

## Expenses higher than expected

Cibus' Q2 rental income stood at EUR 12.6m, in line with expectations. Property expenses were slightly higher than we expected, and thus net rental income, at EUR 11.5m, was less than our EUR 12.0m estimate. Central operating metrics remained largely unchanged.

- Q2 rental income amounted to EUR 12.6m vs our EUR 12.8m estimate.
- Net rental income was EUR 11.5m, whereas we expected EUR 12.0m. Property expenses were some EUR 300k higher than we expected. Annual net rental income capacity now stands EUR 49.9m from Q3 onwards (Cibus previously estimated the figure at EUR 49.3m).
- Operating income (net rental income minus central administration costs) stood at EUR 10.5m vs our EUR 11.0m projection.
- The portfolio's GAV amounted to EUR 862m (a total of 139 properties), while EPRA NAV rose to EUR 11.3 (previously EUR 11.2) per share.
- Net debt LTV ratio rose to 59.0% (56.7% in Q1'19).
- Occupancy rate was 94.3% (95.1% in Q1'19).

Rating				🟡 HOLD
Q2'19	Actual	Evli	Q1'19	
Rental income	12.6	12.8	12.7	
Net rental income	11.5	12.0	12.1	
Operating income	10.5	11.0	11.2	
Profit from property mgmt	6.8	7.7	7.6	
Share price, SEK (Last trading day's closing price)				135.50
Target price, SEK				125.0
Latest change in recommendation				27-Feb-19
Latest report on company				16-May-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				391
Free float, %				-
Exchange rate EUR/SEK				10.800
Reuters code				CIBUS.ST
Bloomberg code				CIBUS.SS
Average daily volume, EURm				0.35
Next interim report				30-Aug-19
Web site				www.cibusnordic.com
Analyst				Joonas Ilvonen
E-mail				joonas.ilvonen@evli.com
Telephone				+358 44 430 9071

🟢 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
2017	0	0	0.0%	0	0.00	0.0	105,649.8	0.0	0.0	0.80
2018	40	34	84.7%	24	0.54	19.6	19.8	13.8	23.3	0.84
2019E	52	45	86.9%	31	0.82	15.4	16.4	10.7	18.9	0.88
2020E	53	46	86.9%	33	0.84	14.9	16.0	10.5	18.4	0.92
2021E	54	47	86.6%	34	0.87	14.4	15.7	10.4	18.2	0.97
Market cap, EURm				391	BV per share 2019E, EUR		10.5	CAGR EPS 2018-21, %		17.5
Net debt 2019E, EURm				461	Price/book 2019E		1.2	CAGR sales 2018-21, %		10.9
Enterprise value, EURm				852	Dividend yield 2019E, %		7.0	ROE 2019E, %		7.8
Total assets 2019E, EURm				828	Tax rate 2019E, %		19.4	ROCE 2019E, %		5.6
Goodwill 2019E, EURm				0	Equity ratio 2019E, %		39.4	PEG, P/E 19/CAGR		3.3

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

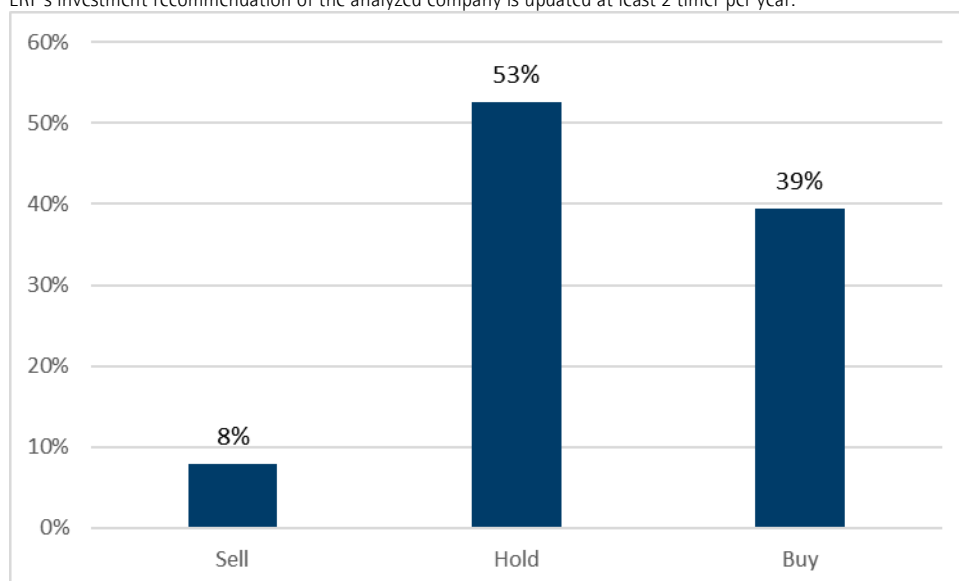
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Investment recommendations are defined as follows:

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 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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**Contact information**

**SALES, TRADING AND RESEARCH**

**Equity Sales**

Ari Laine +358 9 4766 9115  
Lauri Ahokanto +358 9 4766 9117  
Niclas Henelius +358 9 4766 9116

**Trading**

Lauri Vehkaluoto (Head) +358 9 4766 9130  
Pasi Väisänen +358 9 4766 9120  
Antti Kässä +358 9 4766 9120

**ETFs and Derivatives**

Tobias Björk (Head) +358 9 4766 9130  
Joachim Dannberg +358 9 4766 9123  
Kimmo Lijja +358 9 4766 9130  
Sami Järvinen +358 9 4766 9110

**Structured Investments**

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

**Equity Research**

Jonas Forslund +358 9 4766 9314  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149  
Anna-Liisa Rissanen +358 40 157 9919

**Evli Investment Solutions**

Johannes Asuja +358 9 4766 9205  
Markku Reinikainen +358 9 4766 9669



**EVLI BANK PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Fax +358 9 634 382  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

**EVLI BANK PLC,  
STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000  
Fax +46 (0)8 407 8001