

Company Update

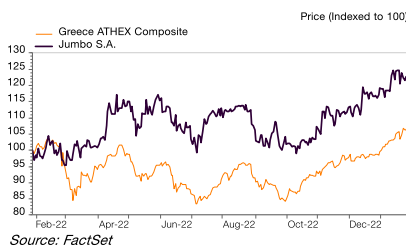
Recommendation

Rating	BUY
Target Price	€ 22.7
Share Price	€ 16.77
Price date	27/1/2023
Upside/Downside	36%
Bloomberg ticker	BELA GA
Reuters ticker	BABr.AT

Statistics

Mkt Cap (EUR m)	€ 2,282
Shares out (m)	136.1
Free float	80.6%
Daily avg shares (th) 12mths	208.7
Price high 12mths	16.77
Price low 12mths	12.16
ABS. PERF. YtD	4.9%
ABS. PERF. 12mths	25.1%
ABS. PERF. 3mths	21.0%
ABS. PERF. 1mth	7.0%

Graph | indexed vs. ASE index | 12M



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All eyes on Jumbo; Stepping into 2023 with positive momentum

Valuation | We resume coverage on Jumbo and set our target price at EUR 22.7/share on the back of a solid and successful investment story that features 1/ steady stores expansion, 2/ high returns alongside 3/ good operating cash flow generation that supports the ongoing investment plan and creates room to increase further its dividend distributions in the coming years. We value Jumbo by applying a DCF model based on a 9.7% WACC and 1.0% terminal growth rate. Our target price indicates a 36% upside potential from current levels, therefore **we set a 'Buy' rating** on the stock. We should highlight that Jumbo is among our top picks for 2023.

Attractive valuation vs. peers | The stock trades at 10.1x P/E 2023, on our numbers, vs. 17.5x for its selected peers, implying a discount of 42.3%, and below its 10-year average P/E of 12.2x. We reiterate that the current discount vs. its peers is unjustified given Jumbo's well-placed business model, prudent strategy as well as its healthy balance sheet. Historically (10-yr avg.), the stock has been trading on a 12.2x on an avg. P/E multiple, and a 7.3x on avg. EV/EBITDA multiple.

Outstanding performance in 2022 | Over the past year, group's stores network operated without tight restrictions related to Covid-19 pandemic. Despite that, throughout the year, numerous headwinds emerged on the back of concerns re. increasing costs of inventory and supply chain disruptions in the international trade. In these circumstances, in early April 2022, management guided for sales growth between 2% and 5% in 2022, due to timing uncertainties of 1/ transportation costs de-escalation and supply chain normalisation as well as 2/ the increasing inflationary pressures affecting customers' spending. In early Jan-23, Jumbo announced FY22 sales surge of c.14% y-o-y (+12% vs. 2019), beating mgmt.'s conservative outlook of 2%-5% sales improvement in 2022. In terms of profitability, we expect that Jumbo will close the year with an impressive gross profit margin at 54.5% (-120bps vs. 2021) due to its tight inventory management, an enhanced EBITDA at EUR 317.4m (+4.1% y-o-y), and net profits at EUR 222.3m (+2.7% y-o-y). Additionally, we assume capex of EUR 55m and free cash flows of EUR 113.8m, resulting in group's net cash of EUR 503.7m. In 2022, the company distributed EUR 1.16 /share, indicating a 7.2% dividend yield, and restated its stores rollout plan (3 new stores to start operations in 2023 alongside the launch of the online shop in Romania). Last but not least, in Jul-22, Jumbo launched its share buyback program of up to 10% of the company's share capital for a price range between EUR 1.0 and EUR 13.50 per share. The program will last until May 2024.

Stores network | As of Jan-23, Jumbo operates 83 stores in Greece, Cyprus, Bulgaria and Romania, while, the online shop is operational in Greece and Cyprus. The company has presence in other countries through 32 stores operating under the Jumbo brand in the following six countries: Albania, Kosovo, Serbia, North Macedonia, Bosnia and Montenegro.

Earnings forecasts | We set our 2023 P&L forecasts, expecting group sales of EUR 1,010.6m (+6.4% y-o-y), EBITDA of EUR 323.8m (+2.0% y-o-y) and net profits of EUR 225.6m (+1.5% y-o-y). Our gross profit margin estimate stands at 52.7% (-180bps) for 2023 expected to reach pre-Covid levels. We assume group sales 21/26 CAGR of 7.7% and 21/26 EBITDA CAGR of 5.1%.

Forecasts	2022f	2023f	2024f	2025f
Revenues	950.0	1,010.6	1,081.2	1,141.9
EBITDA	317.4	323.8	348.0	369.4
Net profit	222.3	225.6	243.1	259.0
Net profit adj.	222.3	225.6	243.1	259.0
EPS adj.	1.63	1.66	1.79	1.90
DPS	1.16	0.99	1.06	1.13
Valuation Ratios	2022f	2023f	2024f	2025f
P/E adj.	9.8x	10.1x	9.4x	8.8x
EV/EBITDA adj.	5.5x	5.6x	5.0x	4.5x
P/BV	1.6x	1.5x	1.4x	1.4x
DY	7.2%	5.9%	6.3%	6.8%

Source: Optima bank research

VALUATION

We derive our fair value by applying a DCF model, with explicit P&L and cash flow forecasts for the period 2023-2026. Our valuation is based on a 9.7% WACC (4.5% risk-free rate, 5.3% risk premium) and 1.0% terminal growth rate. We have also incorporated our group's net cash position estimate at the end of December 2022, which we expect at EUR 503.7m. Our DCF model returns a fair price of EUR 22.7 /share for Jumbo, signifying a 36% upside potential from current price levels, indicating that Jumbo is undervalued at current price levels. Accordingly, **we set a 'Buy' rating** on the stock.

Table 1 | DCF Model

EUR m	2023f	2024f	2025f	2026f
EBIT	283	304	322	341
tax @ 19%	-52	-56	-58	-61
Depreciation	31	35	38	42
CAPEX	-60	-60	-60	-60
Δ(WC)	-45	-17	-13	-20
Free Cash Flow to the Firm	158	206	228	241
WACC	9.7%	9.7%	9.7%	9.7%
PV of FCFF	144	171	173	166
Sum of PV of FCFF 2023-2026	654.3			
Terminal Growth Rate	1.0%			
+ Discounted Terminal Value	1,935.4			
Enterprise Value	2,589.7			
Plus: FY22e Net Cash	503.7			
Equity value	3,093.3			
No of shares (mn)	136.1			
Target price	22.7			
Upside/ (Downside)	36%			

Source: Optima bank research

We perform a sensitivity analysis with respect to changes in the terminal growth rate and the WACC. Our sensitivity analysis returns a **price range of EUR 21.3 - EUR 24.4** for the stock.

Table 2 | Valuation sensitivity – WACC and perpetuity rate

		Discount Rate (WACC)		
		8.7%	9.7%	10.7%
Growth rate to perpetuity	0.5%	22.5	21.9	21.3
	1.0%	23.4	22.7	22.1
	1.5%	24.4	23.7	23.0

Source: Optima bank research

Multiples' valuation

On our number, Jumbo trades at a 10.1x its 2023e net earnings and 5.4x its 2023e EBITDA. Historically, the stock has been trading on a 12.2x on an avg. 10-year P/E multiple and a 7.3x on avg. 10-year EV/EBITDA multiple. Against our selected peer group, the stock trades at a 42.3% discount in P/E terms and a 43.0% discount in EV/EBITDA terms for 2023. We believe that the current discount vs. its peers is unjustified given Jumbo's well-placed business model, prudent strategy as well as its healthy balance sheet.

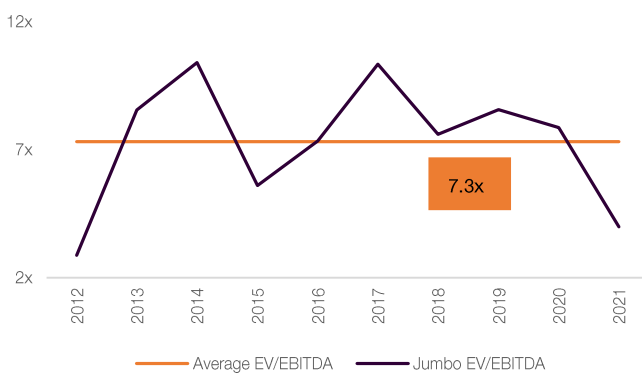
Table 3 | Peer group

Company	Market Cap. (in EUR)	P/E 2023	P/E 2024	EV/EBITDA 2023	EV/EBITDA 2024
Pepco Group	4,986	21.1	16.7	8.3	6.9
Carrefour	12,999	10.4	8.9	6.3	5.9
Dollarama	16,204	25.4	21.9	16.5	15.2
Tesco	20,667	11.7	10.5	6.8	6.5
Jerónimo Martins	12,749	19.0	17.0	-	-
Average		17.5	15.0	9.5	8.6
Jumbo SA	2,282	10.1	9.4	5.4	4.9
Premium/ (Discount)		-42.3%	-37.4%	-43.0%	-43.7%

Source: Optima bank research, FactSet data (date as of Jan. 27, 2023)

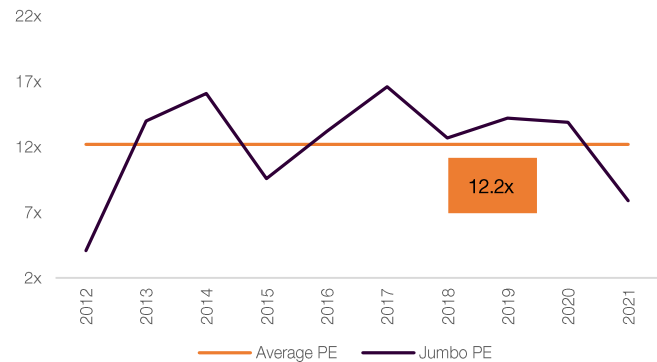
Graphs | Key valuation multiples

EV/EBITDA



Source: Optima bank research, FactSet

P/E



Source: Optima bank research, FactSet

EARNINGS PERFORMARNCE & FORECASTS

Revenues

On January 11, 2023, the company reported that group sales grew by c.14% y-o-y in 2022, at c. EUR c.950m, while also stating that sales performance in Jan-23 is outstanding. It is worth noticing the following: 1/ FY22 sales increased 12% above pre-Covid levels and 2/ strong performance was registered in a period of high seasonality in sales, such as the Christmas period, with Dec-22 sales jumping by 22% y-o-y. All countries where Jumbo operates registered positive sales growth in 2022. Greece and Cyprus recorded sales growth of 14% y-o-y and 22% y-o-y, in 2022, at c.EUR 547.2m and c.EUR 107.6m, respectively. Bulgarian and Romanian operations also posted FY22 sales surge of c.17% y-o-y and c.10% y-o-y, at c.EUR 94.8m and c.EUR 200.5m, respectively. In 2022, two stores started their operations (1 hyper-store in Mytilini, Greece, and 1 hyper-store in Sibiu, Romania).

Table 4 | Monthly revenue performance

	Group	Parent Company	Cyprus	Bulgaria	Romania
Jan-22	-14.8%	-21.0%	200.0%	-38.0%	-21.0%
Feb-22	28.0%	82.0%	3.5%	-25.0%	-18.0%
Mar-22	71.0%	48.0%	-2.0%	42.0%	3.0%
Apr-22	32.0%	47.0%	30.0%	41.0%	-2.0%
May-22	-4.5%	-9.0%	31.0%	-5.0%	-6.0%
Jun-22	12.8%	-1.4%	14.0%	1.5%	-4.0%
Jul-22	3.0%	-0.5%	21.0%	4.0%	3.0%
Aug-22	13.0%	12.0%	19.0%	4.0%	19.0%
Sep-22	7.0%	8.0%	19.0%	11.0%	-2.0%
Oct-22	12.0%	4.0%	24.0%	37.0%	21.0%
Nov-22	24.0%	12.0%	21.0%	84.0%	43.0%
Dec-22	22.0%	15.0%	21.0%	45.0%	29.0%
January-December 2022	14.0%	14.0%	22.0%	17.0%	10.0%

Source: Company data, Optima bank research

In 2022, Jumbo registered a strong sales performance which proves a business agility and operating resilience that allow the company to operate under any market conditions. In terms of stores rollout, **for 2023, management restated its plan to open the 3 new stores (1 hyper-store in Cyprus, 2 additional hyper-stores in Romania) alongside the launch of the Romanian e-shop** which is scheduled to commence operation this year. Last but not least, the first franchise store in Israel will open this year, bringing our FY23 franchise sales estimate at EUR 34.1m for the whole year. We should highlight that our FY23 estimates are based on the assumption that stores expansion will remain intact and no new restrictive measures related to Covid-19 will be imposed. We expect FY23 of EUR 1,010.6m (+6.4% y-o-y), including a EUR 4.5m contribution from the launch of the e-shop in Romania this year. We anticipate **a double-digit sales growth in Romania for 2023-2026** on the back of stores opening alongside the launch of the online store and organic growth, and **a single-digit growth in sales in Greece, Cyprus and Bulgaria in the corresponding period.**

Table 5 | Sales evolution per country (in EUR mn)

	2021	2022f	2023f	2024f	2025f	2026f	5-yr CAGR
Group sales	831.9	950.0	1,010.6	1,081.2	1,141.9	1,206.0	7.7%
Chg %	19.9%	14.2%	6.4%	7.0%	5.6%	5.6%	
Greece							
Sales	480.6	547.2	571.0	593.0	615.8	637.3	5.8%
Chg %	31.8%	13.8%	4.4%	3.8%	3.9%	3.5%	
# of stores	52	53	53	53	53	53	
% of annual group sales	57.8%	57.6%	56.5%	54.8%	53.9%	52.8%	
Romania							
Sales	182.1	200.5	227.3	262.6	297.8	336.4	13.1%
Chg %	7.0%	10.1%	13.4%	15.5%	13.4%	13.0%	
# of stores	15	16	18	20	22	24	
% of annual group sales	21.9%	21.1%	22.5%	24.3%	26.1%	27.9%	
Cyprus							
Sales	88.2	107.6	116.1	128.1	129.3	131.9	8.4%
Chg %	12.4%	22.0%	7.9%	10.3%	0.9%	2.0%	
# of stores	5	5	6	6	6	6	
% of annual group sales	10.6%	11.3%	11.5%	11.8%	11.3%	10.9%	
Bulgaria							
Sales	81.0	94.8	96.1	97.5	99.0	100.4	4.4%
Chg %	0.5%	17.0%	1.5%	1.5%	1.5%	1.5%	
# of stores	9	9	9	9	9	9	
% of annual group sales	9.7%	10.0%	9.5%	9.0%	8.7%	8.3%	

Source: Optima bank research

- Regarding **Greek operations**, we assume a 5.8% 21/26 CAGR in sales. On the back of an intensive investment plan that envisages the opening of stores in foreign countries in the coming years, we expect that the share of Greek sales on annual group basis will retreat to c.53% in 2026 from c.58% in 2021.
- For **Romanian market**, we note that in mid-Nov 2022, Jumbo opened a new hyper-store covering an area of 15,000 sqm. in the city of Sibiu, Romania, while two additional hyper-shops are expected to begin operations in 2023. In addition, we recall that the Romanian online shop is expected to be launched this year and our FY23 sales forecast includes a contribution of c.EUR 4.5m from the launch of the e-shop in late 2023. In our view, we anticipate that Romanian sales which represented 21.9% of FY21 sales will account for at least c.28% of annual group sales by year end 2026. We remind that management has confirmed its investment plans for strengthening of presence in the Romanian market in the coming years.
- In **Cyprus**, one hyper-store is to open in Nicosia, Cyprus, this year, bringing the country's stores unit to a total of 6. We expect a 8.4% 21/26 CAGR in sales.
- Given our low visibility on the company's plans for stores expansion in **Bulgaria**, we assume no further stores opening in the coming years. We expect a 4.4% 21/26 CAGR in sales.

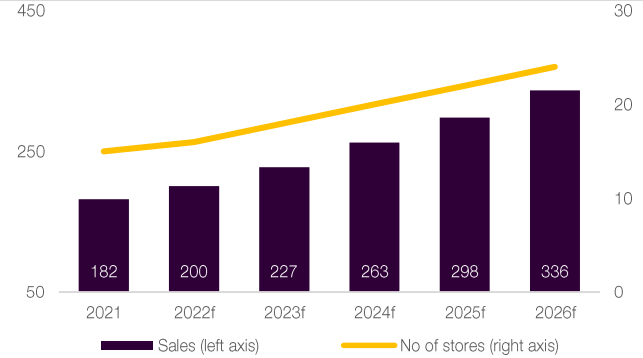
Graphs | Revenues performance per country (in EUR mn)

Greece*



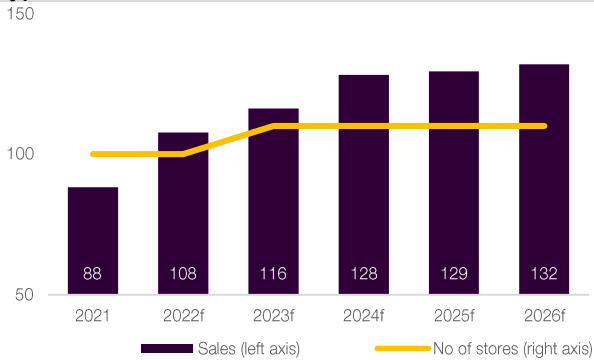
Source: Optima bank research

Romania



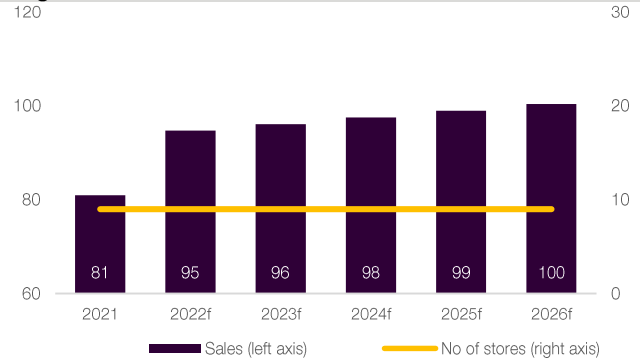
Source: Optima bank research

Cyprus



Source: Optima bank research

Bulgaria



Source: Optima bank research

*In the category "Greece" the company includes the sales from North Macedonia, Albania, Kosovo, Serbia, Bosnia and Montenegro for the corresponding period

Profitability

We expect gross profit margin to stand at 54.5% (-120bps vs. 2021) in 2022 leading to gross profits of EUR 517.7m (+11.8% y-o-y). In our view, the gross profit margin contraction of 120bps is justified due to the fact that the group proceeded in new orders at higher prices within the past year in an environment of increasing freight costs and dollar strengthening vs. EUR. We remind that the company delivered an impressive gross profit margin of 55.7%, (+390bps y-o-y) in 2021, which was achieved on the back of a defensive inventory strategy. We consider as well that key parameters affecting Jumbo's profitability are, among others, 1/ freight costs, which, in positive news, have been further decreased in 2023 (Shanghai Containerized Freight Index dropped by c.42% in the period Nov22-Jan23, standing at 1,029.75 units, as of Jan 20, 2023), and 2/ purchasing costs of US denominated products on the back of US dollar strengthening. On the opex side, we expect a 19% y-o-y increase in SG&A in 2022, resulting to an EBITDA of EUR 317.4m (+4.1% y-o-y; 33.4% margin) and EBIT of EUR 279.5m (+4.0% y-o-y; 29.4% margin). Assuming net interest expenses (incl. leases expense) of EUR 6.5m and income taxes of EUR 50.6m (we apply a country-based weighted tax rate of c.19%), we expect net profits of EUR 222.3m (+2.7% y-o-y) in 2022. For 2023, we assume a rise in opex (+5% y-o-y) mainly on the back of higher personnel expenses and increased marketing and distribution costs to support the group's investment plan. In order to mitigate any risk related to transportation costs, we expect that the company has increased its orders from suppliers located in neighboring countries, while assuming that no significant freight cost increases will occur within the year. Based on our estimates, we forecast FY23 EBITDA of EUR 323.8m (+2.0% y-o-y), with the related margin shaping in at 32.0%. Below the EBITDA line, we have assumed a gradual increase in depreciation due to hyper-stores additions, a net financial expense at EUR 6.5m and an effective tax rate of c.18.5%. That said, we forecast a net income of EUR 225.6m (+1.5% y-o-y) in 2023.

Table 6 | P&L forecasts 2022-2026

EUR m	2022f	2023f	2024f	2025f	2026f
Greece	518.0	536.9	553.0	569.6	586.7
y-o-y	14.1%	3.6%	3.0%	3.0%	3.0%
Romania	200.5	227.3	262.6	297.8	336.4
y-o-y	10.1%	13.4%	15.5%	13.4%	13.0%
Cyprus	107.6	116.1	128.1	129.3	131.9
y-o-y	22.0%	7.9%	10.3%	0.9%	2.0%
Bulgaria	94.8	96.1	97.5	99.0	100.4
y-o-y	17.0%	1.5%	1.5%	1.5%	1.5%
Franchise stores	29.1	34.1	40.0	46.2	50.6
Group sales	950.0	1,010.6	1,081.2	1,141.9	1,206.0
% change	14.2%	6.4%	7.0%	5.6%	5.6%
Cost of sales	-432.2	-478.0	-510.9	-537.8	-568.0
Gross profit	517.7	532.6	570.3	604.1	638.0
% margin	54.5%	52.7%	52.8%	52.9%	52.9%
SGA	-239.3	-250.3	-267.3	-283.3	-298.3
SGA/sales	25.2%	24.8%	24.7%	24.8%	24.7%
Other income / expenses	1.1	1.1	1.1	1.1	1.1
EBIT	279.5	283.3	304.1	321.8	340.7
% margin	29.4%	28.0%	28.1%	28.2%	28.3%
Depreciation	37.9	40.4	43.9	47.6	50.8
EBITDA	317.4	323.8	348.0	369.4	391.5
% change	4.1%	2.0%	7.5%	6.1%	6.0%
% margin	33.4%	32.0%	32.2%	32.3%	32.5%
Net financials	-6.5	-6.5	-6.1	-5.6	-5.0
EBT	273.0	276.8	297.9	316.2	335.7
Income taxes	-50.6	-51.3	-54.9	-57.2	-60.6
Effective tax rate	18.6%	18.5%	18.4%	18.1%	18.0%
Net profit	222.3	225.6	243.1	259.0	275.1
% change	2.7%	1.5%	7.8%	6.5%	6.2%

Source: Optima bank research

Good cash flow generation & dividend policy

We anticipate that the company will generate free cash flows of EUR 113.8m in 2022 on the back of significant increase in working capital needs within the year, expecting FCF to increase at EUR161.5m in 2023. Based on our forecasts, Jumbo concluded the year 2022 with a net cash position of EUR 503.7m and cash balances at EUR 789.7m. Regarding the company's dividend policy, an amount of c. EUR1.16 /share was distributed in 2022, implying a dividend yield of 7.2%. For 2023-2026, we have assumed a 59.5% dividend payout ratio, resulting in a FY23 dividend distribution of EUR 134.3m to shareholders implying an amount of EUR 0.987 /share this year.

Table 7 | Projected cash flows

EUR m	2022f	2023f	2024f	2025f	2026f
EBITDA	317.4	323.8	348.0	369.4	391.5
Income taxes	-50.6	-51.3	-54.9	-57.2	-60.6
Interest expenses (net)	-0.9	-1.0	-0.8	-0.4	0.1
Interest paid for leases	-3.1	-3.1	-3.1	-3.1	-3.1
Working capital	-91.4	-44.5	-17.0	-13.5	-19.8
Capex	-55.0	-60.0	-60.0	-60.0	-60.0
Other	-2.5	-2.4	-2.3	-2.2	-2.1
Free cash flow	113.8	161.5	210.0	233.1	246.1
Dividend payment	-157.1	-134.3	-144.7	-154.2	-163.8
DPS	1.155	0.987	1.064	1.133	1.204
New loans	0.0	0.0	0.0	0.0	0.0
Repayment of leases	-3.0	-3.0	-3.0	-3.0	-3.0
Change in cash	-46.3	24.2	62.3	75.9	79.3
Cash at the beginning	838.1	789.7	811.7	871.9	945.6
FX differences	-2.2	-2.2	-2.2	-2.2	-2.2
Cash at the end	789.7	811.7	871.9	945.6	1022.8
Total debt	286.0	283.0	280.0	277.0	274.0
Net cash	503.7	528.7	591.9	668.6	748.8

Source: Optima bank research

Table 8 | SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Solid cash flow generation • Net cash • Strong brand name • Solid business model • Leader in the Greek market • Geographical diversification 	<ul style="list-style-type: none"> • Pure importer • The majority of its products originates from China and is USD denominated • Low visibility regarding group's initiatives to enhance e-shop business
Opportunities	Threats
<ul style="list-style-type: none"> • Launch of e-commerce in Romania • Entry in new EU markets • Changes in pricing and supplier mix • Expansion of product offering to attract new costumers 	<ul style="list-style-type: none"> • Inflation may squeeze customers' disposable income • Entrance of new players in the Greek market (i.e. Pepco's debut in the Greek market, Primark is interested in entering the Greek market). • Supply chain disruptions in the international trade • FX fluctuations and freight costs increases

Source: Optima bank research

SUMMARY TABLES

Jumbo							Balance Sheet (EUR m)						
Profit & Loss (EUR m)	2020	2021	2022f	2023f	2024f	2025f	2020	2021	2022f	2023f	2024f	2025f	
Revenues	694.0	831.9	950.0	1,011	1,081	1,142	Net Tangible Assets	569.2	601.7	628.0	656.7	682.0	703.7
YoY	-18.2%	19.9%	14.2%	6.4%	7.0%	5.6%	Net Intangible Assets (incl. Goodwill)	0.0	0.0	0.0	0.0	0.0	0.0
COGS	(334.6)	(368.9)	(432.2)	(478.0)	(510.9)	(537.8)	Net Rights of Use Assets	111.8	92.8	83.6	74.4	65.2	56.0
SGA	(157.3)	(164.1)	(201.4)	(209.9)	(223.4)	(235.8)	Net Financial Assets & Other	16.5	21.6	21.6	21.6	21.6	21.6
Other Inc / (Exp)	7.0	6.1	1.1	1.1	1.1	1.1	Total Fixed Assets	697.6	716.2	733.2	752.8	768.9	781.3
EBITDA	209.0	305.0	317.4	323.8	348.0	369.4	Inventories	230.7	154.1	266.5	294.7	314.9	324.2
YoY	-19.3%	45.9%	4.1%	2.0%	7.5%	6.1%	Trade & other receivables	75.2	87.8	81.1	90.6	96.9	103.0
EBITDA (Adj.)	195.5	292.7	305.5	311.9	336.3	357.7	Cash & Equivalents	665.1	838.1	789.7	811.7	871.9	945.6
YoY	-22.6%	49.8%	4.4%	2.1%	7.8%	6.4%	Other Current Assets	1.1	1.2	1.2	1.2	1.2	1.2
<i>EBITDA Margin (adj.)</i>	<i>28.2%</i>	<i>35.2%</i>	<i>32.2%</i>	<i>30.9%</i>	<i>31.1%</i>	<i>31.3%</i>	Total Current Assets	972.1	1,081	1,138	1,198	1,285	1,374.0
D&A	(36.9)	(36.2)	(37.9)	(40.4)	(43.9)	(47.6)	Total Assets	1,670	1,797	1,872	1,951	2,054	2,155.3
EBIT	172.1	268.8	279.5	283.3	304.1	321.8	Long Term Debt	199.2	199.5	199.5	199.5	199.5	199.5
YoY	-24.4%	56.2%	4.0%	1.4%	7.3%	5.8%	LT Lease liabilities	98.1	81.9	78.9	75.9	72.9	69.9
<i>EBIT Margin (adj.)</i>	<i>24.8%</i>	<i>32.3%</i>	<i>29.4%</i>	<i>28.0%</i>	<i>28.1%</i>	<i>28.2%</i>	Other LT Liabilities	10.7	12.2	12.2	12.2	12.2	12.2
Net Financial Inc / (Exp.)	(2.1)	(2.9)	(3.7)	(3.6)	(3.3)	(2.8)	Total Long Term Liabilities	314.4	300.9	297.9	294.9	291.9	288.9
Other & FX gains / (losses)	0.0	0.0	0.0	0.0	0.0	0.0	Short Term Debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity method Inv. Inc / (Exp)	(2.3)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	ST Lease liabilities	8.5	7.6	7.6	7.6	7.6	7.6
EBT	167.8	263.1	273.0	276.8	297.9	316.2	Trade & other payables	45.0	42.2	49.7	55.0	58.8	61.9
Tax	(29.1)	(46.5)	(50.6)	(51.3)	(54.9)	(57.2)	Other Current Liabilities	82.2	118.5	125.2	113.1	118.8	117.6
<i>effective tax rate (%)</i>	<i>-17%</i>	<i>-18%</i>	<i>-19%</i>	<i>-19%</i>	<i>-18%</i>	<i>-18%</i>	Total Current Liabilities	135.8	168.2	182.5	175.6	185.1	187.1
Net Profit After Tax	138.7	216.6	222.3	225.6	243.1	259.0	Liabilities	450.1	469.1	480.4	470.5	477.0	476.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0	Shareholders Equity	1,219	1,328	1,391	1,480	1,577	1,679
Minorities	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
EAT	138.7	216.6	222.3	225.6	243.1	259.0	Total Equity	1,219	1,328	1,391	1,480	1,577	1,679.4
YoY	-21.9%	56.2%	2.7%	1.5%	7.8%	6.5%	Total Liabilities & Equity	1,669.6	1,797.5	1,871.7	1,951.0	2,053.8	2,155.3
EAT (Adj.)	138.7	216.6	222.3	225.6	243.1	259.0	Cash Flow Statement (EUR m)						
YoY	-21.9%	56.2%	2.7%	1.5%	7.8%	6.5%	EBITDA	209.0	305.0	317.4	323.8	348.0	369.4
<i>EAT Margin (adj.)</i>	<i>20.0%</i>	<i>26.0%</i>	<i>23.4%</i>	<i>22.3%</i>	<i>22.5%</i>	<i>22.7%</i>	Income taxes	(45.3)	(23.8)	(50.6)	(51.3)	(54.9)	(57.2)
Per Share Data (EUR)							Interest income / (expenses)	(0.0)	(1.6)	(0.9)	(1.0)	(0.8)	(0.4)
EPS	1.02	1.59	1.63	1.66	1.79	1.90	Interest paid for leases	(7.8)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)
YoY	-21.9%	56.2%	2.7%	1.5%	7.8%	6.5%	Change in Working Capital	25.5	73.7	(91.4)	(44.5)	(17.0)	(13.5)
EPS (adj.)	1.02	1.59	1.63	1.66	1.79	1.90	Other	0.4	2.3	(2.5)	(2.4)	(2.3)	(2.2)
YoY	-21.9%	56.2%	2.7%	1.5%	7.8%	6.5%	Cash Flow from Operations	181.7	352.4	168.8	221.5	270.0	293.1
DPS	0.90	0.77	1.16	0.99	1.06	1.13	Capex	(26.8)	(60.5)	(55.0)	(60.0)	(60.0)	(60.0)
BVPS	8.96	9.76	10.23	10.88	11.59	12.34	Other	0.1	(4.3)	0.0	0.0	0.0	0.0
Price & Mkt Cap							Cash Flow from Investments	(26.7)	(64.8)	(55.0)	(60.0)	(60.0)	(60.0)
Total Market Cap	1,933.4	1,714.4	2,174.2	2,281.7	2,281.7	2,281.7	Free Cash Flow	155.1	287.5	113.8	161.5	210.0	233.1
Share price **	14.21	12.60	15.98	16.77	16.77	16.77	Dividends Paid	(122.0)	(104.8)	(157.1)	(134.3)	(144.7)	(154.2)
Total Shares out (m)	136.1	136.1	136.1	136.1	136.1	136.1	New loans	0.0	0.0	0.0	0.0	0.0	0.0
Adj. Shares out (m)	136.1	136.1	136.1	136.1	136.1	136.1	Repayment of loans	(0.0)	0.0	0.0	0.0	0.0	0.0
Valuation							Repayment of leases	(3.4)	(7.6)	(3.0)	(3.0)	(3.0)	(3.0)
P / E (x)	13.9x	7.9x	9.8x	10.1x	9.4x	8.8x	Other	0.0	0.0	0.0	0.0	0.0	0.0
P / E (x) (adj.)	13.9x	7.9x	9.8x	10.1x	9.4x	8.8x	Capital Increase & share buy backs	0.0	0.0	0.0	0.0	0.0	0.0
P / BV (x)	1.6x	1.3x	1.6x	1.5x	1.4x	1.4x	Cash Flow from Financing	(125.5)	(112.4)	(160.1)	(137.3)	(147.7)	(157.2)
EV / Sales (x)	2.3x	1.4x	1.8x	1.7x	1.6x	1.4x	Net Cash Flow	29.6	175.1	(46)	24.2	62.3	75.9
EV / EBITDA (x)	7.5x	3.8x	5.3x	5.4x	4.9x	4.4x	FX	(1.4)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
EV / EBITDA adj. (x)	8.1x	4.0x	5.5x	5.6x	5.0x	4.5x	CASH AT YEAR END	665.1	838.1	789.7	811.7	871.9	945.6
FCF yield (FCFE/mkt cap)	8.0%	16.8%	5.2%	7.1%	9.2%	10.2%	Other Items (EUR m)						
FCF/EV (FCFF/EV)	9.9%	24.8%	6.9%	9.3%	12.5%	14.5%	Capital Employed	1,525	1,617	1,677	1,763	1,857	1,956
Payout ratio	60.3%	48.4%	70.7%	59.5%	59.5%	59.5%	Net Working Capital	260.9	199.8	297.9	330.3	353.0	365.3
Div. Yield (%) (gross)	6.3%	6.1%	7.2%	5.9%	6.3%	6.8%	Net Debt / (Cash)	(359.3)	(549.1)	(503.7)	(528.7)	(591.9)	(668.6)
Ratios							o/w gross debt (ex leases)	199.2	199.5	199.5	199.5	199.5	199.5
ROE (avg)	11.4%	17.0%	16.4%	15.7%	15.9%	15.9%	o/w lease liabilities	106.6	89.5	86.5	83.5	80.5	77.5
ROCE (adj.)	9.1%	13.8%	13.5%	13.1%	13.4%	13.6%	o/w cash	665.1	838.1	789.7	811.7	871.9	945.6
Net Debt / Equity	(29.5%)	(41.3%)	(36.2%)	(35.7%)	(37.5%)	(39.8%)	Enterprise Value (EV adj.)	1,574	1,165	1,671	1,753	1,690	1,613
Net Debt / EBITDA	(1.7x)	(1.8x)	(1.6x)	(1.6x)	(1.7x)	(1.8x)	Free cash flow	155.1	287.5	113.8	161.5	210.0	233.1
Interest Cover. (EBITDA/Fin.inter.)	100.7x	105.8x	86.6x	88.8x	105.8x	133.0x	Net Interest Income / (Expenses)	(0.0)	(1.6)	(0.9)	(1.0)	(0.8)	(0.4)
Capex / Sales	3.9%	7.3%	5.8%	5.9%	5.5%	5.3%	Free Cash Flow to Firm	155.1	289.2	114.8	162.5	210.8	233.4
WACC	8.6%	9.5%	9.7%	9.7%	9.7%	9.7%							

Source: the Company, Optima bank research

* Price: Fiscal year end at historical years & Current price for current and forecast years

Company Description: Jumbo is the largest general non-food retailer in the Greek market, also with direct presence in Cyprus, Bulgaria, Romania and the Western Balkans 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 83 stores (53 in Greece, 16 in Romania, 9 in Bulgaria and 5 in Cyprus) and 32 franchise in 6 countries of Western Balkans. In the first quarter of 2023, the first store bearing the JUMBO brand will open in Israel.

DISCLOSURE APPENDIX

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Optima bank Research Department Rating Distribution | Data current as of 27/01/2023

Recommendation System is **Absolute**: Each stock is rated on the basis of a total return, measured by the upside over a 12 month time horizon

	Buy > 10%	Neutral -5% to +10%	Sell < -5%	Under Review Suspended	Restricted
Total Coverage	68%	14%	0%	18%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%
Consumer Services Retailers	100%	0%	0%	0%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%

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- As of the date mentioned on the first page of this report, Optima bank (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
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3. Optima bank acts as a market maker for the following derivatives of the subject companies mentioned in this report: Alpha Bank (Futures, Options), Cenergy Holdings (Futures), CCH (Futures), Eurobank (Futures), Jumbo (Futures), LAMDA Development (Futures), Titan Cement (Futures), ADMIE Holdings (Futures), GEK TERNA (Futures), PPC (Futures, Options), NBG (Futures, Options), Ellaktor (Futures), ELPE (Futures), Hellenic Exchanges (Futures), Intralot (Futures), MOH (Futures), Mytilineos (Futures), OPAP (Futures, Options), OLP (Futures), OTE (Futures, Options), Terna Energy (Futures), Piraeus Bank (Futures, Options).
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8. On July 31, 2019, Motor Oil's Cyprus based wholly owned subsidiary under the legal name IREON INVESTMENTS LTD completed the acquisition of 97.08% stake in the share capital of Optima bank S.A. (former Investment Bank of Greece S.A.), 94.52% stake in the share capital of CPB Asset Management A.E.D.A.K. and 100% stake in the share capital of Laiki Factors and Forfaiters S.A.
9. Following the sale and transferring of shares from IREON INVESTMENTS LTD to numerous third parties in multiple dates since the initial acquisition, and Optima bank's subsequent EUR 80m share capital increase, in which IREON INVESTMENTS did not participate, the participation of IREON INVESTMENTS LTD in OPTIMA BANK S.A. as of January 19, 2021 was reduced to a percentage lower than 15%.

Recommendation History | Jumbo

Date	Recommendation	TP	CP (at report date)
11-Apr-22	Buy	EUR 16.60	EUR 14.40
31-Jan-22	Buy	EUR 16.60	EUR 12.98
22-Nov-21	Buy	EUR 16.40	EUR 13.26
14-Sep-21	Buy	EUR 15.60	EUR 13.08
22-Jun-21	Buy	EUR 19.50	EUR 14.41

Risks to our forecasts and valuation

- 1) A slower than expected recovery of the Greek economy or the resurgence of Covid-19 pandemic (i.e. new variants) could affect consumer spending, posing a downside risk to our P&L forecasts and target price.
- 2) Group's earnings performance is sensitive to FX movements (especially the EUR/USD currency rate) and the evolution of manufacturing costs in China.
- 3) Volatility in transport costs directly affects group's gross profit margin.
- 4) A stricter competitive environment (i.e. new market entrants, store expansion from existing players) could pose risk to group's earnings performance in the medium-term.
- 5) High dependence of the company's strategic decisions on Chairman and major shareholder of the group.

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