

<b>Share Price:</b>	<b>17,35</b>
Closing Price as 04/04/16	
Price High 52week	28,00
Price Low 52week	12,87
Market Capitalisation	1.161.551.444
Current num. of shares	66.948.210
Long Term Debt	304.343.050

Key Financials	12/15	12/16E	12/17E
Sales	1.193.044.000	1.226.379.060	1.251.806.641
EBITDA	265.007.353	248.661.949	260.867.188
EBITDA margin	22%	20%	21%
Total Debt/Equity	0,20	0,20	0,20
P/E	6,22	10,34	9,82
EPS	2,79	2,22	2,34
Dividend/Share	N/A	N/A	N/A

<b>Enterprise Value</b>	1.872.009.216
<b>Shareholders value</b>	1.567.666.166

### FOLLI FOLLIE GROUP S.A

**Sector: Retail-Specialty Retailers**

**Activity: Operations of Shops, large and small scale industrial- as well as technical and commercial operations**

#### Outlook:

We downgrade FOLLIE FOLLIE Group's fair estimated price to 23 Euros /Share from 26 Euros/Share previously, as a result of lower than expected gross profit margin for the FY15 and a substantial increase in overall operating costs for the same period as well.

In terms of total revenues, Group's Sales surpassed our expectations (+20% vs +13% ) based on a stronger Sales trend for the Jewellery sector especially in the Chinese Market and larger than expected sales growth in Mercandise and Department stores respectively.

Despite that, the Group's gross profit margin decreased by 1% to 51% vs 52% previously. We should note that the increase of operating costs is primarily attributed to expenses related to marketing and advertising. This fact led us to apply an increased operating to sales ratio than previously, in order to support the Group's revenues growth rate for the 2016-2019 period.

As a result of that re-adjustment we derive an estimated enterprise value of c.1.87bn Euros vs c.2.04bn Euros previously.

#### Strengths:

Group's performance in the Jewellery sector confirms an ongoing upward sales trend (+11% FY2014), (+20% FY2015) mainly from the successful penetration in the Chinese market.

Company has healthy debt structure (Debt/Equity 0,20) after the successful refinance of the major part of short term loans in 2014.

#### Weaknesses:

Group's operations in Hellenic Market faced a challenging fiscal year with deterioration in profits.

#### Opportunities:

Reaffirming our thesis that possible improvement in overall Hellenic market condition can help total Group Sales to maintain c. 1 Bn.

**DATE** 05/04/16

<b>FAIR ESTIMATED PRICE</b>	<b>23,00</b>
<b>Δ% from Current Price</b>	<b>33%</b>
<b>Investment Thesis</b>	<b>UV</b>

FOLLIE FOLLIE'S Summary tables

Income Statement	2015	2016E	2017E	2018E	2019E
Sales	1.193.044.000,00	1.226.379.060,00	1.251.806.641,20	1.277.742.774,02	1.304.197.629,50
CGS	595.351.239,39	637.717.111,20	650.939.453,42	664.426.242,49	678.182.767,34
<b>Gross Profit</b>	607.692.760,61	588.661.948,80	600.867.187,78	613.316.531,53	626.014.862,16
Other Income	12.184.818,67	12.000.000,00	12.000.000,00	12.000.000,00	12.000.000,00
Admin. Costs	72.059.864,32	70.000.000,00	70.000.000,00	70.000.000,00	70.000.000,00
Sales Costs	268.665.837,12	270.000.000,00	270.000.000,00	270.000.000,00	270.000.000,00
Rest Cost/Income	14.144.524,59	12.000.000,00	12.000.000,00	12.000.000,00	12.000.000,00
<b>EBITDA</b>	265.007.353,25	248.661.948,80	260.867.187,78	273.316.531,53	286.014.862,16
D&A	26.463.865,57	27.000.000,00	27.500.000,00	28.000.000,00	29.000.000,00
<b>EBIT</b>	238.543.487,68	221.661.948,80	233.367.187,78	245.316.531,53	257.014.862,16
Interest Income	9.457.609,53				
Interest Expense	22.447.497,47	12.000.000,00	12.500.000,00	13.000.000,00	13.000.000,00
Income/Loss Relatives	282.190,84				
Impairment Losses	0,00	0,00	0,00	0,00	0,00
<b>EBT</b>	225.271.408,90	209.661.948,80	220.867.187,78	232.316.531,53	244.014.862,16
Taxation	38.637.246,55	60.801.965,15	64.051.484,46	67.371.794,14	70.764.310,03
<b>Net Income</b>	186.634.162,35	148.859.983,65	156.815.703,32	164.944.737,39	173.250.552,14

Cash flow estimations (E)	2016E	2017E	2018E
EBIT	221.661.948,80	233.367.187,78	245.316.531,53
Taxation (1-Tax Rate)	71%	71%	71%
NPAT	157.379.983,65	165.690.703,32	174.174.737,39
Depreciation	27.000.000,00	27.500.000,00	28.000.000,00
Capital Exp.	20.000.000,00	20.000.000,00	20.000.000,00
IWC	26.460.940,01	20.184.085,49	20.587.767,20
NCF	137.919.043,64	153.006.617,83	161.586.970,19

Growth/Margins/Metrics(	12/15	12/16E	12/17E
Sales Growth	20%	3%	2%
EBITDA growth Y-Y	19%	-6%	5%
Net Profit/Loss growth	28%	-20%	5%
<b>RATIOS</b>	<b>12/15</b>	<b>12/16E</b>	<b>12/17E</b>
Debt/Equity	0,20	0,20	0,20
Capex/EBITDA	50%	8%	8%
ROE	10%	12%	10%
WACC	11,53%	11,53%	11,53%
<b>VALUATION</b>	<b>12/15</b>	<b>12/16E</b>	<b>12/17E</b>
Book Value	21,74	21,74	21,74
P/BV	0,87	1,15	1,15
P/E	6,22	10,34	9,82

Σημειώσεις/Notes

P:	Τρέχουσα Τιμή
MCAP:	Κεφαλαιοποίηση
EPS:	Καθαρά Κέρδη Ανά Μετοχή
P/E:	Λόγος Τιμής προς Κέρδη
P/S:	Λόγος Τιμής προς Πωλήσεις
D/A:	Συνολικός Δανεισμός προς Παθητικό
DY:	Απόδοση Μερίσματος
ROE:	Απόδοση Ιστών Κεφαλαίων
PV:	Τιμή Συστήης Αποτίμησης

Ομάδες Συστάσεων/Ratings

<b>UV</b>	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	<b>Underpriced/ Small Risk</b>
<b>UV1</b>	Χαμηλή Αποτίμηση/ Κίνδυνος	<b>Stock Price &lt; 20% of Fair Value/Underpriced/ Risk</b>
<b>FV</b>	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	<b>Stock Price &lt; 10% of Fair Value/Underpriced/ Small Risk</b>
<b>OV1</b>	Σωστή Αποτίμηση/ Κίνδυνος	<b>10% &lt; Stock Price &lt; 10% Fair Value/Underpriced/ Risk</b>
<b>OV</b>	Υπερτιμημένη Μετοχή	<b>Stock Price &gt; 10% of Fair Value/Oversvalued</b>
		<b>Stock Price &gt; 20% of Fair Value/Oversvalued</b>

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. δεν ευθύνεται για την εγκυρότητα, ορθότητα ή αξιοπιστία τους και διατηρεί το δικαίωμα αλλαγής τους χωρίς πρότερη ειδοποίηση. Τόσο η Ν. ΧΡΥΣΟΧΟΙΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι υπάλληλοι της δεν φέρουν ουδέμία ευθύνη για οποιαδήποτε συνέπεια των πληροφοριών αυτών. Το παρόν δεν αποτελεί προσφορά, προτροπή ή επενδυτική πρόταση για αγορά ή πώληση μετοχών ή άλλων κινητών αξιών. Οι επενδύσεις που αναφέρονται ενδέχεται να μην είναι οι ενδεδειγμένες για ορισμένους επενδυτές.

**Disclaimer:**

This report has been issued by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A., a member of the Athens Stock Exchange, and may not be reproduced in any manner or provided to any other persons. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. The information contained herein has been obtained from sources believed to be reliable but has not been verified by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. The opinions expressed herein may not necessarily coincide with those of any member of N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility of liability whatsoever or howsoever arising is accepted in relation to the contents hereof by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. or any of its directors, officers or employees. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell securities mentioned herein. N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. may effect transactions in or perform or seek to perform brokerage services for companies covered. The investments discussed in this report may be unsuitable for investors, depending on their specific investment objectives and financial position.