

## No surprises; updated earnings capacity provides color on the latest transaction

Cibus' Jul-Sep 2018 quarter proceeded in-line with estimates. Net rental income and operating income came in as guided by the company's earnings capacity. From now on, dividends will be paid on a quarterly basis.

- Operating income during the quarter, at EUR 7.2m, was consistent with the annual earnings capacity previously communicated by the company for the period (EUR 28.8m).
- Cibus previously announced an acquisition of six daily-goods properties in Finland at a cost of EUR 30m. The updated earnings capacity hints at an acquisition yield of ca 6.5%, i.e. an increase of EUR 2.0m in rental income. Correspondingly, the annual NOI capacity now stands at EUR 47.8m vs. EUR 45.8m previously. The six recently acquired properties are all let to Kesko and Tokmanni.
- Going forward, Cibus will pay dividends quarterly. Moreover, Cibus' financial year will now follow the calendar year, meaning that the company's next year-end report will be published in Feb 2019 for the period Jul-Dec 2018. Meanwhile board member Jonas Ahlblad (Sirius Capital Partners) will serve as an interim CEO until a new CEO has been appointed.

Rating	 BUY
Share price, SEK (Last trading day's closing price)	104.56
Target price, SEK	120.0
Latest change in recommendation	
Latest report on company	23-Oct-18
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	308
Free float, %	100.0
Exchange rate EUR/SEK	10.300
Reuters code	CIBUS.ST
Bloomberg code	CIBUS SS
Average daily volume, EURm	0.35
Next interim report	27-Nov-18
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 BUY  HOLD  SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2016	0	0	0.0%	0	0.00	0.0	0.0	0.0	0.0	0.00
2017	15	13	85.8%	8	1.06	0.0	28.6	0.0	33.4	0.80
2018E	49	42	86.1%	32	0.83	12.0	14.9	9.1	17.3	0.80
2019E	50	43	86.1%	33	0.85	11.7	14.6	9.0	17.0	0.80
2020E	51	44	86.1%	34	0.86	11.5	14.4	8.9	16.7	0.80
Market cap, EURm				308	BV per share 2018E, EUR		10.8	CAGR EPS 2017-20, %		-6.6
Net debt 2018E, EURm				422	Price/book 2018E		0.9	CAGR sales 2017-20, %		50.8
Enterprise value, EURm				730	Dividend yield 2018E, %		8.1	ROE 2018E, %		7.7
Total assets 2018E, EURm				798	Tax rate 2018E, %		20.0	ROCE 2018E, %		5.4
Goodwill 2018E, EURm				0	Equity ratio 2018E, %		42.0	PEG, P/E 18/CAGR		6.4

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

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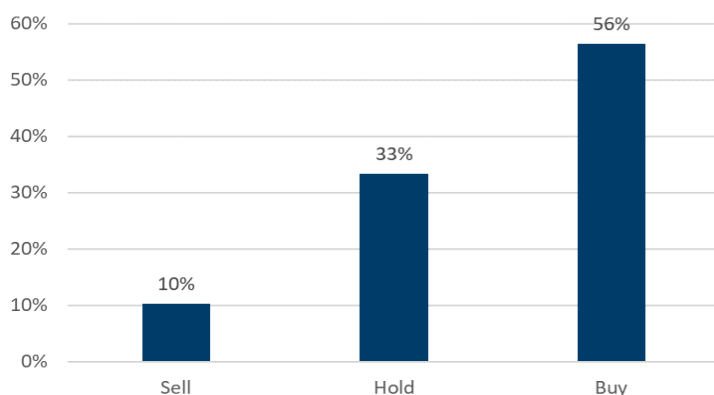
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Investment recommendations are defined as follows:

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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