

Hungry for more

Cibus reports Q4 results on Feb 25. We update our estimates to include the latest purchase. We see no big picture changes; we retain our SEK 165 TP, rating HOLD.

Cibus' GAV grew by 43% last year

2020 was an extraordinary year for Cibus only in the sense that the company was very busy with acquisitions. Cibus acquired about EUR 375m worth of properties in Finland and Sweden, financed in part by two equity issues that raised a combined EUR 125m. The first large Swedish portfolio acquisition was completed in March just before the pandemic lockdown. Cibus completed another large Finnish portfolio acquisition in December, and we update our estimates accordingly before the Q4 report. The latest deal adds some EUR 7m in annual net rental income capacity but will only contribute around EUR 0.3m in Q4. Cibus' quarterly administration expenses are budgeted at EUR 1.1m; we estimate the Q4 figure a bit higher at EUR 1.5m due to the acquisition. We thus see operating income at EUR 15.1m. There should be no major extraordinary financial expenses and so our bottom-line Q4 estimate, before taxes, is EUR 9.9m.

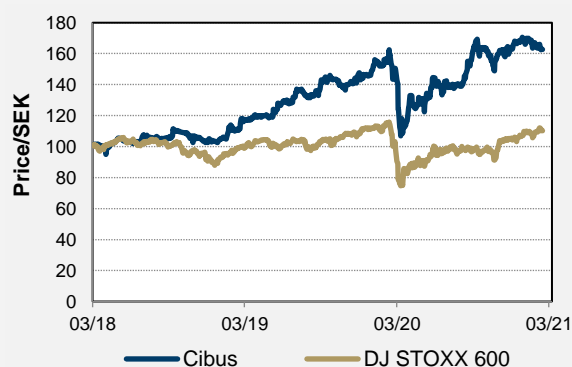
Some more acquisitions are to be expected

The pandemic has had very limited impact on Cibus. Portfolio performance is unchanged. Cibus still has a long pipeline and is likely to add another EUR 50-100m of assets through smaller transactions this year. Cibus will probably expand to either Norway or Denmark (or both) in the coming years. The expansion is somewhat unlikely to happen this year as Cibus would prefer to inspect the properties on location. Vaccination progress now suggests travel remains difficult until at least the end of the year. Meanwhile Cibus has plenty of prospects in Finland and Sweden. The recent EUR 116m in Finnish additions imply 6% net rental yield. The figure represents some 100bps extra on Cibus' similar metric, meaning add-ons are attractive. These relatively low valuations however limit Cibus' shares current upside potential.

We continue to view valuation neutral

Cibus is valued at 1.13x EV/GAV and 1.37x P/NAV. The premium on book value is warranted considering Cibus' still attractive ca. 4.75% yield, compared to the below 4% yield seen in the wider Nordic property sector. We continue to consider Cibus' current valuation neutral. We retain our SEK 165 TP and HOLD rating.

Rating



Share price, SEK (Last trading day's closing price) 162.60

Target price, SEK 165.0

Latest change in recommendation 13-Nov-20

Latest report on company 13-Nov-20

Research paid by issuer: YES

No. of shares outstanding, '000's 40,000

No. of shares fully diluted, '000's 40,000

Market cap, EURm 648

Free float, % 98.4

Exchange rate EUR/SEK 10.1

Reuters code CIBUS.ST

Bloomberg code CIBUS.SS

Average daily volume, EURm 2.6

Next interim report 25-Feb-21

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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
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	65.4	55.1	84.3%	-344.7	0.71	22.9	21.5	25.5	-53.2	0.93
2021E	78.0	67.9	87.0%	36.3	0.95	17.1	18.0	20.7	5.6	0.98
2022E	78.9	69.8	88.5%	38.1	0.96	17.0	17.9	20.2	5.9	1.03
Market cap, EURm	648		Gearing 2020E, %		163.4		CAGR EPS 2019-22, %		8.0	
Net debt 2020E, EURm	758		Price/book 2020E		1.4		CAGR sales 2019-22, %		15.3	
Enterprise value, EURm	1,406		Dividend yield 2020E, %		5.8		ROE 2020E, %		7.1	
Total assets 2020E, EURm	1,297		Tax rate 2020E, %		16.8		ROCE 2020E, %		5.2	
Goodwill 2020E, EURm	0		Equity ratio 2020E, %		35.7		PEG, P/E 20/CAGR		1.9	

Estimates summary

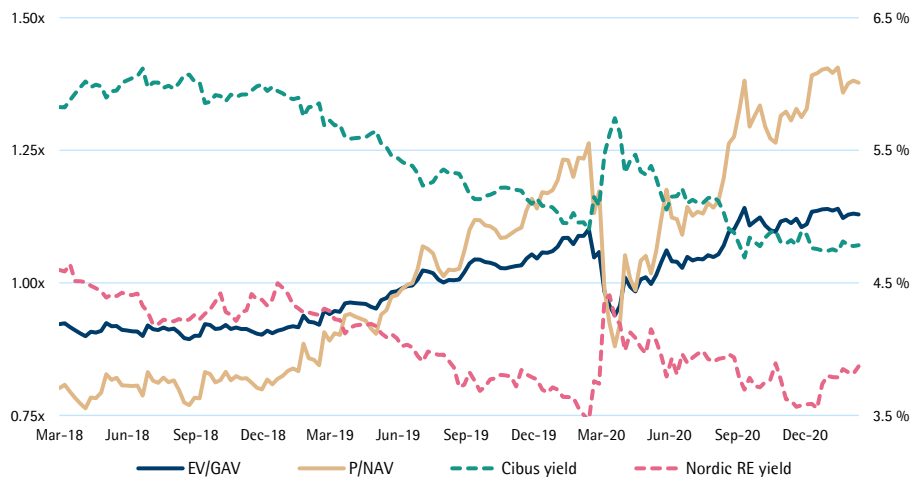
Cibus Nordic	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20	Q2'20	Q3'20	Q4'20e	2020e	2021e
Rental income	12.7	12.6	13.2	13.2	51.5	14.0	16.4	17.0	18.0	65.4	78.0
Net rental income ¹⁾	12.1	11.5	12.5	12.6	48.6	13.0	15.1	16.6	16.6	61.4	72.3
Operating income ²⁾	11.2	10.5	11.3	10.6	43.5	11.5	13.6	14.9	15.1	55.1	67.9
Net operating income ³⁾	7.6	6.8	7.3	7.0	28.7	6.8	7.8	9.5	9.9	34.1	45.9

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 Nordic valuation and yield development


Source: Evli Research, Bloomberg, Cibus Nordic

Note: Yields based on NTM earnings estimates before financial expenses

CIBUS PEER GROUP	MCAP MEUR	EV/EBITDA			P/B			Div. yield		
		20	21	22	20	21	22	20	21	22
Atrium Ljungberg	2028				0.9x	0.9x	0.8x	3.2 %	3.2 %	3.3 %
Castellum	5477	24.1x	24.0x	23.2x	1.2x	1.1x	1.0x	3.5 %	3.6 %	3.8 %
Citycon	1383	21.8x	20.8x	20.1x	0.7x	0.7x	0.7x	6.6 %	6.2 %	6.0 %
Entra	3366	29.0x	27.1x	25.3x	1.3x	1.4x	1.4x	2.6 %	2.7 %	2.8 %
Fabege	3858	34.6x	31.2x	29.3x	0.9x	0.9x	0.9x	3.0 %	3.1 %	3.3 %
Hufvudstaden	2424	30.8x	26.0x	25.1x	0.8x	0.8x	0.8x	2.1 %	2.8 %	2.9 %
Klovern	1350	24.1x	22.5x	21.2x	0.7x	0.7x	0.6x	2.3 %	2.5 %	2.8 %
Kojamo	4038	32.0x	29.1x	26.9x	1.1x	1.0x	0.9x	2.3 %	2.4 %	2.5 %
Kungsleden	1860	23.4x	21.7x	20.2x	1.0x	0.9x	0.9x	3.3 %	3.5 %	3.7 %
Pandox	2516	36.7x	28.4x	23.3x	1.1x	1.0x	1.0x	0.0 %	1.0 %	2.4 %
Wallenstam	3853	48.4x	43.1x	39.2x	1.4x	1.3x	1.2x	1.0 %	1.4 %	1.3 %
Wihlborgs Fastigheter	2474	24.4x	22.0x	21.0x	1.2x	1.2x	1.1x	3.3 %	3.4 %	3.7 %
Peer Group Average	2886	30.0x	26.9x	25.0x	1.0x	1.0x	0.9x	2.8 %	3.0 %	3.2 %
Peer Group Median	2495	29.0x	26.0x	23.3x	1.0x	1.0x	0.9x	2.8 %	2.9 %	3.1 %
Cibus (Evli est.)	646	25.5x	20.7x	20.1x	1.4x	1.4x	1.4x	5.8 %	6.1 %	6.4 %

Cibus prem./disc. to peer median

-12 % -20 % -13 % 33 % 42 % 56 % 106 % 106 % 107 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	162.60 PV of Free Cash Flow	87 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	18.06 PV of Horizon value	1,066 WACC, %	4.9 Market risk premium, %	5.8
Share price potential, %	11.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	23.7 Marketable securities	31 Minimum WACC, %	4.4 Equity beta coefficient	0.53
Minimum value	13.7 Debt - dividend	-789 Maximum WACC, %	5.4 Target debt ratio, %	40
Horizon value, %	92.5 Value of stock	614 Nr of shares, Mn	40.0 Effective tax rate, %	20

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	52	65	78	79	80	81	82	83	84	85	86	87
<i>Sales growth, %</i>	<i>29.4</i>	<i>26.9</i>	<i>19.3</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>	<i>1.2</i>
Operating income (EBIT)	44	55	68	70	71	71	72	73	74	75	76	77
<i>Operating income margin, %</i>	<i>84.5</i>	<i>84.3</i>	<i>87.0</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>
+ Depreciation+amort.	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	44	55	68	70	71	71	72	73	74	75	76	
- Paid taxes	-3	-9	-12	-14	-14	-14	-14	-15	-15	-15	-15	
- Change in NWC	-1	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-33.1</i>	<i>-25.9</i>	<i>-21.6</i>	<i>-21.3</i>	<i>-21.0</i>	<i>-20.8</i>	<i>-20.5</i>	<i>-20.3</i>	<i>-20.0</i>	<i>-19.8</i>	<i>-19.5</i>	
+ Change in other liabs	6	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-51	-376	0	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	<i>99.7</i>	<i>578.4</i>	<i>1.8</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</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	7	5	0	0	0	0	0	0	0	0	0	
= FCFF	1	-326	56	56	57	57	58	59	59	60	61	1,633
= Discounted FCFF		-328	54	51	49	47	46	44	43	41	40	1,066
= DFCF min WACC		-328	54	52	50	48	47	45	44	43	41	1,282
= DFCF max WACC		-328	53	51	49	47	45	43	41	40	38	902

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	12.7	12.5	13.2	13.1	51.5	14.0	16.4	17.0	18.0	65.4	78.0	78.9
EBITDA	11.2	10.4	11.3	10.6	43.5	11.5	13.6	14.9	15.1	55.1	67.9	69.8
<i>EBITDA margin (%)</i>	<i>88.5</i>	<i>82.9</i>	<i>85.6</i>	<i>80.9</i>	<i>84.5</i>	<i>82.1</i>	<i>82.9</i>	<i>87.6</i>	<i>84.1</i>	<i>84.3</i>	<i>87.0</i>	<i>88.5</i>
EBIT	11.2	10.4	11.3	10.6	43.5	11.5	13.6	14.9	15.1	55.1	67.9	69.8
<i>EBIT margin (%)</i>	<i>88.5</i>	<i>82.9</i>	<i>85.6</i>	<i>80.9</i>	<i>84.5</i>	<i>82.1</i>	<i>82.9</i>	<i>87.6</i>	<i>84.1</i>	<i>84.3</i>	<i>87.0</i>	<i>88.5</i>
Net financial items	-3.5	-3.6	-4.0	-3.6	-14.8	-4.7	-5.7	-5.5	-5.2	-21.1	-22.0	-22.0
Pre-tax profit	7.7	6.8	7.3	7.0	28.7	6.8	7.9	9.4	9.9	34.0	45.9	47.8
Tax	-1.1	-2.1	-0.8	-1.1	-5.1	-1.4	-1.7	-0.6	-2.0	-5.7	-8.0	-9.6
<i>Tax rate (%)</i>	<i>13.9</i>	<i>31.1</i>	<i>11.5</i>	<i>15.7</i>	<i>17.8</i>	<i>20.6</i>	<i>21.5</i>	<i>6.4</i>	<i>20.2</i>	<i>16.8</i>	<i>17.4</i>	<i>20.0</i>
Net profit	6.6	4.7	6.5	5.9	23.6	5.4	6.2	8.8	7.9	28.3	37.9	38.2
EPS	0.21	0.15	0.21	0.19	0.76	0.14	0.16	0.22	0.20	0.71	0.95	0.96
EPS adjusted (diluted no. of shares)	0.21	0.15	0.21	0.19	0.76	0.14	0.16	0.22	0.20	0.71	0.95	0.96
Dividend per share	0.00	0.00	0.00	0.00	0.89	0.00	0.00	0.00	0.00	0.93	0.98	1.03
SALES, EURm												
Cibus Nordic	12.7	12.5	13.2	13.1	51.5	14.0	16.4	17.0	18.0	65.4	78.0	78.9
Total	12.7	12.5	13.2	13.1	51.5	14.0	16.4	17.0	18.0	65.4	78.0	78.9
SALES GROWTH, Y/Y %												
Cibus Nordic	308.2	7.6	5.2	4.8	29.4	10.6	30.7	28.8	37.0	26.9	19.3	1.2
Total	308.2	7.6	5.2	4.8	29.4	10.6	30.7	28.8	37.0	26.9	19.3	1.2
EBIT, EURm												
Cibus Nordic	11.2	10.4	11.3	10.6	43.5	11.5	13.6	14.9	15.1	55.1	67.9	69.8
Total	11.2	10.4	11.3	10.6	43.5	11.5	13.6	14.9	15.1	55.1	67.9	69.8
EBIT margin, %												
Cibus Nordic	88.5	82.9	85.6	80.9	84.5	82.1	82.9	87.6	84.1	84.3	87.0	88.5
Total	88.5	82.9	85.6	80.9	84.5	82.1	82.9	87.6	84.1	84.3	87.0	88.5

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	0.0	0.0	0.0	39.8	51.5	65.4	78.0	78.9
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>29.4</i>	<i>26.9</i>	<i>19.3</i>	<i>1.2</i>
EBITDA	0.0	0.0	0.0	33.7	43.5	55.1	67.9	69.8
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>84.7</i>	<i>84.5</i>	<i>84.3</i>	<i>87.0</i>	<i>88.5</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	33.7	43.5	55.1	67.9	69.8
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	33.7	43.5	55.1	67.9	69.8
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>84.7</i>	<i>84.5</i>	<i>84.3</i>	<i>87.0</i>	<i>88.5</i>
Reported EBIT	0.0	0.0	0.0	65.7	50.2	60.2	67.9	69.8
<i>EBIT margin (reported) (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>165.1</i>	<i>97.5</i>	<i>92.1</i>	<i>87.0</i>	<i>88.5</i>
Net financials	0.0	0.0	0.0	-10.0	-14.8	-21.1	-22.0	-22.0
Pre-tax profit	0.0	0.0	0.0	23.7	28.7	34.0	45.9	47.8
Taxes	0.0	0.0	0.0	-7.0	-5.1	-5.7	-8.0	-9.6
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	48.7	30.3	33.4	37.9	38.2
Cash NRIs	0.0	0.0	0.0	32.0	6.7	5.1	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	768	817	875	1,251	1,251	1,251
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	6	7	9	9
Inventory	0	0	0	0	0	0	0	0
Receivables	0	0	5	3	6	6	6	6
Liquid funds	0	0	17	26	25	31	37	38
Total assets	0	0	792	848	913	1,297	1,305	1,306
Liabilities								
Shareholder's equity	0	0	334	329	333	464	464	463
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	7	9	9
Deferred taxes	0	0	7	9	14	14	14	14
Interest bearing debt	0	0	440	486	535	782	787	789
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	0	0	11	24	31	31	31	31
Total liabilities	0	0	792	848	913	1,297	1,305	1,306
CASH FLOW, EURm								
+ EBITDA	0	0	0	34	44	55	68	70
- Net financial items	0	0	0	-10	-15	-21	-22	-22
- Taxes	0	0	5	0	0	-6	-8	-10
- Increase in Net Working Capital	0	0	5	14	-1	0	0	0
+/- Other	0	0	0	-16	7	5	0	0
= Cash flow from operations	0	0	10	21	34	33	38	38
- Capex	0	0	-768	-4	-51	-378	-1	0
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	0	-758	-18	-17	-345	36	38
+/- New issues/buybacks	0	0	334	29	0	125	0	0
- Paid dividend	0	0	0	-25	-26	-28	-37	-39
+/- Other	0	0	442	44	43	254	7	2
Change in cash	0	0	17	8	-1	7	6	0

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	0	0	327	443	648	648	648
Net debt (excl. convertibles)	0	423	461	510	758	759	760
Enterprise value	0	423	787	954	1,406	1,407	1,408
Sales	0	0	40	52	65	78	79
EBITDA	0	0	34	44	55	68	70
EBIT	0	0	34	44	55	68	70
Pre-tax	0	0	24	29	34	46	48
Earnings	0	0	17	24	28	38	38
Equity book value (excl. minorities)	0	334	329	333	464	464	463
Valuation multiples							
EV/sales	0.0	0.0	19.8	18.5	21.5	18.0	17.9
EV/EBITDA	0.0	0.0	23.4	21.9	25.5	20.7	20.2
EV/EBITA	0.0	0.0	23.4	21.9	25.5	20.7	20.2
EV/EBIT	0.0	0.0	23.4	21.9	25.5	20.7	20.2
EV/OCF	0.0	42.7	36.8	28.2	42.2	37.3	36.8
EV/FCFF	0.0	-0.6	-4.4	1,142.0	-4.3	25.2	25.2
P/FCFE	0.0	0.0	1.8	-2.5	-18.9	179.1	170.6
P/E	0.0	0.0	19.6	18.8	22.9	17.1	17.0
P/B	0.0	0.0	1.0	1.3	1.4	1.4	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	133.5	108.4	105.4
Target EV/EBIT	0.0	0.0	0.0	0.0	133.5	108.4	105.4
Target EV/FCF	0.0	0.0	0.0	0.0	-21.3	202.6	193.0
Target P/B	0.0	0.0	0.0	0.0	14.2	14.2	14.2
Target P/E	0.0	0.0	0.0	0.0	233.2	174.3	172.6
Per share measures							
Number of shares	31,100	31,100	31,100	31,100	40,000	40,000	40,000
Number of shares (diluted)	31,100	31,100	31,100	31,100	40,000	40,000	40,000
EPS	0.00	0.00	0.54	0.76	0.71	0.95	0.96
Operating cash flow per share	0.00	0.32	0.69	1.09	0.83	0.94	0.96
Free cash flow per share	0.00	-24.38	0.57	-0.56	-8.62	0.91	0.95
Book value per share	0.00	10.74	10.57	10.70	11.59	11.61	11.58
Dividend per share	0.00	0.80	0.84	0.89	0.93	0.98	1.03
Dividend payout ratio, %	0.0	0.0	156.4	117.3	132.1	103.7	107.7
Dividend yield, %	0.0	0.0	8.0	6.2	5.8	6.1	6.4
FCF yield, %	0.0	0.0	5.5	-3.9	-53.2	5.6	5.9
Efficiency measures							
ROE	0.0	0.0	5.0	7.1	7.1	8.2	8.2
ROCE	0.0	0.0	4.2	5.2	5.2	5.4	5.5
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	8.4	11.2	9.0	7.7	7.6
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	-45.6	-33.1	-25.9	-21.6	-21.3
Operative CAPEX/sales, %	0.0	0.0	9.0	99.7	578.4	1.8	0.1
CAPEX/sales (incl. acquisitions), %	0.0	0.0	9.0	99.7	578.4	1.8	0.1
FCFF/EBITDA	0.0	0.0	-5.3	0.0	-5.9	0.8	0.8
Net debt/EBITDA, book-weighted	0.0	0.0	13.7	11.7	13.8	11.2	10.9
Debt/equity, market-weighted	0.0	0.0	1.5	1.2	1.2	1.2	1.2
Equity ratio, book-weighted	0.0	42.2	38.8	36.5	35.7	35.6	35.5
Gearing, %	0.0	126.5	140.1	153.4	163.4	163.4	164.0

COMPANY DESCRIPTION: Cibus Nordic Real Estate owns a highly diversified portfolio of daily-goods properties located around Finland and Southern Sweden. With regards to the Finnish portfolio, 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. Southern Sweden is responsible for some 17% of net rental income following the acquisition of 111 Coop supermarket properties. 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: Cibus' cash flow profile is very stable and tenant risks manageable. In our view the supermarket segment is a particularly attractive type of daily-goods property. We see Cibus' current net yield level still rather high compared to other listed Nordic real estate companies, implying further upside potential.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Fourth Swedish National Pension Fund	3,329,733	53.971	8.3%
Marjan Dragicevic	1,804,000	29.241	4.5%
BMO Global Asset Management	1,574,137	25.515	3.9%
Länsförsäkringar Funds	1,479,575	23.982	3.7%
Dragfast AB	1,370,000	22.206	3.4%
Svenska Handelsbanken	1,308,626	21.211	3.3%
Avanza Pension	1,195,659	19.380	3.0%
Sensor Funds	906,000	14.685	2.3%
Nordnet Pension Insurance	825,983	13.388	2.1%
Säästöpankki Funds	671,900	10.891	1.7%
Ten largest	14,465,613	234.472	36%
Residual	25,534,387	413.885	64%
Total	40,000,000	648.358	100%

EARNINGS CALENDAR

February 25, 2021	FY 2020 Results
May 12, 2021	Q1 report
August 18, 2021	Q2 report

OTHER EVENTS**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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

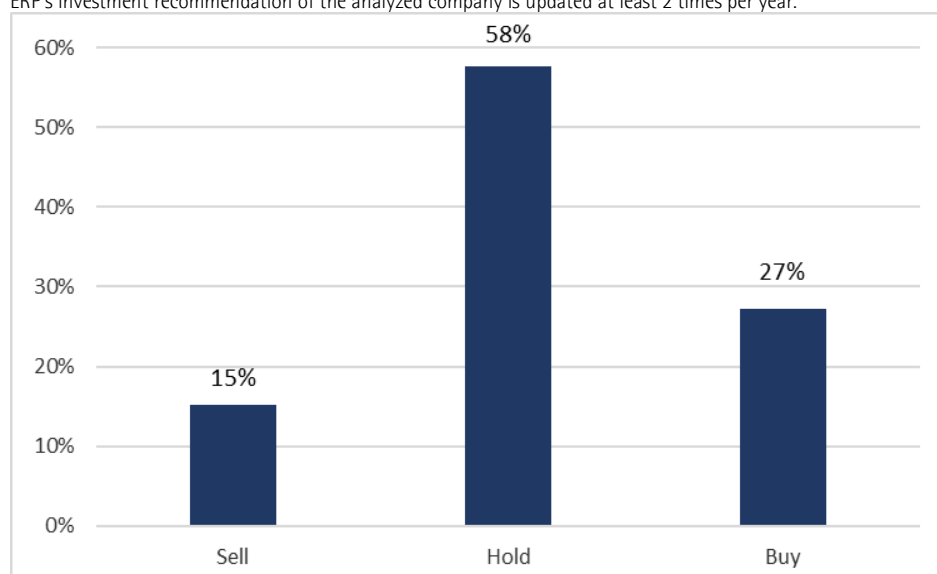
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Investment recommendations are defined as follows:

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

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

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