

18 August 2021

## Commissioned research: Cibus – Stable operations in Q2 and the company targets expansion to other Nordic countries

Marketing material commissioned by Cibus

Cibus posted Q2 net operating income of EUR 18.5m, up 22% y/y on the back of acquisitions and in line with our and Infront consensus estimates. Income from property management (IFPM) was EUR 10.8m, up 39% y/y and 9% below our estimate and 6% below consensus. However, IFPM included EUR 0.83m in negative one-offs and adjusting for this, IFPM was slightly better than consensus and somewhat below our estimate. The one-offs relate to costs for list change and negative FX in financials. EPS of EUR 0.29 was slightly better than our and consensus estimate of EUR 0.28. Fair value changes were EUR +2.4m. ERPA EPS was EUR 12.3 (SEK 125) and net LTV was 60.1%. Earnings capacity-based IFPM per share increased to EUR 1.18 from EUR 1.15 at the end of Q1 as a result of acquisitions made during Q2. The company sees a number of acquisition targets, and considers expanding outside of Finland and Sweden into other Nordic countries once COVID-19-related restrictions end. Cibus is currently trading at a 75% premium to EPRA NAV, which we find justified given the stable operations and strong dividend focus. Cibus has an edge to its mainly unlisted peers in that it can pay with its own shares, which makes Cibus an attractive compounder case in Nordic real estate, justifying the premium valuation. The dividend yield for 2021E-23E is 4.6-5.2% and Cibus distributes a monthly dividend. We expect a slightly positive share price reaction on the Q2 report which, was largely in line with expectations adjusting for one-offs, and the fact that the share was down 8% yesterday apparently on a recommendation downgrade.

### Cibus: Deviation table

EURm	Actual Q2 2021	NDA est. Q2 2021E	Deviation vs. actual	Cons est. Q2 2021E	Deviation vs. actual	Actual Q2 2020	y/y	Actual Q12021	q/q
Rental income	19.8	19.5	0 2%	19.7	0 1%	16.4	21%	19.4	2%
Net operating income	18.5	18.6	0 -1%	18.5	0 0%	15.1	22%	18.2	1%
NOI margin	93.3%	95.4%	-2.1pp	94.1%	-0.8pp	92.3%	1.0pp	93.7%	-0.4pp
Income from property mgmt	10.8	11.9	-1 -9%	11.5	-1 -6%	7.8	39%	11.6	-6%
EPS	0.29	0.28	0.01 3%	0.28	0.01 4%	0.24	22%	0.27	8%

Source: Infront and Nordea estimates

## SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	29	60	74	91	96	97
NOI margin	81.0%	80.8%	82.5%	83.1%	84.8%	84.9%
EPS (adj, EUR)	0.40	0.88	0.92	1.10	1.16	1.16
EPS (adj) growth	n.a.	120.2%	5.0%	20.0%	5.3%	0.3%
P/E (adj)	25.4	15.9	18.1	19.3	18.3	18.3
DPS, EUR	0.84	0.89	0.94	0.99	1.04	1.10
NAV per share	11	11	11	14	16	17
NAV growth	n.a.	1.9%	2.6%	27.5%	10.6%	9.3%
NOI/EV (adj)	3.0%	5.1%	4.2%	4.4%	4.7%	4.8%
P/NAV	94.8%	128.0%	149.3%	150.2%	135.8%	124.2%
P/EPRA NAV	92.9%	124.7%	145.9%	147.2%	133.1%	123.8%
Dividend yield	8.3%	6.4%	5.7%	4.6%	4.9%	5.2%
Loan-to-value (net debt)	56.4%	58.7%	61.3%	58.5%	57.2%	56.2%
Net debt/EBITDA(adj)	21.9	11.9	14.3	11.8	10.8	10.6

Source: Company data and Nordea estimates

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