

Property income to grow further

Cibus updated its dividend policy. Dividend payments will now increase on a quarterly basis (at a 5% annual pace). While there have been no major changes in the underlying portfolio fundamentals, the company has managed to increase its cash flow by 10% since the March 2018 IPO due to acquisitions and refinancing activities. The portfolio now holds 132 Finnish properties with a gross asset value of EUR 816m; 2019 pipeline might add another EUR 50m.

NOI capacity unchanged at EUR 47.8m, income at EUR 31m

Profit from property management was 1.5% below our expectations. Administration costs were higher during Q4, amounting to EUR 1.4m vs the budgeted EUR 0.9m cost. The higher expenses were attributable to the CEO departure. Cibus has now shifted to financial year that follows the calendar year. Dividends will be paid out on a quarterly basis; the first 2019 payment has a June record date. From now on, Cibus targets a 5% annual increase in dividends. In our view, Cibus has ample capacity to increase its annual payments. The proposed 2019 distribution of EUR 0.84 per share implies a total dividend of EUR 26.1m, or a 7.8% yield. We have estimated that the current portfolio has an annual distribution capacity amounting to close to EUR 30m. Cibus estimates its operating income capacity at EUR 31m, up from the previous EUR 30.6m figure.

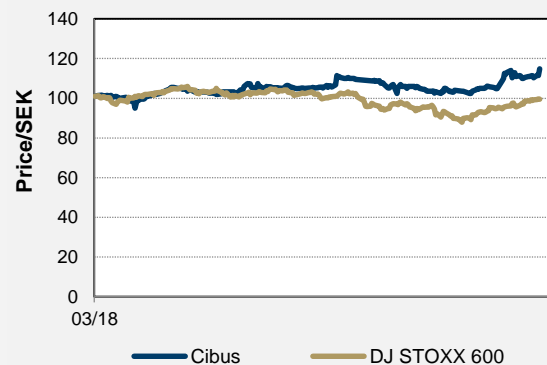
EPRA NAV amounted to EUR 11.1 (11.2) per share

The central portfolio metrics were basically flat. Occupancy rate improved slightly to 96.0% (95.8%), with LTV at 58.4% (58.3%). Cibus has increased its bank financing to EUR 354m (EUR 325m), while the margin has decreased by 20bps, to 1.9%, and the weighted average tenor increased to 2.9 years (2.3).

Our target still stands at SEK 120, downgrade to HOLD

Our expectations for Cibus' portfolio remain unchanged. We expect Cibus' 2019 acquisition pipeline (approximately EUR 50m) to comprise mainly of grocery properties let to Kesko. We are waiting to see the acquisitions materialize. We retain our target price of SEK 120 per share and update our rating to HOLD (BUY).

Rating

■ HOLD


Share price, SEK (Last trading day's closing price)	114.78
Target price, SEK	120.0
Latest change in recommendation	27-Feb-19
Latest report on company	28-Nov-18
Research paid by issuer:	YES
No. of shares outstanding, '000's	31,100
No. of shares fully diluted, '000's	31,100
Market cap, EURm	339
Free float, %	100.0
Exchange rate EUR/SEK	10.300
Reuters code	CIBUS.ST
Bloomberg code	CIBUSSS
Average daily volume, EURm	0.35
Next interim report	
Web site	www.cibusnordic.com
Analyst	Joonas Ilvonen
E-mail	joonas.ilvonen@evli.com
Telephone	+358 44 430 9071

■ BUY ■ HOLD ■ SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	0	0	0.0%	0	0.00	0.0	n/a	0.0	0.0	0.80
2018	40	34	84.7%	24	0.54	19.6	19.0	13.8	22.4	0.80
2019E	51	44	86.3%	34	0.88	12.4	14.9	9.6	17.3	0.84
2020E	52	45	86.2%	35	0.89	12.2	14.7	9.4	17.0	0.88
2021E	53	46	86.2%	35	0.91	11.9	14.5	9.3	16.8	0.93
Market cap, EURm			339	BV per share 2019E, EUR		10.6	CAGR EPS 2018-21, %			19.3
Net debt 2019E, EURm			427	Price/book 2019E		1.0	CAGR sales 2018-21, %			9.9
Enterprise value, EURm			766	Dividend yield 2019E, %		7.7	ROE 2019E, %			8.3
Total assets 2019E, EURm			797	Tax rate 2019E, %		20.4	ROCE 2019E, %			5.7
Goodwill 2019E, EURm			0	Equity ratio 2019E, %		41.3	PEG, P/E 19/CAGR			6.7

All the important disclosures can be found on the last pages of this report.

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	114.78 PV of Free Cash Flow	281 Long-term growth, %	1.2 Risk-free interest rate, %
DCF share value	11.73 PV of Horizon value	514 WACC, %	5.7 Market risk premium, %
Share price potential, %	7.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	14.9 Marketable securities	18 Minimum WACC, %	5.2 Equity beta coefficient
Minimum value	9.2 Debt - dividend	-448 Maximum WACC, %	6.2 Target debt ratio, %
Horizon value, %	64.7 Value of stock	365 Nr of shares, Mn	31.1 Effective tax rate, %

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	40	51	52	53	53	54	55	55	56	57	57	58
<i>Sales growth, %</i>	<i>n/a</i>	<i>28.8</i>	<i>1.5</i>	<i>1.4</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>
Operating income (EBIT)	34	44	45	46	46	47	47	48	48	49	49	50
<i>EBIT margin, %</i>	<i>84.7</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>
+ Depreciation+amort.	0	0	0	0	0	0	0	0	0	0	0	0
- Income taxes	-10	-9	-9	-9	-9	-9	-9	-10	-10	-10	-10	-10
- Change in NWC	0	0	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>-11.5</i>	<i>-8.9</i>	<i>-8.8</i>	<i>-8.7</i>	<i>-8.6</i>	<i>-8.5</i>	<i>-8.4</i>	<i>-8.3</i>	<i>-8.2</i>	<i>-8.1</i>	<i>-8.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0	0
<i>Investments / Sales, %</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= Unlevered Free CF (FCF)	24	35	36	36	37	37	38	38	39	39	40	886
= Discounted FCF (DFCF)		34	32	31	30	29	27	26	25	24	23	514
= DFCF min WACC		34	33	32	30	29	28	27	26	25	24	605
= DFCF max WACC		33	32	31	29	28	27	25	24	23	22	442

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	3	12	13	13	40	13	13	13	13	51	52	53
EBITDA	3	9	11	11	34	11	11	11	11	44	45	46
<i>EBITDA margin (%)</i>	<i>83.9</i>	<i>78.1</i>	<i>87.7</i>	<i>88.0</i>	<i>84.7</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>
EBIT	3	9	11	11	34	11	11	11	11	44	45	46
<i>EBIT margin (%)</i>	<i>83.9</i>	<i>78.1</i>	<i>87.7</i>	<i>88.0</i>	<i>84.7</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>
Net financial items	-2	-2	-2	-2	-10	-2	-2	-2	-2	-10	-10	-10
Pre-tax profit	0	7	9	9	24	9	9	9	9	34	35	35
Tax	-2	-2	-2	-2	-7	-2	-2	-2	-2	-7	-7	-7
<i>Tax rate (%)</i>		<i>26.5</i>	<i>20.6</i>	<i>20.6</i>	<i>29.5</i>	<i>20.6</i>	<i>20.5</i>	<i>20.4</i>	<i>20.3</i>	<i>20.4</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-2	5	7	7	17	7	7	7	7	27	28	28
EPS	-0.05	0.16	0.22	0.22	0.54	0.22	0.22	0.22	0.22	0.88	0.89	0.91
EPS adjusted (diluted no. of shares)	-0.05	0.16	0.22	0.22	0.54	0.22	0.22	0.22	0.22	0.88	0.89	0.91
Dividend per share	0.00	0.00	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.84	0.88	0.93
SALES, EURm												
Finnish daily-goods properties	3	12	13	13	40	13	13	13	13	51	52	53
Total	3	12	13	13	40	13	13	13	13	51	52	53
SALES GROWTH, Y/Y %												
Finnish daily-goods properties	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>311.3</i>	<i>9.8</i>	<i>2.4</i>	<i>3.1</i>	<i>28.8</i>	<i>1.5</i>	<i>1.4</i>
Total	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>n/a</i>	<i>311.3</i>	<i>9.8</i>	<i>2.4</i>	<i>3.1</i>	<i>28.8</i>	<i>1.5</i>	<i>1.4</i>
EBIT, EURm												
Finnish daily-goods properties	3	9	11	11	34	11	11	11	11	44	45	46
Total	3	9	11	11	34	11	11	11	11	44	45	46
EBIT margin, %												
Finnish daily-goods properties	<i>83.9</i>	<i>78.1</i>	<i>87.7</i>	<i>88.0</i>	<i>84.7</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>
Total	<i>83.9</i>	<i>78.1</i>	<i>87.7</i>	<i>88.0</i>	<i>84.7</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	0	0	0	0	40	51	52	53
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>n/a</i>	<i>28.8</i>	<i>1.5</i>	<i>1.4</i>
Costs	0	0	0	0	-6	-7	-7	-7
Reported EBITDA	0	0	0	0	34	44	45	46
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>84.7</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>
Depreciation	0	0	0	0	0	0	0	0
EBIT	0	0	0	0	34	44	45	46
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	0	0	0	0	34	44	45	46
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>84.7</i>	<i>86.3</i>	<i>86.2</i>	<i>86.2</i>
Net financials	0	0	0	0	-10	-10	-10	-10
Pre-tax profit	0	0	0	0	24	34	35	35
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	-7	-7	-7	-7
Minority shares	0	0	0	0	0	0	0	0
Net profit	0	0	0	0	17	27	28	28
BALANCE SHEET, EURm								
Assets								
Fixed assets	0	0	0	768	768	768	768	768
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>1,930</i>	<i>1,498</i>	<i>1,475</i>	<i>1,455</i>
Goodwill	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	0	0	0	5	5	5	5	5
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>11</i>	<i>9</i>	<i>9</i>	<i>9</i>
Liquid funds	0	0	0	17	18	23	23	24
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>
Total assets	0	0	0	792	792	797	798	798
Liabilities								
Equity	0	0	0	334	327	329	331	332
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>821</i>	<i>642</i>	<i>635</i>	<i>628</i>
Deferred taxes	0	0	0	7	7	7	7	7
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>18</i>	<i>14</i>	<i>14</i>	<i>14</i>
Interest bearing debt	0	0	0	440	448	450	449	449
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>1,125</i>	<i>878</i>	<i>863</i>	<i>850</i>
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other interest free debt	0	0	0	11	11	11	11	11
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>27</i>	<i>21</i>	<i>20</i>	<i>20</i>
Total liabilities	0	0	0	792	792	797	798	798
CASH FLOW, EURm								
+ EBITDA	0	0	0	0	34	44	45	46
- Net financial items	0	0	0	0	-10	-10	-10	-10
- Taxes	0	0	0	5	-7	-7	-7	-7
- Increase in Net Working Capital	0	0	0	5	0	0	0	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	0	0	0	5	17	27	28	28
- Capex	0	0	0	-768	0	0	0	0
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	0	0	0	-763	17	27	28	28
+/- Change in interest-bearing debt	0	0	0	440	8	3	-1	-1
+/- New issues/buybacks	0	0	0	334	1	0	0	0
- Paid dividend	0	0	0	0	-25	-25	-26	-27
+/- Change in loan receivables	0	0	0	2	0	0	0	0
Change in cash	0	0	0	12	0	5	0	0

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	0	0	0	327	339	339	339
Net debt	0	0	423	430	427	426	425
Enterprise value	0	0	423	756	766	764	764
Sales	0	0	0	40	51	52	53
EB ITDA	0	0	0	34	44	45	46
EB IT	0	0	0	34	44	45	46
Pre-tax	0	0	0	24	34	35	35
Earnings	0	0	0	17	27	28	28
Book value	0	0	334	327	329	331	332
Valuation multiples							
EV/sales	0.0	0.0	n/a	19.0	14.9	14.7	14.5
EV/EB ITDA	0.0	0.0	0.0	22.4	17.3	17.0	16.8
EV/EB ITA	0.0	0.0	0.0	22.4	17.3	17.0	16.8
EV/EB IT	0.0	0.0	0.0	22.4	17.3	17.0	16.8
EV/operating cash flow	0.0	0.0	42.7	31.9	21.8	21.3	21.0
EV/cash earnings	0.0	0.0	79.3	45.3	28.1	27.5	26.9
P/E	0.0	0.0	0.0	19.6	12.4	12.2	11.9
P/E excl. goodwill	0.0	0.0	0.0	19.6	12.4	12.2	11.9
P/B	0.0	0.0	0.0	1.0	1.0	1.0	1.0
P/sales	0.0	0.0	0.0	8.2	6.6	6.5	6.4
P/CF	0.0	0.0	0.0	13.8	9.6	9.4	9.3
Target EV/EB IT	0.0	0.0	0.0	0.0	94.0	92.6	91.3
Target P/E	0.0	0.0	0.0	136.9	137.0	134.1	131.7
Target P/B	0.0	0.0	0.0	0.0	11.3	11.3	11.3
Per share measures							
Number of shares	31,100	31,100	31,100	31,100	31,100	31,100	31,100
Number of shares (diluted)	31,100	31,100	31,100	31,100	31,100	31,100	31,100
EPS	0.00	0.00	0.00	0.54	0.88	0.89	0.91
EPS excl. goodwill	0.00	0.00	0.00	0.54	0.88	0.89	0.91
Cash EPS	0.00	0.00	0.17	0.54	0.88	0.89	0.91
Operating cash flow per share	0.00	0.00	0.32	0.76	1.13	1.15	1.17
Capital employed per share	0.00	0.00	24.33	24.33	24.33	24.33	24.33
Book value per share	0.00	0.00	10.74	10.51	10.58	10.64	10.67
Book value excl. goodwill	0.00	0.00	10.74	10.51	10.58	10.64	10.67
Dividend per share	0.00	0.00	0.80	0.80	0.84	0.88	0.93
Dividend payout ratio, %	0.0	0.0	0.0	149.0	95.9	98.6	101.6
Dividend yield, %	0.0	0.0	0.0	7.3	7.7	8.1	8.5
Efficiency measures							
ROE	0.0	0.0	0.0	5.1	8.3	8.4	8.6
ROCE	0.0	0.0	0.0	4.4	5.7	5.8	5.8
Financial ratios							
Capex/sales, %	0.0	0.0	n/a	0.0	0.0	0.0	0.0
Capex/depreciation excl. goodwill, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/EB ITDA, book-weighted	0.0	0.0	0.0	12.8	9.7	9.5	9.3
Debt/equity, market-weighted	0.0	0.0	0.0	1.4	1.3	1.3	1.3
Equity ratio, book-weighted	0.0	0.0	42.2	41.2	41.3	41.5	41.6
Gearing	0.00	0.00	1.27	1.32	1.30	1.29	1.28
Number of employees, average	0	0	0	0	0	0	0
Sales per employee, EUR	0	0	0	0	0	0	0
EB IT per employee, EUR	0	0	0	0	0	0	0

COMPANY DESCRIPTION: Cibus Nordic Real Estate is a Swedish property company, founded in late 2017, focusing on the daily-goods sector. Cibus owns 126 daily-goods retail properties located across Finland. The company has adopted an anchoring tenant leasing strategy, and consequently properties leased to the anchor tenants Kesko, Tokmanni and S-Group make up more than 90% of the portfolio's rental income.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
SFC Holding S.à r.l.	12,844,443	139.865	41.3%
Amiral Gestion	2,150,859	23.421	6.9%
Carnegie Fonder	1,288,993	14.036	4.1%
Pareto Securities AS	1,157,618	12.605	3.7%
PGIM Investments	792,268	8.627	2.5%
Oy Sirius Capital Partners Ab	500,000	5.445	1.6%
Göran Gustafssons Stiftelser	460,000	5.009	1.5%
Håkan Roos	350,000	3.811	1.1%
Nordnet Pensionsförsäkring	335,401	3.652	1.1%
Fjärde AP-Fonden	300,000	3.267	1.0%
Ten largest	20,179,582	219.738	65%
Residual	10,920,418	118.914	35%
Total	31,100,000	338.652	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Jonas Ahlblad

Berzelii Park 9, 111 47 Stockholm

CFO:

Tel:

IR: Ingeborg Magnusson

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Dividend, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

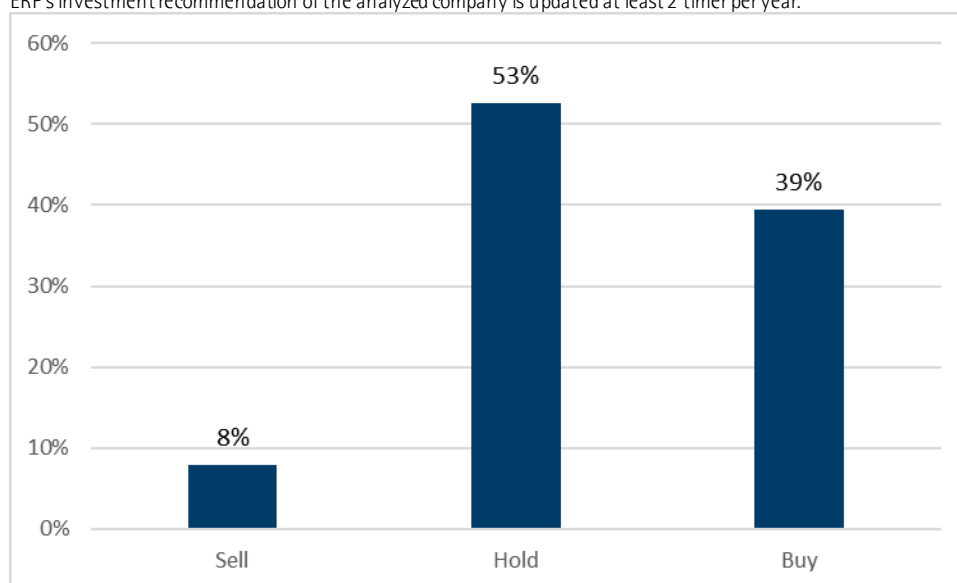
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at <https://research.evli.com/JasperAllModels.action?authParam=key;461&authParam=x;G3rNaqWrtf7K&authType=3>

Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Ilvonen

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on [28.2.2019, 9:05]. This report has been published on [28.2.2019, 9:15].

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Bank Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Bank Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Bank Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity Sales**

Ari Laine +358 9 4766 9115
Lauri Ahokanto +358 9 4766 9117
Niclas Henelius +358 9 4766 9116

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9130
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120

ETFs and Derivatives

Tobias Björk (Head) +358 9 4766 9130
Joachim Dannberg +358 9 4766 9123
Kimmo Lilja +358 9 4766 9130
Sami Järvinen +358 9 4766 9110

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Joonas Häyhä +358 9 4766 9662
Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205
Markku Reinikainen +358 9 4766 9669

**EVLI BANK PLC**

Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail
firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Kungsgatan 27, P.O. Box 16354
SE-111 56 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001