

RIC: BABr.AT, BBG: BELA GA

<b>Changes</b>	Rating -	TP ↑	EPS ↑
Target price	25.4		
of which DPS	0.47		
Previous	20.1		
Total stock return	43.3%		

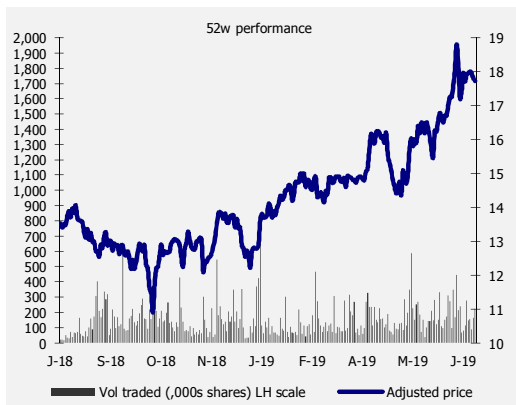
Valuation	2018a	2019e	2020e	2021e
P/E	16.0x	14.9x	14.0x	13.0x
P/BV	2.3x	2.0x	1.9x	1.7x
EV/Sales	2.8x	2.5x	2.3x	2.0x
EV/EBITDA	9.6x	8.6x	7.9x	7.1x
EV/EBIT	10.8x	9.6x	8.8x	8.0x
Dividend yield	2.0%	2.1%	2.6%	3.1%
FCF yield	5.1%	5.3%	6.7%	8.2%

Per share	2018a	2019e	2020e	2021e
EPS	1.11	1.19	1.27	1.36
EPS old	0.96	1.02	1.14	2.14
DPS	0.36	0.38	0.47	0.54

BS data (€m)	2018a	2019e	2020e	2021e
Sh. Equity	1,058	1,191	1,300	1,411
Net debt	-287	-390	-461	-528

P&L data (€m)	2018a	2019e	2020e	2021e
Revenues	753	812	863	921
EBITDA	221	235	248	264
EBIT	197	210	221	237
Net income	151	162	172	185

Trading data	1m	3m	6m	12m
Rel. Performance	2.5%	-0.7%	-7.8%	16.7%
Abs. Performance	5.7%	10.4%	29.4%	31.3%
H   L 52w	18.88   12.22			
Market cap. (mn)	2412.34			
Shares outstanding (m): 136				
Free float (%), mn	55%	1326.79		
Avg. vol. Traded (52w): 155k				
Index constituent & weight:				
ASE (4.88%), FTSE LC (5.68%)				



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## Store roll-out remains on track supporting growth

We maintain our 'Outperform' recommendation for Jumbo and we raise our target price to €25.4/share (+43% upside) from €20.1 previously, on valuation grounds. Apart from rolling over our model, we also lower our WACC assumption to 6.5%, from 7.8% previously as we incorporate the decline of the 10-year bond yields in the countries that Jumbo operates in. As a result we now calculate a risk free rate of 2.3% vs. 3.8% previously, since 10-year GGB yield has fallen to c2.1% from 4.4% during the date of our previous report (Greece is estimated to account for 54% of the group EBITDA in 2019-20e). Furthermore, Jumbo's growth outlook remains strong, with the store rollout plan being well on track. The company opened three new stores in Romania and one in Greece during 2018-19, while it aims to open another three stores in Romania and one in Cyprus in 2019-20e. Additionally, Jumbo's solid fundamentals still lead to considerable net cash position that reached €392m in H1'18/19.

### FY'18/19 sales rose for yet another year

Jumbo announced that group sales in FY'18/19 increased by 7.8% y-o-y to €812.2m, slightly exceeding management's guidance of up to 7% growth. Performance in Romania was strong, as a result of the company's expansion in the country, however what is more important in our view, is the c3.5% y-o-y growth in Greece (includes domestic stores, e-jumbo and franchise agreements in the Balkans and excludes intragroup sales), which came in despite the challenging macroeconomic environment. We believe that this is mainly attributed to successful product mix in domestic stores, as well as to the increased penetration of e-commerce. Regarding foreign operations, Cyprus, Bulgaria and Romania rose by c2%, c9% and over 30% y-o-y respectively.

### Management guides for 5% rise in 2019-20e revenues

According to management's guidance sales' growth will decelerate in the current fiscal year. To our understanding, this implies a slower pace of I-f-I growth in Romania and Bulgaria (sales in Romania rose by c5% y-o-y on a I-f-I basis in FY'18/19, vs. c27% in the previous year), while it reflects management's cautious stance towards Greek operations. As a result, we downgrade our 2019-20e revenues forecast to €863m from €869m previously, although y-o-y growth rate is seen at 6.3%. Our projection is slightly more optimistic than the guidance, driven by the expected macroeconomic recovery in Greece. Similarly, we downgrade our 20/21e sales forecast, thus we now expect 17/18-20/21e revenues CAGR of 6.9%, vs 7.8% projected previously. Looking ahead, we downgrade our 21/22-23/24e sales estimates by 9-10%, also driven by lower I-f-I growth assumptions.

### Slight 17/18-20/21e bottom line upgrades of 1-9%

We fine-tune our previous profitability estimates by slightly adjusting our margins' projections. Following H1'19 trend, we upgrade our 2018/19 net income forecast by 9%, to €162m (7.5% higher y-o-y). Similarly, we improve 19/20-20/21e bottom line estimates by 1-5%, as we now account for slightly higher gross and EBITDA margins. Going forward however, we trim our net income forecasts by 1-6% in 21/22-23/24e, driven by the larger downgrades of top-line estimates in that period.

Jumbo is the biggest toy, baby, home and seasonal products retailer in Greece with strong presence in Cyprus, Bulgaria and Romania. The company operates 79 stores, 52 of which in Greece, 5 in Cyprus, 13 in Romania and 9 in Bulgaria.

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**Please refer to important disclosures in the Disclosure Appendix**

Rating: Outperform - Medium risk		Share price performance												
Target price:	25.4	(%)	1m	6m	12m									
of which DPS:	0.42	Rel	3%	-8%	17%									
Total stock return:	43.3%	Abs	6%	29%	31%									
Mkt cap (mm):	2,412	Free Float:	55.0%											
Enterprise value	2,125	H   L 52w	18.88	12.22										
Headline figures (*)	2011a	2012a	2013a	2014a	2015a	2016a	2017a	2018a	2019e	2020e	2021e	2022e	2023e	2024e
P&L items (€mm)														
Revenues	490	494	502	542	583	638	681	753	812	863	921	959	991	1,024
Ebitda	135	134	110	146	159	184	195	221	235	248	264	277	287	296
Ebit	120	117	92	127	138	161	172	197	210	221	237	249	258	267
Pre tax income	121	119	96	130	137	165	173	198	211	224	240	253	264	273
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income	95	97	74	101	105	121	131	151	162	172	185	195	203	210
EPS (€)	0.73	0.75	0.54	0.74	0.77	0.89	0.96	1.11	1.19	1.27	1.36	1.43	1.49	1.55
DPS (€)	0.19	0.00	0.00	0.18	0.00	0.63	0.36	0.36	0.38	0.47	0.54	0.62	0.69	0.73
No. of shares, weighted	130	130	136	136	136	136	136	136	136	136	136	136	136	136
Balance sheet items (€m)	2011a	2012a	2013a	2014a	2015a	2016a	2017a	2018a	2019e	2020e	2021e	2022e	2023e	2024e
Fixed assets, net	378	415	431	446	498	499	515	542	567	590	618	645	672	698
Cash & equivalents	158	185	170	288	299	395	366	437	593	664	731	802	875	949
Current assets	396	412	421	552	557	679	713	792	964	1,050	1,133	1,215	1,297	1,383
Total assets	795	857	894	1,034	1,090	1,209	1,260	1,362	1,559	1,668	1,779	1,888	1,997	2,108
Equity	523	593	639	745	797	916	962	1,058	1,191	1,300	1,411	1,522	1,632	1,743
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long term debt	154	152	1	144	144	144	144	0	200	200	200	200	200	200
Long term liab	163	162	13	156	170	165	164	34	234	234	234	234	234	234
Short term debt	2	2	148	21	3	0	15	150	3	3	3	3	3	3
Current liabilities	109	101	242	133	123	129	134	270	134	134	135	133	131	131
Equity & liabilities	795	857	894	1,034	1,090	1,209	1,260	1,362	1,559	1,668	1,779	1,888	1,997	2,108
Cash flow items (€m)	2011a	2012a	2013a	2014a	2015a	2016a	2017a	2018a	2019e	2020e	2021e	2022e	2023e	2024e
Gross cash flow	96	105	94	138	127	156	152	176	188	199	212	223	232	239
Δworking capital	-1	-3	30	10	-12	28	52	5	6	14	17	13	11	11
Operating cash flow	97	108	64	128	139	112	104	164	183	185	195	210	221	228
Capex	55	53	34	28	63	27	22	34	50	50	55	55	55	55
Free cash flow	42	55	31	100	76	85	82	130	133	135	141	155	166	173
Δdebt	-2	-2	-5	16	-18	-3	15	-10	53	0	0	0	0	0
Δequity	0	-27	-27	1	0	0	0	0	0	0	0	0	0	0
Dividends	25	0	0	0	45	86	46	48	57	64	74	84	93	99
Dividends to mins	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Position	158	185	170	288	299	395	366	437	593	664	731	802	875	949
Y-o - Y change (%)	2011a	2012a	2013a	2014a	2015a	2016a	2017a	2018a	2019e	2020e	2021e	2022e	2023e	2024e
Revenues	1%	1%	2%	8%	8%	9%	7%	11%	8%	6%	7%	4%	3%	3%
Ebitda	-7%	-1%	-18%	33%	9%	15%	6%	14%	6%	5%	7%	5%	4%	3%
Ebit	-9%	-2%	-22%	39%	9%	17%	7%	14%	7%	6%	7%	5%	4%	3%
Pre tax income	-7%	-1%	-20%	36%	5%	21%	5%	14%	7%	6%	7%	5%	4%	4%
Net income	19%	3%	-24%	37%	4%	16%	8%	15%	7%	6%	7%	5%	4%	4%
EPS	19%	3%	-27%	37%	4%	16%	8%	15%	7%	6%	7%	5%	4%	4%
Margins (%)	2011a	2012a	2013a	2014a	2015a	2016a	2017a	2018a	2019e	2020e	2021e	2022e	2023e	2024e
Ebitda	28%	27%	22%	27%	27%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Ebit	24%	24%	18%	23%	24%	25%	25%	26%	26%	26%	26%	26%	26%	26%
Pre tax income	25%	24%	19%	24%	24%	26%	25%	26%	26%	26%	26%	26%	27%	27%
Net income	19%	20%	15%	19%	18%	19%	19%	20%	20%	20%	20%	20%	20%	21%
Ratios & valuation	2011a	2012a	2013a	2014a	2015a	2016a	2017a	2018a	2019e	2020e	2021e	2022e	2023e	2024e
P/E	24.4x	23.7x	32.6x	23.8x	23.0x	19.9x	18.4x	16.0x	14.9x	14.0x	13.0x	12.4x	11.9x	11.5x
P/BV	4.4x	3.9x	3.8x	3.2x	3.0x	2.6x	2.5x	2.3x	2.0x	1.9x	1.7x	1.6x	1.5x	1.4x
EV/Sales	4.9x	4.8x	4.8x	4.2x	3.9x	3.4x	3.2x	2.8x	2.5x	2.3x	2.0x	1.9x	1.8x	1.6x
EV/EBITDA	17.8x	17.7x	21.7x	15.6x	14.2x	11.8x	11.3x	9.6x	8.6x	7.9x	7.1x	6.5x	6.1x	5.6x
EV/EBIT	20.1x	20.3x	26.1x	18.0x	16.4x	13.4x	12.8x	10.8x	9.6x	8.8x	8.0x	7.3x	6.7x	6.2x
FCF Yield	2.2%	2.3%	1.6%	5.7%	4.4%	5.2%	4.9%	5.1%	5.3%	6.7%	8.2%	8.8%	6.9%	7.2%
Dividend Yield	1.1%	0.0%	0.0%	1.0%	0.0%	3.6%	2.0%	2.0%	2.1%	2.6%	3.1%	3.5%	3.9%	4.1%
Payout ratio	26%	0%	0%	24%	0%	71%	37%	32%	32%	37%	40%	43%	46%	47%
Debt/equity	0.3x	0.3x	0.2x	0.2x	0.2x	0.2x	0.2x	0.1x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x
Net debt/ebitda	0.0x	-0.2x	-0.2x	-0.8x	-1.0x	-1.4x	-1.1x	-1.3x	-1.7x	-1.9x	-2.0x	-2.2x	-2.3x	-2.5x
Interest covered	19.8x	19.4x	15.4x	20.3x	18.7x	24.9x	32.0x	35.7x	35.0x	34.1x	36.5x	38.3x	39.8x	41.0x
RoE	18%	16%	12%	14%	13%	13%	14%	14%	14%	13%	13%	13%	12%	12%
RoIC	14%	13%	9%	11%	11%	11%	12%	12%	12%	11%	11%	11%	11%	11%

(\*) Each year refers to the Fiscal year starting on July 1st of the previous year and ends June 31st of that year. For example 2018 refers to the Fiscal year 2017/18a.

Source: company data & Alpha Finance Research Estimates

Jumbo	
Current Price	17.73
Sector: Retail	

Jumbo is the biggest toy, baby, home and seasonal products retailer in Greece with strong presence in Cyprus, Bulgaria and Romania. The company operates 79 stores, 52 of which in Greece, 5 in Cyprus, 9 in Bulgaria and 13 in Romania. The company also operates through franchise agreements in Serbia, Albania, Kosovo, FYROM and Bosnia.

website: [www.jumbo.gr](http://www.jumbo.gr)

all prices as of July 22, 2019

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## Valuation

DCF model returns a fair value of €25.4/share (43% upside)

We value Jumbo through a 2-stage DCF model in which we form an explicit set of forecasts for the period up to 2023-24e. We have lowered our WACC assumption to 6.5% from 7.8% previously, in order to account for the drop of the 10-year bond yields in the countries that Jumbo operates in. In particular, our WACC estimate is based on ERP and risk free rate of 5% and 2.3% (country weighted based on 2019/20e EBITDA contribution) respectively, while we set a terminal growth rate of 1% in order to account for the long term upside potential due to the expansion abroad and the recovery of the Greek economy. Our DCF model returns a fair value of €25.4 per share, implying upside potential of 43% from current price levels.

Jumbo DCF Model	2019-20e	2020-21e	2021-22e	2022-23e	2023-24e
Revenues	863	921	959	991	1,024
EBITDA	248	264	277	287	296
EBIT * (1 - tax rate) (I)	171	182	192	199	205
CAPEX	50	55	55	55	55
Depreciation & Amortization	26	27	28	29	29
- (Capex - Depreciation) (II)	24	28	27	26	26
- Change in Working Capital (III)	14	17	13	11	11
Reinvestment (II+III=IV)	37	44	40	37	37
Free Cash Flow (I-IV)	133	138	152	162	168
WACC	6.4%	6.4%	6.5%	6.5%	6.5%
Discounting Factor	100%	94%	88%	83%	78%
<b>Discounted FCF</b>		<b>130</b>	<b>134</b>	<b>134</b>	<b>131</b>
PV of Cash Flows	528				
+ Residual Value	2,403				
Terminal Growth Rate	1.0%				
- Net Debt (19/20e)	-461				
- Minorities	0				
<b>Equity Value</b>	<b>3,393</b>				
Shares (mn)	136				
Dividend per Share (2019-20e)	0.47				
<b>DCF per share</b>	<b>25.4</b>				

Source: Jumbo Alpha Finance estimates, Bloomberg

### Assumptions

ERP: 5%, Rf: 2.3%

We also present a sensitivity of Jumbo's valuation to WACC and terminal growth changes. For every 1pp change in our 6.5% WACC assumption there is a c€3.4-4.8 sensitivity in our target price (c13-19%), while the same change in our 1% long-term growth assumption leads to c€2.7-4.1/share sensitivity (c11-16%).

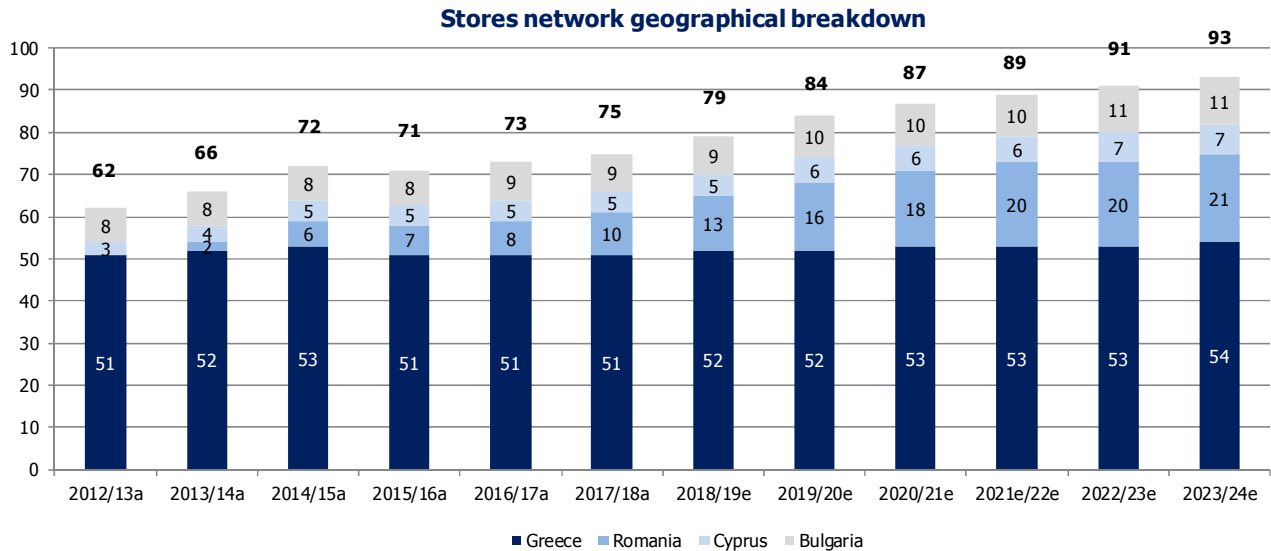
WACC vs. Terminal Growth Sensitivity			
WACC/Tg	0.0%	1.0%	2.0%
4.5%	31.26	37.87	50.27
5.5%	26.17	30.25	36.94
6.5%	22.66	<b>25.40</b>	29.54
7.5%	20.10	22.05	24.84
8.5%	18.14	19.59	21.58

Source: Alpha Finance estimates

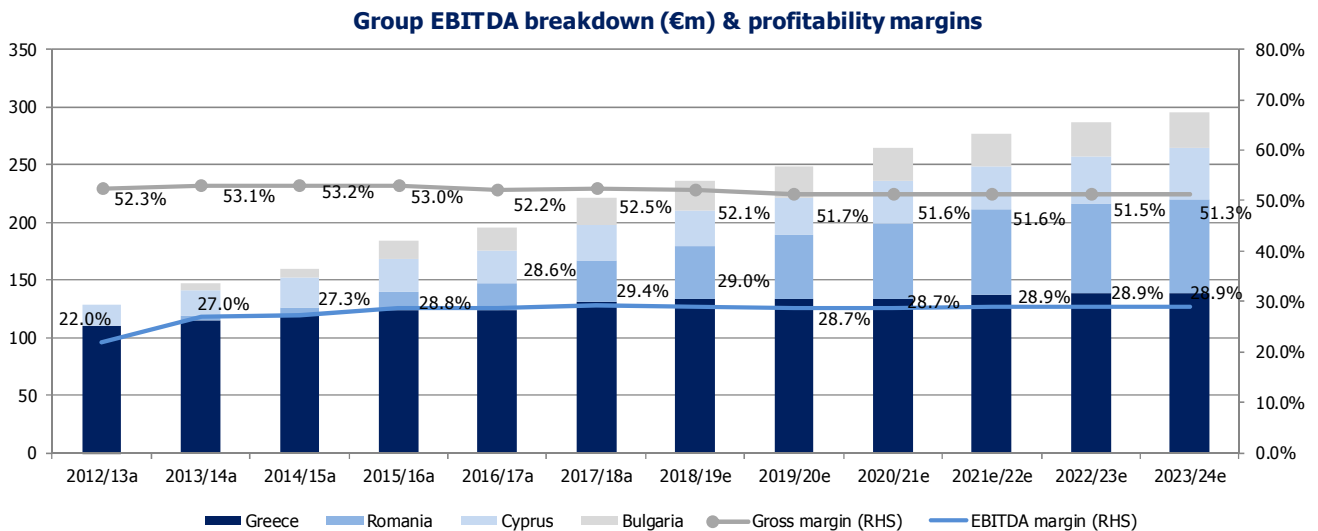
Forecast Changes Profit & Loss (€m)	2017/18a	2018/19e		2019/20e		2020/21e		2021/22e		2022/23e		2023/24e		CAGR 18/21e	
		Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
Greece	489.0	492.7	506.3	507.7	522.1	522.6	532.5	533.0	544.2	535.7	548.6	544.3	557.4	2.2%	2.9%
% change	3.9%	0.8%	3.5%	3.0%	3.1%	2.9%	2.0%	2.0%	2.2%	0.5%	0.8%	1.6%	1.6%		
% of sales	64.9%	61.2%	62.3%	58.4%	60.5%	55.4%	57.8%	53.5%	56.8%	51.1%	55.4%	49.5%	54.4%		
Bulgaria	78.1	84.1	85.1	91.1	89.4	100.2	96.6	105.5	99.5	115.3	105.4	124.8	111.6	8.7%	7.4%
% change	20.8%	7.7%	9.0%	8.3%	5.0%	10.0%	8.1%	5.3%	2.9%	9.3%	6.0%	8.2%	5.8%		
% of sales	10.4%	10.4%	10.5%	10.5%	10.4%	10.6%	10.5%	10.6%	10.4%	11.0%	10.6%	11.4%	10.9%		
Cyprus	85.7	90.0	87.3	99.4	91.9	114.7	103.7	120.1	105.1	132.7	113.5	145.6	122.1	10.2%	6.6%
% change	6.2%	5.1%	2.0%	10.5%	5.2%	15.4%	12.8%	4.7%	1.3%	10.5%	8.0%	9.7%	7.6%		
% of sales	11.4%	11.2%	10.8%	11.4%	10.6%	12.2%	11.3%	12.1%	11.0%	12.7%	11.5%	13.3%	11.9%		
Romania	100.6	138.8	133.5	171.0	159.8	205.7	188.4	236.8	209.9	264.6	223.5	283.9	233.1	26.9%	23.3%
% change	53.3%	37.9%	32.7%	23.2%	19.7%	20.3%	17.9%	15.1%	11.4%	11.7%	6.5%	7.3%	4.3%		
% of sales	13.4%	17.2%	16.4%	19.7%	18.5%	21.8%	20.5%	23.8%	21.9%	25.2%	22.6%	25.8%	22.8%		
<b>Total Revenues</b>	<b>753.3</b>	<b>805.6</b>	<b>812.2</b>	<b>869.2</b>	<b>863.2</b>	<b>943.2</b>	<b>921.2</b>	<b>995.4</b>	<b>958.6</b>	<b>1,048.3</b>	<b>991.0</b>	<b>1,098.5</b>	<b>1,024.1</b>	7.8%	6.9%
% change	10.5%	6.9%	7.8%	7.9%	6.3%	8.5%	6.7%	5.5%	4.1%	5.3%	3.4%	4.8%	3.3%		
<b>Gross Profit</b>	<b>395.1</b>	<b>415.1</b>	<b>423.1</b>	<b>447.1</b>	<b>446.2</b>	<b>487.3</b>	<b>475.7</b>	<b>512.3</b>	<b>495.0</b>	<b>538.6</b>	<b>510.1</b>	<b>564.6</b>	<b>525.7</b>		
% margin	52.5%	51.5%	52.1%	51.4%	51.7%	51.7%	51.6%	51.5%	51.6%	51.4%	51.5%	51.4%	51.3%		
% change	11.2%	5.1%	7.1%	7.7%	5.5%	9.0%	6.6%	5.1%	4.1%	5.1%	3.0%	4.8%	3.1%		
Greece	130.9	118.1	133.1	120.8	133.6	125.8	133.6	128.9	137.7	129.4	137.9	131.4	138.3	-1.3%	0.7%
% change	5.5%	-9.8%	1.7%	2.3%	0.4%	4.1%	0.0%	2.5%	3.1%	0.4%	0.1%	1.6%	0.3%		
% margin	26.8%	24.0%	26.3%	23.8%	25.6%	24.1%	25.1%	24.2%	25.3%	24.2%	25.1%	24.1%	24.8%		
% of EBITDA	59.1%	52.7%	56.5%	49.4%	53.9%	46.5%	50.6%	44.6%	49.7%	42.0%	48.1%	40.4%	46.8%		
Bulgaria	24.0	25.6	25.4	27.8	26.3	30.5	27.7	32.5	28.4	35.8	30.0	39.4	31.6	8.3%	4.9%
% change	24.2%	6.6%	5.6%	8.7%	3.6%	9.5%	5.4%	6.8%	2.6%	10.2%	5.4%	9.9%	5.3%		
% margin	30.8%	30.4%	29.8%	30.6%	29.4%	30.4%	28.7%	30.8%	28.6%	31.1%	28.4%	31.6%	28.3%		
% of EBITDA	10.9%	11.4%	10.8%	11.4%	10.6%	11.3%	10.5%	11.3%	10.3%	11.6%	10.4%	12.1%	10.7%		
Cyprus	30.3	31.5	30.5	35.2	32.2	41.2	36.8	43.3	37.3	48.2	40.6	53.2	44.0	10.8%	6.8%
% change	8.2%	4.2%	0.7%	11.6%	5.8%	17.0%	14.2%	5.1%	1.4%	11.4%	8.8%	10.4%	8.2%		
% margin	35.3%	35.0%	34.9%	35.4%	35.1%	35.9%	35.5%	36.0%	35.5%	36.3%	35.8%	36.5%	36.0%		
% of EBITDA	13.7%	14.1%	12.9%	14.4%	13.0%	15.2%	13.9%	15.0%	13.5%	15.7%	14.2%	16.4%	14.9%		
Romania	36.1	49.0	46.5	60.6	55.8	73.2	66.0	84.4	73.6	94.4	78.4	101.3	81.8	26.5%	22.2%
% change	53.7%	35.7%	28.6%	23.7%	20.1%	20.6%	18.2%	15.3%	11.5%	11.9%	6.6%	7.4%	4.3%		
% margin	35.9%	35.3%	34.8%	35.5%	34.9%	35.6%	35.0%	35.6%	35.1%	35.7%	35.1%	35.7%	35.1%		
% of EBITDA	16.3%	21.9%	19.7%	24.8%	22.5%	27.0%	25.0%	29.2%	26.6%	30.7%	27.3%	31.1%	27.7%		
<b>Total EBITDA</b>	<b>221.3</b>	<b>224.3</b>	<b>235.4</b>	<b>244.5</b>	<b>247.9</b>	<b>270.6</b>	<b>264.1</b>	<b>289.1</b>	<b>277.0</b>	<b>307.8</b>	<b>286.9</b>	<b>325.3</b>	<b>295.7</b>	6.9%	6.1%
% change	13.5%	1.3%	6.4%	9.0%	5.3%	10.7%	6.5%	6.8%	4.9%	6.5%	3.6%	5.7%	3.1%		
% margin	29.4%	27.8%	29.0%	28.1%	28.7%	28.7%	28.7%	29.0%	28.9%	29.4%	28.9%	29.6%	28.9%		
<b>Pre Tax Income</b>	<b>197.9</b>	<b>198.1</b>	<b>210.9</b>	<b>218.0</b>	<b>223.8</b>	<b>243.4</b>	<b>240.2</b>	<b>261.2</b>	<b>253.4</b>	<b>279.2</b>	<b>263.7</b>	<b>296.2</b>	<b>273.0</b>	7.1%	6.7%
% change	14.1%	0.1%	6.6%	10.0%	6.1%	11.7%	7.3%	7.3%	5.5%	6.9%	4.1%	6.1%	3.5%		
% margin	26.3%	24.6%	26.0%	25.1%	25.9%	25.8%	26.1%	26.2%	26.4%	26.6%	26.6%	27.0%	26.7%		
<b>Net Income</b>	<b>151.1</b>	<b>149.6</b>	<b>162.4</b>	<b>164.6</b>	<b>172.3</b>	<b>183.8</b>	<b>185.0</b>	<b>197.2</b>	<b>195.1</b>	<b>210.8</b>	<b>203.0</b>	<b>223.6</b>	<b>210.2</b>	6.7%	7.0%
% change	15.3%	-1.0%	7.5%	10.0%	6.1%	11.7%	7.3%	7.3%	5.5%	6.9%	4.1%	6.1%	3.5%		
% margin	20.1%	18.6%	20.0%	18.9%	20.0%	19.5%	20.1%	19.8%	20.4%	20.1%	20.5%	20.4%	20.5%		
<b>EPS</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>		
% change	15.3%	-1.0%	7.5%	10.0%	6.1%	11.7%	7.3%	7.3%	5.5%	6.9%	4.1%	6.1%	3.5%		

Geographical Breakdown of I-f-I sales growth	2017/18a	2018/19e		2019/20e		2020/21e		2021/22e		2022/23e		2023/24e	
		Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
Greece I-f-I	3.9%	0.0%	3.4%	1.5%	1.0%	1.8%	0.8%	0.9%	1.1%	0.5%	0.8%	0.5%	0.5%
Cyprus I-f-I	6.2%	5.1%	2.0%	4.8%	1.2%	4.7%	1.0%	4.7%	1.3%	3.3%	1.0%	3.0%	1.0%
Bulgaria I-f-I	11.7%	7.7%	9.0%	6.0%	3.3%	5.4%	3.0%	5.3%	2.9%	6.0%	2.8%	5.0%	2.7%
Romania I-f-I	26.6%	10.0%	5.1%	7.7%	3.7%	6.7%	3.4%	6.1%	2.9%	6.2%	2.6%	6.0%	2.4%
Group sales growth	10.5%	6.9%	7.8%	7.9%	6.3%	8.5%	6.7%	5.5%	4.1%	5.3%	3.4%	4.8%	3.3%
Group I-f-I growth	5.4%	1.7%	2.7%	3.0%	1.1%	3.2%	0.9%	2.7%	1.3%	2.8%	1.2%	2.8%	1.3%

Source: Jumbo, Alpha Finance estimates



Source: Jumbo, Alpha Finance estimates



Source: Jumbo, Alpha Finance estimates

<b>Profit &amp; Loss (€m)</b>	<b>2013/14a</b>	<b>2014/15a</b>	<b>2015/16a</b>	<b>2016/17a</b>	<b>2017/18a</b>	<b>2018/19e</b>	<b>2019/20e</b>	<b>2020/21e</b>	<b>2021/22e</b>	<b>2022/23e</b>	<b>2023/24e</b>
Greece	425.6	437.9	458.9	470.5	489.0	506.3	522.1	532.5	544.2	548.6	557.4
%change	2.9%	2.9%	4.8%	2.5%	3.9%	3.5%	3.1%	2.0%	2.2%	0.8%	1.6%
% of sales	78.6%	75.2%	72.0%	69.0%	64.9%	62.3%	60.5%	57.8%	56.8%	55.4%	54.4%
<b>Bulgaria</b>	<b>40.5</b>	<b>45.3</b>	<b>51.9</b>	<b>64.7</b>	<b>78.1</b>	<b>85.1</b>	<b>89.4</b>	<b>96.6</b>	<b>99.5</b>	<b>105.4</b>	<b>111.6</b>
%change	18.5%	12.0%	14.6%	24.5%	20.8%	9.0%	5.0%	8.1%	2.9%	6.0%	5.8%
% of sales	7.5%	7.8%	8.1%	9.5%	10.4%	10.5%	10.4%	10.5%	10.4%	10.6%	10.9%
<b>Cyprus</b>	<b>66.9</b>	<b>75.0</b>	<b>78.9</b>	<b>80.7</b>	<b>85.7</b>	<b>87.3</b>	<b>91.9</b>	<b>103.7</b>	<b>105.1</b>	<b>113.5</b>	<b>122.1</b>
%change	23.3%	12.2%	5.1%	2.3%	6.2%	2.0%	5.2%	12.8%	1.3%	8.0%	7.6%
% of sales	12.3%	12.9%	12.4%	11.8%	11.4%	10.8%	10.6%	11.3%	11.0%	11.5%	11.9%
<b>Romania</b>	<b>8.8</b>	<b>24.3</b>	<b>47.9</b>	<b>65.6</b>	<b>100.6</b>	<b>133.5</b>	<b>159.8</b>	<b>188.4</b>	<b>209.9</b>	<b>223.5</b>	<b>233.1</b>
%change	0.0%	175.1%	97.1%	37.0%	53.3%	32.7%	19.7%	17.9%	11.4%	6.5%	4.3%
% of sales	1.6%	4.2%	7.5%	9.6%	13.4%	16.4%	18.5%	20.5%	21.9%	22.6%	22.8%
<b>Total Revenues</b>	<b>541.8</b>	<b>582.5</b>	<b>637.6</b>	<b>681.4</b>	<b>753.3</b>	<b>812.2</b>	<b>863.2</b>	<b>921.2</b>	<b>958.6</b>	<b>991.0</b>	<b>1,024.1</b>
% change	7.9%	7.5%	9.4%	6.9%	10.5%	7.8%	6.3%	6.7%	4.1%	3.4%	3.3%
Gross Profit	287.8	309.7	337.9	355.5	395.1	423.1	446.2	475.7	495.0	510.1	525.7
% margin	53.1%	53.2%	53.0%	52.2%	52.5%	52.1%	51.7%	51.6%	51.6%	51.5%	51.3%
% change	9.5%	7.6%	9.1%	5.2%	11.2%	7.1%	5.5%	6.6%	4.1%	3.0%	3.1%
<b>EBIT</b>	<b>127.1</b>	<b>137.9</b>	<b>161.0</b>	<b>171.8</b>	<b>196.6</b>	<b>209.7</b>	<b>221.5</b>	<b>236.9</b>	<b>249.1</b>	<b>258.4</b>	<b>266.6</b>
% change	38.8%	8.5%	16.7%	6.7%	14.4%	6.7%	5.6%	7.0%	5.2%	3.7%	3.2%
% margin	23.5%	23.7%	25.3%	25.2%	26.1%	25.8%	25.7%	25.7%	26.0%	26.1%	26.0%
Greece	114.6	120.0	123.9	124.1	130.9	133.1	133.6	133.6	137.7	137.9	138.3
%change	4.4%	4.6%	3.3%	0.1%	5.5%	1.7%	0.4%	0.0%	3.1%	0.1%	0.3%
% margin	26.9%	27.4%	27.0%	26.4%	26.8%	26.3%	25.6%	25.1%	25.3%	25.1%	24.8%
% of EBITDA	78.3%	75.4%	67.5%	63.7%	59.1%	56.5%	53.9%	50.6%	49.7%	48.1%	46.8%
<b>Bulgaria</b>	<b>5.7</b>	<b>6.9</b>	<b>16.1</b>	<b>19.3</b>	<b>24.0</b>	<b>25.4</b>	<b>26.3</b>	<b>27.7</b>	<b>28.4</b>	<b>30.0</b>	<b>31.6</b>
%change	-131.9%	20.7%	132.4%	20.2%	24.2%	5.6%	3.6%	5.4%	2.6%	5.4%	5.3%
% margin	14.2%	15.3%	31.0%	29.9%	30.8%	29.8%	29.4%	28.7%	28.6%	28.4%	28.3%
% of EBITDA	3.9%	4.4%	8.8%	9.9%	10.9%	10.8%	10.6%	10.5%	10.3%	10.4%	10.7%
<b>Cyprus</b>	<b>22.6</b>	<b>25.7</b>	<b>27.4</b>	<b>28.0</b>	<b>30.3</b>	<b>30.5</b>	<b>32.2</b>	<b>36.8</b>	<b>37.3</b>	<b>40.6</b>	<b>44.0</b>
%change	21.1%	13.7%	6.9%	1.9%	8.2%	0.7%	5.8%	14.2%	1.4%	8.8%	8.2%
% margin	33.7%	34.2%	34.8%	34.7%	35.3%	34.9%	35.1%	35.5%	35.5%	35.8%	36.0%
% of EBITDA	15.4%	16.1%	14.9%	14.4%	13.7%	12.9%	13.0%	13.9%	13.5%	14.2%	14.9%
<b>Romania</b>	<b>3.6</b>	<b>6.7</b>	<b>16.2</b>	<b>23.5</b>	<b>36.1</b>	<b>46.5</b>	<b>55.8</b>	<b>66.0</b>	<b>73.6</b>	<b>78.4</b>	<b>81.8</b>
%change	0.0%	87.0%	144.0%	44.8%	53.7%	28.6%	20.1%	18.2%	11.5%	6.6%	4.3%
% margin	40.3%	27.4%	33.9%	35.8%	35.9%	34.8%	34.9%	35.0%	35.1%	35.1%	35.1%
% of EBITDA	2.4%	4.2%	8.8%	12.1%	16.3%	19.7%	22.5%	25.0%	26.6%	27.3%	27.7%
<b>Total EBITDA</b>	<b>146.5</b>	<b>159.2</b>	<b>183.7</b>	<b>194.9</b>	<b>221.3</b>	<b>235.4</b>	<b>247.9</b>	<b>264.1</b>	<b>277.0</b>	<b>286.9</b>	<b>295.7</b>
% change	32.6%	8.7%	15.4%	6.1%	13.5%	6.4%	5.3%	6.5%	4.9%	3.6%	3.1%
% margin	27.0%	27.3%	28.8%	28.6%	29.4%	29.0%	28.7%	28.7%	28.9%	28.9%	28.9%
Financials	2.7	1.7	1.9	1.8	1.3	1.2	2.3	3.3	4.3	5.3	6.4
% change	-25.4%	-38.0%	13.2%	-4.5%	-28.4%	-5.9%	91.7%	43.2%	29.5%	23.3%	19.5%
<b>Pre Tax Income</b>	<b>130.0</b>	<b>137.0</b>	<b>165.1</b>	<b>173.5</b>	<b>197.9</b>	<b>210.9</b>	<b>223.8</b>	<b>240.2</b>	<b>253.4</b>	<b>263.7</b>	<b>273.0</b>
% change	35.8%	5.4%	20.6%	5.0%	14.1%	6.6%	6.1%	7.3%	5.5%	4.1%	3.5%
% margin	24.0%	23.5%	25.9%	25.5%	26.3%	26.0%	25.9%	26.1%	26.4%	26.6%	26.7%
Total Tax	28.7	32.1	43.9	42.5	46.8	48.5	51.5	55.2	58.3	60.6	62.8
% Effective tax rate	22.1%	23.4%	26.6%	24.5%	23.6%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
<b>Net Income</b>	<b>101.2</b>	<b>104.8</b>	<b>121.3</b>	<b>131.0</b>	<b>151.1</b>	<b>162.4</b>	<b>172.3</b>	<b>185.0</b>	<b>195.1</b>	<b>203.0</b>	<b>210.2</b>
% change	36.9%	3.5%	15.7%	8.0%	15.3%	7.5%	6.1%	7.3%	5.5%	4.1%	3.5%
% margin	18.7%	18.0%	19.0%	19.2%	20.1%	20.0%	20.0%	20.1%	20.4%	20.5%	20.5%
<b>EPS</b>	<b>0.74</b>	<b>0.77</b>	<b>0.89</b>	<b>0.96</b>	<b>1.11</b>	<b>1.19</b>	<b>1.27</b>	<b>1.36</b>	<b>1.43</b>	<b>1.49</b>	<b>1.55</b>
% change	36.8%	3.5%	15.7%	8.0%	15.3%	7.5%	6.1%	7.3%	5.5%	4.1%	3.5%

<b>Balance Sheet (€m)</b>	<b>2013/14a</b>	<b>2014/15a</b>	<b>2015/16a</b>	<b>2016/17a</b>	<b>2017/18a</b>	<b>2018/19e</b>	<b>2019/20e</b>	<b>2020/21e</b>	<b>2021/22e</b>	<b>2022/23e</b>	<b>2023/24e</b>
Cash	287.6	298.9	394.7	366.0	436.9	593.3	664.5	731.0	802.4	874.7	949.0
Inventories	186.2	197.8	196.8	239.2	247.8	255.9	268.5	283.1	292.1	300.4	310.0
Trade debtors and other	30.7	15.5	32.6	34.6	32.7	37.8	39.7	42.1	43.9	45.3	46.9
Other Receivables	33.3	33.3	44.5	70.2	72.5	75.0	75.0	75.0	75.0	75.0	75.0
Other Current Assets	14.1	11.7	10.4	3.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Current Assets</b>	<b>551.8</b>	<b>557.2</b>	<b>678.9</b>	<b>713.3</b>	<b>791.8</b>	<b>963.9</b>	<b>1049.6</b>	<b>1133.2</b>	<b>1215.3</b>	<b>1297.4</b>	<b>1382.8</b>
Tangible Assets	445.9	497.9	498.8	514.9	542.5	566.7	590.3	618.0	645.1	671.5	697.5
Investment Property	6.5	6.1	5.7	5.4	5.0	4.9	4.9	4.9	4.8	4.8	4.8
Investments in Subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other I/t Receivables	30.1	29.1	26.0	26.0	22.9	22.9	22.9	22.9	22.9	22.9	22.9
<b>L/T Assets</b>	<b>482.4</b>	<b>533.1</b>	<b>530.5</b>	<b>546.2</b>	<b>570.3</b>	<b>594.6</b>	<b>618.1</b>	<b>645.8</b>	<b>672.8</b>	<b>699.2</b>	<b>725.2</b>
<b>Total Assets</b>	<b>1034.2</b>	<b>1090.3</b>	<b>1209.4</b>	<b>1259.6</b>	<b>1362.1</b>	<b>1558.5</b>	<b>1667.7</b>	<b>1779.0</b>	<b>1888.1</b>	<b>1996.6</b>	<b>2108.0</b>
S/T debt	20.0	2.9	0.2	14.8	4.9	3.0	3.0	3.0	3.0	3.0	3.0
L/T debt payable in the s	1.4	0.0	0.0	0.0	144.7	0.0	0.0	0.0	0.0	0.0	0.0
Account Payables	52.2	51.4	39.1	39.8	40.3	40.5	41.1	41.5	39.4	38.2	38.2
Provisions	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Current tax liabilities	38.6	40.0	51.4	49.4	49.8	50.0	50.0	50.0	50.0	50.0	50.0
Other Current liabilities	20.8	29.0	37.7	29.5	30.1	40.0	40.0	40.0	40.0	40.0	40.0
<b>S/T liabilities</b>	<b>133.3</b>	<b>123.5</b>	<b>128.6</b>	<b>133.9</b>	<b>270.0</b>	<b>133.8</b>	<b>134.4</b>	<b>134.7</b>	<b>132.6</b>	<b>131.5</b>	<b>131.4</b>
L/T Debt	143.7	143.9	144.2	144.4	0.0	200.0	200.0	200.0	200.0	200.0	200.0
Other long Term liabilities	0.1	13.0	5.8	4.7	17.9	17.9	17.9	17.9	17.9	17.9	17.9
Deferred tax liabilities	7.6	7.0	7.8	8.0	7.9	7.9	7.9	7.9	7.9	7.9	7.9
Liabilities for pension pla	4.7	5.8	7.4	6.9	7.7	7.7	7.7	7.7	7.7	7.7	7.7
<b>L/T Liabilities</b>	<b>156.1</b>	<b>169.6</b>	<b>165.3</b>	<b>164.0</b>	<b>33.6</b>	<b>233.6</b>	<b>233.6</b>	<b>233.6</b>	<b>233.6</b>	<b>233.6</b>	<b>233.6</b>
Share Capital	161.9	161.9	119.7	119.7	119.7	119.7	119.7	119.7	119.7	119.7	119.7
Share Premium	7.7	7.7	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Currency translation adjt	-0.6	-0.9	-1.8	-2.5	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1
other reserves	339.5	361.6	436.8	432.7	462.9	490.0	490.0	490.0	490.0	490.0	490.0
Retained earnings	236.1	266.9	310.9	361.8	431.0	536.5	645.1	756.1	867.3	977.0	1088.4
<b>Equity</b>	<b>744.5</b>	<b>797.2</b>	<b>915.6</b>	<b>961.7</b>	<b>1058.5</b>	<b>1191.2</b>	<b>1299.7</b>	<b>1410.7</b>	<b>1521.9</b>	<b>1631.6</b>	<b>1743.0</b>
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Equity &amp; Minorities</b>	<b>744.5</b>	<b>797.2</b>	<b>915.6</b>	<b>961.7</b>	<b>1058.5</b>	<b>1191.2</b>	<b>1299.7</b>	<b>1410.7</b>	<b>1521.9</b>	<b>1631.6</b>	<b>1743.0</b>
<b>Total Liabilities</b>	<b>1033.9</b>	<b>1090.3</b>	<b>1209.4</b>	<b>1259.6</b>	<b>1362.1</b>	<b>1558.5</b>	<b>1667.7</b>	<b>1779.0</b>	<b>1888.1</b>	<b>1996.6</b>	<b>2108.0</b>

Cash Flow (€m)	2013/14a	2014/15a	2015/16a	2016/17a	2017/18a	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
<b>Net income</b>	<b>101.2</b>	<b>104.8</b>	<b>121.3</b>	<b>131.0</b>	<b>151.1</b>	<b>162.4</b>	<b>172.3</b>	<b>185.0</b>	<b>195.1</b>	<b>203.0</b>	<b>210.2</b>
Plus: Depreciation & Ar	19.4	21.2	22.7	23.1	24.7	25.7	26.5	27.2	27.9	28.5	29.0
Plus: Chng in Provision:	0.1	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Chng in Taxes Pa	16.9	1.4	11.4	(2.0)	0.4	0.2	0.0	0.0	0.0	0.0	0.0
Plus: Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: non cash taxes	0.0	(0.7)	0.8	0.2	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Gross Cash Flow</b>	<b>137.7</b>	<b>126.8</b>	<b>156.2</b>	<b>152.3</b>	<b>176.1</b>	<b>188.3</b>	<b>198.8</b>	<b>212.2</b>	<b>223.1</b>	<b>231.6</b>	<b>239.3</b>
Plus: Chng in Acc Payal	(0.1)	(0.8)	(12.3)	0.8	0.5	0.2	0.6	0.4	(2.1)	(1.2)	(0.0)
Plus: Chng in other cur	1.0	8.2	8.7	(8.1)	0.5	9.9	0.0	0.0	0.0	0.0	0.0
Less: Chng in Acc. Recv	7.0	(15.2)	17.0	2.0	(1.9)	5.2	1.9	2.4	1.7	1.5	1.5
Less: Other Receivable	(6.7)	(1.0)	8.1	0.0	(0.9)	2.5	0.0	0.0	0.0	0.0	0.0
Less: Chng in Inventori	10.2	11.6	(1.0)	42.5	8.6	8.1	12.6	14.7	9.0	8.3	9.5
Working Capital Chng	9.5	(11.9)	27.7	51.8	4.8	5.6	13.9	16.7	12.8	11.0	11.1
<b>Operating Cash Flow</b>	<b>128.1</b>	<b>138.7</b>	<b>111.7</b>	<b>103.9</b>	<b>164.5</b>	<b>182.7</b>	<b>184.9</b>	<b>195.5</b>	<b>210.3</b>	<b>220.6</b>	<b>228.1</b>
Less: Purchases of Fixe	33.6	63.4	34.7	38.0	42.2	50.0	50.0	55.0	55.0	55.0	55.0
Less: Chng in Investme	(5.8)	(0.4)	(7.6)	(15.6)	(7.7)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Free Cash Flow</b>	<b>100.4</b>	<b>75.7</b>	<b>84.6</b>	<b>81.5</b>	<b>130.0</b>	<b>132.7</b>	<b>135.0</b>	<b>140.5</b>	<b>155.3</b>	<b>165.7</b>	<b>173.2</b>
Less: Dividends Paid	0.0	45.0	0.0	124.5	48.0	56.8	63.8	74.0	83.9	93.4	98.8
Plus: Equity Chng	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Debt Chng	15.7	-18.3	-2.7	14.6	-9.9	53.4	0.0	0.0	0.0	0.0	0.0
Plus: Grants Chng	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Dividends to Minc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: Consolidation adj	-3	0	0	0	0	0	0	0	0	0	0
Plus: Other	3.2	-1.0	13.9	-0.4	-1.2	27.1	0.0	0.0	0.0	0.0	0.0
Chng in Cash Position	117.6	11.4	95.8	(28.7)	70.8	156.4	71.2	66.5	71.4	72.3	74.4
<b>Cash Position</b>	<b>287.6</b>	<b>298.9</b>	<b>394.7</b>	<b>366.0</b>	<b>436.9</b>	<b>593.3</b>	<b>664.5</b>	<b>731.0</b>	<b>802.4</b>	<b>874.7</b>	<b>949.0</b>



## DISCLOSURE APPENDIX

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#### Company specific regulatory disclosures

##### Disclosure checklist for companies mentioned & other price data information

	Reuters	Rating	Price	Price date/time	Disclosure	
Jumbo (Babyland)	BABr.AT	Outperform	€17.73	Official close @	22 Jul 2019	3

Source: Alpha Finance

- Alpha Finance and/or its affiliate(s) has acted as manager/co-manager/adviser in the underwriting or placement of securities of this company within the past 12 months
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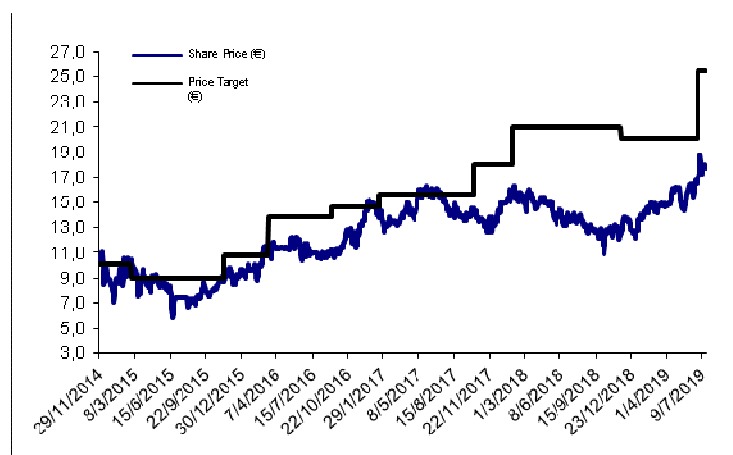
##### Major changes vs. previous research reports

Date of report	Price on report date (€)	TP (€)	Rating	Forward <sup>1</sup> EPS (€)
29/11/2018	12.84	20.10	Outperform	1.10

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

#### Ratings and target price history

##### Price chart for Jumbo



##### Rating history for Jumbo

DATE	Rating	Share Price (€)	Price Target (€)
23/11/2012	neutral	5.11	5.00
27/2/2013	neutral	7.23	8.55
20/5/2013	neutral	7.95	8.20
09/10/2013	neutral	9.60	9.20
09/12/2013	outperform	11.20	13.80
07/03/2014	outperform	13.05	15.10
01/10/2014	outperform	10.35	13.00
08/12/2014	neutral	11.07	10.06
14/10/2015	neutral	8.19	9.30
08/12/2014	neutral	9.75	10.80
29/03/2016	outperform	11.89	13.90
17/10/2016	outperform	11.94	14.60
10/03/2017	outperform	13.25	15.60
6/11/2017	outperform	13.56	18.00
29/1/2018	outperform	15.86	21.00
29/11/2018	outperform	12.84	20.10
23/07/2019	outperform	17.73	25.40

#### Regulatory disclosures

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**Valuation method**

Our valuation for Jumbo is based on a DCF model. We use a WACC of 6.5% with terminal growth rate at 1%. We use a country weighted risk free rate of 2.3%, a beta of 0.93 and equity risk premium of 5%.

**Risk rating**

We rate Jumbo as medium risk based on the qualitative/ quantitative assessment of risk we apply on the company (see definitions of risk below). We consider the following the biggest investment risks for the shares: a) macroeconomic environment, b) adverse currency changes, c) increased transportation cost, d) potential competition, e) potential change of consumers habits.

**Definitions of Fundamental and Risk Ratings and Allocations****RISK RATING**

Low (L)	Medium (M)	High (H)	Relative to	Horizon <sup>2</sup>	Coverage <sup>3</sup>	IB services <sup>4</sup>
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FUNDAMENTAL RATING	Outperform O/P	TRP <sup>1</sup> > +5%	TRP <sup>1</sup> > +15%	ASE Index	Dec.'11	6/40	15.0%
	Neutral N	(5%) < TRP <sup>1</sup> < +5%				5/40	12.5%
	Underperform U/P	TRP <sup>1</sup> < (5%)	TRP <sup>1</sup> < (15%)			0/40	0.0%
	Restricted (G) R(G)	Alpha Finance belongs to the same group of companies				1/40	2.5%
	Restricted (IB) R (IB)	Alpha Finance is currently rendering investment banking services				0/40	0.0%
	Under review UR/ Not rated NR	No rating currently available				29/40	72.5%

Source: Alpha Finance | Data as of 31.12.18 | 1: Total Return Potential (=capital return + dividend yield) | 2: except otherwise stated | 3: Percentage of companies under coverage within this category as of 31.12.18 | 4: Percentage of companies within this rating category for which investment banking services were provided over the past 12 months, as of 31.12.18. In several occasions, subject to the analyst's view and/or due to volatility of the shares, the ratings applied may fall out of the brackets described in the table above.

The Alpha Finance universe consists of 50 companies accounting as of 31.12.18 for 84.9% of total market value

**Risk ratings explained**

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

**Definitions of Risk Ratings**

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

Source: Alpha Finance | Data as of 31.12.18 | The quant factors are updated at the end of each calendar quarter

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