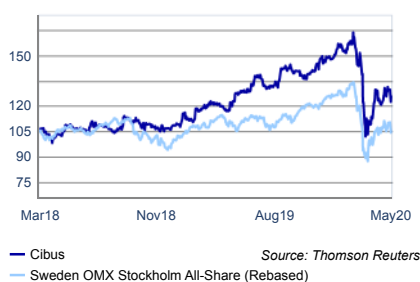


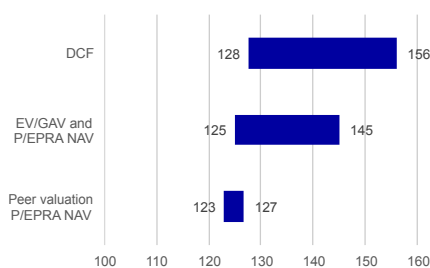
KEY DATA

Stock country	Sweden
Bloomberg	CIBUS.SS
Reuters	CIBUS.ST
Share price (close)	SEK 127.0
Free Float	90%
Market cap. (bn)	EUR 0.44/SEK 4.74
Website	www.cibusnordic.com
Next report date	20 Aug 2020

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2020E	2021E	2022E
Sales	0%	-1%	0%
EBIT (adj)	-3%	-3%	-2%

Source: Nordea estimates

Nordea Markets - Analysts

Svante Krokfors
AnalystDavid Flemmich
Senior Analyst, Sector Coordinator

Sustainable, growing and stable dividend profile

Cibus's Q1 profit from property management was largely in line with our expectations, with the acquired Coop portfolio contributing only partially because the acquisition closed on 10 March. Cibus has experienced few disturbances related to COVID-19, as its grocery- and daily-goods-anchored tenants are performing well in the current environment. The infrastructure-like assets that generate Cibus's rental income deserve a premium valuation versus most other real estate segments, which have been negatively impacted by the pandemic. We keep our fair value range unchanged at SEK 125-145 per share, based on a mix of P/EPRA NAV, peer valuations, and DCF. Cibus intends to grow its dividend 5% annually and will soon start distributing dividends on a monthly basis.

Infrastructure-like daily goods property enables stable dividend

Cibus owns grocery- and daily goods-anchored real estate in Finland and Sweden. The threat of e-commerce is limited as 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 2020-21 at a lower cost than the current 4.5% coupon. We think the balance sheet is optimally structured for high dividend payouts. Add-on investments in Finland and Sweden will be financed by existing funds, while larger growth investments will require an equity component.

Q1 results broadly in line with our expectations

Cibus posted Q1 profit from property management, excluding negative currency effects of EUR 7.7m, in line with our EUR 7.8m estimate. EPS was EUR 0.22 compared to our EUR 0.20 estimate. EPRA NAV was EUR 11.6, meaning that Cibus currently trades at a 3% premium to EPRA NAV. Earnings capacity after the Coop acquisition was disclosed and did not include any major surprises. LTV was 58% at the end of Q1, post the directed share issue of EUR 84m used to finance the EUR 180m acquisition.

No changes to our fair value range of SEK 125-145 per share

After the Q1 report, we make no changes to our fair value range of SEK 125-145 per share, which corresponds to a 2021E P/E of 11.2-13.0x and a dividend yield of 6.9-8.0%. We assume a fair 2021E P/EPRA NAV of 0.84-0.97x. Cibus trades at a premium to most of the Nordic real estate peers, but we believe grocery- and daily goods-anchored assets are more stable than most other real estate segments in the less certain environment of COVID-19, and thus deserve a higher valuation.

SUMMARY TABLE - KEY FIGURES

EURm	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	n.a.	n.a.	29	60	72	74	75
NOI margin	n.a.	n.a.	81.0%	80.8%	83.4%	83.4%	83.6%
EPS (adj)	n.a.	n.a.	0.40	0.88	0.97	1.05	1.07
EPS (adj) growth	n.a.	n.a.	n.a.	120.2%	10.4%	8.5%	2.0%
P/E (adj)	n.a.	n.a.	25.4	15.9	12.3	11.3	11.1
DPS	0.00	0.00	0.84	0.89	0.88	0.95	1.02
NAV per share	0	0	11	11	13	14	10
NAV growth	n.a.	n.a.	n.a.	4.3%	13.6%	9.5%	-26.2%
NOI/EV (adj)	n.a.	n.a.	3.0%	5.1%	5.7%	5.9%	6.1%
P/NAV	n.a.	n.a.	94.8%	125.0%	94.3%	86.1%	116.8%
P/EPRA NAV	n.a.	n.a.	92.9%	121.9%	92.8%	84.8%	77.5%
Dividend yield	n.a.	n.a.	8.3%	6.4%	7.4%	8.0%	8.5%
Loan-to-value (adj)	n.m.	n.m.	56.4%	58.7%	56.6%	55.6%	54.7%
Net debt/EBITDA(adj)	n.m.	n.m.	21.9	11.9	10.8	10.4	10.1

Source: Company data and Nordea estimates

Q4 results and estimate revisions

Cibus's Q1 report was broadly in line with our expectations. Profit from property management, when excluding currency effects, was EUR 7.7m compared to our EUR 7.8m estimate. The updated earnings capacity now included the acquisition of Coop and otherwise did not provide any major surprises. COVID-19 has so far had an insignificant impact on Cibus's operations and the company expects costs from tenant support will not exceed EUR 0.2m.

Q4 profit from property management was in line after adjusting for one-offs

Cibus posted Q4 rental income of EUR 14.0m, the same as our estimate. Net rental income was EUR 13.0m, clearly higher than our EUR 12.4m estimate. Property expenses were somewhat lower than we had expected in the quarter and we overestimated taxes for Q1. Profit from property management was EUR 6.8m, 13% below our EUR 7.8m estimate. Ignoring the effects from currency losses, profit from property management was EUR 7.7m, broadly in line with our estimate, as financial expenses were higher than we estimated owing to currency and costs related to the Coop transaction.

Q1 RESULT DEVIATION FROM EXPECTATIONS

EURm	Actual	NDA est.	Deviation		Actual	Actual		
	Q1 2020	Q1 2020E	vs. actual		Q1 2019	y/y	Q4 2019	q/q
Sales	14.0	14.0	0	0 %	15.3	-8 %	15.6	-10 %
Net operating income	13.0	12.4	1	5 %	12.1	7 %	12.6	4 %
NOI margin	92.6%	88.6%	4.0pp		79.0%	13.6pp	80.4%	12.2pp
Income from property mgmt	7.7	7.8	0	-1 %	7.6	1 %	7.0	10 %
CEPS	0.22	0.20	0.02	10 %	0.29	-25 %	0.23	-4 %

Source: Company data and Nordea estimates

Minor estimate revisions

We make marginal estimate revisions after the Q1 report. Our EBIT estimate is lowered as we had not previously factored in the EUR 0.5-0.6m cost from property management of the acquired Coop portfolio.

ESTIMATE REVISIONS AFTER Q1 REPORT

EURm	New estimates			Old estimates			Difference (%)		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Sales	72	74	75	72	74	75	0 %	-1 %	0 %
Adj. EBIT	56	57	59	57	59	60	-3 %	-3 %	-2 %
Adj. EBIT margin	77.1%	78.1%	78.4%	74.0%	75.3%	75.9%	3.2pp	2.8pp	2.5pp
Adj. EPS	0.97	1.05	1.07	1.04	1.10	1.10	-7 %	-5 %	-3 %

Source: Company data and Nordea estimates

Earnings capacity-based profit from property management unchanged from the end of 2019...

Profit per share from property management (before taxes), based on the disclosed earnings capacity as of 31 March 2020, was unchanged compared to 31 December 2019. The number of shares has increased following the share issue made in conjunction with the Coop acquisition.

EARNINGS CAPACITY

EURm	30 Sep 2018	9 Nov 2018	31 Dec 2018	31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020	31 Dec 2020E	31 Dec 2021E
Rental income	49.2	51.1	51.1	51.1	53.4	54.1	54.4	64.6	65.8	65.6
Property expenses	-3.3	-3.3	-3.3	-3.3	-3.5	-3.5	-3.5	-4.0	-4.2	-4.2
Net rental income	45.9	47.8	47.8	47.8	49.9	50.7	50.9	60.6	61.6	61.3
Central admin.	-3.5	-3.6	-3.6	-3.6	-3.7	-3.7	-3.7	-3.9	-3.9	-3.9
Net financial costs	-13.5	-13.6	-13.6	-13.2	-13.6	-14.0	-14.1	-17.2	-17.2	-15.8
Operating income	28.9	30.6	30.6	31.0	32.7	33.0	33.1	39.6	40.6	41.6
- per share	0.93	0.98	0.98	1.00	1.05	1.06	1.06	1.06	1.09	1.12

Source: Company data and Nordea estimates

...but the bond refinancing in 2021, at the latest, should grow earnings capacity

We expect profit from property management to reach EUR 1.09 per share in 2020 and EUR 1.12 in 2021, which is mainly based on our assumption that the EUR 135m bond will be refinanced at a 1 pp lower cost than the current 4.5%.

Factors to consider when investing in Cibus

Cibus is a Nordic real estate company focusing on grocery and daily goods retail assets. Currently, Cibus only owns assets in Finland and Sweden. Cibus differs from its retail real estate peers because it is less dependent on macroeconomic fluctuations and competition from e-commerce. Its portfolio is diversified, with 256 properties and wide geographical diversification within Finland and Sweden. 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

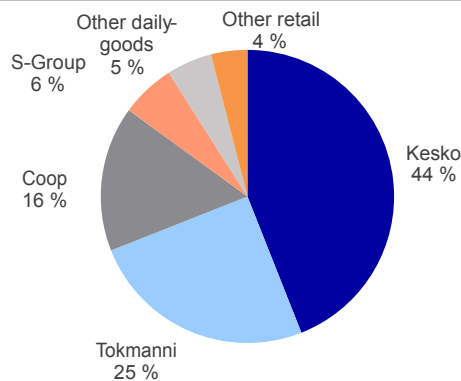
Largest Finnish owner of daily goods assets, now also present in Sweden

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 and Swedish assets. 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 1,053m

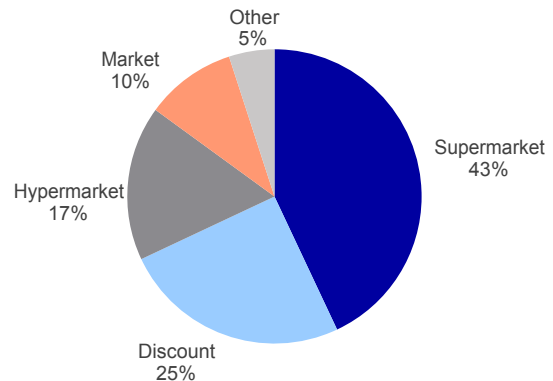
Cibus targets stable cash flow from established grocery and daily goods tenants. Combined with its balanced use of leverage, this results in a company with high dividend capacity. Cibus has 256 properties in its portfolio and a leasable area of 628,000 m². The portfolio has a market value of EUR 1,053m. 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, MARCH 2019



Source: Company data

RENTAL INCOME PER STORE TYPE, DECEMBER 2018



Source: Company data

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

Roughly 90% of its rental income comes from properties where either Kesko, Tokmanni, Coop, or S-Group are the anchor tenants. 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 (as of end 2018). The composition has somewhat changed after the Coop portfolio was acquired in Q1 2020.

A segment with little dependence on macroeconomic factors

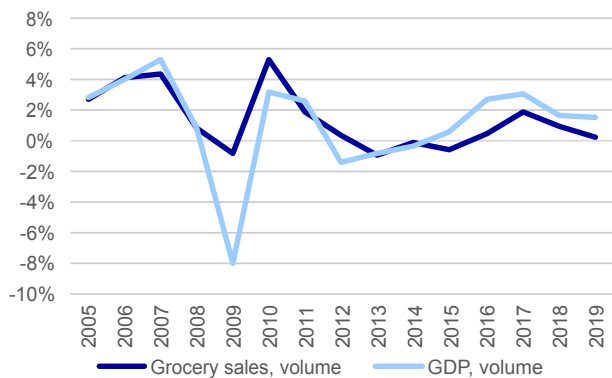
Grocery and daily goods resilient to macroeconomics and e-commerce

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

Grocery and daily goods segment less affected by e-commerce

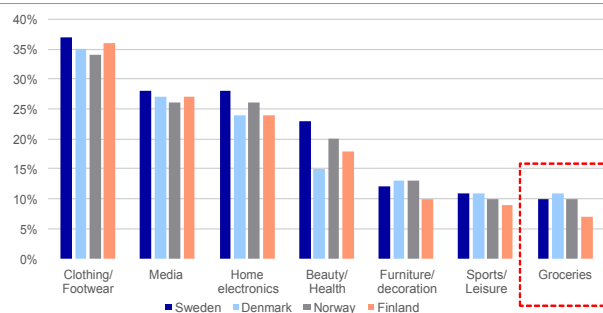
In recent years, retail real estate has fallen out of investors' favour, mainly due to fears about the impact of e-commerce on demand for physical stores in fashion, consumer electronics etc. Grocery and daily goods have seen increased online sales in recent years, albeit from a low level. Particularly 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



Source: Macrobond

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. The traditional grocery and daily goods players, however, have the infrastructure in place to respond quickly if e-commerce competition in the field intensifies.

Nordic consumers do not buy groceries online at a large scale

Illustrated in the chart above on the right, 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 its stable cash flow profile. Net LTV was 58% at the end of Q1 2020, and the weighted average total cost of debt was roughly 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 1.7% 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 2.4%. 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. We have assumed Cibus can replace the 4.5% bond with a 3.5% coupon bond.

COST OF DEBT FORECASTS

	30 Sep 2018		5 Nov 2018		31 Dec 2018		31 Dec 2019		Coop acquisition		Bond refinancing	
	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)
Bank loans	324	2.3 %	354	2.1 %	354	2.1 %	403	2.0 %	529	2.1 %	529	2.1 %
Bond	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	135	3.5 %
Group total	459	3.0 %	489	2.8 %	489	2.8 %	538	2.6 %	664	2.6 %	664	2.4 %
Debt cost/year	-13.6		-13.6		-13.6		-14.1		-17.2		-15.8	

Source: Company data and Nordea estimates

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

Small or large acquisitions likely in the medium to long term

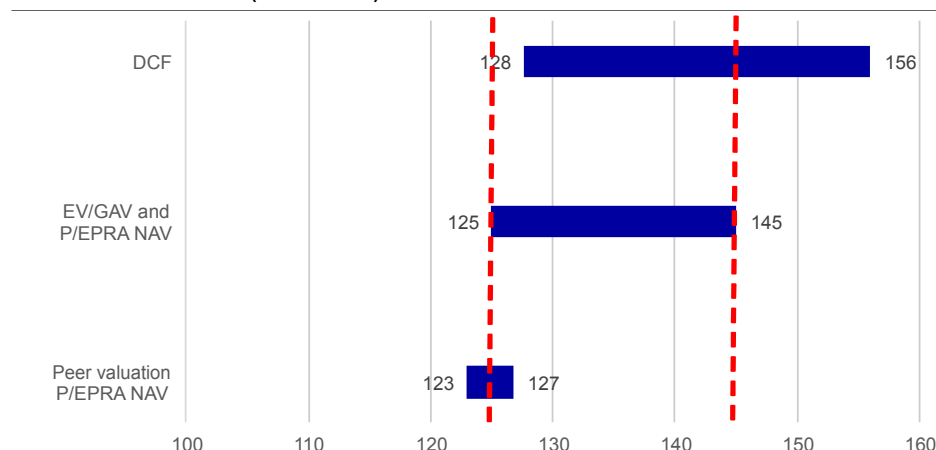
Cibus's current portfolio and earnings will not grow at a pace significantly higher than inflation, as the upside potential in lease agreements comes from CPI indexation. With its current balance sheet, Cibus can make smaller acquisitions, but larger portfolio acquisitions would likely need an equity 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 its 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. The SEK 1.9bn (EUR 180m) acquisition of the Coop portfolio in March 2020 was financed with a similar structure.

Our fair value range is SEK 150-170 per share

Valuation conclusion

Our main valuation approach, based on an assumption of 2021E EV/GAV of 0.91-0.97x and P/EPRA NAV of 0.84x-0.97x, results in a fair value range of SEK 125-145 per share. The peer EPRA/NAV valuation suggests a narrow range of SEK 123-127, while the DCF range is wider at SEK 128-156 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 125-145 per share, which corresponds to 2021E adjusted P/E of 11.2-13.0x.

VALUATION APPROACH (SEK/SHARE)



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 its 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 valuation, but if Cibus can 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 6.9-7.8%.

Detailed estimates

ANNUAL ESTIMATES					
EURm	2018	2019	2020E	2021E	2022E
Rental income	25	52	64	66	67
Rental income growth	n.a.	106.3%	23.7%	2.9%	2.1%
Property expenses	-1	-3	-4	-4	-4
Net rental income	23	49	60	61	63
NRI margin %	93.7%	94.3%	94.3%	93.6%	93.6%
Administrative expenses	-2	-5	-5	-4	-4
Other operating income	4	9	8	8	8
Other operating expenses	-4	-9	-8	-8	-8
Profit/loss on sales of investment properties	2	1	0	0	0
Profit/loss on sales of trading properties	0	0	0	0	0
Fair value changes of investment properties	2	7	4	6	9
Depreciation, amortisation and impairment losses	0	-1	0	0	0
Operating profit/loss	24	50	60	64	68
Financial income	0	0	0	0	0
Financial expenses	-9	-15	-18	-16	-16
Net financials	-8	-15	-18	-16	-16
Share of result from associated companies	0	0	0	0	0
Profit before taxes	16	35	43	48	52
Current tax expense	-1	-1	-2	-2	-3
Change in deferred tax	-2	-5	-2	-1	-2
Profit/loss for the period	13	30	39	44	47
Funds from operations	11	28	36	39	40

Source: Company data and Nordea estimates

INTERIM ESTIMATES								
EURm	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Q1/2020	Q2/2020E	Q3/2020E	Q4/20120E
Rental income	13	13	13	13	14	16	17	17
Rental income growth	n.a.	n.a.	4.7%	6.1%	11.9%	24.7%	26.0%	26.7%
Property expenses	-1	0	-1	-1	-1	-1	-1	-1
Net rental income	12	12	12	12	13	16	16	15
NRI margin %	95.9%	96.0%	94.8%	93.0%	92.6%	95.7%	95.8%	91.0%
Administrative expenses	-1	-1	-1	-2	-1	-1	-1	-1
Other operating income	3	2	2	2	2	2	2	2
Other operating expenses	-3	-2	-2	-2	-2	-2	-2	-2
Profit/loss on sales of investment properties	0	0	0	0	0	0	0	0
Profit/loss on sales of trading properties	0	0	0	0	0	0	0	0
Fair value changes of investment properties	3	5	-1	0	2	1	0	2
Depreciation, amortisation and impairment losses	0	0	0	0	0	0	0	0
Operating profit/loss	14	16	10	11	13	16	15	16
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-4	-4	-4	-4	-5	-4	-4	-4
Net financials	-4	-4	-4	-4	-5	-4	-4	-4
Share of result from associated companies	0	0	0	0	0	0	0	0
Profit before taxes	11	12	7	7	8	12	11	11
Current tax expense	-1	-1	1	0	0	-1	-1	-1
Change in deferred tax	-1	-1	-2	-1	-1	0	0	0
Profit/loss for the period	10	10	6	6	7	11	10	10
Funds from operations	7	6	8	7	7	10	10	9

Source: Company data and Nordea estimates

SUMMARY TABLE: KEY FIGURES

EURm	2016	2017	2018	2019	2020E	2021E	2022E
Rental income	n.a.	n.a.	25	52	64	66	67
- rental income growth	n.a.	n.a.	n.a.	106 %	24 %	3 %	2 %
Net operating income (NOI)	n.a.	n.a.	23	49	60	61	63
Pre-tax profit	n.a.	n.a.	16	35	43	48	52
IFPM (pretax ex value gains)	n.a.	n.a.	12	27	38	42	43
FFO	n.a.	n.a.	11	28	36	39	40
-FFO growth	n.a.	n.a.	n.a.	148 %	32 %	8 %	2 %
Dividend	n.a.	n.a.	-6	-26	-28	-33	-36
Shareholder equity	n.a.	n.a.	329	333	427	439	450
EPRA NAV (incl. div not paid)	n.a.	n.a.	338	354	479	524	573
-EPRA NAV growth	n.a.	n.a.	n.a.	5 %	35 %	9 %	9 %
Net debt	n.a.	n.a.	461	517	602	595	591
Net debt/EBITDA	n.a.	n.a.	21.9x	11.9x	10.8x	10.4x	10.1x
Loan-to-value (net)	n.a.	n.a.	56%	59%	57%	56%	55%

Source: Company data and Nordea estimates

RATIOS RELATED TO BALANCE SHEET

	2016	2017	2018	2019	2020E	2021E	2022E
Investment properties, fair value EURm	n.a.	n.a.	816	875	1 059	1 065	1 074
Net investments, EURm	n.a.	n.a.	0	57	180	0	0
Net debt, EURm	n.a.	n.a.	461	517	602	595	591
Average interest rate	n.a.	n.a.	2.8%	2.6%	2.6%	2.4%	2.4%
Equity ratio	n.a.	n.a.	36%	38%	38%	39%	39%
Payout ratio (dividend / FFO)	n.a.	n.a.	102 %	91 %	91 %	95 %	101 %

Source: Company data and Nordea estimates

NAV CALCULATION

EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Equity (incl. future fair value changes)	n.a.	n.a.	n.a.	329	333	427	439	450
Acc. dividend added back				0	8	36	68	104
Deferred tax	n.a.	n.a.	n.a.	9	14	15	17	18
EPRA NAV	n.a.	n.a.	n.a.	338	354	479	524	573
- per share				10.9	11.4	12.8	14.0	15.3
EPRA NAV	n.a.	n.a.	n.a.	338	354	479	524	573
Derivatives	n.a.	n.a.	n.a.	-2	-2	0	0	0
Deferred tax 10% -tax	n.a.	n.a.	n.a.	-5	-7	-8	-8	-9
NNNAV (Nordea est)	n.a.	n.a.	n.a.	331	345	471	516	563
- per share				10.7	11.1	12.6	13.8	15.1

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	29	60	72	74	75
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	108.3%	19.7%	2.1%	1.8%
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	21	43	56	57	59
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	21	43	56	57	59
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.	21	43	56	57	59
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	-8	-15	-18	-16	-16
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	4	7	4	6	9
Pre-tax profit	0	0	0	0	0	0	17	35	42	48	52
Reported taxes	0	0	0	0	0	0	-3	-5	-4	-4	-5
Net profit from continued operations	0	0	0	0	0	0	14	30	39	44	47
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	14	30	39	44	47
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.44	0.97	1.03	1.18	1.26
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.89	0.88	0.95	1.02
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.89	0.88	0.95	1.02
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
Profit margin in percent											
EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	77.1%	78.1%	78.4%
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	77.1%	78.1%	78.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	77.1%	78.1%	78.4%
Adjusted earnings											
EBITDA (adj)	0	0	0	0	0	0	21	43	56	57	59
EBITA (adj)	0	0	0	0	0	0	21	43	56	57	59
EBIT (adj)	0	0	0	0	0	0	21	43	56	57	59
EPS (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.40	0.88	0.97	1.05	1.07
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	77.1%	78.1%	78.4%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	77.1%	78.1%	78.4%
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	77.1%	78.1%	78.4%
Performance metrics											
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.	76.3%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	76.3%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.4	15.9	12.3	11.3	11.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	18.8	18.1	17.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	18.8	18.1	17.6
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	18.8	18.1	17.6

VALUATION RATIOS - REPORTED EARNINGS

EURm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22.9	14.3	11.5	10.1	9.4
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.80	15.76	14.52	14.13	13.81
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	18.8	18.1	17.6
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	18.8	18.1	17.6
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	18.8	18.1	17.6
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.3%	6.4%	7.4%	8.0%	8.5%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.9%	-8.9%	-32.0%	8.9%	9.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.1%	3.0%	8.5%	8.9%	9.1%
Payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	190.2%	91.4%	85.0%	80.8%	80.7%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
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	816	881	1,065	1,071	1,080
of which leased assets	0	0	0	0	0	0	0	6	6	6	6
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	2	1	1	1	1
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	1	0	0	0	0
Total non-current assets	0	0	0	0	0	0	819	882	1,066	1,072	1,081
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0	2	4	5	5	5
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	1	2	2	2	2
Cash and bank	0	0	0	0	0	0	26	25	62	69	74
Total current assets	0	0	0	0	0	0	29	30	69	76	81
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	0	0	848	913	1,135	1,148	1,162
Shareholders equity	0	0	0	0	0	0	329	333	427	439	450
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	329	333	427	439	450
Deferred tax	0	0	0	0	0	0	9	14	15	17	18
Long term interest bearing debt	0	0	0	0	0	0	486	535	658	658	658
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	2	2	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	6	6	6	6
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	498	557	680	681	683
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	21	23	27	28	28
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	21	23	28	28	29
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	0	0	0	0	0	848	913	1,135	1,148	1,162
Balance sheet and debt metrics											
Net debt	0	0	0	0	0	0	461	517	602	595	591
of which lease debt	0	0	0	0	0	0	0	6	6	6	6
Working capital	0	0	0	0	0	0	-18	-17	-21	-21	-22
Invested capital	0	0	0	0	0	0	801	865	1,045	1,051	1,059
Capital employed	0	0	0	0	0	0	815	874	1,092	1,103	1,114
ROE	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	8.4%	9.2%	10.2%	10.2%	10.6%
ROIC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	4.2%	4.2%	4.7%	4.4%	4.5%
ROCE	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5.3%	5.1%	5.7%	5.2%	5.3%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	21.9	11.9	10.8	10.4	10.1
Interest coverage	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	38.8%	36.5%	37.7%	38.2%	38.7%
Net gearing	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	140.1%	155.2%	140.9%	135.7%	131.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EBITDA (adj) for associates	0	0	0	0	0	0	21	43	56	57	59
Paid taxes	0	0	0	0	0	0	-1	-2	-2	-2	-3
Net financials	0	0	0	0	0	0	-4	-15	-18	-16	-16
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	1	-2	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	-1	0	0	0
Funds from operations (FFO)	0	0	0	0	0	0	16	26	34	39	40
Change in NWC	0	0	0	0	0	0	0	-13	3	0	0
Cash flow from operations (CFO)	0	0	0	0	0	0	16	13	38	40	40
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Free cash flow before A&D	0	0	0	0	0	0	16	13	38	40	40
Proceeds from sale of assets	0	0	0	0	0	0	0	2	0	0	0
Acquisitions	0	0	0	0	0	0	-25	-53	-180	0	0
Free cash flow	0	0	0	0	0	0	-9	-39	-142	40	40
Free cash flow bef A&D, lease adj	0	0	0	0	0	0	16	13	38	40	40
Dividends paid	0	0	0	0	0	0	-6	-26	-28	-33	-36
Equity issues / buybacks	0	0	0	0	0	0	0	0	84	0	0
Net change in debt	0	0	0	0	0	0	24	24	123	0	0
Other financing adjustments	0	0	0	0	0	0	0	12	5	6	9
Other non-cash adjustments	0	0	0	0	0	0	17	28	-4	-6	-9
Change in cash	0	0	0	0	0	0	26	-1	37	7	5
Cash flow metrics											
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.	0.0%	0.0%	0.0%	0.0%	0.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10	14	12	12	12
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	314	432	444	444	444
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	775	949	1,046	1,039	1,035
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	0.0	0.0	31.1	31.1	37.3	37.3	37.3

Source: Company data and Nordea estimates

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