

Portfolio performed as expected

Cibus Nordic reported property portfolio results in line with our expectations. However, administration costs were higher than we had estimated due to certain group restructuring and development-related costs.

- Cibus' Q4 rental income amounted to EUR 13.2m vs our EUR 13.3m estimate.
- After subtracting property expenses, Q4 net rental income was EUR 12.6m, while we expected EUR 12.5m.
- When taking central administration expenses into account, operating income was EUR 10.6m, compared to our EUR 11.5m estimate. Administration costs were higher than we anticipated due to non-recurring group restructuring costs totaling ca. EUR 0.5m (to simplify group structure and help facilitate internal funds transfers) as well as EUR 0.2m cost attributable to mapping of Nordic markets.
- Including net financial costs, net operating income was EUR 7.0m vs our EUR 8.1m expectation.
- Annual net rental income capacity now stands at EUR 50.9m (previously EUR 49.9m).
- The portfolio was valued at EUR 875m, translating to an EPRA NAV of EUR 11.4 (11.4) per share.
- Net debt LTV ratio stood at 58.7% (58.9%).
- Occupancy rate was 94.7% (94.5%) at the end of Q4.
- WAULT remained basically unchanged at 4.9 years (5.0 years).

Rating		HOLD	
Q4'19	Actual	Evli	Q3'19
Rental income	13.2	13.3	13.2
Net rental income	12.6	12.5	12.5
Operating income	10.6	11.5	11.3
Net operating income	7.0	8.1	7.3
Share price, SEK (Last trading day's closing price)	151.50		
Target price, SEK	135.0		
Latest change in recommendation	28-Feb-19		
Latest report on company	18-Nov-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	445		
Free float, %	90.0		
Exchange rate EUR/SEK	10.6		
Reuters code	CIBUS.ST		
Bloomberg code	CIBUS.SS		
Average daily volume, EURm	1.0		
Next interim report	27-Feb-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
2017	0.0	0.0	0.0%	-758.1	0.00	0.0	0.0	0.0	0.0	0.80
2018	39.8	33.7	84.7%	17.8	0.54	19.6	19.4	23.0	5.5	0.84
2019E	51.7	44.4	85.8%	-13.9	0.77	18.5	18.0	21.0	-3.1	0.88
2020E	53.9	46.6	86.5%	26.3	0.85	16.9	17.3	20.0	5.9	0.92
2021E	54.7	47.4	86.7%	27.7	0.89	16.1	17.1	19.7	6.2	0.97
Market cap, EURm	445		BV per share 2019E, EUR		143.5		CAGR EPS 2018-21, %		18.3	
Net debt 2019E, EURm	487		Price/book 2019E		1.3		CAGR sales 2018-21, %		11.1	
Enterprise value, EURm	932		Dividend yield 2019E, %		6.1		ROE 2019E, %		7.2	
Total assets 2019E, EURm	868		Tax rate 2019E, %		19.1		ROCE 2019E, %		5.4	
Goodwill 2019E, EURm	0		Equity ratio 2019E, %		39.1		PEG, P/E 19/CAGR		3.0	

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

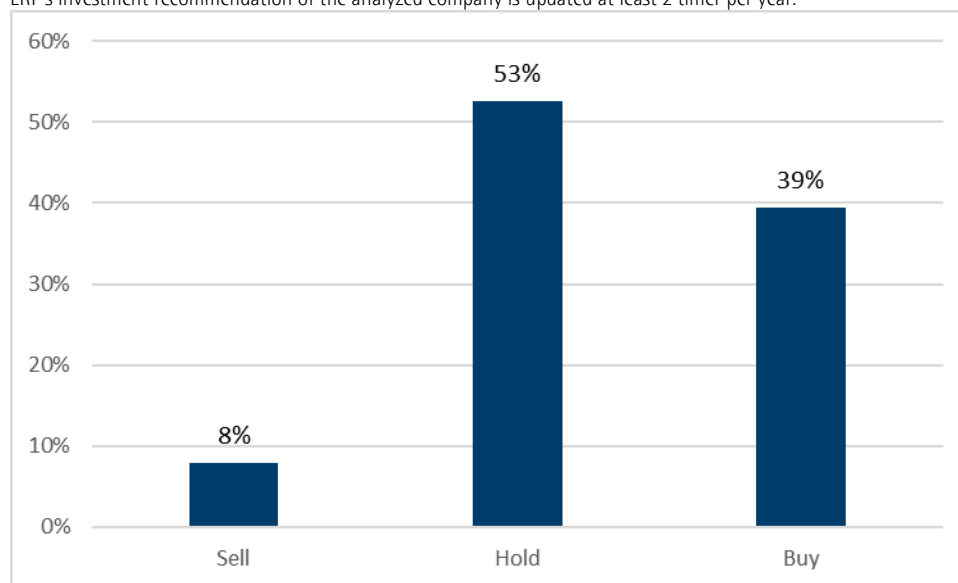
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Investment recommendations are defined as follows:

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 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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