-Baptiste Bouchet	CIC	+33 1 53 48 80 69	jeanbaptiste.bouchet@cmcic.fr	Jari Raisanen	OPG	+358 10 252 4504	jari.raisanen@op.fi
Christian Bruns, CFA	EQB	+49 69 58997 415	christian.bruns@equinet-ag.de	Hannu Rauhala	OPG	+358 10 252 4392	hannu.rauhala@op.fi
Giada Cabrino, CIIA	BAK	+39 02 4344 4092	giada.cabrino@bancaakros.it	Matias Rautionmaa	OPG	+358 10 252 4408	matias.rautionmaa@op.fi
Nuno Castro	CBI	+351 21 389 68 39	nuno.castro@caixabi.pt	Eric Ravary	CIC	+33 1 53 48 80 71	eric.ravary@cmcic.fr
Niclas Catani	OPG	+358 10 252 8780	niclas.catani@op.fi	Íñigo Recio Pascual	GVC	+34 91 436 7814	inigo.recio@gvcaesco.es
Pierre Chedeville	CIC	+33 1 53 48 80 97	pierre.chedeville@cmcic.fr	John David Roeg	NIBC	+31 (0)20 550 86 46	John.David.Roeg@nibc.com
Emmanuel Chevalier	CIC	+33 1 53 48 80 72	emmanuel.chevalier@cmcic.fr	Jean-Luc Romain	CIC	+33 1 53 48 80 66	jeanluc.romain@cmcic.fr
Davíd Da Maia	CIC	+33 1 53 48 89 36	david.damaia@cmcic.fr	Vassilis Roumantzis	IBG	+30 2108173394	vroumantzis@ibg.gr
Edwin de Jong	NIBC	+312 0 5508569	edwin.de.jong@nibc.com	Zafer Rüzgar	EQB	+49 69 58 99 74 12	zafer.ruezgar@equinet-ag.de
Martijn den Drijver	NIBC	+312 0 5508636	martijn.den.drijver@nibc.com	Antti Saari	OPG	+358 10 252 4359	antti.saari@op.fi
Christian Devismes	CIC	+33 1 53 48 80 85	christian.devismes@cmcic.fr	Paola Saglietti	BAK	+39 02 4344 4287	paola.saglietti@bancaakros.it
Andrea Devita, CFA	BAK	+39 02 4344 4031	andrea.devita@bancaakros.it	Francesco Sala	BAK	+39 02 4344 4240	francesco.sala@bancaakros.it
Enrico Esposti, CIIA	BAK	+39 02 4344 4022	enrico.esposti@bancaakros.it	Tim Schuldt, CFA	EQB	+49 69 5899 7433	tim.schuldt@equinet-ag.de
Rafael Fernández de Heredia	GVC	+34 91 436 78 08	rafael.fernandezdeheredia@gvcaesco.es	Cengiz Sen	EQB	+4969 58997 435	cengiz.sen@equinet-ag.de
Gabriele Gambarova	BAK	+39 02 43 444 289	gabriele.gambarova@bancaakros.it	Pekka Spolander	OPG	+358 10 252 4351	pekka.spolander@op.fi
Eduardo García Arguelles	GVC	+34 914 367 810	eduardo.garciaarguelles@gvcaesco.es	Kimmo Stenvall	OPG	+358 10 252 4561	kimmo.stenvall@op.fi
Pietro Gasparri, CIIA, CEFA	BAK	+39 02 4344 4238	pietro.gasparri@bancaakros.it	Natalia Svyrou-Svyriadi	IBG	+30 210 81 73 384	nsviriadi@ibg.gr
Alexandre Gérard	CIC	+33 1 53 48 80 93	alexandre.gerard@cmcic.fr	Manuel Tanzer, CFA	EQB	+49 69 58997-418	manuel.tanzer@equinet-ag.de
Philipp Häßler, CFA	EQB	+49 69 58997 414	philipp.haessler@equinet-ag.de	Luigi Tramontana	BAK	+39 02 4344 4239	luigi.tramontana@bancaakros.it
Simon Heilmann	EQB	+49 69 58 997 413	simon.heilmann@equinet-ag.de	Johan van den Hooven	NIBC	+312 0 5508518	johan.van.den.hooven@nibc.com
Dr. Knud Hinkel, CFA	EQB	+49 69 58997 419	knud.hinkel@equinet-ag.de	Dylan van Haften	NIBC	+31 (0)61 191 54 85	Dylan.van.Haften@nibc.com
Ebrahim Homani	CIC	+33 1 53 48 80 94	ebrahim.homani@cmcic.fr	Sebastian Winkler	NIBC	+31 6 21 16 17 94	sebastian.winkler@nibc.com
Carlos Jesus	CBI	+351 21 389 6812	carlos.jesus@caixabi.pt	Sebastian Zweiphenning	NIBC	+31 (0)20 550 85 40	Sebastian.Zweiphenning@nibc.com
Mark Josefson	EQB	+4969-58997-437	mark.josefson@equinet-ag.de				

(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Disclosure Appendix

The information and opinions in this report were prepared by Investment Bank of Greece, which is regulated by the Bank of Greece (License No: 52/2/17.12.99) and by the Hellenic Capital Market Commission. Investment Bank of Greece has not entered any agreement with the subject companies for the execution of this analysis.

This report is for informative purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy, any security. While the information contained herein has been obtained from sources believed to be reliable, we do not represent that it is accurate or complete and it should not be relied upon as such. In producing its research reports, members of Investment Bank of Greece research department may have received assistance from the subject company(ies) referred to in this report. Any such assistance may have included access to sites of the issuers, visits to certain operations of the subject company(ies), meetings with management, employees or other parties associated with the subject company(ies) and the handing by them of historical data regarding the subject company(ies) (financial statements and other financial data), as well as of all publicly available information regarding strategy and financial targets. Investment Bank of Greece research personnel are prohibited from accepting payment or reimbursement of travel expenses from site visits to subject companies. It should be presumed that the author(s) of this report, in most cases, has had discussions with the subject company(ies) to ensure factual accuracy prior to publication. All opinions, projections and estimates constitute the judgment of the author as of the date of the report and are given in good faith, but are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Investment Bank of Greece or one of its affiliates or persons connected with it may from time to time buy and sell securities referred herein. Although Investment Bank of Greece does not set a predetermined frequency for publication, if this is a fundamental research report, it is the intention of Investment Bank of Greece to provide research coverage of the subject company(ies), including in response to news affecting this issuer, subject to applicable quiet periods and capacity constraints. Investment Bank of Greece may from time to time perform investment

banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Investment Bank of Greece does and seeks to do business with companies covered in their research reports. Thus, investors should be aware that the firms may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Securities referred to in this research report are subject to investment risks, including the possible loss of the principal amount invested. This report is intended for professional investors only and it is not to be reproduced or copied or reprinted or transmitted for any purpose without permission. We certify that this report has been published in accordance with our conflict management policy and guidelines. According to Investment Bank of Greece policies, the Analysis Department of Investment Bank of Greece is bound by confidentiality, with the exception of data allowed to be published in accordance with the applicable laws. Investment Bank of Greece relies on information barriers to control the flow of information in one or more areas within Investment Bank of Greece organization. The communication between the Analysis Department of Investment Bank of Greece and the other departments of the aforementioned company is restricted by Chinese Walls set between the different departments, so that Investment Bank of Greece can abide by the provisions regarding confidential information and market abuse.

Analyst Certification

The following analysts: Dimitris Birbos hereby certify that the views about the companies and securities contained in this report accurately reflect their personal views and that no part of their compensation was or will be directly or indirectly related to the specific recommendations or views in this report.

The analysts mentioned above who prepared this report have the below mentioned financial interests in the companies covered in this report.....none.....

Important Regulatory Disclosures on Subject Company

The information and opinions in this report were prepared by INVESTMENT BANK of GREECE, which is member of the Athens Exchange S.A. and regulated by the Bank of Greece (License No: 52/2/17.12.99) and by the Hellenic Capital Market Commission.

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 and overall firm profitability.

Stock Ratings

You should carefully read the definitions of all ratings used in the research report. Moreover, you should carefully read the entire research report to obtain a clear view of the analyst's opinions and not infer its contents from the rating alone.

IBG Research Rating Distribution

Data current as of 12/10/2018

	Buy	Accumulate	Neutral	Reduce	Sell	Rating Suspended
IBG Research Total Coverage	36%	32%	18%	9%	0%	5%
% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%
Retail	0%	50%	50%	0%	0%	0%
% of companies in each rating category that are investment banking clients	0%	0%	0%	0%	0%	0%

Regulatory Disclosures on Subject Companies

1.As of the date mentioned on the first page of this report, Investment Bank of Greece (or any of its affiliated companies) owns 5% or more of a class of common equity securities in the following companies mentioned in this report: **None**

2.Investment Bank of Greece acts as a market maker for the following securities of the subject companies mentioned in this report: **None**

3.Within the last 12 months, Investment Bank of Greece has provided advisory services to the following companies mention in this report: **None**

4.Investment Bank of Greece has offered underwriting services to HOUSEMARKET SA (a 100% subsidiary of **Fourlis Group**), **OPAP** and **Mytilineos Holdings** relating to the issuance of their corporate bond.

5.Within the last 12 months, Investment Bank of Greece had a contractual relationship or has received compensation for financial advisory services from the following subject companies mentioned in this report: **No (except the abovementioned relationship described above).**

6.Investment Bank of Greece has acted as an Advisor to **Alpha Bank** within the framework of its 2015 share Capital Increase

Recommendation history for JUMBO

Date	Recommendation	Target price	Price at change date
17-Oct-18	Neutral	13.70	12.90
09-Oct-18	Neutral	12.70	10.90
06-Mar-18	Buy	17.00	14.50
13-Feb-18	Buy	19.00	15.04
23-Oct-17	Buy	17.80	13.75
11-Sep-17	Buy	17.30	13.60
05-Apr-17	Accumulate	17.00	15.00
16-Jan-17	Neutral	14.99	14.59
19-Oct-16	Buy	14.99	12.82
07-Mar-16	Neutral	12.20	10.95



Source: Factset & ESN, price data adjusted for stock splits. This chart shows Investment Bank of Greece continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Risks to our forecasts and valuation

- Group's earnings performance is sensitive to FX movements (especially the EUR/USD currency pair) and the evolution of manufacturing costs in China.
- Challenging macroeconomic conditions in Greece that may have a negative impact in the company's financial performance, since as a retail company, Jumbo is affected by factors that influence consumer behaviour.
- Volatility in transport costs directly affects group's gross profit margin.
- A stricter competitive environment (i.e. entry of foreign companies in the Greek market, retail store expansion from existing players) could pose risk to group's earnings performance in the medium-term.
- High dependence of the company's structure from the Chairman and major shareholder of the group.
- Stock overhang concerns: Jumbo's major shareholder, Tanocerian Maritime SA which is controlled by the company's founder and Chairman Mr. Apostolis Vakakis has proceeded to a private placement in June 2017 (3.5% of total share capital) at a 5% discount from the stock price at that time. We would not exclude further placements in the future.

Additional disclosures

1. Additional note to our U.S. readers: This document may be distributed in the United States solely to "major US institutional investors" as defined in Rule 15a-6 under the US Securities Exchange Act of 1934. Each person that receives a copy, by acceptance thereof, represents and agrees that he/she will not distribute or otherwise make available this document to any other person.
2. All prices and valuation multiples are based on the closing of ATHEX's last session prior to the issue of this report, unless otherwise indicated
3. Our research reports are available upon request at www.ibg.gr, on Bloomberg's IBGR and ESNR functions and on Thomson Reuters website.
4. Additional information is available upon request.

For U.S. persons only: This research report is a product of **Investment Bank of Greece** which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by **Investment Bank of Greece** only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, **Investment Bank of Greece** has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ("ESN"). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc. (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website

(http://www.esnpartnership.eu/research_and_database_access/insite)

or refer to the local disclaimer of the Members, or contact directly the

Member www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cmcicms.com regulated by the AMF - Autorité des marchés financiers

www.equinet-ag.de regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

www.ibg.gr regulated by the HCMC - Hellenic Capital Market Commission

www.nibc.com regulated by the AFM - Autoriteit Financiële Markten

www.op.fi regulated by the Financial Supervision Authority

www.valores.gvcgaesco.es regulated by CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)



Banca Akros S.p.A.
Viale Eginardo, 29
20149 MILANO
Italy
Phone: +39 02 43 444 389
Fax: +39 02 43 444 302



GVC Gaesco Beka, SV, SA
C/ Marques de Villamagna 3
28001 Madrid
Spain
Phone: +34 91 436 7813



Caixa-Banco de Investimento
Avenida João XXI, 63
1000-300 Lisboa
Portugal
Phone: +351 21 313 73 00
Fax: +351 21 389 68 98



Investment Bank of Greece
32 Aigialeias Str & Paradissou,
151 25 Maroussi,
Greece
Phone: +30 210 81 73 383



CM - CIC Market Solutions
6, avenue de Provence
75441 Paris
France
Phone: +33 1 53 48 81 93



NIBC Bank N.V.
Gustav Mahlerlaan 348
P.O.Box 235
1082 ME Amsterdam
The Netherlands
Phone: +31 20 550 8500
Fax: +31 20 626 8064



equinet Bank AG
Grärfstraße 97
60487 Frankfurt am Main
Germany
Phone: +49 69 - 58997 - 212
Fax: +49 69 - 58997 - 299



OP Corporate Bank plc
P.O.Box 308
Teollisuuskatu 1, 00013 Helsinki
Finland
Phone: +358 10 252 011
Fax: +358 10 252 2703

