

## EUR 200m Swedish entry this year?

Cibus reported an unsurprising portfolio performance for Q4, however administration costs were temporarily elevated due to development efforts. Nordic expansion could well be on the cards this year. We see Cibus' yield still relatively attractive. Our TP is now SEK 150 (135), rating still HOLD.

### The existing portfolio continues to perform well

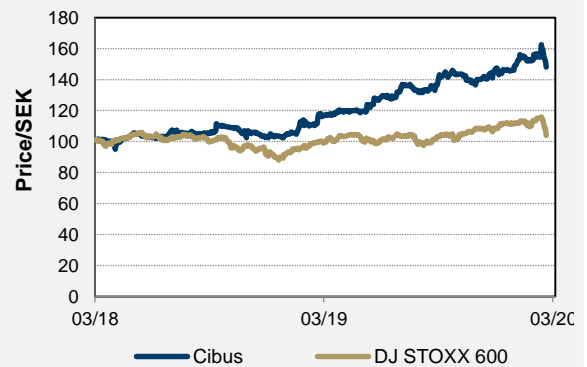
Cibus' Q4 rental income, at EUR 13.2m, was close to our EUR 13.3m estimate. There were no surprises in terms of property expenses, as these summed up to EUR 0.6m and thus net rental income was EUR 12.6m, compared to our EUR 12.5m estimate. Cibus' budgeted admin costs run close to EUR 1.0m per quarter. The admin costs amounted to EUR 2.0m in Q4 due to many one-off considerations. First, the outsourcing contract with Pareto, now terminated, still had an effect. Second, Cibus booked EUR 0.5m in restructuring costs in order to achieve a more efficient legal structure. Cibus also incurred EUR 0.2m due to mapping of Nordic markets beyond Finland. Therefore Cibus' Q4 operating income missed our estimate by ca. EUR 1.0m. There were no notable changes to key metrics as EPRA NAV (EUR 11.4), LTV ratio (59%), occupancy rate (95%) and WAULT (4.9 years) remained basically unchanged. Cibus also highlighted its active property management successes in certain less-than-metropolitan areas like Nastola and Kajaani by filling local vacancies with tenants such as Lidl and Rusta (a discount store chain).

### Authorization could enable a EUR 200m GAV acquisition

The acquisition of three Tokmanni-anchored properties helped lift the portfolio's annual net rental income capacity by about EUR 1.0m to EUR 50.9m. Last year Cibus managed to achieve its annual EUR 50m acquisition target, however this year a larger transaction might take place as Cibus is authorized to issue up to 6.22m new shares. Cibus is eyeing other Nordic markets beyond Finland. Sweden seems to be the most potential option; the market is, on average, slightly higher priced than Finland, but Cibus believes it can apply its own concept there successfully.

### Cibus' 1.23x P/NAV still offers a 100bps yield pick-up

Cibus' shares have rerated along with the rest of the Nordic RE market. While Cibus trades at a clear premium relative to GAV/NAV (1.08x/1.23x), the portfolio remains priced at a competitive yield. Our TP is now SEK 150 (135), rating still HOLD.

 Rating HOLD


|   |        |
|---|--------|
| Share price, SEK (Last trading day's closing price) | 148.00 |
| Target price, SEK                                   | 150.0  |

|                                     |                     |
|-------------------------------------|---------------------|
| 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                    | 435                 |
| Free float, %                       | 90.0                |
| Exchange rate EUR/SEK               | 10.60               |
| Reuters code                        | CIBUS.ST            |
| Bloomberg code                      | CIBUS SS            |
| Average daily volume, EURm          | 1.0                 |
| Next interim report                 | 15-May-20           |
| Web site                            | www.cibusnordic.com |

|           |                         |
|-----------|-------------------------|
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+ BUY + HOLD - SELL

## KEY FIGURES

|                          | Sales<br>EURm | EBIT<br>EURm | EBIT<br>% | FCF<br>EURm             | EPS<br>EUR | P/E<br>(x) | EV/Sales<br>(x) | EV/EBIT<br>(x)        | FCF yield<br>% | DPS<br>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                    | 54.3          | 47.0         | 86.6%     | 26.7                    | 0.87       | 16.1       | 17.4            | 20.1                  | 6.1            | 0.93       |
| 2021E                    | 55.1          | 47.7         | 86.6%     | 27.6                    | 0.89       | 15.7       | 17.2            | 19.9                  | 6.3            | 0.98       |
| 2022E                    | 55.7          | 48.2         | 86.6%     | 27.2                    | 0.88       | 15.9       | 17.1            | 19.7                  | 6.3            | 1.03       |
| Market cap, EURm         | 435           |              |           | Gearing 2020E, %        | 154.0      |            |                 | CAGR EPS 2019-22, %   | 5.0            |            |
| Net debt 2020E, EURm     | 511           |              |           | Price/book 2020E        | 1.3        |            |                 | CAGR sales 2019-22, % | 2.7            |            |
| Enterprise value, EURm   | 947           |              |           | Dividend yield 2020E, % | 6.7        |            |                 | ROE 2020E, %          | 8.1            |            |
| Total assets 2020E, EURm | 914           |              |           | Tax rate 2020E, %       | 18.2       |            |                 | ROCE 2020E, %         | 5.4            |            |
| Goodwill 2020E, EURm     | 0             |              |           | Equity ratio 2020E, %   | 36.3       |            |                 | PEG, P/E 20/CAGR      | 16.7           |            |

## Estimates summary

| Cibus Nordic                       | Q1'19 | Q2'19 | Q3'19 | Q4'19 | 2019 | Q1'20e | Q2'20e | Q3'20e | Q4'20e | 2020e |
|------------------------------------|-------|-------|-------|-------|------|--------|--------|--------|--------|-------|
| Rental income                      | 12.7  | 12.6  | 13.2  | 13.2  | 51.5 | 13.5   | 13.6   | 13.6   | 13.7   | 54.3  |
| Net rental income <sup>1)</sup>    | 12.1  | 11.5  | 12.5  | 12.6  | 48.6 | 12.6   | 12.7   | 12.7   | 12.8   | 50.9  |
| Operating income <sup>2)</sup>     | 11.2  | 10.5  | 11.3  | 10.6  | 43.5 | 11.7   | 11.7   | 11.8   | 11.8   | 47.0  |
| Net operating income <sup>3)</sup> | 7.6   | 6.8   | 7.3   | 7.0   | 28.7 | 8.2    | 8.2    | 8.3    | 8.3    | 33.0  |

1) Rental income less Property expenses

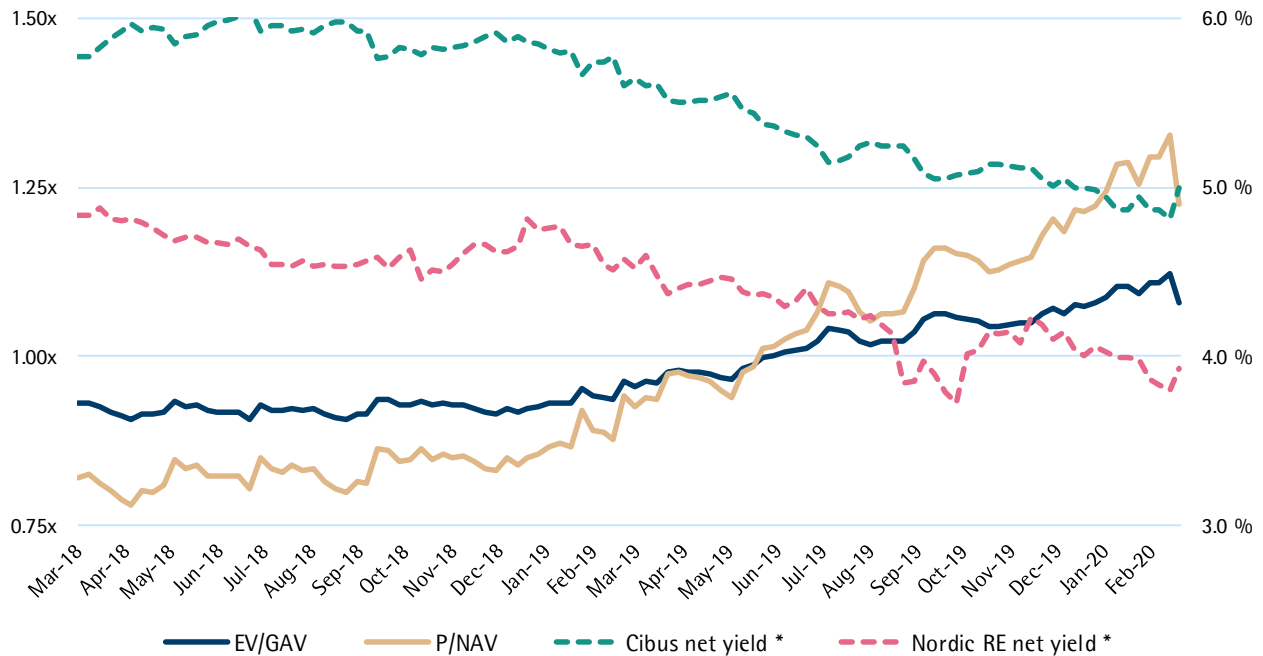
2) Net rental income less Central administration expenses

3) Operating income less Net financial costs

Source: Evli Research

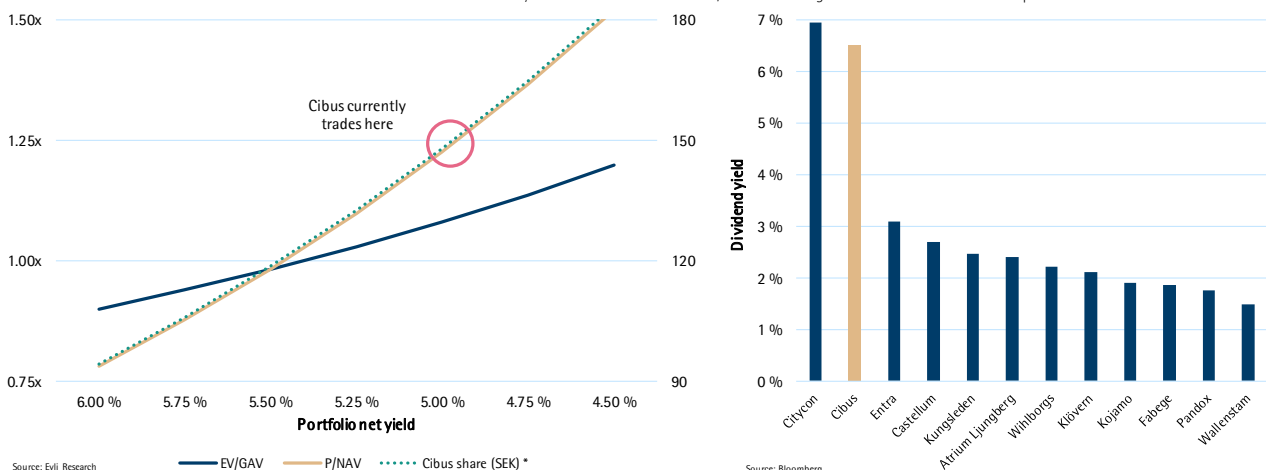
## Cibus' valuation and yield development

Cibus continues to trade at a 100bps wider yield compared to the median NTM EBITDA/EV of a listed Nordic Real Estate company. We see Cibus' current 1.08x EV/GAV and 1.23x P/NAV multiples as favorable for issuing new equity to fund a major portfolio acquisition; new shareholders would still have the chance to subscribe to a relatively generous yield, assuming the acquisition can be done at a price translating to a yield close to that offered by the Finnish daily-goods property market.



Source: Evli Research, Bloomberg, Cibus

\* Cibus' portfolio net yield (according to the NTM earnings capacity) = [Rental income - Property expenses - Central administration]/EV  
Nordic Real Estate net yield = the median NTM EBITDA/EV of the 10 largest listed Nordic Real Estate companies



Source: Evli Research

Source: Bloomberg

| CIBUS PEER GROUP                        | MCAP<br>MEUR | EV/EBITDA    |              |              | P/B         |             |             | Div. yield   |              |              |
|---|--------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
|   |              | 19           | 20           | 21           | 19          | 20          | 21          | 19           | 20           | 21           |
| Atrium Ljungberg                        | 2486         | 30.7x        | 28.0x        | 26.1x        | 1.1x        | 1.1x        | 1.0x        | 2.5 %        | 2.6 %        | 2.7 %        |
| Castellum                               | 6047         | 25.8x        | 25.4x        | 24.3x        | 1.4x        | 1.3x        | 1.2x        | 2.8 %        | 2.9 %        | 3.1 %        |
| Citycon                                 | 1611         | 20.1x        | 19.5x        | 19.1x        | 0.7x        | 0.8x        | 0.8x        | 7.2 %        | 7.2 %        | 6.8 %        |
| Entra                                   | 2691         | 23.6x        | 23.5x        | 22.4x        | 1.2x        | 1.2x        | 1.2x        | 3.1 %        | 3.1 %        | 3.3 %        |
| Fabege                                  | 5229         | 38.4x        | 39.2x        | 36.8x        | 1.3x        | 1.2x        | 1.2x        | 1.9 %        | 2.0 %        | 2.2 %        |
| Hufvudstaden                            | 3521         | 34.6x        | 32.1x        | 29.6x        | 1.2x        | 1.1x        | 1.0x        | 2.2 %        | 2.3 %        | 2.4 %        |
| Klovern                                 | 1813         | 23.5x        | 24.0x        | 22.5x        | 1.3x        | 1.1x        | 1.1x        | 2.1 %        | 2.3 %        | 2.5 %        |
| Kojamo                                  | 4414         | 30.3x        | 30.3x        | 28.7x        | 1.2x        | 1.1x        | 1.0x        | 1.9 %        | 2.1 %        | 2.2 %        |
| Kungsleden                              | 2115         | 25.3x        | 24.1x        | 22.8x        | 1.3x        | 1.1x        | 1.1x        | 2.5 %        | 2.8 %        | 3.0 %        |
| Pandox                                  | 3298         | 21.5x        | 18.1x        | 17.4x        | 1.2x        | 1.1x        | 1.1x        | 1.9 %        | 2.3 %        | 2.4 %        |
| Wallenstam                              | 3750         | 45.4x        | 45.6x        | 40.8x        | 1.6x        | 1.5x        | 1.4x        | 1.5 %        | 1.7 %        | 1.7 %        |
| Wihlborgs Fastigheter                   | 2847         | 24.8x        | 25.2x        | 23.9x        | 1.6x        | 1.5x        | 1.4x        | 2.3 %        | 2.4 %        | 2.6 %        |
| Peer Group Average                      | 3319         | <b>28.7x</b> | <b>27.9x</b> | <b>26.2x</b> | <b>1.3x</b> | <b>1.2x</b> | <b>1.1x</b> | <b>2.7 %</b> | <b>2.8 %</b> | <b>2.9 %</b> |
| Peer Group Median                       | 3073         | <b>25.5x</b> | <b>25.3x</b> | <b>24.1x</b> | <b>1.2x</b> | <b>1.1x</b> | <b>1.1x</b> | <b>2.2 %</b> | <b>2.4 %</b> | <b>2.5 %</b> |
| Cibus (Evli est.)                       | <b>435</b>   | <b>21.9x</b> | <b>20.1x</b> | <b>19.9x</b> | <b>1.3x</b> | <b>1.3x</b> | <b>1.3x</b> | <b>6.2 %</b> | <b>6.7 %</b> | <b>7.0 %</b> |
| <i>Cibus prem./disc. to peer median</i> |              | -14 %        | -20 %        | -18 %        | 5 %         | 15 %        | 24 %        | 181 %        | 182 %        | 176 %        |

Source FactSet, Evli Research

| VALUATION RESULTS        | BASE CASE DETAILS           | VALUATION ASSUMPTIONS   | ASSUMPTIONS FOR WACC           |      |
|--------------------------|-----------------------------|-------------------------|--------------------------------|------|
| Current share price      | 148.00 PV of Free Cash Flow | 300 Long-term growth, % | 1.2 Risk-free interest rate, % | 2.25 |
| DCF share value          | 10.75 PV of Horizon value   | 545 WACC, %             | 5.7 Market risk premium, %     | 5.8  |
| Share price potential, % | -23.2 Unconsolidated equity | 0 Spread, %             | 0.5 Debt risk premium, %       | 3.3  |
| Maximum value            | 14.1 Marketable securities  | 25 Minimum WACC, %      | 5.2 Equity beta coefficient    | 0.75 |
| Minimum value            | 8.1 Debt - dividend         | -535 Maximum WACC, %    | 6.2 Target debt ratio, %       | 40   |
| Horizon value, %         | 64.5 Value of stock         | 334 Nr of shares, Mn    | 31.1 Effective tax rate, %     | 20   |

| DCF valuation, EURm               | 2019         | 2020E        | 2021E        | 2022E        | 2023E        | 2024E        | 2025E        | 2026E        | 2027E        | 2028E        | 2029E        | Horizon     |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Net sales                         | 52           | 54           | 55           | 56           | 56           | 57           | 58           | 58           | 59           | 60           | 60           | 61          |
| <i>Sales growth, %</i>            | <i>29.4</i>  | <i>5.4</i>   | <i>1.4</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           | 47           | 48           | 48           | 49           | 49           | 50           | 51           | 51           | 52           | 52           | 53          |
| <i>Operating income margin, %</i> | <i>84.5</i>  | <i>86.6</i>  | <i>86.6</i>  | <i>86.6</i>  | <i>86.7</i>  | <i>86.7</i>  | <i>86.7</i>  | <i>86.7</i>  | <i>86.7</i>  | <i>86.7</i>  | <i>86.7</i>  | <i>86.7</i> |
| + Depreciation+amort.             | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0           |
| EBITDA                            | 44           | 47           | 48           | 48           | 49           | 49           | 50           | 51           | 51           | 52           | 52           |             |
| - Paid taxes                      | -3           | -9           | -8           | -10          | -10          | -10          | -10          | -10          | -10          | -10          | -10          |             |
| - Change in NWC                   | -1           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |             |
| <i>NWC / Sales, %</i>             | <i>-33.1</i> | <i>-31.3</i> | <i>-30.9</i> | <i>-30.5</i> | <i>-30.1</i> | <i>-29.8</i> | <i>-29.4</i> | <i>-29.1</i> | <i>-28.7</i> | <i>-28.4</i> | <i>-28.0</i> |             |
| + Change in other liabs           | 6            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |             |
| - Operative CAPEX                 | -51          | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |             |
| <i>opCAPEX / Sales, %</i>         | <i>99.7</i>  | <i>0.6</i>   | <i>0.2</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            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |             |
| = FCFF                            | 1            | 38           | 39           | 39           | 39           | 40           | 40           | 40           | 41           | 41           | 42           | 940         |
| = Discounted FCFF                 |              | 37           | 35           | 33           | 32           | 30           | 29           | 28           | 27           | 25           | 24           | 545         |
| = DFCF min WACC                   |              | 37           | 36           | 33           | 32           | 31           | 30           | 29           | 28           | 26           | 25           | 642         |
| = DFCF max WACC                   |              | 37           | 35           | 33           | 31           | 30           | 28           | 27           | 26           | 24           | 23           | 468         |

## INTERIM FIGURES

| EVLI ESTIMATES, EURm                 | 2019Q1      | 2019Q2      | 2019Q3      | 2019Q4      | 2019        | 2020Q1E     | 2020Q2E     | 2020Q3E     | 2020Q4E     | 2020E       | 2021E       | 2022E       |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales                            | 12.7        | 12.5        | 13.2        | 13.1        | 51.5        | 13.5        | 13.6        | 13.6        | 13.7        | 54.3        | 55.1        | 55.7        |
| EBITDA                               | 11.2        | 10.4        | 11.3        | 10.6        | 43.5        | 11.7        | 11.7        | 11.8        | 11.8        | 47.0        | 47.7        | 48.2        |
| <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>86.7</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> |
| EBIT                                 | 11.2        | 10.4        | 11.3        | 10.6        | 43.5        | 11.7        | 11.7        | 11.8        | 11.8        | 47.0        | 47.7        | 48.2        |
| <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>86.7</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> | <i>86.6</i> |
| Net financial items                  | -3.5        | -3.6        | -4.0        | -3.6        | -14.8       | -3.5        | -3.5        | -3.5        | -3.5        | -14.0       | -14.0       | -14.1       |
| Pre-tax profit                       | 7.7         | 6.8         | 7.3         | 7.0         | 28.7        | 8.2         | 8.2         | 8.3         | 8.3         | 33.0        | 33.7        | 34.1        |
| Tax                                  | -1.1        | -2.1        | -0.8        | -1.1        | -5.1        | -1.5        | -1.5        | -1.5        | -1.5        | -6.0        | -6.0        | -6.8        |
| <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>18.3</i> | <i>18.2</i> | <i>18.1</i> | <i>18.0</i> | <i>18.2</i> | <i>17.8</i> | <i>20.0</i> |
| Net profit                           | 6.6         | 4.7         | 6.5         | 5.9         | 23.6        | 6.7         | 6.7         | 6.8         | 6.8         | 27.0        | 27.7        | 27.3        |
| EPS                                  | 0.21        | 0.15        | 0.21        | 0.19        | 0.76        | 0.22        | 0.22        | 0.22        | 0.22        | 0.87        | 0.89        | 0.88        |
| EPS adjusted (diluted no. of shares) | 0.21        | 0.15        | 0.21        | 0.19        | 0.76        | 0.22        | 0.22        | 0.22        | 0.22        | 0.87        | 0.89        | 0.88        |
| 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        |
| <b>SALES, EURm</b>                   |             |             |             |             |             |             |             |             |             |             |             |             |
| Cibus Nordic                         | 12.7        | 12.5        | 13.2        | 13.1        | 51.5        | 13.5        | 13.6        | 13.6        | 13.7        | 54.3        | 55.1        | 55.7        |
| Total                                | 12.7        | 12.5        | 13.2        | 13.1        | 51.5        | 13.5        | 13.6        | 13.6        | 13.7        | 54.3        | 55.1        | 55.7        |
| <b>SALES GROWTH, Y/Y %</b>           |             |             |             |             |             |             |             |             |             |             |             |             |
| Cibus Nordic                         | 308.2       | 7.6         | 5.2         | 4.8         | 29.4        | 6.7         | 8.0         | 3.0         | 4.2         | 5.4         | 1.4         | 1.2         |
| Total                                | 308.2       | 7.6         | 5.2         | 4.8         | 29.4        | 6.7         | 8.0         | 3.0         | 4.2         | 5.4         | 1.4         | 1.2         |
| <b>EBIT, EURm</b>                    |             |             |             |             |             |             |             |             |             |             |             |             |
| Cibus Nordic                         | 11.2        | 10.4        | 11.3        | 10.6        | 43.5        | 11.7        | 11.7        | 11.8        | 11.8        | 47.0        | 47.7        | 48.2        |
| Total                                | 11.2        | 10.4        | 11.3        | 10.6        | 43.5        | 11.7        | 11.7        | 11.8        | 11.8        | 47.0        | 47.7        | 48.2        |
| <b>EBIT margin, %</b>                |             |             |             |             |             |             |             |             |             |             |             |             |
| Cibus Nordic                         | 88.5        | 82.9        | 85.6        | 80.9        | 84.5        | 86.7        | 86.6        | 86.6        | 86.6        | 86.6        | 86.6        | 86.6        |
| Total                                | 88.5        | 82.9        | 85.6        | 80.9        | 84.5        | 86.7        | 86.6        | 86.6        | 86.6        | 86.6        | 86.6        | 86.6        |

| INCOME STATEMENT, EURm                   | 2015       | 2016       | 2017       | 2018         | 2019        | 2020E       | 2021E       | 2022E       |
|--|------------|------------|------------|--------------|-------------|-------------|-------------|-------------|
| Sales                                    | 0.0        | 0.0        | 0.0        | 39.8         | 51.5        | 54.3        | 55.1        | 55.7        |
| <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>5.4</i>  | <i>1.4</i>  | <i>1.2</i>  |
| EBITDA                                   | 0.0        | 0.0        | 0.0        | 33.7         | 43.5        | 47.0        | 47.7        | 48.2        |
| <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>86.6</i> | <i>86.6</i> | <i>86.6</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        | 47.0        | 47.7        | 48.2        |
| 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        | 47.0        | 47.7        | 48.2        |
| <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>86.6</i> | <i>86.6</i> | <i>86.6</i> |
| Reported EBIT                            | 0.0        | 0.0        | 0.0        | 65.7         | 50.2        | 47.0        | 47.7        | 48.2        |
| <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>86.6</i> | <i>86.6</i> | <i>86.6</i> |
| Net financials                           | 0.0        | 0.0        | 0.0        | -10.0        | -14.8       | -14.0       | -14.0       | -14.1       |
| Pre-tax profit                           | 0.0        | 0.0        | 0.0        | 23.7         | 28.7        | 33.0        | 33.7        | 34.1        |
| Taxes                                    | 0.0        | 0.0        | 0.0        | -7.0         | -5.1        | -6.0        | -6.0        | -6.8        |
| 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        | 27.0        | 27.7        | 27.3        |
| Cash NRIs                                | 0.0        | 0.0        | 0.0        | 32.0         | 6.7         | 0.0         | 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          | 0          | 768        | 817          | 875         | 875         | 875         | 875         |
| Goodwill                                 | 0          | 0          | 0          | 0            | 0           | 0           | 0           | 0           |
| Right of use assets                      | 0          | 0          | 0          | 0            | 6           | 6           | 6           | 6           |
| 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          | 26          | 26          | 27          |
| Total assets                             | 0          | 0          | 792        | 848          | 913         | 914         | 915         | 915         |
| <b>Liabilities</b>                       |            |            |            |              |             |             |             |             |
| Shareholder's equity                     | 0          | 0          | 334        | 329          | 333         | 332         | 331         | 328         |
| 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           | 6           | 6           | 6           |
| Deferred taxes                           | 0          | 0          | 7          | 9            | 14          | 14          | 14          | 14          |
| Interest bearing debt                    | 0          | 0          | 440        | 486          | 535         | 531         | 533         | 537         |
| 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         | 914         | 915         | 915         |
| <b>CASH FLOW, EURm</b>                   |            |            |            |              |             |             |             |             |
| + EBITDA                                 | 0          | 0          | 0          | 34           | 44          | 47          | 48          | 48          |
| - Net financial items                    | 0          | 0          | 0          | -10          | -15         | -14         | -14         | -14         |
| - Taxes                                  | 0          | 0          | 5          | 0            | 0           | -6          | -6          | -7          |
| - Increase in Net Working Capital        | 0          | 0          | 5          | 14           | -1          | 0           | 0           | 0           |
| +/- Other                                | 0          | 0          | 0          | -16          | 7           | 0           | 0           | 0           |
| = Cash flow from operations              | 0          | 0          | 10         | 21           | 34          | 27          | 28          | 27          |
| - Capex                                  | 0          | 0          | -768       | -4           | -51         | 0           | 0           | 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         | 27          | 28          | 27          |
| +/- New issues/buybacks                  | 0          | 0          | 334        | 29           | 0           | 0           | 0           | 0           |
| - Paid dividend                          | 0          | 0          | 0          | -25          | -26         | -28         | -29         | -31         |
| +/- Other                                | 0          | 0          | 442        | 44           | 43          | 2           | 2           | 4           |
| Change in cash                           | 0          | 0          | 17         | 8            | -1          | 1           | 0           | 0           |

| KEY FIGURES                                    | 2016   | 2017   | 2018   | 2019    | 2020E  | 2021E  | 2022E  |
|--|--------|--------|--------|---------|--------|--------|--------|
| M-cap  | 0      | 0      | 327    | 443     | 435    | 435    | 435    |
| Net debt (excl. convertibles)                  | 0      | 423    | 461    | 510     | 511    | 513    | 516    |
| Enterprise value                               | 0      | 423    | 787    | 954     | 947    | 948    | 951    |
| Sales  | 0      | 0      | 40     | 52      | 54     | 55     | 56     |
| EBITDA   | 0      | 0      | 34     | 44      | 47     | 48     | 48     |
| EBIT   | 0      | 0      | 34     | 44      | 47     | 48     | 48     |
| Pre-tax  | 0      | 0      | 24     | 29      | 33     | 34     | 34     |
| Earnings                                       | 0      | 0      | 17     | 24      | 27     | 28     | 27     |
| Equity book value (excl. minorities)           | 0      | 334    | 329    | 333     | 332    | 331    | 328    |
| <b>Valuation multiples</b>                     |        |        |        |         |        |        |        |
| EV/sales                                       | 0.0    | 0.0    | 19.8   | 18.5    | 17.4   | 17.2   | 17.1   |
| EV/EBITDA                                      | 0.0    | 0.0    | 23.4   | 21.9    | 20.1   | 19.9   | 19.7   |
| EV/EBITA                                       | 0.0    | 0.0    | 23.4   | 21.9    | 20.1   | 19.9   | 19.7   |
| EV/EBIT  | 0.0    | 0.0    | 23.4   | 21.9    | 20.1   | 19.9   | 19.7   |
| EV/OCF   | 0.0    | 42.7   | 36.8   | 28.2    | 35.1   | 34.3   | 34.8   |
| EV/FCFF  | 0.0    | -0.6   | -4.4   | 1,142.0 | 24.6   | 24.2   | 24.7   |
| P/FCFE   | 0.0    | 0.0    | 1.8    | -2.5    | 172.5  | 166.8  | 169.0  |
| P/E  | 0.0    | 0.0    | 19.6   | 18.8    | 16.1   | 15.7   | 15.9   |
| P/B  | 0.0    | 0.0    | 1.0    | 1.3     | 1.3    | 1.3    | 1.3    |
| Target EV/EBITDA                               | 0.0    | 0.0    | 0.0    | 0.0     | 110.1  | 108.6  | 107.4  |
| Target EV/EBIT                                 | 0.0    | 0.0    | 0.0    | 0.0     | 110.1  | 108.6  | 107.4  |
| Target EV/FCF                                  | 0.0    | 0.0    | 0.0    | 0.0     | 194.0  | 187.6  | 190.2  |
| Target P/B                                     | 0.0    | 0.0    | 0.0    | 0.0     | 14.0   | 14.1   | 14.2   |
| Target P/E                                     | 0.0    | 0.0    | 0.0    | 0.0     | 172.6  | 168.5  | 170.8  |
| <b>Per share measures</b>                      |        |        |        |         |        |        |        |
| Number of shares                               | 31,100 | 31,100 | 31,100 | 31,100  | 31,100 | 31,100 | 31,100 |
| Number of shares (diluted)                     | 31,100 | 31,100 | 31,100 | 31,100  | 31,100 | 31,100 | 31,100 |
| EPS  | 0.00   | 0.00   | 0.54   | 0.76    | 0.87   | 0.89   | 0.88   |
| Operating cash flow per share                  | 0.00   | 0.32   | 0.69   | 1.09    | 0.87   | 0.89   | 0.88   |
| Free cash flow per share                       | 0.00   | -24.38 | 0.57   | -0.56   | 0.86   | 0.89   | 0.88   |
| Book value per share                           | 0.00   | 10.74  | 10.57  | 10.70   | 10.68  | 10.64  | 10.54  |
| 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   | 107.5  | 110.2  | 117.3  |
| Dividend yield, %                              | 0.0    | 0.0    | 8.0    | 6.4     | 6.7    | 7.0    | 7.4    |
| FCF yield, %                                   | 0.0    | 0.0    | 5.5    | -3.9    | 6.1    | 6.3    | 6.3    |
| <b>Efficiency measures</b>                     |        |        |        |         |        |        |        |
| ROE  | 0.0    | 0.0    | 5.0    | 7.1     | 8.1    | 8.4    | 8.3    |
| ROCE   | 0.0    | 0.0    | 4.2    | 5.2     | 5.4    | 5.5    | 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    | 0.0    | 8.4    | 11.2    | 10.6   | 10.5   | 10.4   |
| 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   | -31.3  | -30.9  | -30.5  |
| Operative CAPEX/sales, %                       | 0.0    | 0.0    | 9.0    | 99.7    | 0.6    | 0.2    | 0.1    |
| CAPEX/sales (incl. acquisitions), %            | 0.0    | 0.0    | 9.0    | 99.7    | 0.6    | 0.2    | 0.1    |
| FCFF/EBITDA                                    | 0.0    | 0.0    | -5.3   | 0.0     | 0.8    | 0.8    | 0.8    |
| Net debt/EBITDA, book-weighted                 | 0.0    | 0.0    | 13.7   | 11.7    | 10.9   | 10.8   | 10.7   |
| 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    | 36.3   | 36.2   | 35.8   |
| Gearing, %                                     | 0.0    | 126.5  | 140.1  | 153.4   | 154.0  | 155.0  | 157.5  |

**COMPANY DESCRIPTION:** Cibus Nordic Real Estate owns a highly diversified portfolio of daily-goods properties located around Finland. 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. 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. Cibus might expand to other Nordic property markets beyond Finland in the future; an equity issue would be required should Cibus choose to enter through a large portfolio acquisition.

| OWNERSHIP STRUCTURE                  | SHARES     | EURm    | %     |
|--------------------------------------|------------|---------|-------|
| SFC Holding S.à r.l.                 | 3,200,000  | 44.784  | 10.3% |
| Fourth Swedish National Pension Fund | 2,311,245  | 32.346  | 7.4%  |
| Amiral Gestion                       | 2,062,522  | 28.865  | 6.6%  |
| Talomon Capital                      | 1,539,171  | 21.541  | 4.9%  |
| Carnegie Funds                       | 1,250,000  | 17.494  | 4.0%  |
| Sirius Capital Partners              | 830,000    | 11.616  | 2.7%  |
| Svenska Handelsbanken                | 802,576    | 11.232  | 2.6%  |
| Avanza Pension                       | 788,294    | 11.032  | 2.5%  |
| Dragfast AB                          | 700,000    | 9.796   | 2.3%  |
| Sensor Funds                         | 690,000    | 9.656   | 2.2%  |
| Ten largest                          | 14,173,808 | 198.361 | 46%   |
| Residual                             | 16,926,192 | 236.880 | 54%   |
| Total                                | 31,100,000 | 435.241 | 100%  |

| EARNINGS CALENDAR |           |
|-------------------|-----------|
| May 15, 2020      | Q1 report |
| August 20, 2020   | Q2 report |
| November 12, 2020 | Q3 report |
| OTHER EVENTS      |           |
| April 23, 2020    | AGM       |

| COMPANY MISCELLANEOUS   |                                 |
|-------------------------|---------------------------------|
| CEO: Sverker Källgården | 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           | 8%         |
| Hold           | 53%        |
| Buy            | 39%        |

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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