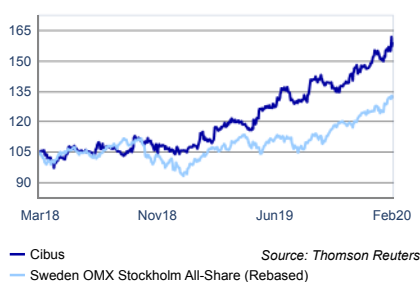


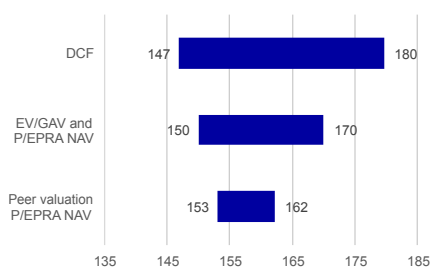
## KEY DATA

Stock country	Sweden
Bloomberg	CIBUS.SS
Reuters	CIBUS.ST
Share price (close)	SEK 159.5
Free Float	90%
Market cap. (bn)	EUR 0.47/SEK 4.96
Website	www.cibusnordic.com
Next report date	27 Feb 2020

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	0%	4%	2%
EBIT (adj)	0%	5%	2%

Source: Nordea estimates

## Nordea Markets - Analysts

Svante Krokfors  
AnalystNiclas Höglund  
Senior Analyst, Sector Coordinator

## Valuation supported by high dividend yield

Cibus will report Q4 results on 27 February and we expect net operating income to increase slightly from Q3. Our NOI estimate for Q4 is EUR 12.9m and profit from property management EUR 7.9m. Cibus shares have performed well as the revaluation of the Nordic property sector has reached new levels and we increase our peer- and DCF-based fair value range to SEK 150-170 (125-145). We believe Cibus is close to entering the Swedish market and a larger acquisition would require an equity component, which should not be an issue as Cibus trades at a 30% premium to the latest reported EPRA NAV and raising new equity at a premium to EPRA NAV is favourable.

## Infrastructure-like daily goods property enables stable dividend

Cibus owns grocery- and daily goods-anchored real estate in Finland and we expect an expansion into Sweden to take place soon. The threat from e-commerce is limited as the Nordic population density is low and the grocery market has oligopolistic features. Rental income is stable and earnings growth is supported by declining financial costs, especially after the EUR 135m bond is most likely refinanced in 2020 at considerably lower cost than the current 4.5% coupon. We think the balance sheet is optimally structured for high dividend payouts, and add-on investments will be financed by existing funds while larger growth investments will require an equity component.

## Q4 expectations – comments on expansion in focus

We expect Cibus to post Q4 rental income of EUR 13.5m and net rental income of EUR 12.9m, up from EUR 12.5m in Q3 2019. We estimate Q4 profit from property management of EUR 7.9m, up from EUR 7.3m in Q3 2019, although there is uncertainty relating to Q4 costs owing to double administration costs from ongoing insourcing, potential costs related to Swedish expansion plans and change of corporate structure. We expect EPRA NAV of EUR 12.3 (SEK 130). We expect the next main event to be Swedish expansion, which could be announced shortly. Cibus has authorisation to issue a maximum of 6.22m new shares.

## We raise our fair value range to SEK 150-170 per share

Amid the strong performance and revaluation in the Nordic real estate sector, we increase our peer group-, P/EPRA NAV- and DCF-based fair value range to SEK 150-170. Our fair value corresponds to 2020E P/E of 13.6-15.4x and P/EPRA NAV of 1.03-1.17. The Nordic sector is at 1.14x 2020E P/EPRA NAV. Fair value corresponds to a 2020E dividend yield of 5.7-6.5%.

## SUMMARY TABLE - KEY FIGURES

EURm	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	n.a.	n.a.	n.a.	29	60	64	65
NOI margin	n.a.	n.a.	n.a.	81.0%	81.5%	81.9%	81.3%
EPS (adj)	n.a.	n.a.	n.a.	0.40	0.88	1.04	1.10
EPS (adj) growth	n.a.	n.a.	n.a.	n.a.	121.5%	18.4%	5.5%
P/E (adj)	n.a.	n.a.	n.a.	25.4	17.2	14.5	13.8
DPS	0.00	0.00	0.00	0.84	0.88	0.92	0.96
NAV per share	0	0	0	11	12	14	15
NAV growth	n.a.	n.a.	n.a.	n.a.	11.9%	11.4%	9.3%
NOI/EV (adj)	n.a.	n.a.	n.a.	3.0%	4.9%	5.2%	5.3%
P/NAV	n.a.	n.a.	n.a.	93.0%	124.5%	111.7%	102.2%
P/EPRA NAV	n.a.	n.a.	n.a.	91.2%	122.7%	109.9%	100.6%
Dividend yield	n.a.	n.a.	n.a.	8.3%	5.8%	6.1%	6.3%
Loan-to-value (adj)	n.m.	n.m.	n.m.	56.4%	59.9%	58.5%	57.5%
Net debt / EBITDA (adj)	n.m.	n.m.	n.m.	21.9	12.0	10.8	10.6

Source: Company data and Nordea estimates

# Factors to consider when investing in Cibus

Cibus is a Nordic real estate company focusing on grocery and daily goods retail assets. Currently, Cibus owns assets in Finland only but aims to expand to the other Nordic countries, particularly Sweden. Cibus differs from its retail real estate peers in that it is less dependent on macroeconomic fluctuations and competition from e-commerce. Its portfolio is diversified with 139 properties and its geographical diversification within Finland is also wide. Stable cash flow from solid daily goods tenants combined with financial leverage and a high payout ratio makes Cibus an attractive proposition for investors who want a high and predictable dividend.

Second-largest Nordic player in segment dominated by pension funds

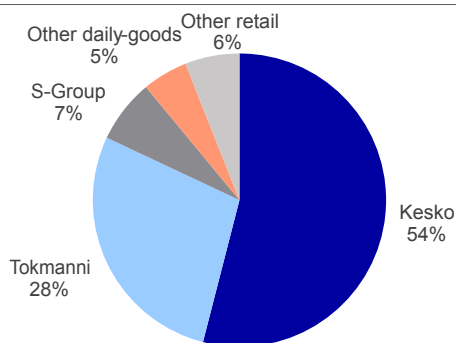
### Largest Finnish owner of daily goods assets, second-largest in Nordics

Cibus has established a strong presence in the Nordic real estate sector with its focus on grocery and daily goods anchored properties. Currently, the portfolio consists of only Finnish assets, but the plan is to expand to the other Nordic countries in the medium to long term, with Sweden being the natural first priority. In a segment dominated by Swedish and Finnish pension funds, Cibus has rapidly become the second-largest Nordic investor in the field.

Highly diversified property portfolio with a market value of EUR 862m

Cibus targets stable cash flow from established grocery and daily goods tenants. Combined with its balanced use of leverage, this results in a company with high dividend capacity. Cibus has 139 properties in its portfolio and a leasable area of 500,000 m<sup>2</sup>. The portfolio has a market value of EUR 862m. The portfolio is diversified, as no single property accounts for more than 3.3% of the value. On an individual basis, over 70% of Cibus's properties do not account for more than 1% of total rental income.

RENTAL INCOME PER TENANT, SEPTEMBER 2019

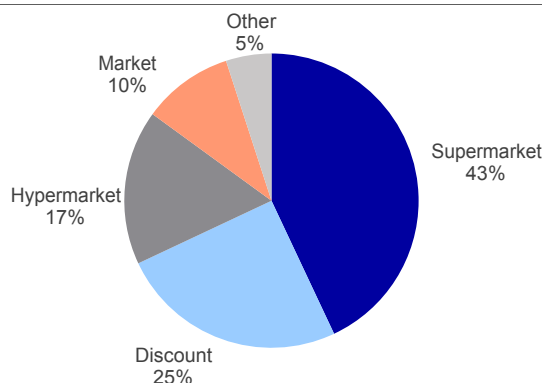


Source: Company data

Largest grocery and daily goods players in Finland are Cibus's anchor tenants

Slightly below 90% of rental income comes from properties where either Kesko, Tokmanni or S-Group is the anchor tenant. The portfolio is diversified in terms of property type, with supermarkets accounting for 43% of rental income, discount stores (Tokmanni) for 25%, hypermarkets for 17%, smaller markets for 10% and 5% belonging to Other.

RENTAL INCOME PER STORE TYPE, DECEMBER 2018



Source: Company data

A segment with little dependence on macroeconomic factors

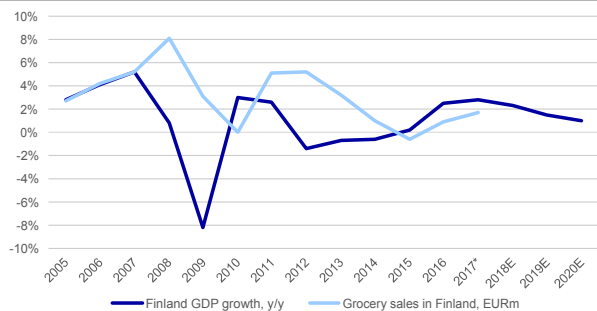
### Grocery and daily goods resilient to macroeconomics and e-commerce

Grocery and daily goods sales have, for obvious reasons, been highly resilient to macroeconomic swings and this is true also for Finland, which we illustrate in the left-hand chart below.

Grocery and daily goods segment less affected by e-commerce

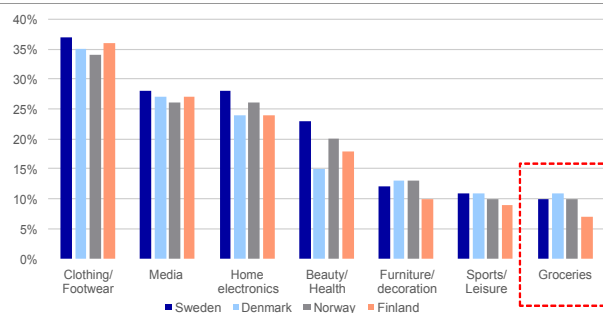
In recent years, retail real estate has fallen out of investors' favour, mainly due to fears over the impact of e-commerce on demand for physical stores for fashion, consumer electronics, etc. Grocery and daily goods have seen increased online sales in recent years, albeit from a very low level. Particularly in countries and areas with low population density, we believe the proposition of grocery and daily goods online ordering and home delivery is difficult to make profitable.

**GROCERY SALES IN FINLAND VS GDP GROWTH, 2005-17**



Note: In 2017, FGTA included petrol station stores and discount stores with a reduced selection of groceries. For comparability, we exclude these items.  
Source: Finnish Grocery Trade Association, Nordea Economic Outlook and Nordea

**GROCERY CONSTITUTED A SMALL SHARE OF NORDIC E-COMMERCE IN 2017**



Source: PostNord 2018 and Nordea

Barriers to entry are high for players focusing purely on online grocery operations

This is true for the Nordics where the population density is low outside of the largest cities. In Sweden and Finland, the grocery market is relatively concentrated to a few players, which also might enhance the barriers to entry for pure online players, as the traditional players are not keen to invest in large-scale grocery online offerings and services. However, the traditional grocery and daily goods players have the infrastructure in place to respond quickly should e-commerce competition in the field intensify.

Nordic consumers do not buy groceries online on a large scale

Illustrated in the right-hand chart above, the share of consumers who have bought groceries online is low in the Nordics and particularly low in Finland.

In the near term, we expect a continued earnings boost from a lower cost of debt

**Near-term events likely to lower cost of debt**

Cibus operates with an appropriate level of debt considering the stable cash flow profile. Net LTV was 59% at the end of September 2019, and the reported group cost of debt (including bank loans and bond) was 2.6%. Cibus refinanced one of its three loan facilities at the end of 2018 and the two others during H1 2019. All refinancing rounds resulted in longer debt maturity and lower margins, partly explained by the fact that all initial loan facilities were negotiated before Cibus's IPO. The bank financing has an average margin of 1.6% plus 3m EURIBOR (with floor). If the EUR 135m bond that matures in 2021 were also refinanced, we believe the group's cost of debt could be reduced to as low as 2.2%. This would have a positive impact of around EUR 1.3m (EUR 0.04 per share) on pre-tax profit. Our estimates for the cost of debt are illustrated in the table below. Recent trading in Cibus's bond indicates that the coupon could be even below 3%, increasing earnings capacity further.

**COST OF DEBT FORECASTS**

	30 Sep 2018		5 Nov 2018		31 Dec 2018		27 Feb 2019		Third refinancing		Bond refinancing	
	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)
<b>Bank loans</b>	324	2.3 %	354	2.1 %	354	2.1 %	354	2.2 %	392	1.9 %	392	1.8 %
<b>Bond</b>	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	135	3.5 %
<b>Group total</b>	459	3.0 %	489	2.8 %	489	2.8 %	489	2.8 %	527	2.6 %	527	2.2 %
<b>Debt cost/year</b>	-13.6		-13.6		-13.6		-13.9		-13.5		-11.6	

Source: Company data and Nordea estimates

The current balance sheet enables smaller bolt-on acquisitions, but larger ones would likely require an equity component

**Medium- to long-term events likely to be small or large acquisitions**

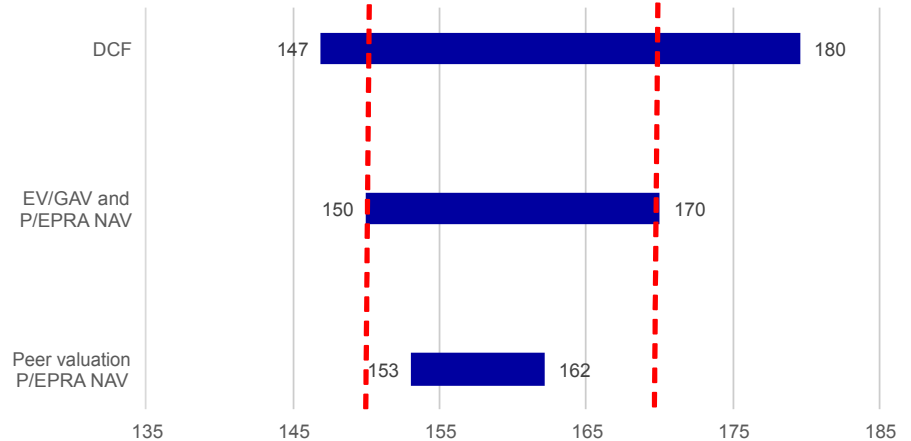
Cibus's current portfolio and earnings will not grow at a pace significantly higher than inflation, as the upside potential in lease agreements comes from CPI indexation. With the current balance sheet, Cibus will be able to make smaller acquisitions, but larger portfolio acquisitions would likely need an equity component to avoid raising group LTV too much. For example, if Cibus were to buy a portfolio for EUR 100m, it would need new equity of roughly EUR 40m to keep the balance sheet metrics unchanged. We believe Cibus could pay for part of a possible acquisition through a directed share issue to the selling party. Obviously, this means that it is important for Cibus that the shares should trade relatively close to NAV, or preferably at a premium as they do now, so that new shares would not be issued at a significant discount to NAV.

Our fair value range is SEK 150-170 per share

**Valuation conclusion**

Our main valuation approach, based on an assumption of 2020E EV/GAV of 1.05-1.12x with dividends added back and P/EPRA NAV of 1.03-1.17x, results in a fair value range of SEK 150-170 per share. The peer EPRA/NAV valuation suggests a narrow range of SEK 153-162, while the DCF range is wider at SEK 147-180 per share. When weighing in the different valuation approaches with the biggest weight on EV/GAV and P/EPRA NAV, we arrive at our fair value range of SEK 150-170 per share, which corresponds to 2020E adjusted P/E of 13.6-15.4x.

**VALUATION APPROACH**



Source: Company data and Nordea estimates

Dividend yield does not directly impact valuation, but a high dividend yield should offer downside protection

Cibus focuses on creating a portfolio of grocery and daily goods assets that generate stable cash flow, and it enhances the returns for shareholders by using an optimal level of debt. Hence, the company's main target is to maximise the dividend capacity and distribute a significant part of earnings as dividends. Our dividend yield forecast of 6% for 2020 should offer solid downside protection for Cibus's shares. The dividend yield should therefore not have an impact on the valuation, but if Cibus is able to maintain or grow the dividend, we reason that the dividend yield should offer downside protection. Our fair value range of SEK 150-170 per share corresponds to a 2020E dividend yield of 5.7-6.5%.

# Detailed estimates

ANNUAL ESTIMATES				
EURm	2018	2019E	2020E	2021E
<b>Rental income</b>	<b>25</b>	<b>52</b>	<b>56</b>	<b>57</b>
Rental income growth	n.a.	107.8%	7.5%	1.6%
Property expenses	-1	-2	-4	-4
<b>Net rental income</b>	<b>23</b>	<b>49</b>	<b>52</b>	<b>53</b>
NRI margin %	93.7%	94.4%	93.7%	92.8%
Administrative expenses	-2	-5	-4	-4
Other operating income	4	8	8	8
Other operating expenses	-4	-9	-8	-8
Profit/loss on sales of investment properties	2	1	0	0
Profit/loss on sales of trading properties	0	0	0	0
Fair value changes of investment properties	2	12	12	6
Depreciation, amortisation and impairment losses	0	0	0	0
<b>Operating profit/loss</b>	<b>24</b>	<b>56</b>	<b>61</b>	<b>55</b>
Financial income	0	0	0	0
Financial expenses	-9	-14	-14	-12
<b>Net financials</b>	<b>-8</b>	<b>-15</b>	<b>-14</b>	<b>-12</b>
Share of result from associated companies	0	0	0	0
<b>Profit before taxes</b>	<b>16</b>	<b>41</b>	<b>47</b>	<b>42</b>
Current tax expense	-1	-2	-2	-3
Change in deferred tax	-2	-2	-2	-1
<b>Profit/loss for the period</b>	<b>13</b>	<b>37</b>	<b>42</b>	<b>39</b>
<b>Funds from operations</b>	<b>11</b>	<b>27</b>	<b>32</b>	<b>34</b>

Source: Company data and Nordea estimates

INTERIM ESTIMATES								
EURm	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Q4/2019E
<b>Rental income</b>	<b>n.a.</b>	<b>n.a.</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>14</b>
Rental income growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.7%	9.0%
Property expenses	n.a.	n.a.	-1	0	-1	0	-1	-1
<b>Net rental income</b>	<b>n.a.</b>	<b>n.a.</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>
NRI margin %	n.a.	n.a.	95.9%	96.1%	95.9%	96.0%	94.8%	95.0%
Administrative expenses	n.a.	n.a.	-1	-1	-1	-1	-1	-1
Other operating income	n.a.	n.a.	2	2	3	2	2	2
Other operating expenses	n.a.	n.a.	-2	-2	-3	-2	-2	-2
Profit/loss on sales of investment properties	n.a.	n.a.	0	2	0	0	0	0
Profit/loss on sales of trading properties	n.a.	n.a.	0	0	0	0	0	0
Fair value changes of investment properties	n.a.	n.a.	0	2	3	5	-1	5
Depreciation, amortisation and impairment losses	n.a.	n.a.	0	0	0	0	0	0
<b>Operating profit/loss</b>	<b>n.a.</b>	<b>n.a.</b>	<b>11</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>10</b>	<b>16</b>
Financial income	n.a.	n.a.	0	0	0	0	0	0
Financial expenses	n.a.	n.a.	-4	-5	-4	-4	-4	-3
<b>Net financials</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>
Share of result from associated companies	n.a.	n.a.	0	0	0	0	0	0
<b>Profit before taxes</b>	<b>n.a.</b>	<b>n.a.</b>	<b>7</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>7</b>	<b>13</b>
Current tax expense	n.a.	n.a.	-1	0	-1	-1	1	-1
Change in deferred tax	n.a.	n.a.	0	-2	-1	-1	-2	1
<b>Profit/loss for the period</b>	<b>n.a.</b>	<b>n.a.</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>6</b>	<b>12</b>
<b>Funds from operations</b>	<b>n.a.</b>	<b>n.a.</b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>7</b>

Source: Company data and Nordea estimates

**SUMMARY TABLE - KEY FIGURES**

EURm	2015	2016	2017	2018	2019E	2020E	2021E
Rental income	n.a.	n.a.	n.a.	25	52	56	57
- rental income growth	n.a.	n.a.	n.a.	n.a.	108 %	8 %	2 %
Net operating income (NOI)	n.a.	n.a.	n.a.	23	49	52	53
Pre-tax profit	n.a.	n.a.	n.a.	16	41	47	42
IFPM (pretax ex value gains)	n.a.	n.a.	n.a.	12	29	34	37
FFO	n.a.	n.a.	n.a.	11	27	32	34
-FFO growth	n.a.	n.a.	n.a.	n.a.	144 %	19 %	5 %
Dividend	n.a.	n.a.	n.a.	-6	-26	-27	-29
Shareholder equity	n.a.	n.a.	n.a.	329	340	354	365
EPRA NAV (incl. div not paid)	n.a.	n.a.	n.a.	344	384	428	468
-EPRA NAV growth	n.a.	n.a.	n.a.	n.a.	11 %	12 %	9 %
Net debt	n.a.	n.a.	n.a.	461	531	525	520
Net debt/EBITDA	n.a.	n.a.	n.a.	21.9x	12.0x	10.8x	10.6x
Loan-to-value (gross)	n.a.	n.a.	n.a.	60%	62%	61%	60%

Source: Company data and Nordea estimates

**RATIOS RELATED TO BALANCE SHEET**

	2015	2016	2017	2018	2019E	2020E	2021E
Investment properties, fair value EURm	n.a.	n.a.	n.a.	816	886	898	903
Net investments, EURm	n.a.	n.a.	n.a.	0	57	0	0
Net debt, EURm	n.a.	n.a.	n.a.	461	531	525	520
Average interest rate	n.a.	n.a.	n.a.	2.8%	2.8%	2.5%	2.2%
Equity ratio	n.a.	n.a.	n.a.	38%	38%	39%	40%
Payout ratio (dividend / FFO)	n.a.	n.a.	n.a.	100 %	88 %	87 %	91 %

Source: Company data and Nordea estimates

**NAV CALCULATION**

EURm	2015	2016	2017	2018	2019E	2020E	2021E
Equity (incl. future fair value changes)	n.a.	n.a.	n.a.	329	340	354	365
Acc. dividend added back				6	32	60	88
Deferred tax	n.a.	n.a.	n.a.	9	12	14	15
<b>EPRA NAV</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>344</b>	<b>384</b>	<b>428</b>	<b>468</b>
- per share				11.1	12.3	13.8	15.0
EPRA NAV	n.a.	n.a.	n.a.	344	384	428	468
Derivatives	n.a.	n.a.	n.a.	-2	0	0	0
Deferred tax 10% -tax	n.a.	n.a.	n.a.	-5	-6	-7	-8
<b>NNNAV (Nordea est)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>338</b>	<b>378</b>	<b>421</b>	<b>460</b>
- per share				10.9	12.2	13.5	14.8

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
<b>Total revenue</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	29	60	64	65
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	107.9%	6.2%	1.4%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	0	0	0	0	0	21	44	49	49
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	0
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	0	0	0	0	21	44	49	49
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21	44	49	49
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	-8	-15	-14	-12
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	4	12	12	6
<b>Pre-tax profit</b>	0	0	0	0	0	0	0	17	42	47	42
Reported taxes	0	0	0	0	0	0	0	-3	-4	-4	-4
Net profit from continued operations	0	0	0	0	0	0	0	14	37	42	39
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	0	0	0	0	0	0	14	37	42	39
<b>EPS</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.44	1.20	1.35	1.24
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.88	0.92	0.96
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.88	0.92	0.96
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit margin in percent</b>											
EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	73.6%	76.1%	75.5%
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	73.6%	76.1%	75.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	73.6%	76.1%	75.5%
<b>Adjusted earnings</b>											
EBITDA (adj)	0	0	0	0	0	0	0	21	44	49	49
EBITA (adj)	0	0	0	0	0	0	0	21	44	49	49
EBIT (adj)	0	0	0	0	0	0	0	21	44	49	49
EPS (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.40	0.88	1.04	1.10
<b>Adjusted profit margins in percent</b>											
EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	73.6%	76.1%	75.5%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	73.6%	76.1%	75.5%
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	73.6%	76.1%	75.5%
<b>Performance metrics</b>											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>VALUATION RATIOS - ADJUSTED EARNINGS</b>											
<b>EURm</b>	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.4	17.2	14.5	13.8
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	22.6	20.5	20.3
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	22.6	20.5	20.3
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	22.6	20.5	20.3
<b>VALUATION RATIOS - REPORTED EARNINGS</b>											
<b>EURm</b>	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22.9	12.6	11.2	12.2
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.80	16.67	15.61	15.31
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	22.6	20.5	20.3
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	22.6	20.5	20.3
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	22.6	20.5	20.3
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.3%	5.8%	6.1%	6.3%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.9%	-9.4%	7.0%	7.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.1%	2.7%	7.0%	7.3%
Payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	190.2%	73.5%	67.9%	76.8%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	0	0	0	0	0	0	0
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	0	0	816	886	898	903
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	2	2	2	2
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	1	0	0	0
Total non-current assets	0	0	0	0	0	0	0	819	887	899	905
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0	0	2	1	1	1
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	1	1	1	1
Cash and bank	0	0	0	0	0	0	0	26	15	21	26
Total current assets	0	0	0	0	0	0	0	29	18	23	29
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>	<b>905</b>	<b>923</b>	<b>934</b>
Shareholders equity	0	0	0	0	0	0	0	329	340	354	365
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	0	0	0	0	329	340	354	365
Deferred tax	0	0	0	0	0	0	0	9	12	14	15
Long term interest bearing debt	0	0	0	0	0	0	0	486	546	546	546
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	2	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0	0	0	498	558	560	561
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0	0	0	0	0
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	21	7	8	8
Short term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	0	0	0	0	0	0	0	21	8	8	8
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>	<b>905</b>	<b>923</b>	<b>934</b>
<b>Balance sheet and debt metrics</b>											
Net debt	0	0	0	0	0	0	0	461	531	525	520
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	0	0	0	0	0	0	0	-18	-5	-6	-6
Invested capital	0	0	0	0	0	0	0	801	882	894	899
Capital employed	0	0	0	0	0	0	0	815	886	901	911
ROE	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	8.4%	11.1%	12.1%	10.8%
ROIC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	4.2%	4.2%	4.4%	4.4%
ROCE	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5.3%	5.2%	5.4%	5.4%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	21.9	12.0	10.8	10.6
Interest coverage	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	38.8%	37.5%	38.4%	39.0%
Net gearing	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	140.1%	156.2%	148.2%	142.5%

Source: Company data and Nordea estimates



**CASH FLOW STATEMENT**

EURm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
<b>EBITDA (adj) for associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>44</b>	<b>49</b>	<b>49</b>
Paid taxes	0	0	0	0	0	0	0	-1	-2	-2	-3
Net financials	0	0	0	0	0	0	0	-4	-15	-14	-12
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	0	0	0	0	-1	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	0	0	0	0	0	0	0	0	0
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>26</b>	<b>32</b>	<b>34</b>
Change in NWC	0	0	0	0	0	0	0	0	-13	0	0
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>13</b>	<b>33</b>	<b>34</b>
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>13</b>	<b>33</b>	<b>34</b>
Proceeds from sale of assets	0	0	0	0	0	0	0	0	3	0	0
Acquisitions	0	0	0	0	0	0	0	-25	-60	0	0
Free cash flow	0	0	0	0	0	0	0	-9	-44	33	34
Free cash flow bef A&D, lease adj	0	0	0	0	0	0	0	16	13	33	34
Dividends paid	0	0	0	0	0	0	0	-6	-26	-27	-29
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	0	0	0	0	0	0	0	24	60	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	12	12	6
Other non-cash adjustments	0	0	0	0	0	0	0	17	-12	-12	-6
Change in cash	0	0	0	0	0	0	0	26	-10	5	6
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10	14	15	15
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	314	471	471	471
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	775	1,001	996	990
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.1	31.1	31.1	31.1

Source: Company data and Nordea estimates

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