

Yield not yet entirely digested

Cibus' portfolio performed as expected in Q3 as the EUR 12.5m net rental income figure was in line with our estimate. Admin and financial expenses were elevated due to administrative transition as well as IFRS 16 adjustments and other financial costs. We make minor changes to our estimates, retain our SEK 135 TP and HOLD rating.

Admin and financial expenses were temporarily elevated

Cibus' portfolio developed without surprises during Q3 as the properties generated EUR 13.2m in rental income (vs our EUR 13.3m estimate). Property expenses also were largely as expected, and thus net rental income amounted to EUR 12.5m (we expected EUR 12.4m). Cibus is currently in the process of developing its organization and so transitions administration as well as asset management back to itself. This meant central administration as well as financial costs were temporarily elevated during the quarter, with admin expenses amounting to EUR 1.2m (compared to the normal EUR 0.9-1.0m level), and thus operating income stood at EUR 11.3m (vs our EUR 11.5m estimate). Cibus also made IFRS 16 related adjustments to its reporting, and now records site leasehold fees among its financial expenses, the effect being roughly EUR 0.15m per quarter. Net financial expenses totaled EUR 4.0m in Q3, and Cibus sees the level at around EUR 3.4m going forward.

Q3 was quiet in terms of portfolio development

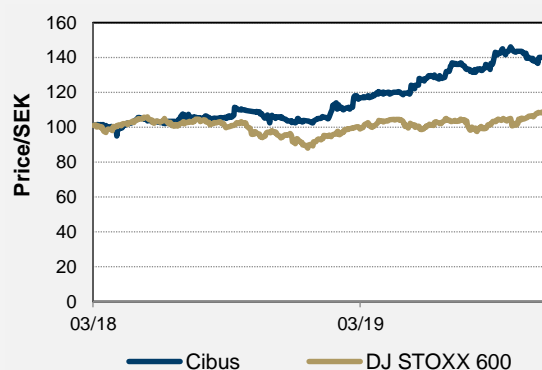
There were no changes to Cibus' portfolio during the quarter as the company still holds 139 Finnish properties valued at EUR 862m. Net debt LTV ratio and occupancy rate were basically unchanged at their respective 59% and 95% levels. Average lease-length remains at 5.0 years. Likewise, annual net rental income capacity continues to stand at EUR 49.9m, implying EUR 46.2m operating income potential. Cibus says it expects to list on the Nasdaq Stockholm Main List by Q3'20. Cibus continues to actively monitor the Nordic property market beyond Finland.

Cibus' portfolio still offers a 100bps yield pick-up

We leave our operative estimates largely intact following the report. We retain our TP of SEK 135 per share, rating HOLD. Cibus' portfolio net yield, at 5.1%, remains almost 100bps above that of a typical listed Nordic Real Estate portfolio.

Rating

■ HOLD



Share price, SEK (Last trading day's closing price) 140.50

Target price, SEK 135.0

Latest change in recommendation 28-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 410

Free float, % 90.0

Exchange rate EUR/SEK 10.70

Reuters code CIBUS.ST

Bloomberg code CIBUS SS

Average daily volume, EURm 1.0

Next interim report 27-Feb-20

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■ BUY ■ HOLD ■ SELL

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	0.0	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	51.7	44.4	85.8%	-13.9	0.77	17.0	17.3	20.2	-3.4	0.88
2020E	53.9	46.6	86.5%	26.3	0.85	15.6	16.7	19.3	6.4	0.92
2021E	54.7	47.4	86.7%	27.7	0.89	14.8	16.5	19.0	6.7	0.97
Market cap, EURm	410			Gearing 2019E, %	143.5			CAGR EPS 2018-21, %	18.3	
Net debt 2019E, EURm	487			Price/book 2019E	1.2			CAGR sales 2018-21, %	11.1	
Enterprise value, EURm	897			Dividend yield 2019E, %	6.7			ROE 2019E, %	7.2	
Total assets 2019E, EURm	868			Tax rate 2019E, %	19.1			ROCE 2019E, %	5.4	
Goodwill 2019E, EURm	0			Equity ratio 2019E, %	39.1			PEG, P/E 19/CAGR	2.7	

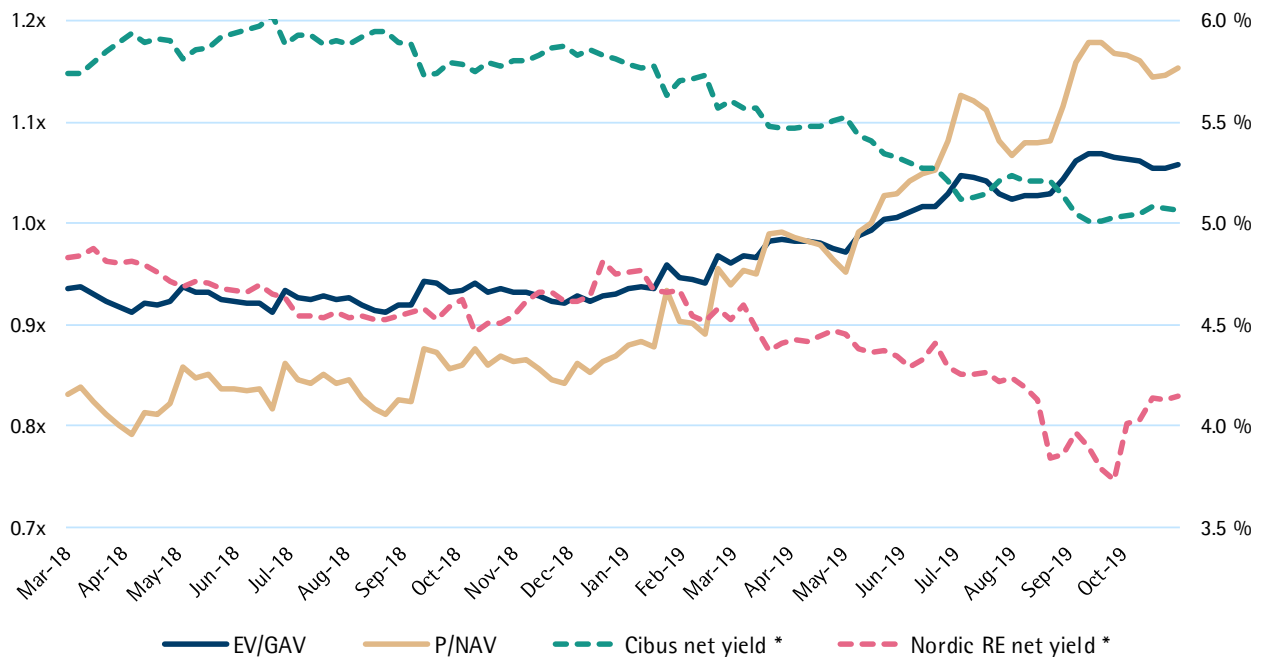
Estimates summary

Cibus Nordic	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19e	2019e	2020e
Rental income	11.7	12.6	12.4	12.7	12.6	13.2	13.3	51.7	53.9
Net rental income ¹⁾	11.2	12.1	11.4	12.1	11.5	12.5	12.5	48.6	50.5
Operating income ²⁾	10.0	11.1	10.7	11.2	10.5	11.3	11.5	44.4	46.6
Net operating income ³⁾	6.5	7.2	7.5	7.6	6.8	7.3	8.1	29.8	32.9

1) Rental income less Property expenses
 2) Net rental income less Central administration expenses
 3) Operating income less Net financial costs
 Source: Evli Research

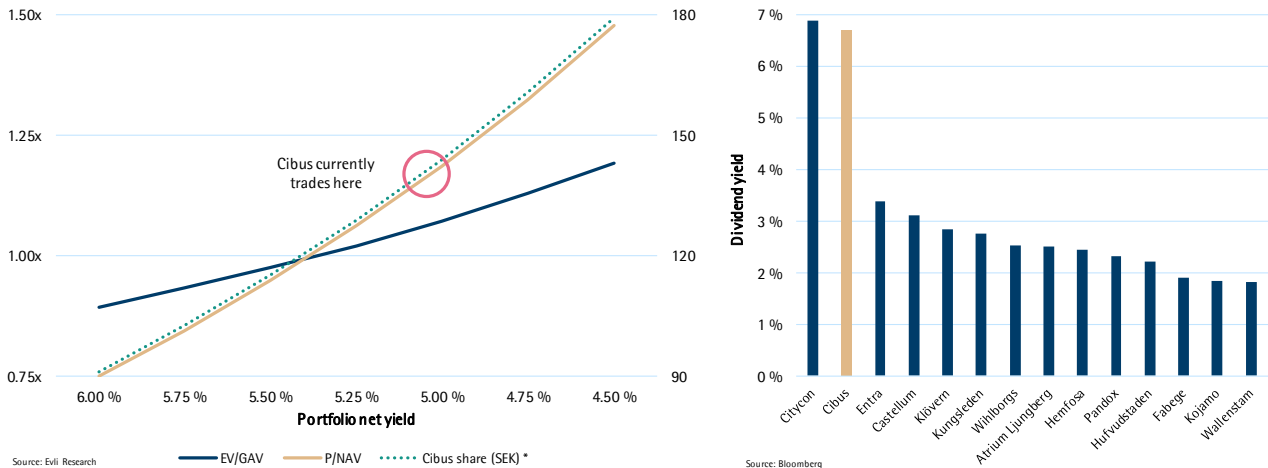
Cibus' valuation and yield development

Cibus still trades at ca. 100bps yield spread compared to the median NTM EBITDA/EV of the 15 largest listed Nordic Real Estate companies. While we see Cibus' current 1.06x EV/GAV and 1.15x P/NAV multiples limiting the share's upside potential from present levels, we note there is further room for gain in terms of possible yield compression.



Source: Evli Research, Bloomberg, Cibus

* Cibus' portfolio net yield (according to the NTM earnings capacity) = [Rental income - Property expenses - Central administration]/EV
 Nordic Real Estate net yield = the median NTM EBITDA/EV of the 15 largest listed Nordic Real Estate companies



Source: Evli Research

Source: Bloomberg

* Assuming EURSEK exchange rate at 10.70

CIBUS PEER GROUP	MCAP MEUR	EV/EBITDA			P/B			Div. yield		
		19	20	21	19	20	21	19	20	21
Atrium Ljungberg	2524	29.2x	27.8x	26.5x	1.2x	1.1x	1.0x	2.4 %	2.5 %	2.6 %
Castellum	5201	24.5x	23.4x	22.5x	1.3x	1.2x	1.1x	3.2 %	3.3 %	3.4 %
Citycon	1673	20.1x	20.0x	19.4x	0.8x	0.8x	0.8x	6.9 %	6.7 %	6.8 %
Entra	2539	22.5x	22.5x	21.4x	1.2x	1.2x	1.2x	3.4 %	3.5 %	3.6 %
Fabege	4479	36.9x	35.0x	32.8x	1.2x	1.1x	1.0x	2.0 %	2.2 %	2.3 %
Hufvudstaden	3257	31.9x	30.4x	28.2x	1.1x	1.0x	1.0x	2.3 %	2.5 %	2.6 %
Klovern	1352	21.5x	22.5x	21.1x	1.1x	1.0x	0.9x	2.8 %	3.0 %	3.2 %
Kojamo	3939	29.9x	28.0x	26.3x	1.0x	1.0x	0.9x	2.2 %	2.3 %	2.5 %
Kungsleden	1860	24.0x	22.6x	21.6x	1.1x	1.0x	1.0x	2.9 %	3.1 %	3.3 %
Pandox	3488	20.6x	19.5x	18.9x	1.3x	1.2x	1.1x	2.5 %	2.7 %	2.8 %
Wallenstam	3264	43.4x	40.5x	37.1x	1.4x	1.3x	1.3x	1.9 %	2.0 %	2.1 %
Wihlborgs Fastigheter	2272	23.7x	22.6x	21.7x	1.4x	1.2x	1.1x	2.7 %	2.8 %	3.0 %
Peer Group Average	2987	27.3x	26.2x	24.8x	1.2x	1.1x	1.0x	2.9 %	3.0 %	3.2 %
Peer Group Median	2898	24.2x	23.0x	22.1x	1.2x	1.1x	1.0x	2.6 %	2.7 %	2.9 %
Cibus (Evli est.)	404	20.1x	19.2x	18.9x	1.2x	1.2x	1.2x	6.8 %	7.1 %	7.5 %
<i>Cibus prem./disc. to peer median</i>		-17 %	-17 %	-15 %	2 %	9 %	15 %	162 %	160 %	158 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	140.50 PV of Free Cash Flow	265 Long-term growth, %	1.2 Risk-free interest rate, %
DCF share value	11.09 PV of Horizon value	554 WACC, %	5.7 Market risk premium, %
Share price potential, %	-15.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	14.4 Marketable securities	18 Minimum WACC, %	5.2 Equity beta coefficient
Minimum value	8.4 Debt - dividend	-491 Maximum WACC, %	6.2 Target debt ratio, %
Horizon value, %	67.7 Value of stock	345 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	52	54	55	55	56	57	57	58	59	59	60
<i>Sales growth, %</i>	<i>0.0</i>	<i>30.0</i>	<i>4.2</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	47	47	48	48	49	49	50	51	51	52
<i>Operating income margin, %</i>	<i>84.7</i>	<i>85.8</i>	<i>86.5</i>	<i>86.7</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
EBITDA	34	44	47	47	48	48	49	49	50	51	51	
- Paid taxes	-10	-8	-9	-9	-10	-10	-10	-10	-10	-10	-10	
- Change in NWC	0	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-11.5</i>	<i>-8.8</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>	<i>-7.9</i>	<i>-7.8</i>	<i>-7.7</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-25	-45	0	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	<i>62.9</i>	<i>87.0</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>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	32	7	0	0	0	0	0	0	0	0	0	
= FCFF	31	-2	37	38	38	39	39	40	40	40	41	918
= Discounted FCFF		-2	35	34	32	31	29	28	27	26	25	554
= DFCF min WACC		-2	35	34	33	31	30	29	28	27	26	650
= DFCF max WACC		-2	35	33	32	30	29	27	26	25	24	477

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2	2019Q3	2019Q4E	2019E	2020E	2021E
Net sales	3.1	11.7	12.5	12.5	39.8	12.7	12.5	13.2	13.3	51.7	53.9	54.7
EBITDA	2.6	9.1	11.0	11.0	33.7	11.2	10.4	11.3	11.5	44.4	46.6	47.4
<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>88.5</i>	<i>82.9</i>	<i>85.6</i>	<i>86.2</i>	<i>85.8</i>	<i>86.5</i>	<i>86.7</i>
EBIT	2.6	9.1	11.0	11.0	33.7	11.2	10.4	11.3	11.5	44.4	46.6	47.4
<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>88.5</i>	<i>82.9</i>	<i>85.6</i>	<i>86.2</i>	<i>85.8</i>	<i>86.5</i>	<i>86.7</i>
Net financial items	-2.5	-2.5	-2.5	-2.5	-10.0	-3.5	-3.6	-4.0	-3.4	-14.6	-13.7	-12.8
Pre-tax profit	0.1	6.6	8.5	8.5	23.7	7.7	6.8	7.3	8.1	29.8	32.9	34.6
Tax	-1.7	-1.7	-1.7	-1.7	-7.0	-1.1	-2.1	-0.8	-1.7	-5.7	-6.6	-6.9
<i>Tax rate (%)</i>	<i>1,750.0</i>	<i>26.5</i>	<i>20.6</i>	<i>20.6</i>	<i>29.5</i>	<i>13.9</i>	<i>31.1</i>	<i>11.5</i>	<i>21.0</i>	<i>19.1</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-1.6	4.9	6.8	6.8	16.7	6.6	4.7	6.5	6.4	24.1	26.3	27.7
EPS	-0.05	0.16	0.22	0.22	0.54	0.21	0.15	0.21	0.21	0.77	0.85	0.89
EPS adjusted (diluted no. of shares)	-0.05	0.16	0.22	0.22	0.54	0.21	0.15	0.21	0.21	0.77	0.85	0.89
Dividend per share	0.00	0.00	0.00	0.00	0.84	0.00	0.00	0.00	0.00	0.88	0.92	0.97
SALES, EURm												
Finnish daily-goods properties	3.1	11.7	12.5	12.5	39.8	12.7	12.5	13.2	13.3	51.7	53.9	54.7
Total	3.1	11.7	12.5	12.5	39.8	12.7	12.5	13.2	13.3	51.7	53.9	54.7
SALES GROWTH, Y/Y %												
Finnish daily-goods properties	0.0	0.0	0.0	0.0	0.0	308.2	7.6	5.2	6.7	30.0	4.2	1.4
Total	0.0	0.0	0.0	0.0	0.0	308.2	7.6	5.2	6.7	30.0	4.2	1.4
EBIT, EURm												
Finnish daily-goods properties	2.6	9.1	11.0	11.0	33.7	11.2	10.4	11.3	11.5	44.4	46.6	47.4
Total	2.6	9.1	11.0	11.0	33.7	11.2	10.4	11.3	11.5	44.4	46.6	47.4
EBIT margin, %												
Finnish daily-goods properties	83.9	78.1	87.7	88.0	84.7	88.5	82.9	85.6	86.2	85.8	86.5	86.7
Total	83.9	78.1	87.7	88.0	84.7	88.5	82.9	85.6	86.2	85.8	86.5	86.7

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	0.0	0.0	0.0	0.0	39.8	51.7	53.9	54.7
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>30.0</i>	<i>4.2</i>	<i>1.4</i>
EBITDA	0.0	0.0	0.0	0.0	33.7	44.4	46.6	47.4
<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>85.8</i>	<i>86.5</i>	<i>86.7</i>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	0.0	0.0	0.0	0.0	33.7	44.4	46.6	47.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	0.0	0.0	0.0	33.7	44.4	46.6	47.4
<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>85.8</i>	<i>86.5</i>	<i>86.7</i>
Reported EBIT	0.0	0.0	0.0	0.0	65.7	51.4	46.6	47.4
<i>EBIT margin (reported) (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>165.1</i>	<i>99.3</i>	<i>86.5</i>	<i>86.7</i>
Net financials	0.0	0.0	0.0	0.0	-10.0	-14.6	-13.7	-12.8
Pre-tax profit	0.0	0.0	0.0	0.0	23.7	29.8	32.9	34.6
Taxes	0.0	0.0	0.0	0.0	-7.0	-5.7	-6.6	-6.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	0.0	0.0	0.0	48.7	31.1	26.3	27.7
Cash NRIs	0.0	0.0	0.0	0.0	32.0	7.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	0	0	0	768	793	838	838	838
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0
Receivables	0	0	0	5	5	5	5	5
Liquid funds	0	0	0	17	18	23	24	25
Total assets	0	0	0	792	817	868	869	869
Liabilities								
Shareholder's equity	0	0	0	334	334	339	338	337
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	7	7	7	7	7
Interest bearing debt	0	0	0	440	465	510	512	514
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	0	0	0	11	11	11	11	11
Total liabilities	0	0	0	792	817	868	869	869
CASH FLOW, EURm								
+ EBITDA	0	0	0	0	34	44	47	47
- Net financial items	0	0	0	0	-10	-15	-14	-13
- Taxes	0	0	0	5	-7	-6	-7	-7
- Increase in Net Working Capital	0	0	0	5	0	0	0	0
+/- Other	0	0	0	0	32	7	0	0
= Cash flow from operations	0	0	0	10	49	31	26	28
- Capex	0	0	0	-768	-25	-45	0	0
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	0	0	-758	24	-14	26	28
+/- New issues/buybacks	0	0	0	334	-23	0	0	0
- Paid dividend	0	0	0	0	-25	-26	-27	-29
+/- Other	0	0	0	442	25	45	2	1
Change in cash	0	0	0	17	0	5	1	0

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	0	0	0	327	410	410	410
Net debt (excl. convertibles)	0	0	423	447	487	488	489
Enterprise value	0	0	423	774	897	898	900
Sales	0	0	0	40	52	54	55
EBITDA	0	0	0	34	44	47	47
EBIT	0	0	0	34	44	47	47
Pre-tax	0	0	0	24	30	33	35
Earnings	0	0	0	17	24	26	28
Equity book value (excl. minorities)	0	0	334	334	339	338	337
Valuation multiples							
EV/sales	0.0	0.0	0.0	19.4	17.3	16.7	16.5
EV/EBITDA	0.0	0.0	0.0	23.0	20.2	19.3	19.0
EV/EBITA	0.0	0.0	0.0	23.0	20.2	19.3	19.0
EV/EBIT	0.0	0.0	0.0	23.0	20.2	19.3	19.0
EV/OCF	0.0	0.0	42.7	15.9	28.9	34.2	32.5
EV/FCFF	0.0	0.0	-0.6	25.2	-428.8	24.1	23.7
P/FCFE	0.0	0.0	0.0	1.3	-314.4	166.3	158.0
P/E	0.0	0.0	0.0	19.6	17.0	15.6	14.8
P/B	0.0	0.0	0.0	1.0	1.2	1.2	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	105.5	100.6	98.9
Target EV/EBIT	0.0	0.0	0.0	0.0	105.5	100.6	98.9
Target EV/FCF	0.0	0.0	0.0	0.0	-337.1	178.3	169.5
Target P/B	0.0	0.0	0.0	0.0	12.4	12.4	12.4
Target P/E	0.0	0.0	0.0	0.0	174.2	159.8	151.8
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	0.77	0.85	0.89
Operating cash flow per share	0.00	0.00	0.32	1.57	1.00	0.85	0.89
Free cash flow per share	0.00	0.00	-24.38	0.76	-0.45	0.85	0.89
Book value per share	0.00	0.00	10.74	10.75	10.91	10.88	10.85
Dividend per share	0.00	0.00	0.80	0.84	0.88	0.92	0.97
Dividend payout ratio, %	0.0	0.0	0.0	156.4	113.6	109.3	109.1
Dividend yield, %	0.0	0.0	0.0	8.0	6.7	7.0	7.4
FCF yield, %	0.0	0.0	0.0	7.3	-3.4	6.4	6.7
Efficiency measures							
ROE	0.0	0.0	0.0	5.0	7.2	7.8	8.2
ROCE	0.0	0.0	0.0	4.3	5.4	5.5	5.6
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	0.0	0.0	0.0	11.4	8.8	8.4	8.3
Non-interest bearing liabilities as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NWC/sales, %	0.0	0.0	0.0	-11.5	-8.8	-8.5	-8.4
Operative CAPEX/sales, %	0.0	0.0	0.0	62.9	87.0	0.0	0.0
CAPEX/sales (incl. acquisitions), %	0.0	0.0	0.0	62.9	87.0	0.0	0.0
FCFF/EBITDA	0.0	0.0	0.0	0.9	0.0	0.8	0.8
Net debt/EBITDA, book-weighted	0.0	0.0	0.0	13.3	11.0	10.5	10.3
Debt/equity, market-weighted	0.0	0.0	0.0	1.4	1.2	1.2	1.3
Equity ratio, book-weighted	0.0	0.0	42.2	40.9	39.1	39.0	38.8
Gearing, %	0.0	0.0	126.5	133.7	143.5	144.3	145.1

COMPANY DESCRIPTION: Cibus Nordic Real Estate owns a highly diversified portfolio of daily-goods properties located around Finland. Roughly 90% of rental income is generated by properties where either Kesko, Tokmanni or S-Group is the anchor tenant, and consequently portfolio income is largely attributable to the supermarket and discount store types. The portfolio exhibits defensive characteristics and is expected to produce stable cash flows as the lease agreements mostly stipulate the properties' upkeep and renovation costs to be paid by the tenants.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
SFC Holding S.à r.l.	3,200,000	42.209	10.3%
Fourth Swedish National Pension Fund	2,311,245	30.486	7.4%
Amiral Gestion	2,222,764	29.319	7.1%
Talomon Capital	1,610,520	21.243	5.2%
Carnegie Funds	1,250,000	16.488	4.0%
Sirius Capital Partners	830,000	10.948	2.7%
Svenska Handelsbanken	806,176	10.634	2.6%
Avanza Pension	709,150	9.354	2.3%
Dragfast AB	700,000	9.233	2.3%
Sensor Funds	690,000	9.101	2.2%
Ten largest	14,329,855	189.014	46%
Residual	16,770,145	221.203	54%
Total	31,100,000	410.217	100%

EARNINGS CALENDAR

February 27, 2020 FY 2019 Results
 May 15, 2020 Q1 report

OTHER EVENTS

April 23, 2020 AGM

COMPANY MISCELLANEOUS

CEO: Sverker Källgård Kungsgatan 56, 111 22 Stockholm
 CFO: Pia-Lena Olofsson Tel:
 IR:

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

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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.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

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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