

JUMBO

Sector: Retail, non food
Issue Date: February 27, 2009

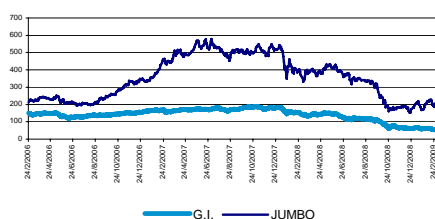
Rating **Outperform**
Target Price 8,44 €
 Of which Expected Dividend 09e 0,22 €
Last Price 4,90 €
Total Expected Return 72,3%

Stock Data

Bloomberg Code BELA GA
Reuters Code BABR.AT
52 week high 10,28 €
52 week low 3,64 €
1m performance 18,36%
YTD performance -60,59%
Number of shares 121.234.716
Market Capitalization 594.050.108 €
Average Daily Volume (52w) 221.661
Free Float 71,00%

* 60,617,358 new shares commenced trading on Athens on 5/1/09

Performance	Jumbo	GI
1m performance	18,36%	-9,90%
6m performance	-38,83%	-52,48%
3m performance	11,08%	-19,22%
12m performance	-48,06%	-64,29%
YTD performance	-60,59%	-70,24%

Jumbo Relative Performance

Jumbo Performance - 52 week


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Jumbo's financial results for the first half of FY 2008/09
Jumbo posted a satisfactory first half for the current fiscal year

Jumbo's sales advanced by 15.72% and net profit increased by 15%, achieving once more the 15% top and bottom line increase that was guided by the management before the recent financial turbulence. In more detail, the main financial figures of the group are the following:

- Consolidated **sales** amounted to €276m from €238.5m in the respective period last year, posting a 15.72% increase.
- **Gross margin** advanced slightly from last year's levels and stood at 51.7% versus 51.5% of the respective period last year.
- **EBITDA** increased by 8.7% to €78.7m with **EBITDA margin** standing at 28.5% (vs 30.4% in last year's first half). Note however that other income was significantly lower from the respective period last year (€1.3m vs €3.5m) as the company received last year €1.9m as part of insurance compensation amount concerning damages from fire in Kolonos store and had also a gain of €0.45m from the sale of real estate. If it weren't for the above, last year's EBITDA margin would stand at 29.4%.
- **Earnings before tax** stood at €70.2m, up 8.1% y-o-y.
- **Net profit** reached €55.40m, increased by 15.03% y-o-y, positively affected by the reduction of the tax rate this year. Be reminded that last year the company paid an extraordinary interest bearing taxation concerning the reserve it had formed based on the law 3220/2004 back in 2004. If we exclude the effect of last year's €2.35m extra-ordinary gains along with the additional €1.4m taxes, net profit would have increased by 17.3%.

Roll-out plan

For the current fiscal year, Jumbo accelerated the execution of its investment plan and launched in the previous quarter the 3 new stores that were already programmed to operate in the first half of the current fiscal year (one in Serres and two in Athens). The earlier launching of the 3 stores had a positive impact on this year's results, managing to sustain growth despite the economy turbulence and the decline in retail sales.

The management repeated at its press release that its investment plan continues despite the crisis and stated that in January 2009 Cholargos store (1,000sqm) was closed to be replaced in the second half of this fiscal year by a new one in Aspropyrgos (9,200sqm). Concerning Bulgaria, where Jumbo owns already six plots, the management moves forth with the necessary actions in order to open two more stores at the next financial year (July 2009 - June 2010).

H1 profit in line with our estimates

Although Jumbo's actual sales for this year's first half came 8.4% lower compared to our estimates, lower than estimated SGAs led to a smaller gap in our EBITDA estimations, with reported EBITDA standing 1.4% lower than our estimates. Lower financial expenses and taxes led finally actual net profit of €55.40m to meet our estimates of €55.01m.

We think Jumbo posted a satisfactory set of financial results given the negative macro-economic environment, positively affected by the earlier opening of its three stores as well as by the civil unrest that took place in Greece in December, which probably led some buying power from Athens center to Jumbo stores.

Fundamentals

(million €)	FY06a	FY07a	FY08a	FY09e	FY10f	FY11f
Sales	281.3	342.7	404.0	489.7	545.6	607.7
EBIT	74.4	96.7	116.1	124.6	132.1	147.8
EBIT Margin	26.4%	28.2%	28.7%	25.4%	24.2%	24.3%
EBITDA	82.8	105.6	125.6	134.8	144.3	161.8
EBITDA Margin	29.4%	30.8%	31.1%	27.5%	26.4%	26.6%
Net profit	49.4	67.9	82.5	89.2	95.7	109.6
EPS (€) (reported)	0.42	0.56	0.68	0.74	0.79	0.90
DPS (€) (gross)	0.12	0.16	0.20	0.22	0.24	0.29
Valuation Ratios						
P / E (x) (reported)	11.7	8.7	7.2	6.7	6.2	5.4
P / BV (x)	3.5	2.7	2.1	1.7	1.4	1.2
EV / Sales (x)	2.4	2.0	1.7	1.4	1.3	1.1
EV / EBITDA (x)	8.1	6.4	5.5	5.2	4.9	4.2

Source: Company & Prelium Research Estimates

Note: Fiscal Year ends in June 30 of the corresponding year

Table 1 : Quarterly Results

(million €)	3m 09a	y-o-y (%)	6m 09a	y-o-y (%)
Sales	107.5	20.3%	276.0	15.7%
Gross Profit	52.7	22.2%	142.7	16.2%
Gross Profit Margin	49.0%		51.7%	
EBIT	22.1	17.2%	73.3	8.2%
EBIT Margin	20.5%		26.5%	
EBITDA	24.7	16.5%	78.7	8.7%
EBITDA Margin	22.9%		28.5%	
Net profit	15.6	18.1%	55.4	15.0%
EPS (€) (reported)	0.13		0.46	

(million €)	Q1 09a	y-o-y (%)	Q2 09a	y-o-y (%)
Sales	107.5	20.3%	168.5	13.0%
Gross Profit	52.7	22.2%	90.0	12.9%
Gross Profit Margin	49.0%		53.4%	
EBIT	22.1	17.2%	51.2	4.7%
EBIT Margin	20.5%		30.4%	
EBITDA	24.7	16.5%	54.1	5.5%
EBITDA Margin	22.9%		32.1%	
Net profit	15.6	18.1%	39.8	13.9%
EPS (€) (reported)	0.13		0.33	

Source: Company

Note: Fiscal Year ends in June 30 of the corresponding year

3m 08a	y-o-y (%)	6m 08a	y-o-y (%)	9m 08a	y-o-y (%)	2008a	y-o-y (%)
89.4	18.3%	238.5	17.4%	307.7	14.2%	404.0	17.88%
43.1	19.0%	122.8	20.1%	162.0	17.6%	219.9	20.53%
48.2%		51.5%		52.6%		54.4%	
18.8	22.8%	67.7	21.3%	83.1	16.7%	116.1	20.03%
21.1%		28.4%		27.0%		28.7%	
21.2	21.1%	72.4	20.3%	90.3	16.3%	125.6	19.02%
23.7%		30.4%		29.4%		31.1%	
13.2	23.9%	48.2	21.4%	58.7	18.0%	82.5	21.50%
0.11		0.40		0.49		0.68	

Q1 08a	y-o-y (%)	Q2 08a	y-o-y (%)	Q3 08a	y-o-y (%)	Q4 08a	y-o-y (%)
89.4	18.3%	149.1	16.9%	69.2	4.5%	96.3	31%
43.1	19.0%	79.7	20.8%	39.2	10.2%	57.9	30%
48.2%		53.4%		56.6%		60.2%	
18.8	22.8%	48.9	20.7%	15.4	0.2%	33.0	29%
21.1%		32.8%		22.2%		34.3%	
21.2	21.1%	51.2	20.0%	17.9	2.3%	35.3	27%
23.7%		34.4%		25.9%		36.7%	
13.2	23.9%	34.9	20.5%	10.5	4.7%	23.8	31%
0.11		0.29		0.09		0.20	

Table 2 : Actual Performance vs Prelium Estimates

(million €)	Actual Figures			Prelium Estimates	Actual figures vs Prelium Estim.
	6m 09a	6m 08a	y-o-y (%)	6m 09e	
Sales	276.0	238.5	15.72%	301.3	-8.4%
Gross Profit	142.7	122.8	16.15%	155.4	-8.2%
Gross Profit Margin	51.7%	51.5%		51.6%	
EBIT	73.3	67.7	8.18%	74.7	-2.0%
EBIT Margin	26.5%	28.4%		24.8%	
EBITDA	78.7	72.4	8.71%	79.9	-1.4%
EBITDA Margin	28.5%	30.4%		26.5%	
Net profit	55.4	48.2	15.03%	55.0	0.7%
EPS (€) (reported)	0.46	0.40		0.45	

(million €)	Q2 09a	Q2 08a	y-o-y (%)	Q2 09e	
Sales	168.5	149.1	12.99%	193.7	-13.0%
Gross Profit	90.0	79.7	12.90%	102.7	-12.4%
Gross Profit Margin	53.4%	53.4%			
EBIT	51.2	48.9	4.72%	52.7	-2.8%
EBIT Margin	30.4%	32.8%			
EBITDA	54.1	51.2	5.50%	55.2	-2.1%
EBITDA Margin	32.1%	34.4%			
Net profit	39.8	34.9	13.86%	39.4	1.0%
EPS (€) (reported)	0.33	0.29			

Source: Company & Prelium Research Estimates

Note: Fiscal Year ends in June 30 of the corresponding year

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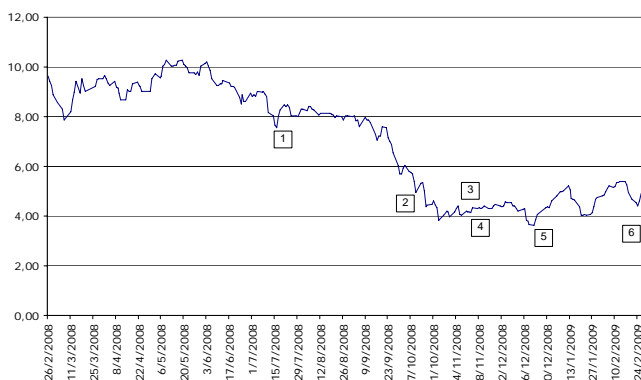
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(*) Total expected return: Price Appreciation plus Dividend
(**) Required market return: Risk Free Rate plus Equity Risk Premium

RATINGS HISTORY

Ratings	Date of Report	Share Price on date of issue *	Target Price *	Rating	Unadjusted Share Price on date of issue	Unadjusted Target Price
1	23/7/2008	8.40 €	12.66 €	Outperform - Initiation	16.80 €	25.32 €
2	7/10/2008	5.78 €	10.86 €	Outperform - Review	11.56 €	21.72 €
3	21/11/2008	4.34 €	10.86 €	Outperform - Flash Report	8.68 €	21.72 €
4	25/11/2008	4.30 €	8.44 €	Outperform - Review	8.60 €	16.88 €
5	29/12/2008	4.08 €	8.44€	Outperform - TP adjustment		
6	27/2/2009	4.90€	8.44€	Flash Report		

* Adjusted price due to the distribution of bonus shares (1:1)



PROCESS OF VALUATION

Our valuation is based on a DCF model. We discount the cashflows with a variable WACC from 8.14% to 9%. We use a risk free rate of 4.90%, an equity risk premium of 5.85% - 5.88% and a beta of 0.81.

RISKS TO OUR VALUATION

- Currency risk
- Potential price pressure from suppliers
- The diminishing purchasing power of consumers
- Delays in the store roll-out plan
- Political, economical and social uncertainties associated with Southeastern Europe
- Key - person risks
- Stock overhang & dilution concerns
- Intensifying competition

DISCLOSURE CHECKLIST FOR COMPANIES MENTIONED AND OTHER PRICE DATA INFORMATION

Company name	Bloomberg	Rating	Target Price	Price / Date	Valid Disclosure
Jumbo S.A.	BELA GA	Outperform	8.44€	4.90€ / 26.02.2009	None

Source: Prelium Investment Services

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