

Temporarily elevated expenses

Cibus' portfolio continued to perform according to expectations while transactions and financing activities drove central administration expenses and especially net financial costs exceptionally high.

- Cibus' Q2 rental income was EUR 16.4m while we estimated EUR 16.2m.
- Net rental income (i.e. after property expenses) amounted to EUR 15.1m, compared to our EUR 15.1m estimate.
- Operating income (after central administration expenses) was EUR 13.6m vs our EUR 14.2m estimate.
- Net operating income (after net financial costs) stood at EUR 7.8m vs our EUR 9.9m estimate.
- Annual net rental income capacity is now EUR 65.1m (previously EUR 60.6m).
- The portfolio was valued at EUR 1,124m and thus EPRA NAV amounted to EUR 11.8 (11.6) per share.
- Net LTV ratio was 60.5% (58.1%).
- Occupancy rate was measured at 95.2% (94.8%).
- WAULT remained at 5.5 years at the end of Q2.

Rating			+ BUY
Q2'20	Actual	Evli	Q1'20
Rental income	16.4	16.2	14.0
Net rental income	15.1	15.1	13.0
Operating income	13.6	14.2	11.5
Net operating income	7.8	9.9	6.8
Share price, SEK (Last trading day's closing price)			145.60
Target price, SEK			150.0
Latest change in recommendation			12-May-20
Latest report on company			18-May-20
Research paid by issuer:			YES
No. of shares outstanding, '000's			37,320
No. of shares fully diluted, '000's			37,320
Market cap, EURm			527
Free float, %			98.4
Exchange rate EUR/SEK			10.3
Reuters code			CIBUS.ST
Bloomberg code			CIBUS SS
Average daily volume, EURm			1.5
Next interim report			20-Aug-20
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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
2018	39.8	33.7	84.7%	17.8	0.54	19.6	19.8	23.4	5.5	0.84
2019	51.5	43.5	84.5%	-17.5	0.76	18.8	18.5	21.9	-3.9	0.89
2020E	62.7	54.2	86.5%	-150.4	0.78	18.0	18.1	20.9	-28.5	0.93
2021E	65.6	57.6	87.8%	33.3	0.90	15.7	17.3	19.7	6.3	0.98
2022E	66.4	58.8	88.5%	34.1	0.92	15.4	17.1	19.3	6.5	1.03
Market cap, EURm	527		BV per share 2020E, EUR		143.8	CAGR EPS 2019-22, %		6.5		
Net debt 2020E, EURm	604		Price/book 2020E		1.3	CAGR sales 2019-22, %		8.8		
Enterprise value, EURm	1,131		Dividend yield 2020E, %		6.6	ROE 2020E, %		7.8		
Total assets 2020E, EURm	1,099		Tax rate 2020E, %		20.2	ROCE 2020E, %		5.6		
Goodwill 2020E, EURm	0		Equity ratio 2020E, %		38.2	PEG, P/E 20/CAGR		3.0		

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 11th of May 2020. If recommendation is not given, it is not mentioned here.

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