

11 November 2021

Commissioned research: Cibus – Solid Q3 results and favourable outlook for further acquisitions

Marketing material commissioned by Cibus

Cibus posted Q3 net operating income of EUR 19.3m, up 16% y/y on the back of acquisitions and broadly in line with our and Infront consensus estimates. Income from property management (IFPM) was EUR 12.5m, up 32% y/y and 8% above our estimate and 5% above consensus. IFPM included EUR 0.2m in positive one-offs from FX and adjusting for this, IFPM was still better than expected. EPS of EUR 0.29 was slightly better than our EUR 0.28 and in line with consensus estimate of EUR 0.29. Fair value changes were EUR +1.8m. ERPA NRV was EUR 12.4 (SEK 124) and net LTV was 60.1%. Earnings capacity-based IFPM per share was unchanged at EUR 1.18 at the end of Q3. IFPM per share at the end of 2021 is estimated to be EUR 1.24, which includes the Sagax acquisition which will be closed in Q4. Part of that transaction will be paid by 2m newly issued shares. In the CEO comment, it is mentioned that the market for grocery properties remains favourable and that Cibus has a strong pipeline for further M&A. Cibus is currently trading at a ~80% 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 4.3-4.8% and Cibus distributes a monthly dividend. Given the increase in 2021E IFPM per share, Cibus should be well positioned to grow the dividend by at least 5% annually. We expect a slightly positive share price reaction on the Q3 report, which was slightly better than expected also adjusting for one-offs. We expect further small and large acquisitions to be the next positive triggers in the share.

Cibus: Deviation table

EURm	Actual	NDA est.	Deviation		Cons est.	Deviation		Actual	y/y	Actual	q/q	
	Q3 2021	Q3 2021E	vs. actual		Q3 2021E	vs. actual	Q3 2020	Q2 2021				
Rental income	20.2	20.1	0	1%	20.0	0	1%	17.0	19%	19.8	2%	
Net operating income	19.3	19.0	0	1%	19.4	0	-1%	16.6	16%	18.5	4%	
NOI margin	95.2%	94.5%	0.7pp		96.8%	-1.7pp		97.8%	-2.6pp		93.3%	1.9pp
Income from property mgmt	12.5	11.6	1	8%	11.9	1	5%	9.5	32%	10.8	16%	
EPS	0.29	0.28	0.01	5%	0.29	0.00	-1%	0.25	14%	0.27	7%	

Source: Infront and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	29	60	74	93	99	99
NOI margin	81.0%	80.8%	82.5%	82.6%	84.3%	84.4%
EPS (adj, EUR)	0.40	0.88	0.92	1.10	1.20	1.20
EPS (adj) growth	n.a.	120.2%	5.0%	20.0%	8.6%	0.3%
P/E (adj)	25.4	15.9	18.1	20.8	19.1	19.1
DPS, EUR	0.84	0.89	0.94	0.99	1.04	1.10
NAV per share	11	11	11	14	15	17
NAV growth	n.a.	1.9%	2.6%	25.9%	10.3%	9.7%
NOI/EV (adj)	3.0%	5.1%	4.2%	4.2%	4.6%	4.7%
P/NAV	94.8%	128.0%	149.3%	163.4%	148.2%	135.1%
P/EPRA NAV	92.9%	124.7%	145.9%	160.2%	145.4%	135.1%
Dividend yield	8.3%	6.4%	5.7%	4.3%	4.5%	4.8%
Loan-to-value (net debt)	56.4%	58.7%	61.3%	59.7%	58.5%	57.4%
Net debt/EBITDA(adj)	21.9	11.9	14.3	12.3	11.0	10.7

Source: Company data and Nordea estimates

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