



Share Price:		25,65
Closing Price as 09/04/15		
Price High 52week		33,56
Price Low 52week		22,44
Market Capitalisation		1.717.221.587
Current num. of shares		66.948.210
Long Term Debt		304.343.050

Key Financials	12/14	12/15E	12/16E
Sales	998.062.000	1.092.468.970	1.121.522.713
EBITDA	223.002.784	294.008.554	309.407.038
EBITDA margin	22%	27%	28%
Total Debt/Equity	0,20	0,20	0,20
P/E	11,81	8,83	8,34
EPS	2,17	2,90	3,07
Dividend/Share	N/A	N/A	N/A

Enterprise Value	2.052.802.587
Shareholders value	1.748.459.537

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 26 Euros /Share from 29 Euros/Share previously, as a result of lower Sales growth expectations for the period 2015 and on.

Despite the satisfying y-o-y growth (+7%), Group Sales didn't meet our expectations (+14%) based on a stronger Sales trend for the Jewellery sector especially in the Chinese Market. Accordingly, we have normalised the sector's trend to reflect a more conservative performance from now on.

Additionally, as mentioned in our previous note, the unstable macro economic environment in Greece suppresses our Sales estimates for the domestic Sectors of the Group (Merchandise and Department stores) as the revenues from these sectors are highly correlated to the level of the domestic disposable income. Group's gross profit margin has improved to 52% vs 50% in FY13 however, inelastic Operating costs hurt the EBITDA margin.

Strengths:

Group's performance in the Jewellery sector confirms an ongoing upward sales trend (+13% FY2012) (+14% FY2013) (+11% FY2014) 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:

The Department Stores sector continues a negative five year pattern of decreased sales, following weak macro economic environment, and remains dependent on the economic and social stability in Greece.

Same holds for the Group's Merchandise segment: FY14 performance indicates a flattening in Sales growth for the coming years.

Opportunities:

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

DATE 14/04/15

FAIR ESTIMATED PRICE	26,00
Δ% from Current Price	1%
Investment Thesis	FV

FOLLIE FOLLIE'S Summary tables

Income Statement	2014	2015E	2016E	2017E	2018E
Sales	998.062.000,00	1.092.468.970,00	1.121.522.712,50	1.144.680.883,87	1.168.310.832,81
CGS	475.666.344,40	513.460.415,90	527.115.674,88	538.000.015,42	549.106.091,42
Gross Profit	522.395.655,60	579.008.554,10	594.407.037,63	606.680.868,45	619.204.741,39
Other Income	11.683.280,31	20.000.000,00	20.000.000,00	20.000.000,00	20.000.000,00
Admin. Costs	56.947.769,48	55.000.000,00	55.000.000,00	55.000.000,00	55.000.000,00
Sales Costs	242.304.024,93	240.000.000,00	240.000.000,00	240.000.000,00	240.000.000,00
Rest Cost/Income	11.824.357,89	10.000.000,00	10.000.000,00	10.000.000,00	10.000.000,00
EBITDA	223.002.783,61	294.008.554,10	309.407.037,63	321.680.868,45	334.204.741,39
D&A	20.642.275,26	22.000.000,00	22.000.000,00	22.000.000,00	22.000.000,00
EBIT	202.360.508,35	272.008.554,10	287.407.037,63	299.680.868,45	312.204.741,39
Interest Income					
Interest Expense	9.246.454,58	9.246.454,58	9.246.454,58	9.246.454,58	9.246.454,58
Income/Loss Relatives	314.909,24				
Impairment Losses	0,00	0,00	0,00	0,00	0,00
EBT	192.799.144,53	262.762.099,52	278.160.583,05	290.434.413,87	302.958.286,81
Taxation	47.357.909,08	68.318.145,88	72.321.751,59	75.512.947,61	78.769.154,57
Net Income	145.441.235,45	194.443.953,64	205.838.831,45	214.921.466,26	224.189.132,24

Cash flow estimations (E)

	2014	2015E	2016E
EBIT	202.360.508,35	272.008.554,10	287.407.037,63
Taxation	70%	74%	74%
NOPAT	141.652.355,85	201.286.330,03	212.681.207,84
Depreciation	20.642.275,26	22.000.000,00	22.000.000,00
Capital Exp.	40.000.000,00	20.000.000,00	20.000.000,00
IWC	50.000.000,00	57.057.674,01	17.559.497,66
NCF	72.294.631,11	146.228.656,02	197.121.710,19

Growth/Margins/Metrics(E)	12/14	12/15	12/16E
Sales Growth	7%	9%	3%
EBITDA growth Y-Y	15%	32%	5%
Net Profit/Loss growth	-58%	34%	6%
RATIOS	12/14	12/15	12/16E
Debt/Equity	0,20	0,20	0,20
Capex/EBITDA	18%	7%	6%
ROE	0,10	0,14	0,15
WACC	11,41%	11,41%	11,41%
VALUATION	12/14	12/15	12/16E
Book Value	19,92	19,92	19,92
P/BV	1,29	1,31	1,29
P/E	11,81	8,83	8,34

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 Ιδίων Κεφαλαίων
FV:	Τιμή Σωστής Αποτίμησης

Market Price Capitalization Earnings per Share

Price/Earnings Ratio
Price/Sales Ratio
Total Debt/Assets Ratio
Dividend Yield Return on Equity Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος
UVI	Χαμηλή Αποτίμηση/ Κίνδυνος
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος
OVI	Σωστή Αποτίμηση/ Κίνδυνος
OV	Υπερτιμημένη Μετοχή

Underpriced/ Small Risk Stock Price ≤ 20% of Fair Underpriced/ Risk Stock Price ≤ 10% of Fair Fairly Priced/ Small Risk 10% ≤ Stock Price ≤ 10% Fairly Priced/ Risk Stock Price > 10% of Fair Overvalued Stock Price > 20% of Fair

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