

Operating profit as expected

Cibus posted Q3 results largely in line with expectations. Operating income (rental income less property and central administration expenses), at EUR 11.3m, was close to our EUR 11.5m estimate. Larger than expected financial expense items meant profit from property management was a little soft as Cibus is developing its own organization.

- Q3 rental income amounted to EUR 13.2m vs our EUR 13.3m estimate.
- Net rental income stood at EUR 12.5m, compared to our EUR 12.4m expectation.
- Operating income was recorded at EUR 11.3m while we expected EUR 11.5m.
- Net operating income (profit from property management) was EUR 7.3m, falling short of our EUR 8.5m projection due to higher than expected financial expense items. Cibus is in the process of transitioning administration as well as asset management back to the company from third-parties.
- Annual net rental income capacity stands at EUR 49.9m (unchanged).
- The property portfolio is valued at EUR 862m, which translates to an EPRA NAV of EUR 11.4 (previously EUR 11.3) per share.
- Net debt LTV ratio was 58.9% (previously 59.0%) at the end of Q3.
- Occupancy rate stood at 94.5% (94.3% in Q2'19).

Rating				🟡 HOLD
Q3'19	Actual	Evli	Q2'19	
Rental income	13.2	13.3	12.6	
Net rental income	12.5	12.4	11.5	
Operating income	11.3	11.5	10.5	
Net operating income	7.3	8.5	6.8	
Share price, SEK (Last trading day's closing price)				140.00
Target price, SEK				135.0
Latest change in recommendation				27-Feb-19
Latest report on company				02-Sep-19
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				407
Free float, %				90.0
Exchange rate EUR/SEK				10.7
Reuters code				CIBUS.ST
Bloomberg code				CIBUS.SS
Average daily volume, EURm				1.0
Next interim report				15-Nov-19
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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2017	0.0	0.0	0.0%	-758.1	0.00	0.0	n/a	0.0	0.0	0.80
2018	39.8	33.7	84.7%	23.7	0.54	19.6	19.4	23.0	7.3	0.84
2019E	51.9	44.7	86.2%	-12.7	0.79	16.7	17.2	20.0	-3.1	0.88
2020E	53.9	46.8	86.7%	27.0	0.87	15.1	16.6	19.1	6.6	0.92
2021E	54.7	47.4	86.7%	27.7	0.89	14.7	16.4	18.9	6.8	0.97
Market cap, EURm			407	BV per share 2019E, EUR		142.6	CAGR EPS 2018-21, %			18.4
Net debt 2019E, EURm			486	Price/book 2019E		1.2	CAGR sales 2018-21, %			11.1
Enterprise value, EURm			893	Dividend yield 2019E, %		6.7	ROE 2019E, %			7.2
Total assets 2019E, EURm			868	Tax rate 2019E, %		21.2	ROCE 2019E, %			5.4
Goodwill 2019E, EURm			0	Equity ratio 2019E, %		39.3	PEG, P/E 19/CAGR			2.9

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

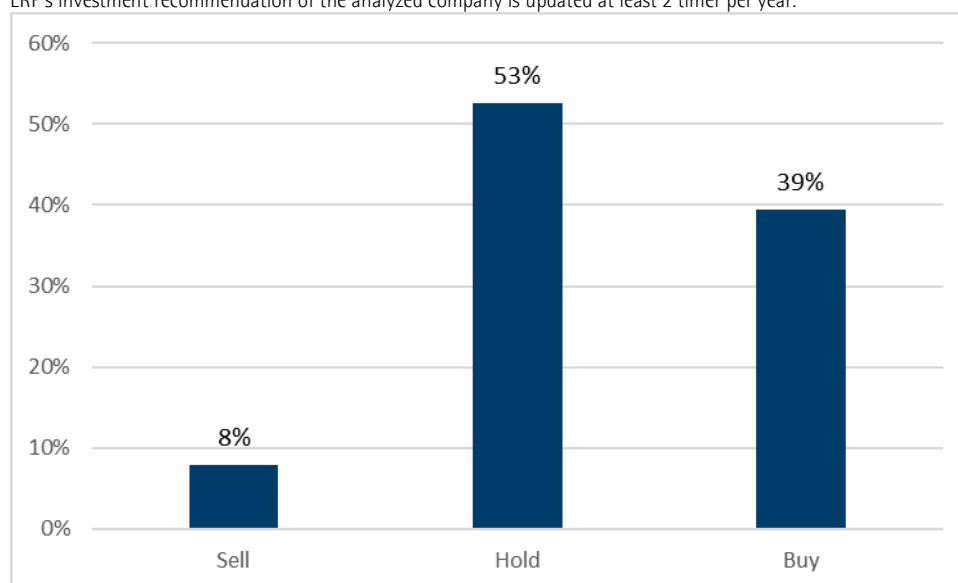
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Investment recommendations are defined as follows:

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

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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

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