

24 February 2022

Commissioned research: Cibus – Solid Q4 operations and plan to introduce class D shares

Marketing material commissioned by Cibus

Cibus posted Q4 net operating income of EUR 20.4m, up 22% y/y on the back of acquisitions and 2% above our and 4% above Infront consensus estimates. Income from property management (IFPM) was EUR 12.8m, up 37% y/y and 3% below our estimate and 1% above consensus. IFPM included EUR 0.2m in net negative one-offs and adjusting for this, IFPM was 3% better than consensus and 1% below our estimate. EPS of EUR 0.38 was clearly better than our EUR 0.30 and slightly above consensus estimate of EUR 0.36. Fair value changes were EUR +6.3m. ERPA NRV was EUR 13.5 (SEK 145 on current FX rate) Consensus expected EPRA NRV of EUR 13.1. Net LTV was 57.8%, down from 60.1% in Q3. The dividend proposal is EUR 0.99 versus consensus and our estimate of EUR 0.99. Earnings capacity-based IFPM per share increased from EUR 1.18 at the end of Q3 to EUR 1.25 at the end of Q4. The Board intends to propose to the AGM that a new share class (D) will be established, with a bonus issue being made to existing shareholders in connection with this. In the CEO comment, it is repeated that Cibus is committed to the target of doubling the portfolio size by the end of 2023 and targeting investment grade (IG) rating. Also, Cibus is looking at opportunities to enter the Danish grocery property market. Cibus is currently trading at a ~60% premium to EPRA NRV, which we find more than 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 2022E-23E is 4.7-4.9% and Cibus distributes a monthly dividend. Given the increase in IFPM per share, Cibus should be well positioned to grow the dividend by at least 5% annually. We conclude that the report was in line with expectations and Cibus is well-positioned to execute on its growth targets, backed by the introduction of class D shares to further support balance sheet and enabling IG rating eventually.

Cibus: Deviation table

	Actual	NDA est.	Deviation		Cons est.	Deviation		Actual	Actual		
EURm	Q4 2021	Q4 2021E	vs. actual		Q4 2021E	vs. actual		Q4 2020	y/y	Q3 2021	q/q
Rental income	21.6	20.9	1	3%	20.8	1	4%	17.6	23%	20.2	7%
Net operating income	20.4	20.0	0	2%	19.7	1	4%	16.7	22%	19.3	6%
NOI margin	94.4%	95.9%	-1.5pp		94.5%	-0.1pp	-0.1pp	94.6%	-0.2pp	95.2%	-0.8pp
Income from property mgmt	12.8	13.1	0	-3%	12.7	0	1%	9.3	37%	12.5	2%
EPS	0.38	0.30	0.08	26%	0.36	0.02	6%	0.23	67%	0.31	22%

Source: Infront and Nordea estimates

Cibus teleconference and audio cast is on February 24, at 10.00 CET.

This is the link to follow the presentation on-line:

<https://tv.streamfabriken.com/cibus-nordic-real-estate-q4-2021>

Telephone numbers to call-in and join the presentation:

Dial-in number SE: +46850558359 UK: +443333009031 US: +16467224957

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	29	60	74	93	102	107
NOI margin	81.0%	80.8%	82.5%	81.4%	84.8%	85.3%
EPS (adj, EUR)	0.40	0.88	0.92	1.13	1.21	1.30
EPS (adj) growth	n.a.	120.2%	5.0%	23.3%	6.8%	7.2%
P/E (adj)	25.4	15.9	18.1	19.6	18.4	17.2
DPS, EUR	0.84	0.89	0.94	0.99	1.04	1.10
NAV per share	11	11	11	13	14	16
NAV growth	n.a.	1.9%	-2.1%	21.9%	11.1%	11.0%
NOI/EV (adj)	3.0%	5.1%	4.2%	4.1%	4.6%	4.9%
P/NAV	94.8%	128.0%	156.5%	171.8%	154.6%	139.4%
P/EPRA NAV	92.9%	124.7%	152.9%	168.0%	151.4%	139.9%
Dividend yield	8.3%	6.4%	5.7%	4.5%	4.7%	4.9%
Loan-to-value (net debt)	56.4%	58.7%	61.3%	57.7%	57.6%	56.3%
Net debt/EBITDA(adj)	21.9	11.9	14.3	12.3	11.0	10.3

Source: Company data and Nordea estimates

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