

## Digesting premium to book value

Cibus' portfolio continued to perform as expected. Nordic daily-goods properties remain valued at attractive levels, which in our view highlights the underlying assets' illiquid and idiosyncratic nature. Our new TP is SEK 175 (170).

### Q1 was uneventful like so many other quarters

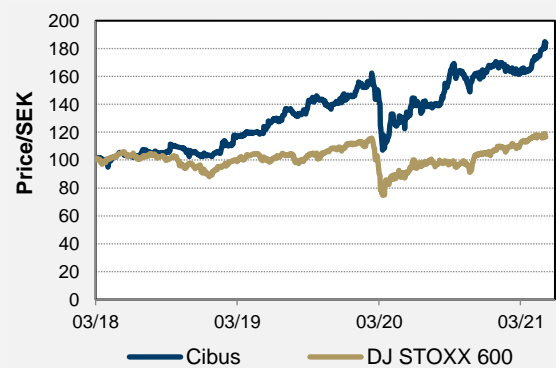
Cibus' EUR 18.2m Q1 net rental income was in line with our EUR 18.1m estimate. Admin costs were EUR 1.7m (vs our EUR 1.3m estimate) as some EUR 0.1m related to the Nasdaq Stockholm main list transfer added to costs, in addition to certain seasonal variation. Net financial costs were only EUR 4.9m, compared to our EUR 5.4m estimate, as there was a EUR 0.5m FX gain. Net operating income, at EUR 11.6m, was therefore a bit above our EUR 11.4m estimate. Q1 was not unlike all other Cibus quarters despite the pandemic and somewhat extraordinary economic developments. Cibus also didn't close new acquisitions in Q1.

### Relatively few buyers help maintain the markets cool

Cibus has made a couple of small acquisitions after Q1. The four properties (three ICA and one Tokmanni) amounted to a total purchase price of EUR 8.7m. We assume a 6% yield and thus update our estimates accordingly. We understand Cibus' acquisition pipeline remains plentiful beyond these few small deals. Cibus will have no problem financing even larger portfolio acquisitions as credit is available through various channels and equity can be accessed with a directed share issue (an exercise completed twice last year) or by a hybrid bond. Cibus also continues to act with restraint and is wary of paying a lot more than the levels it has gotten used to in the past few years.

### 1.2x EV/GAV begins to beg some underlying asset inflation

There has been no marked heating in the Nordic daily-goods property markets; the Swedish market shows some modest yield compression while Finland has remained much the same. We wouldn't be surprised to see some acceleration in yield compression over the year, but in our view Cibus' valuation already reflects such expectations to an extent. Cibus is valued almost 1.2x EV/GAV and 1.5x P/NAV, and in our opinion the levels don't leave further upside even though Cibus' absolute yield remains competitive relative to other listed Nordic properties. We update our TP to SEK 175 (170) as Swedish yield compression still provides additional minor support for Cibus' valuation.

 Rating 🟡 HOLD


Share price, SEK (Last trading day's closing price)	184.00
Target price, SEK	175.0

Latest change in recommendation	13-Nov-20
Latest report on company	26-Feb-21
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	724
Free float, %	98.5
Exchange rate EUR/SEK	10.1
Reuters code	CIBUS.ST
Bloomberg code	CIBUS.SS
Average daily volume, EURm	2.6
Next interim report	18-Aug-21
Web site	www.cibusnordic.com

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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	
2019	51.5	43.5	84.5%	-17.5	0.76	18.8	18.5	21.9	-3.9	0.89	
2020	65.0	54.9	84.5%	-346.4	0.71	22.7	21.9	25.9	-53.6	0.94	
2021E	77.7	67.7	87.1%	38.4	0.99	18.2	19.3	22.2	5.3	0.99	
2022E	78.6	69.4	88.3%	39.7	0.99	18.2	19.1	21.6	5.5	1.04	
2023E	79.5	70.4	88.5%	39.8	1.00	18.1	18.9	21.3	5.5	1.09	
Market cap, EURm			724	Gearing 2021E, %			168.4	CAGR EPS 2020-23, %			11.9
Net debt 2021E, EURm			775	Price/book 2021E			1.6	CAGR sales 2020-23, %			6.9
Enterprise value, EURm			1,499	Dividend yield 2021E, %			5.5	ROE 2021E, %			8.6
Total assets 2021E, EURm			1,333	Tax rate 2021E, %			14.7	ROCE 2021E, %			5.3
Goodwill 2021E, EURm			0	Equity ratio 2021E, %			34.5	PEG, P/E 21/CAGR			16.8

**Estimates summary**

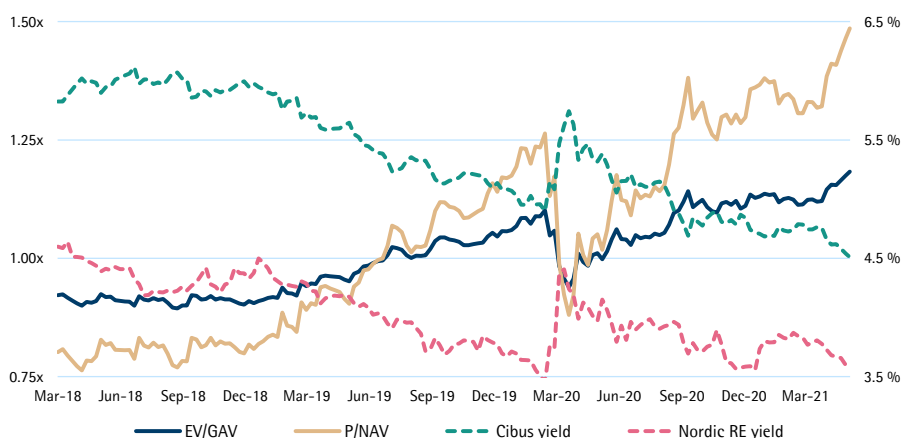
Cibus Nordic	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e
Rental income	51.5	14.0	16.4	17.0	17.6	65.0	19.4	19.4	19.4	19.5	77.7
Net rental income <sup>1)</sup>	48.6	13.0	15.1	16.6	16.7	61.4	18.2	18.3	18.3	18.4	73.2
Operating income <sup>2)</sup>	43.5	11.5	13.6	14.9	14.8	54.9	16.5	17.0	17.1	17.1	67.7
Net operating income <sup>3)</sup>	28.7	6.8	7.8	9.5	9.3	33.5	11.6	11.6	11.6	11.7	46.5

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	2351		30.0x	28.3x	1.1x	1.0x	1.0x	2.7 %	2.7 %	2.8 %
Castellum	5766	24.1x	25.4x	25.1x	1.3x	1.1x	1.1x	3.2 %	3.4 %	3.5 %
Citycon	1323	21.9x	21.2x	20.2x	0.7x	0.7x	0.7x	7.0 %	6.4 %	6.3 %
Entra	3410	28.4x	28.0x	26.0x	1.3x	1.3x	1.2x	2.6 %	2.7 %	2.9 %
Fabege	4169	34.6x	34.4x	32.2x	1.0x	1.0x	0.9x	2.7 %	2.8 %	3.0 %
Hufvudstaden	2761	30.9x	30.1x	28.0x	0.9x	0.9x	0.9x	1.8 %	2.4 %	2.6 %
Klovern	1726	24.1x	23.9x	22.9x	1.0x	0.9x	0.9x	1.5 %	1.9 %	2.1 %
Kojamo	4394	32.0x	30.9x	28.7x	1.2x	1.1x	1.1x	2.1 %	2.2 %	2.3 %
Kungsleden	2179	23.4x	24.3x	23.0x	1.2x	1.1x	1.0x	2.6 %	2.9 %	3.1 %
Pandox	2645	35.5x	31.1x	23.0x	1.1x	1.1x	1.0x	0.0 %	1.0 %	2.2 %
Wallenstam	4366	47.9x	47.8x	43.6x	1.7x	1.5x	1.4x	0.9 %	1.1 %	1.2 %
Wihlborgs Fastigheter	2801	24.4x	24.3x	23.2x	1.5x	1.3x	1.2x	2.8 %	2.9 %	3.1 %
Peer Group Average	3158	<b>29.8x</b>	<b>29.3x</b>	<b>27.0x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>1.0x</b>	<b>2.5 %</b>	<b>2.7 %</b>	<b>2.9 %</b>
Peer Group Median	2781	<b>28.4x</b>	<b>29.0x</b>	<b>25.5x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>1.0x</b>	<b>2.6 %</b>	<b>2.7 %</b>	<b>2.8 %</b>
Cibus (Evli est.)	<b>725</b>	<b>25.9x</b>	<b>22.2x</b>	<b>21.6x</b>	<b>1.4x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>5.8 %</b>	<b>5.4 %</b>	<b>5.7 %</b>

Cibus prem./disc. to peer median

-9 %    -23 %    -15 %    24 %    47 %    55 %    123 %    101 %    102 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	184.00 PV of Free Cash Flow	459 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	17.00 PV of Horizon value	1,035 WACC, %	4.9 Market risk premium, %	5.8
Share price potential, %	-6.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	22.6 Marketable securities	37 Minimum WACC, %	4.4 Equity beta coefficient	0.53
Minimum value	12.7 Debt - dividend	-851 Maximum WACC, %	5.4 Target debt ratio, %	40
Horizon value, %	69.3 Value of stock	680 Nr of shares, Mn	40.0 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	65	78	79	80	80	81	82	83	84	85	86	87
<i>Sales growth, %</i>	<i>26.2</i>	<i>19.5</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>	<i>1.2</i>
Operating income (EBIT)	55	68	69	70	71	72	73	74	75	76	76	77
<i>Operating income margin, %</i>	<i>84.5</i>	<i>87.1</i>	<i>88.3</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	55	68	69	70	71	72	73	74	75	76	76	
- Paid taxes	-4	-10	-13	-14	-14	-14	-15	-15	-15	-15	-15	
- Change in NWC	3	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-30.7</i>	<i>-25.7</i>	<i>-25.4</i>	<i>-25.1</i>	<i>-24.8</i>	<i>-24.5</i>	<i>-24.2</i>	<i>-23.9</i>	<i>-23.6</i>	<i>-23.3</i>	<i>-23.1</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-386	-9	0	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	<i>597.4</i>	<i>11.5</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	6	0	0	0	0	0	0	0	0	0	0	
= FCFF	-324	49	57	56	57	58	58	59	60	60	61	1,646
= Discounted FCFF		47	53	50	48	46	44	43	41	40	38	1,035
= DFCF min WACC		47	53	50	49	47	46	44	43	42	40	1,250
= DFCF max WACC		47	52	49	47	45	43	42	40	38	37	872

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	14.0	16.4	17.0	17.6	65.0	19.4	19.4	19.4	19.5	77.7	78.6	79.5
EBITDA	11.5	13.6	14.9	14.9	54.9	16.5	17.0	17.1	17.1	67.7	69.4	70.4
<i>EBITDA margin (%)</i>	<i>82.1</i>	<i>82.9</i>	<i>87.6</i>	<i>84.7</i>	<i>84.5</i>	<i>85.1</i>	<i>87.8</i>	<i>87.8</i>	<i>87.8</i>	<i>87.1</i>	<i>88.3</i>	<i>88.5</i>
EBIT	11.5	13.6	14.9	14.9	54.9	16.5	17.0	17.1	17.1	67.7	69.4	70.4
<i>EBIT margin (%)</i>	<i>82.1</i>	<i>82.9</i>	<i>87.6</i>	<i>84.7</i>	<i>84.5</i>	<i>85.1</i>	<i>87.8</i>	<i>87.8</i>	<i>87.8</i>	<i>87.1</i>	<i>88.3</i>	<i>88.5</i>
Net financial items	-4.7	-5.7	-5.5	-5.5	-21.4	-4.9	-5.4	-5.4	-5.4	-21.2	-20.8	-20.5
Pre-tax profit	6.8	7.9	9.4	9.4	33.5	11.6	11.6	11.6	11.7	46.5	48.6	49.9
Tax	-1.4	-1.7	-0.6	-1.3	-5.0	-0.8	-2.0	-2.0	-2.0	-6.8	-8.8	-10.0
<i>Tax rate (%)</i>	<i>20.6</i>	<i>21.5</i>	<i>6.4</i>	<i>13.8</i>	<i>14.9</i>	<i>7.3</i>	<i>17.3</i>	<i>17.2</i>	<i>17.1</i>	<i>14.7</i>	<i>18.1</i>	<i>20.0</i>
Net profit	5.4	6.2	8.8	8.1	28.5	10.8	9.6	9.6	9.7	39.6	39.8	39.9
EPS	0.14	0.16	0.22	0.20	0.71	0.27	0.24	0.24	0.24	0.99	0.99	1.00
EPS adjusted (diluted no. of shares)	0.14	0.16	0.22	0.20	0.71	0.27	0.24	0.24	0.24	0.99	0.99	1.00
Dividend per share	0.00	0.00	0.00	0.00	0.94	0.00	0.00	0.00	0.00	0.99	1.04	1.09
<b>SALES, EURm</b>												
Cibus Nordic	14.0	16.4	17.0	17.6	65.0	19.4	19.4	19.4	19.5	77.7	78.6	79.5
Total	14.0	16.4	17.0	17.6	65.0	19.4	19.4	19.4	19.5	77.7	78.6	79.5
<b>SALES GROWTH, Y/Y %</b>												
<i>Cibus Nordic</i>	<i>10.6</i>	<i>30.7</i>	<i>28.8</i>	<i>34.4</i>	<i>26.2</i>	<i>38.6</i>	<i>18.1</i>	<i>14.2</i>	<i>10.6</i>	<i>19.5</i>	<i>1.2</i>	<i>1.2</i>
<i>Total</i>	<i>10.6</i>	<i>30.7</i>	<i>28.8</i>	<i>34.4</i>	<i>26.2</i>	<i>38.6</i>	<i>18.1</i>	<i>14.2</i>	<i>10.6</i>	<i>19.5</i>	<i>1.2</i>	<i>1.2</i>
<b>EBIT, EURm</b>												
Cibus Nordic	11.5	13.6	14.9	14.9	54.9	16.5	17.0	17.1	17.1	67.7	69.4	70.4
Total	11.5	13.6	14.9	14.9	54.9	16.5	17.0	17.1	17.1	67.7	69.4	70.4
<b>EBIT margin, %</b>												
<i>Cibus Nordic</i>	<i>82.1</i>	<i>82.9</i>	<i>87.6</i>	<i>84.7</i>	<i>84.5</i>	<i>85.1</i>	<i>87.8</i>	<i>87.8</i>	<i>87.8</i>	<i>87.1</i>	<i>88.3</i>	<i>88.5</i>
<i>Total</i>	<i>82.1</i>	<i>82.9</i>	<i>87.6</i>	<i>84.7</i>	<i>84.5</i>	<i>85.1</i>	<i>87.8</i>	<i>87.8</i>	<i>87.8</i>	<i>87.1</i>	<i>88.3</i>	<i>88.5</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	0.0	0.0	39.8	51.5	65.0	77.7	78.6	79.5
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>29.4</i>	<i>26.2</i>	<i>19.5</i>	<i>1.2</i>	<i>1.2</i>
EBITDA	0.0	0.0	33.7	43.5	54.9	67.7	69.4	70.4
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>84.7</i>	<i>84.5</i>	<i>84.5</i>	<i>87.1</i>	<i>88.3</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	33.7	43.5	54.9	67.7	69.4	70.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	0.0	33.7	43.5	54.9	67.7	69.4	70.4
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>84.7</i>	<i>84.5</i>	<i>84.5</i>	<i>87.1</i>	<i>88.3</i>	<i>88.5</i>
Reported EBIT	0.0	0.0	65.7	50.2	61.0	68.1	69.4	70.4
<i>EBIT margin (reported) (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>165.1</i>	<i>97.5</i>	<i>93.8</i>	<i>87.7</i>	<i>88.3</i>	<i>88.5</i>
Net financials	0.0	0.0	-10.0	-14.8	-21.4	-21.2	-20.8	-20.5
Pre-tax profit	0.0	0.0	23.7	28.7	33.5	46.5	48.6	49.9
Taxes	0.0	0.0	-7.0	-5.1	-5.0	-6.8	-8.8	-10.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	0.0	48.7	30.3	34.6	40.0	39.8	39.9
Cash NRIs	0.0	0.0	32.0	6.7	6.1	0.4	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	0	768	817	875	1,273	1,273	1,273	1,273
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	6	8	10	10	10
Inventory	0	0	0	0	0	0	0	0
Receivables	0	5	3	6	3	3	3	3
Liquid funds	0	17	26	25	37	44	44	45
Total assets	0	792	848	913	1,324	1,333	1,334	1,334
<b>Liabilities</b>								
Shareholder's equity	0	334	329	333	458	460	461	459
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	10	10	10
Deferred taxes	0	7	9	14	20	20	20	20
Interest bearing debt	0	440	486	535	813	810	810	812
Non-interest bearing current liabilities	0	0	0	0	0	1	1	1
Other interest-free debt	0	11	24	31	32	32	32	32
Total liabilities	0	792	848	913	1,324	1,333	1,334	1,334
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	0	34	44	55	68	69	70
- Net financial items	0	0	-10	-15	-21	-21	-21	-20
- Taxes	0	5	0	0	-1	-7	-9	-10
- Increase in Net Working Capital	0	5	14	-1	3	0	0	0
+/- Other	0	0	-16	7	6	0	0	0
= Cash flow from operations	0	10	21	34	42	40	40	40
- Capex	0	-768	-4	-51	-388	-9	0	0
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	-758	18	-17	-346	31	40	40
+/- New issues/buybacks	0	334	-29	0	118	0	0	0
- Paid dividend	0	0	-25	-26	-28	-38	-39	-41
+/- Other	0	442	44	43	268	6	0	2
Change in cash	0	17	8	-1	12	7	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	0	327	443	646	724	724	724
Net debt (excl. convertibles)	423	461	510	776	775	775	777
Enterprise value	423	787	954	1,422	1,499	1,499	1,500
Sales	0	40	52	65	78	79	80
EBITDA	0	34	44	55	68	69	70
EBIT	0	34	44	55	68	69	70
Pre-tax	0	24	29	34	46	49	50
Earnings	0	17	24	29	40	40	40
Equity book value (excl. minorities)	334	329	333	458	460	461	459
<b>Valuation multiples</b>							
EV/sales	0.0	19.8	18.5	21.9	19.3	19.1	18.9
EV/EBITDA	0.0	23.4	21.9	25.9	22.2	21.6	21.3
EV/EBITA	0.0	23.4	21.9	25.9	22.2	21.6	21.3
EV/EBIT	0.0	23.4	21.9	25.9	22.2	21.6	21.3
EV/OCF	42.7	36.8	28.2	33.9	37.5	37.7	37.6
EV/FCFF	-0.6	-4.4	1,142.0	-4.4	25.8	26.4	26.7
P/FCFE	0.0	1.8	-2.5	-0.2	191.6	185.6	185.1
P/E	0.0	19.6	18.8	22.7	18.2	18.2	18.1
P/B	0.0	1.0	1.3	1.4	1.6	1.6	1.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	11.3	11.0	10.9
Target EV/EBIT	0.0	0.0	0.0	0.0	11.3	11.0	10.9
Target EV/FCF	0.0	0.0	0.0	0.0	19.9	19.3	19.2
Target P/B	0.0	0.0	0.0	0.0	1.5	1.5	1.5
Target P/E	0.0	0.0	0.0	0.0	17.4	17.3	17.3
<b>Per share measures</b>							
Number of shares	31,100	31,100	31,100	40,000	40,000	40,000	40,000
Number of shares (diluted)	31,100	31,100	31,100	40,000	40,000	40,000	40,000
EPS	0.00	0.54	0.76	0.71	0.99	0.99	1.00
Operating cash flow per share	0.32	0.69	1.09	1.05	1.00	0.99	1.00
Free cash flow per share	-24.38	0.57	-0.56	-8.66	0.96	0.99	0.99
Book value per share	10.74	10.57	10.70	11.45	11.51	11.52	11.48
Dividend per share	0.80	0.84	0.89	0.94	0.99	1.04	1.09
Dividend payout ratio, %	0.0	156.4	117.3	131.9	99.6	104.2	109.1
Dividend yield, %	0.0	8.0	6.2	5.8	5.5	5.7	6.0
FCF yield, %	0.0	5.5	-3.9	-53.6	5.3	5.5	5.5
<b>Efficiency measures</b>							
ROE	0.0	5.0	7.1	7.2	8.6	8.6	8.7
ROCE	0.0	4.2	5.2	5.1	5.3	5.4	5.5
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	0.0	8.4	11.2	4.2	3.7	3.6	3.6
Non-interest bearing liabilities as % of sales	0.0	0.0	0.0	0.7	0.7	0.7	0.7
NWC/sales, %	0.0	-45.6	-33.1	-30.7	-25.7	-25.4	-25.1
Operative CAPEX/sales, %	0.0	9.0	99.7	597.4	2.1	0.1	0.1
CAPEX/sales (incl. acquisitions), %	0.0	9.0	99.7	597.4	2.1	0.1	0.1
FCFF/EBITDA	0.0	-5.3	0.0	-5.9	0.9	0.8	0.8
Net debt/EBITDA, book-weighted	0.0	13.7	11.7	14.1	11.5	11.2	11.0
Debt/equity, market-weighted	0.0	1.5	1.2	1.3	1.1	1.1	1.1
Equity ratio, book-weighted	42.2	38.8	36.5	34.6	34.5	34.6	34.4
Gearing, %	126.5	140.1	153.4	169.5	168.4	168.3	169.2

**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	3,568,253	64.546	8.9%
BMO Global Asset Management	2,315,269	41.881	5.8%
Marjan Dragicevic	1,820,000	32.922	4.6%
Dragfast AB	1,700,000	30.751	4.3%
Avanza Pension	1,445,875	26.154	3.6%
Svenska Handelsbanken	1,290,976	23.352	3.2%
Sensor Funds	946,000	17.112	2.4%
Länsförsäkringar Fonder	926,452	16.758	2.3%
Nordnet Pension Insurance	902,057	16.317	2.3%
Patrick Gylling	600,000	10.853	1.5%
Ten largest	15,514,882	280.647	39%
Residual	24,485,118	442.908	61%
Total	40,000,000	723.555	100%

#### EARNINGS CALENDAR

August 18, 2021	Q2 report
November 11, 2021	Q3 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

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

Recommendation	Percentage
Sell	15%
Hold	58%
Buy	27%

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.

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

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