

A strong base for Swedish expansion

Cibus Nordic enters the Swedish property market with the EUR 180m portfolio acquisition of 111 Coop supermarkets. We view the deal as a fine way to gain more property mass and extend geographical reach in a controlled manner. Our new TP is SEK 155 (150), rating HOLD.

We believe Cibus is an ideal owner for the supermarkets

Cibus acquires a portfolio of 111 properties located in Southern Sweden for EUR 180m. The portfolio of grocery properties belonged to Coop, the second largest grocery retailer in Sweden (19% market share), which had acquired the portfolio last year from Netto. Coop will provide some SEK 3m into each store for rebranding purposes and sign 10-year triple-net lease contracts. In this sense the new Swedish portfolio is even more cost-efficient from Cibus' point of view. The longer lease contracts will lift Cibus' WAULT to 5.5 years from 4.9 years. Coop has in total about 800 stores in Sweden; thus the 111 properties mean Cibus' relationship with Coop can be compared to that with Kesko, considering Cibus' properties amount to more than 10% of Kesko's facility sourcing. The properties now acquired are relatively modern (83% were either constructed or renovated during the last 15 years), and are mostly located in residential areas, traffic routes and city centers. The typical property is only some 1,000 sqm in area (compared to old Cibus' 3,500 sqm), so they can be best described as rather small supermarkets. As Coop is now in the process of rebranding the stores the inventory selection is set to expand from 1,800 items per store to 6,000.

The deal is valued at a yield above that where Cibus trades

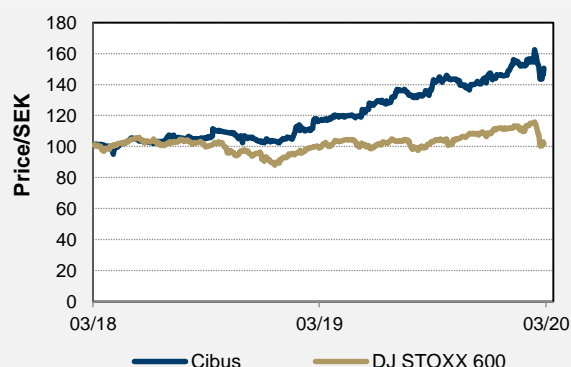
The price implies a yield of almost 6%, which is undemanding as Cibus trades only slightly above 5%. Cibus' net debt LTV ratio stays close to the old almost 60% level. Cibus fully used the mandate to issue 6.22m shares and thus raised EUR 84m new equity via a directed share issue. The EUR 123m new senior bank debt carries a 2% interest; Cibus consequently has some EUR 25m more cash in its balance sheet to make add-on acquisitions in Sweden. Cibus expects the deal to close next week, on Mar 10.

The deal adds some EUR 10m in operating income capacity

The deal is good news for Cibus as portfolio diversification further improves. Our TP is SEK 155 (150), remain HOLD.

Rating

■ HOLD



Share price, SEK (Last trading day's closing price) 150.50

Target price, SEK 155.0

Latest change in recommendation 28-Feb-19

Latest report on company 28-Feb-20

Research paid by issuer: YES

No. of shares outstanding, '000's 37,320

No. of shares fully diluted, '000's 37,320

Market cap, EURm 530

Free float, % 91.4

Exchange rate EUR/SEK 10.6

Reuters code CIBUS.ST

Bloomberg code CIBUS SS

Average daily volume, EURm 1.0

Next interim report 15-May-20

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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
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	62.9	55.4	88.1%	-149.2	0.86	16.5	18.0	20.5	-28.1	0.93
2021E	65.8	58.3	88.5%	34.4	0.93	15.3	17.2	19.5	6.5	0.98
2022E	66.6	59.0	88.5%	34.3	0.92	15.4	17.1	19.3	6.5	1.03
Market cap, EURm	530		Gearing 2020E, %	143.0		CAGR EPS 2019-22, %		6.7		
Net debt 2020E, EURm	603		Price/book 2020E	1.3		CAGR sales 2019-22, %		9.0		
Enterprise value, EURm	1,133		Dividend yield 2020E, %	6.6		ROE 2020E, %		8.5		
Total assets 2020E, EURm	1,100		Tax rate 2020E, %	16.8		ROCE 2020E, %		5.8		
Goodwill 2020E, EURm	0		Equity ratio 2020E, %	38.3		PEG, P/E 20/CAGR		6.0		

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	14.1	16.2	16.3	16.3	62.9
Net rental income ¹⁾	12.1	11.5	12.5	12.6	48.6	13.2	15.3	15.4	15.5	59.4
Operating income ²⁾	11.2	10.5	11.3	10.6	43.5	12.2	14.3	14.4	14.4	55.4
Net operating income ³⁾	7.6	6.8	7.3	7.0	28.7	8.1	10.2	10.2	10.2	38.7

1) Rental income less Property expenses

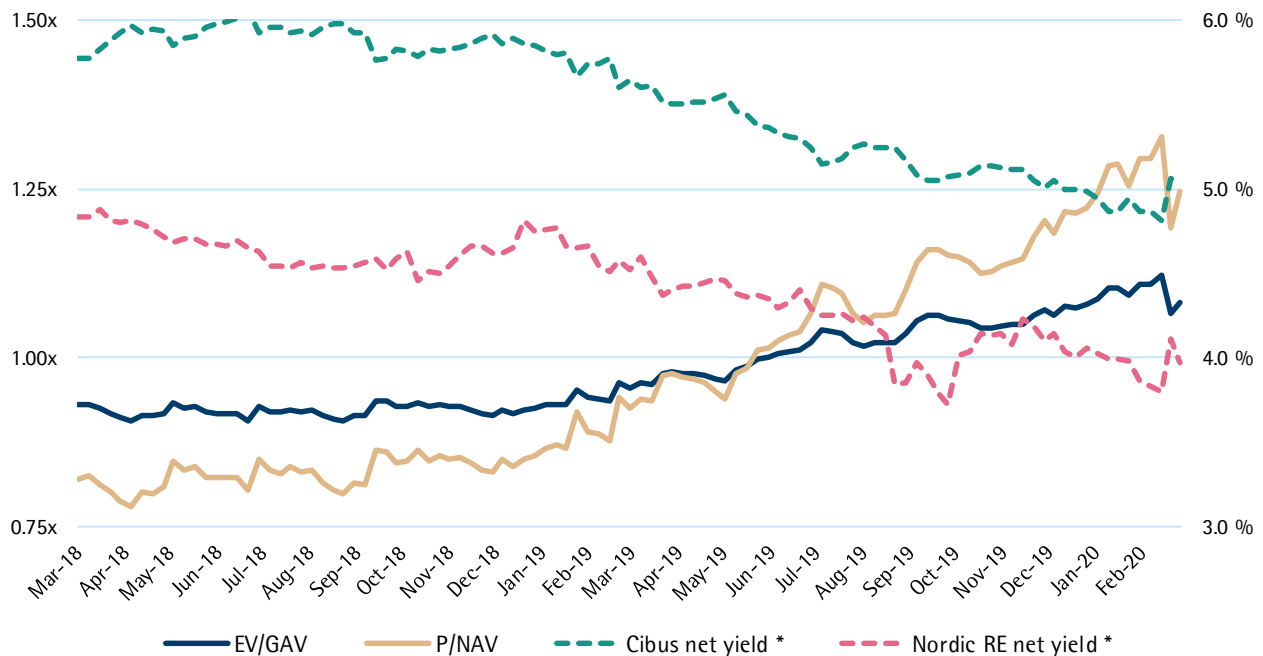
2) Net rental income less Central administration expenses

3) Operating income less Net financial costs

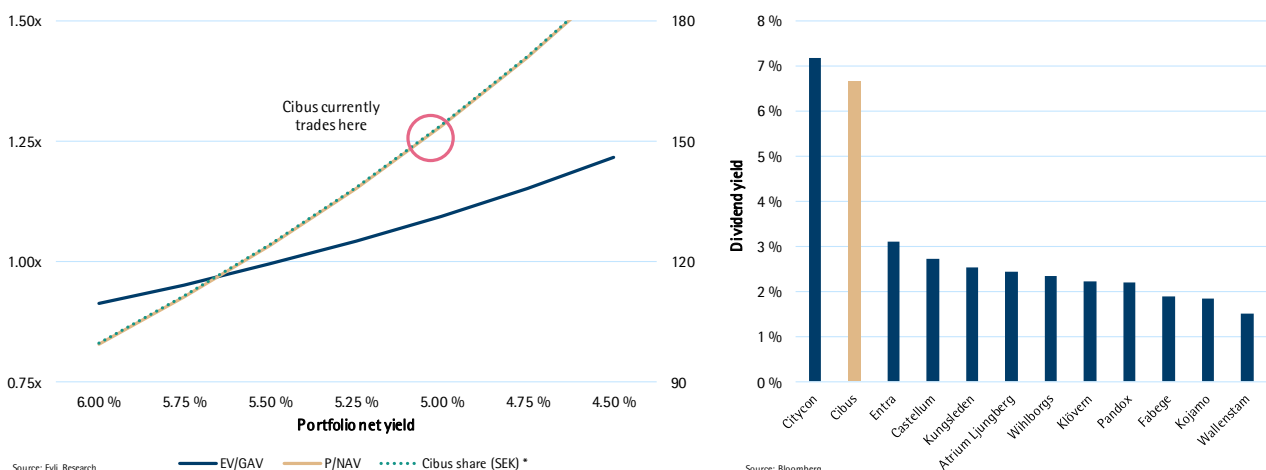
Source: Evli Research

Cibus' valuation and yield development

Cibus trades at a 100bps wider yield compared to the median NTM EBITDA/EV of a listed Nordic Real Estate company. Cibus managed to issue new equity at a 1.18x P/NAV (or 2.7% below the day's closing price) to fund the Swedish expansion, which we see as a strong signal that investors view Cibus' book value as quite conservative. We have updated our estimates; we expect Cibus' rental income to continue to increase at the rate of inflation, and we estimate annual operating income at more than EUR 10m higher going forward.



Source: Evli Research, Bloomberg, Cibus



Source: Evli Research

Source: Bloomberg

CIBUS PEER GROUP	MCAP MEUR	EV/EBITDA			P/B			Div. yield		
		19	20	21	19	20	21	19	20	21
Atrium Ljungberg	2534	30.7x	28.3x	26.4x	1.1x	1.1x	1.0x	2.4 %	2.5 %	2.6 %
Castellum	6218	25.8x	25.8x	24.7x	1.5x	1.4x	1.3x	2.7 %	2.8 %	3.0 %
Citycon	1589	20.1x	19.4x	19.0x	0.7x	0.7x	0.7x	7.3 %	7.3 %	6.9 %
Entra	2715	23.6x	23.7x	22.6x	1.3x	1.2x	1.2x	3.0 %	3.1 %	3.2 %
Fabege	5315	38.4x	39.6x	37.2x	1.4x	1.3x	1.2x	1.9 %	2.0 %	2.1 %
Hufvudstaden	3622	34.6x	32.0x	29.4x	1.2x	1.2x	1.1x	2.1 %	2.2 %	2.3 %
Klovern	1848	23.5x	24.2x	22.7x	1.4x	1.2x	1.1x	2.1 %	2.2 %	2.4 %
Kojamo	4552	30.3x	31.0x	29.3x	1.2x	1.1x	1.0x	1.8 %	2.0 %	2.1 %
Kungsleden	2141	25.3x	24.3x	22.9x	1.3x	1.2x	1.1x	2.5 %	2.7 %	2.9 %
Pandox	2902	21.5x	16.9x	16.4x	1.0x	1.0x	0.9x	2.2 %	2.6 %	2.8 %
Wallenstam	3862	45.4x	46.4x	41.5x	1.6x	1.5x	1.4x	1.5 %	1.6 %	1.7 %
Wihlborgs Fastigheter	2823	24.8x	25.0x	23.8x	1.6x	1.5x	1.3x	2.3 %	2.5 %	2.7 %
Peer Group Average	3343	28.7x	28.0x	26.3x	1.3x	1.2x	1.1x	2.7 %	2.8 %	2.9 %
Peer Group Median	2862	25.5x	25.4x	24.2x	1.3x	1.2x	1.1x	2.2 %	2.5 %	2.6 %
Cibus (Evli est.)	530	21.9x	20.5x	19.5x	1.3x	1.3x	1.3x	6.2 %	6.6 %	6.9 %
<i>Cibus prem./disc. to peer median</i>		-14 %	-20 %	-20 %	0 %	8 %	17 %	179 %	163 %	161 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	150.50 PV of Free Cash Flow	199 Long-term growth, %	1.2 Risk-free interest rate, %
DCF share value	11.60 PV of Horizon value	744 WACC, %	5.4 Market risk premium, %
Share price potential, %	-18.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	15.6 Marketable securities	25 Minimum WACC, %	4.9 Equity beta coefficient
Minimum value	8.4 Debt - dividend	-535 Maximum WACC, %	5.9 Target debt ratio, %
Horizon value, %	78.9 Value of stock	433 Nr of shares, Mn	37.3 Effective tax rate, %

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	52	63	66	67	67	68	69	70	71	71	72	73
<i>Sales growth, %</i>	<i>29.4</i>	<i>22.1</i>	<i>4.7</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	55	58	59	60	60	61	62	63	63	64	65
<i>Operating income margin, %</i>	<i>84.5</i>	<i>88.1</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>	<i>88.5</i>
+ Depreciation+amort.	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	44	55	58	59	60	60	61	62	63	63	64	
- Paid taxes	-3	-9	-10	-12	-12	-12	-12	-12	-13	-13	-13	
- Change in NWC	-1	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-33.1</i>	<i>-26.9</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>	
+ Change in other liabs	6	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-51	-180	0	0	0	0	0	0	0	0	0	
<i>opCAPEX / Sales, %</i>	<i>99.7</i>	<i>288.3</i>	<i>0.5</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>	
- 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	-134	48	47	48	48	49	49	50	51	51	1,242
= Discounted FCFF		-128	44	41	39	38	36	35	33	32	31	744
= DFCF min WACC		-129	44	41	40	38	37	36	35	33	32	886
= DFCF max WACC		-128	43	40	38	37	35	34	32	31	29	634

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	14.1	16.2	16.3	16.3	62.9	65.8	66.6
EBITDA	11.2	10.4	11.3	10.6	43.5	12.2	14.3	14.4	14.4	55.4	58.3	59.0
<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>86.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.1</i>	<i>88.5</i>	<i>88.5</i>
EBIT	11.2	10.4	11.3	10.6	43.5	12.2	14.3	14.4	14.4	55.4	58.3	59.0
<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>86.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.5</i>	<i>88.1</i>	<i>88.5</i>	<i>88.5</i>
Net financial items	-3.5	-3.6	-4.0	-3.6	-14.8	-4.2	-4.1	-4.1	-4.1	-16.6	-16.0	-16.0
Pre-tax profit	7.7	6.8	7.3	7.0	28.7	8.0	10.2	10.2	10.3	38.7	42.3	43.0
Tax	-1.1	-2.1	-0.8	-1.1	-5.1	-1.5	-1.5	-1.5	-2.0	-6.5	-7.5	-8.6
<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>18.8</i>	<i>14.7</i>	<i>14.6</i>	<i>19.4</i>	<i>16.8</i>	<i>17.7</i>	<i>20.0</i>
Net profit	6.6	4.7	6.5	5.9	23.6	6.5	8.7	8.7	8.3	32.2	34.8	34.4
EPS	0.21	0.15	0.21	0.19	0.76	0.17	0.23	0.23	0.22	0.86	0.93	0.92
EPS adjusted (diluted no. of shares)	0.21	0.15	0.21	0.19	0.76	0.17	0.23	0.23	0.22	0.86	0.93	0.92
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
SALES, EURm												
Cibus Nordic	12.7	12.5	13.2	13.1	51.5	14.1	16.2	16.3	16.3	62.9	65.8	66.6
Total	12.7	12.5	13.2	13.1	51.5	14.1	16.2	16.3	16.3	62.9	65.8	66.6
SALES GROWTH, Y/Y %												
Cibus Nordic	308.2	7.6	5.2	4.8	29.4	11.4	29.1	23.2	24.6	22.1	4.7	1.2
Total	308.2	7.6	5.2	4.8	29.4	11.4	29.1	23.2	24.6	22.1	4.7	1.2
EBIT, EURm												
Cibus Nordic	11.2	10.4	11.3	10.6	43.5	12.2	14.3	14.4	14.4	55.4	58.3	59.0
Total	11.2	10.4	11.3	10.6	43.5	12.2	14.3	14.4	14.4	55.4	58.3	59.0
EBIT margin, %												
Cibus Nordic	88.5	82.9	85.6	80.9	84.5	86.5	88.5	88.5	88.5	88.1	88.5	88.5
Total	88.5	82.9	85.6	80.9	84.5	86.5	88.5	88.5	88.5	88.1	88.5	88.5

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	0.0	0.0	0.0	39.8	51.5	62.9	65.8	66.6
<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>22.1</i>	<i>4.7</i>	<i>1.2</i>
EBITDA	0.0	0.0	0.0	33.7	43.5	55.4	58.3	59.0
<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>88.1</i>	<i>88.5</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	0.0	33.7	43.5	55.4	58.3	59.0
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	55.4	58.3	59.0
<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>88.1</i>	<i>88.5</i>	<i>88.5</i>
Reported EBIT	0.0	0.0	0.0	65.7	50.2	55.4	58.3	59.0
<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>88.1</i>	<i>88.5</i>	<i>88.5</i>
Net financials	0.0	0.0	0.0	-10.0	-14.8	-16.6	-16.0	-16.0
Pre-tax profit	0.0	0.0	0.0	23.7	28.7	38.7	42.3	43.0
Taxes	0.0	0.0	0.0	-7.0	-5.1	-6.5	-7.5	-8.6
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	32.2	34.8	34.4
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	0	0	768	817	875	1,055	1,055	1,055
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	6	7	8	8
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	30	32	32
Total assets	0	0	792	848	913	1,100	1,101	1,102
Liabilities								
Shareholder's equity	0	0	334	329	333	422	422	419
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	7	8	8
Deferred taxes	0	0	7	9	14	14	14	14
Interest bearing debt	0	0	440	486	535	626	628	630
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	1,100	1,101	1,102
CASH FLOW, EURm								
+ EBITDA	0	0	0	34	44	55	58	59
- Net financial items	0	0	0	-10	-15	-17	-16	-16
- Taxes	0	0	5	0	0	-6	-7	-9
- 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	32	35	34
- Capex	0	0	-768	-4	-51	-181	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	-149	34	34
+/- New issues/buybacks	0	0	334	-29	0	84	0	0
- Paid dividend	0	0	0	-25	-26	-28	-35	-37
+/- Other	0	0	442	44	43	98	2	3
Change in cash	0	0	17	8	-1	5	1	0

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	0	0	327	443	530	530	530
Net debt (excl. convertibles)	0	423	461	510	603	604	606
Enterprise value	0	423	787	954	1,133	1,134	1,136
Sales	0	0	40	52	63	66	67
EBITDA	0	0	34	44	55	58	59
EBIT	0	0	34	44	55	58	59
Pre-tax	0	0	24	29	39	42	43
Earnings	0	0	17	24	32	35	34
Equity book value (excl. minorities)	0	334	329	333	422	422	419
Valuation multiples							
EV/sales	0.0	0.0	19.8	18.5	18.0	17.2	17.1
EV/EBITDA	0.0	0.0	23.4	21.9	20.5	19.5	19.3
EV/EBITA	0.0	0.0	23.4	21.9	20.5	19.5	19.3
EV/EBIT	0.0	0.0	23.4	21.9	20.5	19.5	19.3
EV/OCF	0.0	42.7	36.8	28.2	35.3	32.6	33.1
EV/FCFF	0.0	-0.6	-4.4	1,142.0	-8.5	23.7	24.1
P/FCFE	0.0	0.0	1.8	-2.5	-37.7	163.3	163.9
P/E	0.0	0.0	19.6	18.8	16.5	15.3	15.4
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	115.4	109.6	108.4
Target EV/EBIT	0.0	0.0	0.0	0.0	115.4	109.6	108.4
Target EV/FCF	0.0	0.0	0.0	0.0	-42.8	185.7	186.5
Target P/B	0.0	0.0	0.0	0.0	13.7	13.7	13.8
Target P/E	0.0	0.0	0.0	0.0	179.5	166.4	168.3
Per share measures							
Number of shares	31,100	31,100	31,100	31,100	37,320	37,320	37,320
Number of shares (diluted)	31,100	31,100	31,100	31,100	37,320	37,320	37,320
EPS	0.00	0.00	0.54	0.76	0.86	0.93	0.92
Operating cash flow per share	0.00	0.32	0.69	1.09	0.86	0.93	0.92
Free cash flow per share	0.00	-24.38	0.57	-0.56	-4.00	0.92	0.92
Book value per share	0.00	10.74	10.57	10.70	11.30	11.29	11.23
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	108.2	105.3	111.9
Dividend yield, %	0.0	0.0	8.0	6.3	6.6	6.9	7.3
FCF yield, %	0.0	0.0	5.5	-3.9	-28.1	6.5	6.5
Efficiency measures							
ROE	0.0	0.0	5.0	7.1	8.5	8.2	8.2
ROCE	0.0	0.0	4.2	5.2	5.8	5.5	5.6
Financial ratios							
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	9.3	8.9	8.8
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	-26.9	-25.7	-25.4
Operative CAPEX/sales, %	0.0	0.0	9.0	99.7	288.3	0.5	0.1
CAPEX/sales (incl. acquisitions), %	0.0	0.0	9.0	99.7	288.3	0.5	0.1
FCFF/EBITDA	0.0	0.0	-5.3	0.0	-2.4	0.8	0.8
Net debt/EBITDA, book-weighted	0.0	0.0	13.7	11.7	10.9	10.4	10.3
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	38.3	38.3	38.0
Gearing, %	0.0	126.5	140.1	153.4	143.0	143.2	144.5

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	%
SFC Holding S.à r.l.	3,200,000	45.470	8.6%
Fourth Swedish National Pension Fund	2,311,245	32.842	6.2%
Amiral Gestion	2,062,522	29.307	5.5%
Talomon Capital	1,539,171	21.871	4.1%
Carnegie Funds	1,250,000	17.762	3.3%
Sirius Capital Partners	830,000	11.794	2.2%
Svenska Handelsbanken	802,576	11.404	2.2%
Avanza Pension	788,294	11.201	2.1%
Dragfast AB	700,000	9.947	1.9%
Sensor Funds	690,000	9.805	1.8%
Ten largest	14,173,808	201.403	38%
Residual	23,146,192	328.896	62%
Total	37,320,000	530.299	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 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	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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