



<b>Share Price:</b>		<b>11,90</b>
Closing Price as 14/10/16		
Price High 52week		12,32
Price Low 52week		8,00
Market capitalisation		1.619.111.132
Current num. of shares		136.059.759
Long Term Debt		144.189.979

Key Financials	12/16	12/17E	12/18E
Sales	637.557.328	661.724.097	681.893.406
EBITDA	181.618.903	173.927.003	182.359.747
EBITDA margin	28%	26%	27%
Total Debt/Equity	Total Equity	Total Equity	Total Equity
P/E	13,49	12,00	12,00
EPS	0,88	0,81	0,85
Dividend/Share	0,27	0,25	0,25

<b>Enterprise Value</b>	1.258.658.988
<b>Shareholders value</b>	1.114.469.009

**JUMBO S.A**

**Outlook:**

We reiterate JUMBO's (MPELA) Fair Value to 9.40Euros/Share with an investment thesis of OV1 (Overvalued1) on the back of FY16 results.

FY16 results showed a resilient performance, in terms of top line growth and operating and net profitability respectively. Group's revenues were up 9.50% on a y-o-y basis surpassing the company's guidance which called for a 4% growth while EBITDA came up to 181.6mn Euros. and Net Profits at 120mn.Euros.

Group's total revenues exceeded our expectations for 6% annual growth as the main Product sectors continue the strong upward trend both in domestic and abroad markets. Additionally, the evidenced gross profit reduction confirms our hypothesis for increased COGS because of the unfavorable wholesale prices and the additional VAT levy imposition in the company's final products that the company decided to fully absorb. The FCF came in-line with our expectations for c.90mn. Euros confirming the validity of our valuation model a fact that makes us more confident for the accuracy of our estimates (see JUMBO (BELA)010316 analysis).

Despite of the FY16 strong results we still reiterate our Fair Value to 9,40 Euros/Share. We decided to apply a lower gross profit margin for the 2017-2020 period in order to anticipate the evidenced margin decrease and the management's concerns regarding that this can prove a downward trend. Additionally, we share management's thoughts regarding the potential of a decrease in overall domestic demand. We have applied increased CAPEX for the 2017-2018 period as the Management's guidance calls for c.50mn. Euros as long as the expansion plans through new stores are still in progress.

These changes are leading us to retain our Fair Value to 9.40Euros/Share despite the company's satisfying performance, the better than expected top line growth, the strong generation of FCF and the stellar capital structure. We consider Jumbo's share as a value pick and we will be closely monitoring the second quarter's results in order to finetune our model.

**Strengths:**

Largest low cost Retailer in Greece.

Easily accessible, multiproduct consumer staple goods shops.

Strong Cash Flow generating business model.

**Weaknesses:**

Pricing power inelasticity due to downward demand trend and additional taxes.

**Opportunities:**

East Europe expansion (projected two new JUMBO stores in Romania by 2018).

**Threats:**

The unstable macroeconomic environment in Greece is heavily affecting the Retail sector.

**DATE**

14/10/16

<b>FAIR ESTIMATED PRICE</b>	<b>9,40</b>
<b>Δ% from Current Price</b>	<b>-21%</b>
<b>Investment Thesis</b>	<b>OV1</b>

JUMBO's Summary tables

Income Statement	2016	2017E	2018E	2019E	2020E
Revenues	637.557.328,00	661.724.097,09	681.893.405,95	712.827.891,48	745.240.221,05
CGS	299.627.183,00	324.244.807,58	334.127.768,91	363.542.224,66	380.072.512,73
<b>Gross Profit</b>	<b>337.930.145,00</b>	<b>337.479.289,52</b>	<b>347.765.637,03</b>	<b>349.285.666,83</b>	<b>365.167.708,31</b>
Sales Expenses	130.856.638,00	137.744.132,44	139.121.573,76	140.512.789,50	141.917.917,40
Administrative Expenses	23.341.327,08	23.808.153,62	24.284.316,69	24.770.003,03	25.265.403,09
Rest Income	4.285.380,00	3.000.000,00	3.000.000,00	3.000.000,00	3.000.000,00
Rest Costs	6.398.657,00	5.000.000,00	5.000.000,00	5.000.000,00	5.000.000,00
<b>EBITDA</b>	<b>181.618.902,92</b>	<b>173.927.003,46</b>	<b>182.359.746,57</b>	<b>182.002.874,30</b>	<b>195.984.387,83</b>
D&A	21.819.478,00	22.255.867,56	22.700.984,91	23.155.004,61	23.618.104,70
<b>EBIT</b>	<b>97.204.190,00</b>	<b>77.018.500,00</b>	<b>82.145.000,00</b>	<b>83.900.000,00</b>	<b>83.900.000,00</b>
Interest Expenses/Inc	4.134.616,00	3.000.000,00	3.000.000,00	3.000.000,00	3.000.000,00
<b>EBT</b>	<b>163.934.040,92</b>	<b>154.671.135,90</b>	<b>162.658.761,66</b>	<b>161.847.869,69</b>	<b>175.366.283,13</b>
Taxation	43.867.977,00	44.854.629,41	47.171.040,88	46.935.882,21	50.856.222,11
<b>Net Income/Loss</b>	<b>120.066.063,92</b>	<b>109.816.506,49</b>	<b>115.487.720,78</b>	<b>114.911.987,48</b>	<b>124.510.061,02</b>

Cash Flow Estimations (E)	2017E	2018E	2019E
EBIT	151.671.135,90	159.658.761,66	158.847.869,69
Taxation	71%	71%	71%
NOPAT	107.686.506,49	113.357.720,78	112.781.987,48
Depreciation	22.255.867,56	22.700.984,91	23.155.004,61
Capital Exp.	50.000.000,00	50.000.000,00	30.000.000,00
IWC			
NCF	79.942.374,05	86.058.705,69	105.936.992,09

Growth/Margins/Metrics(E)	12/16	12/17E	12/18E
Sales Growth	9%	4%	3%
EBITDA growth Y-Y	-4%	5%	0%
Net Profit/Loss growth	-9%	5%	0%
RATIOS	12/16	12/17E	12/18E
Debt/Equity	0,16	0,16	0,16
Capex/EBITDA	19%	29%	16%
ROE	13%	13%	13%
WACC	11,00%	11,00%	11,00%
VALUATION	12/16	12/17E	12/18E
Book Value	7,04	7,04	7,04
P/BV	1,69	1,34	1,34
P/E	13,49	12,00	12,00

Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price
MCAP:	Κεφαλαιοποίηση	Capitalization
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερισμάτων	Dividend Yield
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

<b>UV</b>	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
<b>UVI</b>	Χαμηλή Αποτίμηση/ Κίνδυνος	Stock Price < 20% of Fair
<b>FV</b>	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Risk
<b>OVI</b>	Σωστή Αποτίμηση/ Κίνδυνος	Stock Price < 10% of Fair
<b>OV</b>	Υπερτιμημένη Μετοχή	Fairly Priced/ Small Risk
		10% < Stock Price < 10%
		Fairly Priced/ Risk
		Stock Price > 10% of Fair
		Overvalued
		Stock Price > 20% of Fair

Ρήτρα Περιορισμού Ευθύνης:

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