

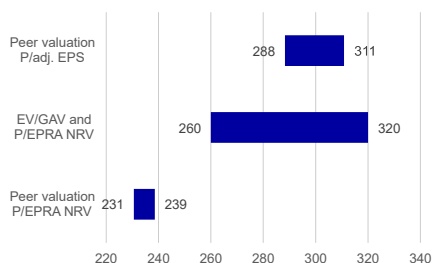
**KEY DATA**

Stock country	Sweden
Bloomberg	CIBUS.SS
Reuters	CIBUS.ST
Share price (close)	SEK 227.8
Free Float	100%
Market cap. (bn)	EUR 0.97/SEK 10.02
Website	www.cibusnordic.com
Next report date	05 May 2022

**PERFORMANCE**



**VALUATION APPROACH**



Source: Nordea estimates

**ESTIMATE CHANGES**

Year	2022E	2023E	2024E
Sales	12%	13%	13%
EBIT (adj)	13%	15%	15%

Source: Nordea estimates

**Nordea Markets - Analysts**

**Svante Krokfors**  
Director

**David Flemmich**  
Senior Analyst, Sector Coordinator

**Entering Denmark with a EUR 280m acquisition**

On 24 March, Cibus announced the acquisition of 34 supermarkets (76,600 m<sup>2</sup>) in Denmark for EUR 280m. The deal makes Cibus the largest Nordic player in the grocery-anchored real estate market with a portfolio of EUR ~1.8bn. The acquisition will be financed by the combination of newly issued shares, cash at hand, and debt. We estimate the acquisition will add 7-8% to adjusted EPS in 2022E-24E and increase dividend capacity accordingly. Including the acquisition and the issuance of 4.4 million new shares at SEK 217, we estimate that Cibus is trading at a ~55% EPRA NRV premium and an implied yield of ~4.7%. With this acquisition, Cibus strengthens its position as one of the most attractive Nordic real estate compounders.

**We assume a net yield of 5.35% for the acquired properties**

The properties acquired in Denmark are rented out with an average lease length of 5.3 years, with Coop Denmark, Salling Group, Dagrofa and Reitangruppen as tenants, among others. The purchase price was EUR 3,655 per m<sup>2</sup>. Cibus's earnings capacity-based net operating income (NOI) will increase to EUR 102.2m from EUR 85.5m at the end of 2021. The EUR 102.2m includes some indexation of the existing portfolio, and we have assumed a 5.35% net yield for the acquisition, implying an NOI of EUR 15.0m for the acquired properties.

**Adjusted EPS raised by 7-8% for 2022E-24E**

We update our estimates after the acquisition in Denmark. We raise our rental income estimates by 13-15% and our adjusted EPS estimates by 7-8% for 2022-24. We estimate that LTV increases from 57.8% in Q4 2021 up to 59.1% after the acquisition. We also note that Cibus previously announced a bonus issue of D shares, which will increase Cibus's financing flexibility for future acquisitions to reach its goal of growing the portfolio to EUR 2.5-3bn, enabling Cibus to reach investment grade readiness in 2023.

**Fair value range kept unchanged at SEK 260-320**

We keep our fair value range unchanged at SEK 260-320 per share, based on a combination of peer group and P/EPRA NRV valuations. Our fair value range corresponds to a 2023E adjusted P/E of 18.3-22.5x, a P/EPRA NRV of 1.47-1.81x (including dividends), and a 2023E dividend yield of 3.6-4.4%.

Trading at a ~60% premium to EPRA NRV corresponds to a ~25% asset (EV/GAV) premium and an implied yield of ~4.6%.

**SUMMARY TABLE - KEY FIGURES**

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	29	60	74	94	115	123	125
NOI margin	81.0%	80.8%	82.5%	81.4%	85.7%	86.1%	86.3%
EPS (adj, EUR)	0.40	0.88	0.92	1.18	1.28	1.38	1.40
EPS (adj) growth	n.a.	120.2%	5.0%	28.8%	8.3%	7.4%	1.7%
P/E (adj)	25.4	15.9	18.1	24.0	17.2	16.0	15.7
DPS, EUR	0.84	0.89	0.94	0.99	1.04	1.10	1.16
NAV per share	11	11	11	12	15	17	18
NAV growth	n.a.	1.9%	-2.1%	10.7%	28.5%	10.5%	9.7%
NOI/EV (adj)	3.0%	5.1%	4.2%	3.6%	4.6%	5.0%	5.1%
P/NAV	94.8%	128.0%	156.5%	241.2%	145.6%	131.7%	120.1%
P/EPRA NAV	92.9%	124.7%	152.9%	213.3%	142.4%	128.9%	117.7%
Dividend yield	8.3%	6.4%	5.7%	3.5%	4.7%	5.0%	5.3%
Loan-to-value (adj)	56.4%	58.7%	61.3%	58.0%	58.8%	57.5%	56.3%
Net debt/EBITDA(adj)	21.9	11.9	14.3	12.5	11.8	10.7	10.4

Source: Company data and Nordea estimates

## Estimate revisions after acquisition

Cibus announced acquisitions of EUR 257m during 2021, EUR 214m of which closed in 2021 and EUR 43m that will close in 2022. On 24 March, Cibus announced the acquisition of 34 supermarkets in Denmark from SG Nordic for EUR 280m. We update our estimates and raise rental income by 13-14% for 2022E-24E, while raising adjusted EPS by 8% for 2022E and 7% for 2023E-24E.

Danish acquisition of EUR 280m (34 properties)

Cibus completed its first acquisition in Denmark – a portfolio consisting of 34 properties, with a property value of DKK ~2,080m (EUR ~280m). The seller is SG Nordic. The properties are located in Denmark and are rented out with an average lease length of 5.3 years with Coop Denmark, Salling Group, Dagrofa and Reitangruppen as tenants, among others. The rentable area amounts to ~76,600 square metres, corresponding to a purchase price of EUR 3,655/m<sup>2</sup>. Cibus's earnings capacity-based net operating income (NOI) will increase to EUR 102.2m from EUR 85.5m at the end of 2021. The EUR 102.2m includes some indexation of the existing portfolio, and we have assumed a 5.35% net yield for the acquisition, implying an NOI of EUR 15.0m for the acquired portfolio. Cibus's average valuation yield is ~5.7% for the current portfolio and Cibus is trading at an implied yield of ~4.7%.

### EARNINGS CAPACITY: IMPACT FROM EUR 280m DANISH ACQUISITION

EURm	Q4 2021	Add M&A	After M&A
Property value	1,500	280	1,780
Gross debt	918	185	1,103
Cash and cash equivalents	51		51
Net debt	867	185	1,052
Net LTV (%)	57.8%		59.1%
Number of shares (m)	44.0	4.4	48.4
New shares issued at (SEK)		223.6	
Equity issued		95	
EPRA NRV	592	95	687
EPRA NRV per share (SEK)	139.2		146.9
Rental income (Q4 2021 91.4m + assumption of 1.5% indexation)	92.8	15.9	108.7
Property expenses	-5.6	-1.0	-6.6
Net operating income	87.2	15.0	102.2
Central administration	-5.9	-0.7	-6.5
Net financial expenses	-23.8	-4.2	-28.0
Income from property management (IFPM)	57.5	10.1	67.7
Expenses, hybrid bond and D shares	-1.3	0.0	-1.3
IFPM including hybrid bond and D shares	56.3	10.1	66.4
IFPM including hybrid bond and D shares per share (EUR)	1.28		1.37
Cash earnings per share after 6% tax (EUR)	1.20		1.29

Source: Company data and Nordea estimates

IFPM per share increases ~10% from the acquisition, based on our estimates

In the table above, we have presented the impact on the Q4 2021 earnings capacity based on our estimates for the EUR 280m Danish acquisition. We assume that net debt increases by EUR 185m and 4.4 million shares are issued at SEK 217. Annual net operating income increases to EUR 102.2m, as disclosed by Cibus. We assume that the average cost of debt declines to ~2.4%, with EUR 0.65m more in annual administration costs. This would lead to income from property management (IFPM) increasing by EUR 11.5m and IFPM per share increasing to EUR 1.37 from EUR 1.25 as of Q4 2021, corresponding to a 10% IFPM per share uplift. The EUR 1.28 IFPM per share as of Q4 2021 includes our estimated impact from indexation.

**CIBUS: ANNOUNCED ACQUISITIONS IN 2021-22**

Portfolio	Announced	Closing	Deal size	Number of	Lettable area	Price/sqm
			EURm	assets	m <sup>2</sup>	EUR
ICA Sverige, Sweden	14/04/2021	14/04/2021	3.4	3	2,800	1,220
Rauma, Finland	29/04/2021	29/04/2021	5.3	1	4,600	1,152
Jyväskylä, Turku and Mikkeli, Finland	14/05/2021	17/05/2021	25.5	3	16,000	1,594
Eastern Finland	28/05/2021	May/June 2021	15.9	5	10,700	1,486
ICA Fastigheter, Sweden	01/06/2021	01/06/2021	4.5	4	4,100	1,098
Helsinki, Finland	15/06/2021	15/06/2021	2.2	1	2,000	1,100
Sagax portfolio, Finland	16/06/2021	Q4/2021	71.6	72	42,000	1,705
Three Swedish properties	01/07/2021	Q3/2021	4.1	3	4,500	911
Five properties in Finland	24/09/2021	Q4/2021	5.2	5	5,000	1,040
Eight properties in Norway	30/09/2021	Q4/2021	27.6	8	8,700	3,172
Six properties in Finland	18/11/2021	Q4/2021	6.8	1	2,900	2,345
One property in Sweden	29/11/2021	Q3/2022	11.5	1	3,200	3,594
Two properties in Sweden	29/11/2021	Q4/2021	28.3	2	14,000	2,021
Two properties in Norway	21/12/2021	23/12/2021	13.4	2	5,400	2,481
Six property in Norway	23/12/2021	12/01/2022	15.8	6	6,900	2,290
One property in Sweden	29/12/2021	Q4/2022	15.7	1	4,100	3,829
36 properties in Denmark	24/03/2022	06/04/2022	280.0	34	76,600	3,655
<b>Total</b>			<b>536.8</b>	<b>152</b>	<b>213,500</b>	<b>2,514</b>

Source: Company data and Nordea estimates

2022E-24E adjusted EPS up 7-8% following acquisition

We update our estimates after the acquisition in Denmark. We raise our rental income estimates by 13-15% and our adjusted EPS estimates by 7-8% for 2022-24.

**ESTIMATE REVISIONS AFTER RECENT ACQUISITIONS (EPS/DPS IN EUR)**

EURm	New estimates			Old estimates			Change		
	2022E	2023E	2024E	2022E	2023E	2023E	2022E	2023E	2024E
<b>Rental income</b>	104.9	112.7	115.0	92.8	98.3	100.2	13%	15%	15%
<b>Net operating income</b>	98.4	105.7	107.8	87.1	92.3	94.2	13%	14%	14%
<b>Profit from property mgmt</b>	65.1	72.2	74.2	56.4	61.5	63.2	16%	18%	17%
<b>Adj. EPS</b>	1.28	1.38	1.40	1.19	1.28	1.31	8%	7%	7%
<b>DPS</b>	1.04	1.10	1.16	1.04	1.10	1.15	0%	0%	1%

Source: Company data and Nordea estimates

We expect earnings-capacity-based profit from property management to increase to EUR 1.42 per share by the end of 2022

Based on the company's disclosed earnings capacity as of 31 December 2021, income per share from property management (before taxes) suggests pre-tax operating income of EUR 1.25 per share. The EUR 1.25 per share takes into consideration the hybrid bond coupon of EUR 1.28m, which is not included in the net financial costs line. We expect the earnings capacity by the end of 2022, including the recently announced acquisitions, to show rental income of EUR 111.5m and net operating income of EUR 104.6m, up from EUR 102.2m, which Cibus guides as its earnings capacity-based NOI after the Danish acquisition.

**EARNINGS CAPACITY**

EURm	30 Jun 2020	31 Jul 2020	30 Sep 2020	31 Dec 2020	31-Mar-21	30-Sep-21	31-Dec-21	31-Dec-22E	31-Dec-23E
Rental income	69.4	70.5	70.6	76.6	76.6	81.5	91.4	111.5	112.7
Property expenses	-5.3	-5.4	-5.0	-4.0	-4.0	-5.2	-5.6	-6.9	-7.1
Net rental income	64.1	65.1	65.6	72.6	72.6	76.3	85.8	104.6	105.6
Central admin.	-3.9	-3.9	-4.3	-4.9	-4.9	-5.3	-5.9	-6.5	-6.7
Net financial costs	-19.9	-20.4	-20.4	-21.8	-21.8	-22.4	-23.8	-28.0	-28.0
Operating income	40.3	40.8	41.0	45.9	45.9	48.5	56.2	70.2	71.0
- per share	1.08	1.09	1.10	1.15	1.15	1.18	1.25	1.42	1.44

Source: Company data and Nordea estimates

# Factors to consider when investing in Cibus

Cibus is a Nordic real estate company focused on grocery and daily goods retail assets. The company owns assets in Finland, Sweden and Norway. As of 6 April 2022, it will also have a significant presence in Denmark. Unlike its retail real estate peers, which mainly focus on shopping centres, Cibus is less dependent on macroeconomic fluctuations and competition from e-commerce. Its portfolio is diversified, featuring 400 properties with a broad geographical spread. Cibus expanded to Norway on 15 October 2021 and also signed agreements in 2021 for eight more properties; those transactions will close during 2022 and bring the property count to 408. After all announced acquisitions have closed, the store count will be 442. In our view, stable cash flows from solid daily goods tenants – combined with strong financial leverage and a high payout ratio – make Cibus an attractive proposition for investors who want a high and predictable dividend distributed on a monthly basis.

The largest Nordic player in a segment dominated by pension funds

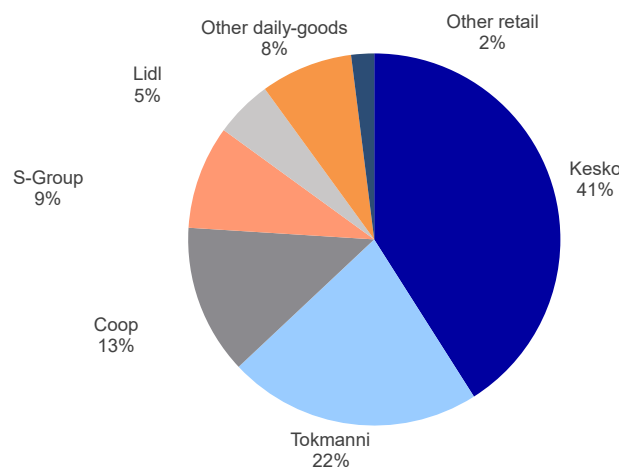
## Cibus is a truly Nordic owner of daily goods properties

Cibus has established a strong presence in the Nordic real estate sector with its focus on properties anchored by grocery and daily goods merchants. Its current portfolio consists of Finnish, Swedish and Norwegian assets and Denmark will be added as of 6 April. In a segment dominated by Swedish and Finnish pension funds, Cibus has rapidly become the second-largest Nordic investor in the field, with a total property value of EUR ~1.5bn by the end of 2021. Cibus is second only to Trophi Fastighets AB, which has a total property value of EUR ~1.7bn (as of Q4 2021), and after the Danish acquisition Cibus will become largest in the sector.

Highly diversified property portfolio with a market value of EUR ~1.8bn

Cibus targets stable cash flow from established grocery and daily goods tenants. Combined with its balanced use of leverage, this creates high dividend capacity. As of 31 December 2021, Cibus had 400 properties in its portfolio with a leasable area of 866,920 m<sup>2</sup>. After the recently announced acquisitions (closing in 2022), the portfolio will have 442 properties, lettable area of 957,720 m<sup>2</sup>, and a market value of EUR 1,780m. The portfolio is diversified, with no single property in the portfolio accounting for more than 2.1% of the portfolio's total net operating income, eliminating dependency on any individual property. Only one property accounts for more than 2% of the portfolio's total rental income.

## RENTAL INCOME PER TENANT AS OF DECEMBER 2021



Source: Company data

Cibus's anchor tenants include the largest grocery and daily goods players in Finland and Sweden

Around 90% of the company's rental income comes from properties where Kesko, Tokmanni, Coop, S-Group or Lidl are the anchor tenants. Cibus's portfolio is diversified in terms of property type, however – it includes supermarkets, discount stores, hypermarkets, smaller markets and other retail assets. More than 90% of its leases are classified as net leases, meaning that the risk associated with operating costs is very low for the property owner. Approximately 84% of the portfolio's net operating income

on an annual basis stems from properties in Finland, 15% from properties in Sweden and 1% from properties in Norway. Supermarkets account for the majority of the grocery sales in Finland, Sweden and Norway and represent the dominant type of store property in the company's portfolio.

### Grocery and daily goods tenants are resilient

Minimal dependence on macroeconomic factors

Grocery and daily goods sales, for obvious reasons, have been highly resilient to macroeconomic swings.

Grocery and daily goods sales are less affected by e-commerce

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

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

We find this true for the Nordic region, where population density is low outside the largest cities. In Sweden and Finland, the grocery market is concentrated among a few players, which might lower 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. Traditional grocery and daily goods players, however, have the infrastructure in place to respond quickly if e-commerce competition intensifies. One advantage for Kesko and S-Group in Finland and Coop in Sweden is that same-day local pickup is already provided by existing grocery players with countrywide store coverage.

### Cibus has refinanced its bank loans and bonds

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

Cibus operates with an appropriate level of debt considering its stable cash flow profile, in our view. Net LTV was 57.8% at the end of Q4 2021, and we estimate 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 other two during H1 2019. All refinancing rounds resulted in longer debt maturity and lower interest rates, partly explained by the fact that all initial loan facilities were negotiated before Cibus's IPO. Its bank financing has an average interest rate of 1.7% plus three-month Euribor (with floor). The EUR 135m bond that would have matured in 2021 was refinanced at an unchanged coupon of 4.5%. In conjunction with the EUR 102m acquisition in Q4 2020, Cibus established a new senior loan facility. Gross debt was EUR 917m at the end of Q4 2021, with bank debt of EUR 724m and bonds totalling EUR 194m.

Cibus has continued to issue bonds at new lows when it comes to interest cost

On 17 June 2021, Cibus announced that it had successfully issued EUR 30m of hybrid bonds, with the first call date on 24 September 2026. The hybrid bond has an interest rate of three-month Euribor plus 475 bp. On 22 March, Cibus issued a EUR 50m senior unsecured green bond with a tenor of 2.75 years and an interest rate of three-month EURIBOR + 400 bp. In addition, Cibus assumed EUR ~185m in conjunction with the Danish acquisition.

### COST OF DEBT FORECASTS

	30 Sep 2018		5 Nov 2018		31 Dec 2018		31 Dec 2019		Coop acquisition		Latest estimated	
	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 %	403	2.0 %	551	2.1 %	909	1.9 %
<b>Bond</b>	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	193	4.6 %	245	4.5 %
<b>Group total</b>	459	3.0 %	489	2.8 %	489	2.8 %	538	2.6 %	744	2.7 %	1154	2.4 %
<b>Debt cost/year</b>	-13.6		-13.6		-13.6		-14.1		-20.4		-28.0	

Source: Company data and Nordea estimates

### Aiming to double its portfolio by 2023

Cibus now intends to grow its portfolio to EUR 2.5-3bn by the end of 2023...

On 1 December 2021, Cibus announced strong transaction flow for potential acquisitions and therefore updated its growth targets for the short to medium term. Cibus now estimates that the portfolio should nearly double by the end of 2023, up to EUR 2.5-3bn, from EUR 1,500m as of Q4 2021. Cibus had previously lifted its acquisition target from EUR 50m up to EUR 50-100m annually, while it carried out acquisitions of EUR 369m in 2020 and EUR 214m in 2021.

...implying annual acquisitions of EUR 500-750m

The new target implies acquisitions of EUR 1-1.5bn for 2022-23, i.e. EUR 500-750m annually. This is materially higher than the 2020-21 acquisitions level of EUR 214-369m and quite ambitious, in our view. We do not have enough visibility into the transaction market to verify the availability of acquisition targets, but note that Cibus could pursue

a combination of smaller deals and larger portfolio transactions.

Trading at a substantial EPRA NRV premium, Cibus has a clear advantage over institutional investors

The new growth targets imply significant additional equity-like needs for 2022-23. Assuming Cibus gradually lowers its LTV to around 50%, which we believe is required for an investment grade (IG) rating, its equity-like need for the coming two years would be roughly EUR 600-900m. A part of the equity portion, however, could be funded with hybrid bonds or by issuing class D-shares. Trading at a ~60% premium to Q4 2021 EPRA NRV makes equity-based M&A financing highly attractive, as equity issuance above EPRA NRV in itself increases the EPRA NRV. Cibus is currently trading at an implied yield of ~4.7%, which in our view implies that Cibus will be able to outbid the competition in many potential larger portfolio transactions. Most competitors are Nordic institutions that have the disadvantage of not being able to use equity priced in the market at a premium. On the other hand, if the institutions' return-on-equity requirement is below 4.7%, they might be able to pay similar prices.

Assumptions for M&A scenario analysis

The table below illustrates a simple scenario analysis where we assume that Cibus can grow its portfolio to EUR 2.75bn by the end of 2023, i.e. to the midpoint of its targeted EUR 2.5-3bn portfolio size. We make the following assumptions:

- Cibus will acquire properties for EUR 1,237m in total between Q1 2022 and 2023, taking the portfolio size to EUR 2.75bn by the end of 2023. We have assumed the property value to be EUR 1,513m at the end of Q1 2022E and EPRA NRV of EUR 13.75.
- The net yield assumption for acquisitions is 5.5%, an assumption that might be conservative when it comes to smaller acquisitions and optimistic for larger portfolio acquisitions.
- All acquisitions will be financed with the assumption of LTV declining to 50% by the end of 2023, which is realistic given Cibus's IG rating ambitions. As a consequence, gross debt would increase to EUR 1,425m at the end of 2023, which equals net LTV of 50% assuming a cash position of EUR 51m (as of reported Q4 2021).
- EUR 392m of new equity would be issued. We assume equity to be issued at SEK 265 per share, i.e. the current share price. This would increase the share count from 44 million at the end of Q1 2022 up to 62 million by the end of 2023. In reality, equity need is EUR 561m assuming EUR 169m of 11m new D shares issued at SEK 159 per share, but we include this adjustment to make the EPS calculations comparable to the current share price prior to Cibus shares going ex-D shares on 10 May. The 11 million D shares that will be issued to current shareholders will not contribute any funds to Cibus.
- We assume Cibus would raise EUR 338m by issuing 22 million class D shares at a 6.25% yield.
- Central administration costs would increase by 20% to EUR 7.0m in 2023 from EUR 5.9m annually as of Q4 2021.
- In our 2023 scenario, we assume the average cost of debt to be ~2.6%, as presented in the Q4 earnings capacity calculations disclosed by the company.
- In the IG 2023 scenario, we assume Cibus will achieve an Investment Grade rating, as disclosed as a target for the company. In our IG 2023 scenario, we assume the average cost of debt will decline to 2.0%. We believe it is unlikely that the IG rating will be achieved during 2023 but find it relevant to present the impact from an IG rating on cost of debt. We believe it is realistic to assume an IG rating during 2024.
- In calculating taxes on operations, we assume a 6% tax rate on income from property management. This is used to calculate the cash earnings per share.

**M&A SCENARIO**

EURm	Q1 2022E	Add M&A	2023E	IG 2023E
Property value	1,513	1,237	2,750	2,750
Gross debt	918	507	1,425	1,425
Cash and cash equivalents	51		51	51
Net debt	867	507	1,374	1,374
Net LTV (%)	57.3%		50.0%	50.0%
Number of shares (m)	44.0	18	62	62
New shares issued at (SEK)		227.8		
Equity issued		392		
Class D shares issued (m)		22		
Class D shares issued at (SEK), yield 6.25%		159		
Class D share capital issued		338		
EPRA NRV	605	392	997	997
EPRA NRV per share (SEK)	142.2		166.8	166.8
Rental income	91.4	72.5	163.9	163.9
Property expenses	-5.6	-4.4	-10.0	-10.0
Net operating income	85.8	68.0	153.8	153.8
Central administration	-5.9	-1.2	-7.0	-7.0
Net financial expenses	-23.8	-13.1	-36.9	-28.5
Income from property management (IFPM)	56.2	53.7	109.9	118.3
Expenses, hybrid bond and D shares	-1.3	-21.1	-22.4	-22.4
IFPM including hybrid bond and D shares	54.9	32.6	87.5	95.9
IFPM including hybrid bond and D shares per share (EUR)	1.25		1.42	1.55
Cash earnings per share after 6% tax (EUR)	1.17		1.31	1.44

Source: Company data and Nordea estimates

EPRA NRV would jump 18% based on new share issuance...

EPRA NRV would increase to SEK 167 per share (from SEK 142 per share in Q1 2022E) based solely on the new equity (EUR 392m) raised at a premium to EPRA NRV.

...while IFPM per share would increase by 14-24%

As presented in the scenario analysis above, under our assumptions, income from property management (IFPM) per share, including the impact from the hybrid bond and D shares, would increase by 14% from EUR 1.25 to EUR 1.42. In our IG 2023 scenario, IFPM per share would increase by 24% to EUR 1.55 per share.

Based on the current share price, cash earnings multiples would decline to 15.2-16.8x in our scenario analysis

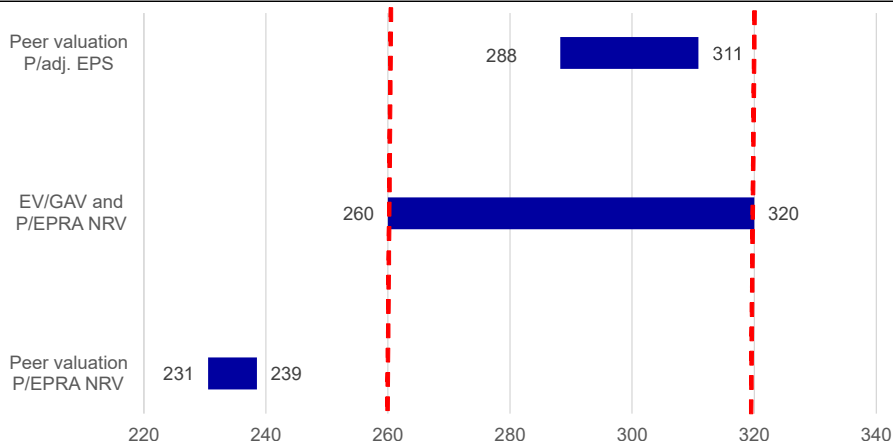
According to our scenario analysis, Cibus is trading at a 37% premium to 2023E EPRA NRV, while we expect EPRA NRV to increase to SEK 167 per share as a consequence of share issuances at a premium to EPRA NRV. Cash earnings multiples decline to 16.8x in our 2023 scenario and to 15.2x in the IG 2023 scenario, based on a share price of SEK 227.80. If Cibus were to distribute 90% of its cash earnings in dividends, the dividend yield based on a share price of SEK 265 would be 5.4% in our 2023 scenario and 5.9% in the IG 2023 scenario.

**Valuation conclusion**

Our fair value range is SEK 260-320 per share

Our main valuation approach is based on 2023E P/EPRA NRV of 1.47-1.81x, which results in a fair value range of SEK 260-320 per share. A peer group EPRA/NRV valuation suggests a narrow range of SEK 231-239, while the peer P/adjusted EPS range is wider at SEK 288-311 per share. In terms of our various valuation approaches, we assign the greatest weight to P/EPRA NRV, backed by DCF and peer valuation. We arrive at a fair value range of SEK 260-320 per share, corresponding to 2023E adjusted P/E of 18.2-22.5x.

## VALUATION APPROACH (SEK PER SHARE)



Source: Company data and Nordea estimates

Our peer group of Swedish real estate compounders are trading at higher adjusted P/E multiples than our fair value range of 18.2-22.5x. Cibus is currently trading at 16.0x 2023E adjusted P/E.

## PEER GROUP VALUATION: SWEDISH REAL ESTATE COMPOUNDERS

Company	Price	Adj. P/E			P/EPRA NAV/NRV			Dividend yield (%)		
		2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E
Fastighets AB Trianon	213.00	40.3	29.0	24.5	173%	131%	117%	0.9%	1.2%	1.3%
Nyfosa AB	127.80	7.7	16.2	13.7	140%	125%	115%	2.4%	3.0%	3.4%
Sagax AB	264.00	12.0	29.7	27.0	304%	244%	204%			
Samhallsbyggnadsbolaget I Norden Af	41.38	2.5	18.9	15.8	119%	97%	86%	2.0%	3.5%	3.9%
<b>Average</b>		<b>15.6</b>	<b>23.5</b>	<b>20.2</b>	<b>184%</b>	<b>149%</b>	<b>131%</b>	<b>1.8%</b>	<b>2.6%</b>	<b>2.9%</b>
<b>Median</b>		<b>9.9</b>	<b>23.9</b>	<b>20.2</b>	<b>157%</b>	<b>128%</b>	<b>116%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.4%</b>
<b>Cibus (Nordea estimates)</b>	<b>227.80</b>	<b>18.6</b>	<b>17.2</b>	<b>16.0</b>	<b>166%</b>	<b>142%</b>	<b>129%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>5.0%</b>

Note: Share prices updated as of 25 March 2022

Source: Refinitiv, 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 flows, and it enhances returns for shareholders by using an optimal level of debt. Hence, the company's main objective is to maximise its dividend capacity and distribute a significant share of earnings as dividends. Our dividend yield forecast of 4.7% for 2022 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 and an attractive stable dividend play. Our fair value range of SEK 260-320 per share corresponds to a 2023E dividend yield of 3.6-4.4%. Currently, Cibus is trading at a 5.0% dividend yield for 2023E.

## VALUATION TABLE

Share price (SEK)	Share price (EUR)	EV/GAV (x)		P/EPRA NRV (x)		Adj. PE		NOI/EV (%)		Dividend yield (%)	
		2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E
190.00	18.37	1.03	1.00	1.19	1.08	14.3	13.3	5.0	5.4	5.7	6.0
200.00	19.34	1.05	1.03	1.25	1.13	15.1	14.0	4.9	5.2	5.4	5.7
210.00	20.31	1.08	1.05	1.31	1.19	15.8	14.7	4.8	5.1	5.1	5.4
220.00	21.27	1.10	1.07	1.38	1.25	16.6	15.5	4.7	5.0	4.9	5.2
230.00	22.24	1.13	1.10	1.44	1.30	17.4	16.2	4.6	4.9	4.7	4.9
240.00	23.21	1.15	1.12	1.50	1.36	18.1	16.9	4.5	4.8	4.5	4.7
250.00	24.17	1.17	1.15	1.56	1.42	18.9	17.6	4.4	4.7	4.3	4.6
260.00	25.14	1.20	1.17	1.63	1.47	19.6	18.3	4.3	4.6	4.1	4.4
270.00	26.11	1.22	1.19	1.69	1.53	20.4	19.0	4.2	4.5	4.0	4.2
280.00	27.07	1.25	1.22	1.75	1.59	21.1	19.7	4.1	4.4	3.8	4.1
290.00	28.04	1.27	1.24	1.81	1.64	21.9	20.4	4.0	4.3	3.7	3.9
300.00	29.01	1.30	1.27	1.88	1.70	22.6	21.1	4.0	4.2	3.6	3.8
310.00	29.97	1.32	1.29	1.94	1.76	23.4	21.8	3.9	4.2	3.5	3.7
320.00	30.94	1.34	1.31	2.00	1.81	24.1	22.5	3.8	4.1	3.4	3.6
330.00	31.91	1.37	1.34	2.06	1.87	24.9	23.2	3.7	4.0	3.3	3.4
340.00	32.88	1.39	1.36	2.13	1.93	25.7	23.9	3.7	4.0	3.2	3.3
350.00	33.84	1.42	1.39	2.19	1.98	26.4	24.6	3.6	3.9	3.1	3.3
360.00	34.81	1.44	1.41	2.25	2.04	27.2	25.3	3.6	3.8	3.0	3.2
370.00	35.78	1.47	1.43	2.31	2.10	27.9	26.0	3.5	3.8	2.9	3.1
380.00	36.74	1.49	1.46	2.38	2.15	28.7	26.7	3.4	3.7	2.8	3.0
390.00	37.71	1.52	1.48	2.44	2.21	29.4	27.4	3.4	3.6	2.8	2.9

Source: Nordea estimates

# Detailed estimates

ANNUAL ESTIMATES					
EURm	2020	2021	2022E	2023E	2024E
<b>Rental income</b>	<b>65</b>	<b>81</b>	<b>105</b>	<b>113</b>	<b>115</b>
Rental income growth	26.2%	24.6%	29.4%	7.4%	2.0%
Property expenses	-3	-4	-6	-7	-7
<b>Net rental income</b>	<b>61</b>	<b>76</b>	<b>98</b>	<b>106</b>	<b>108</b>
NRI margin %	94.4%	94.2%	93.8%	93.8%	93.8%
Administrative expenses	-7	-6	-7	-7	-7
Other operating income	9	13	10	10	10
Other operating expenses	-10	-14	-10	-10	-10
Profit/loss on sales of investment properties	0	0	0	0	0
Profit/loss on sales of trading properties	0	0	0	0	0
Fair value changes of investment properties	6	11	9	10	10
Depreciation, amortisation and impairment losses	0	1	0	0	0
<b>Operating profit/loss</b>	<b>61</b>	<b>80</b>	<b>101</b>	<b>109</b>	<b>111</b>
Financial income	0	0	0	0	0
Financial expenses	-21	-22	-27	-27	-27
<b>Net financials</b>	<b>-21</b>	<b>-22</b>	<b>-27</b>	<b>-27</b>	<b>-27</b>
Share of result from associated companies	0	0	0	0	0
<b>Profit before taxes</b>	<b>39</b>	<b>58</b>	<b>75</b>	<b>82</b>	<b>84</b>
Current tax expense	0	0	-3	-4	-5
Change in deferred tax	-5	-8	-2	-2	-2
<b>Profit/loss for the period</b>	<b>34</b>	<b>50</b>	<b>69</b>	<b>76</b>	<b>77</b>
<b>Funds from operations</b>	<b>33</b>	<b>47</b>	<b>62</b>	<b>68</b>	<b>69</b>

Source: Company data and Nordea estimates

## INTERIM ESTIMATES

EURm	Q1/2021	Q2/2021	Q3/2021	Q4/2021	Q1/2022E	Q2/2022E	Q3/2022E	Q4/2022E
<b>Rental income</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>23</b>	<b>27</b>	<b>27</b>	<b>28</b>
Rental income growth	54.8%	50.5%	53.7%	11.1%	18.6%	34.6%	34.9%	29.3%
Property expenses	-1	-1	-1	-1	-2	-2	-2	-2
<b>Net rental income</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>21</b>	<b>21</b>	<b>25</b>	<b>26</b>	<b>26</b>
NRI margin %	95.3%	95.5%	95.4%	95.8%	93.0%	93.9%	94.1%	94.2%
Administrative expenses	-2	-2	-1	-2	-1	-2	-2	-2
Other operating income	4	3	3	3	3	3	3	3
Other operating expenses	-4	-3	-3	-4	-3	-3	-3	-3
Profit/loss on sales of investment properties	0	0	0	0	0	0	0	0
Profit/loss on sales of trading properties	0	1	2	3	0	1	2	3
Fair value changes of investment properties	0	2	2	6	1	2	2	4
Depreciation, amortisation and impairment losses	0	0	0	0	0	0	0	0
<b>Operating profit/loss</b>	<b>17</b>	<b>20</b>	<b>22</b>	<b>28</b>	<b>21</b>	<b>27</b>	<b>28</b>	<b>32</b>
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-5	-6	-5	-6	-6	-7	-7	-7
<b>Net financials</b>	<b>-5</b>	<b>-6</b>	<b>-5</b>	<b>-6</b>	<b>-6</b>	<b>-7</b>	<b>-7</b>	<b>-7</b>
Share of result from associated companies	0	1	2	3	0	1	2	3
<b>Profit before taxes</b>	<b>12</b>	<b>14</b>	<b>16</b>	<b>22</b>	<b>15</b>	<b>20</b>	<b>21</b>	<b>25</b>
Current tax expense	-1	1	0	0	-1	-1	-1	-1
Change in deferred tax	-1	-2	-2	-3	0	0	0	-1
<b>Profit/loss for the period</b>	<b>10</b>	<b>14</b>	<b>14</b>	<b>19</b>	<b>14</b>	<b>18</b>	<b>20</b>	<b>23</b>
<b>Funds from operations</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>16</b>	<b>16</b>	<b>17</b>

Source: Company data and Nordea estimates

**SUMMARY TABLE: KEY FIGURES**

EURm	2018	2019	2020	2021E	2022E	2023E	2024E
Rental income	25	52	65	81	105	113	115
- rental income growth	n.a.	106%	26%	25%	29%	7%	2%
Net operating income (NOI)	23	49	61	76	98	106	108
Pre-tax profit	16	35	39	58	75	82	84
IFPM (pretax ex value gains)	12	27	33	48	65	72	74
FFO	11	28	33	47	62	68	69
-FFO growth	n.a.	148%	20%	41%	33%	10%	2%
Dividend	-6	-26	-30	-38	-44	-50	-53
Shareholder equity	329	333	458	583	701	727	750
EPRA NRV (incl. div not paid)	338	346	435	585	749	826	906
-EPRA NRV growth	n.a.	3%	26%	35%	28%	10%	10%
Net debt	461	517	785	876	1,084	1,064	1,048
Net debt/EBITDA	21.9x	11.9x	14.3x	12.5x	11.8x	10.7x	10.4x
Loan-to-value (net)	56%	59%	62%	58%	59%	58%	57%

Source: Company data and Nordea estimates

**RATIOS RELATED TO BALANCE SHEET**

	2018	2019	2020	2021E	2022E	2023E	2024E
Investment properties, fair value EURm	816	875	1,273	1,500	1,832	1,842	1,852
Net investments, EURm	0	57	369	206	323	0	0
Net debt, EURm	461	517	785	876	1,084	1,064	1,048
Average interest rate	2.8%	2.6%	2.7%	2.4%	2.4%	2.4%	2.4%
Equity ratio	36%	35%	37%	36%	37%	38%	38%
Payout ratio (dividend / FFO)	102%	102%	84%	81%	80%	82%	88%

Source: Company data and Nordea estimates

**NRV CALCULATION (EURm AND EUR PER SHARE)**

EURm	2018	2019	2020	2021E	2022E	2023E	2024E
Equity (less hybrid, incl. value changes)	329	333	458	554	672	698	721
Acc. dividend added back	0	0	0	0	44	94	147
Deferred tax	9	14	20	31	33	35	37
<b>EPRA NRV</b>	<b>338</b>	<b>346</b>	<b>478</b>	<b>585</b>	<b>749</b>	<b>826</b>	<b>906</b>
- per share	10.9	11.1	10.9	13.3	15.5	17.1	18.7
EPRA NRV	338	346	478	585	749	826	906
Derivatives	-2	-2	-1	0	0	0	0
Deferred tax 10% -tax	-5	-7	-10	-16	-17	-18	-19
<b>EPRA NNNRV (Nordea est.)</b>	<b>331</b>	<b>337</b>	<b>467</b>	<b>569</b>	<b>732</b>	<b>809</b>	<b>887</b>
- per share	10.7	10.9	10.6	11.8	15.1	16.7	18.3

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Total revenue</b>	n.a.	n.a.	n.a.	n.a.	29	60	74	94	115	123	125
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	108.3%	23.6%	26.1%	22.6%	6.8%	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	21	43	55	70	92	99	101
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	21	43	55	70	92	99	101
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	n.a.	n.a.	21	43	55	70	92	99	101
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	-8	-15	-21	-22	-27	-27	-27
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	4	7	6	12	9	10	10
<b>Pre-tax profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>35</b>	<b>40</b>	<b>59</b>	<b>75</b>	<b>82</b>	<b>84</b>
Reported taxes	0	0	0	0	-3	-5	-5	-8	-5	-6	-7
Net profit from continued operations	0	0	0	0	14	30	35	51	69	76	77
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	14	30	35	51	69	76	77
<b>EPS, EUR</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>0.44</b>	<b>0.97</b>	<b>0.96</b>	<b>1.27</b>	<b>1.47</b>	<b>1.57</b>	<b>1.59</b>
DPS, EUR	0.00	0.00	0.00	0.00	0.84	0.89	0.94	0.99	1.04	1.10	1.16
of which ordinary	0.00	0.00	0.00	0.00	0.84	0.89	0.94	0.99	1.04	1.10	1.16
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.	72.8%	72.0%	73.8%	74.6%	80.0%	80.7%	80.8%
EBITA	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	80.0%	80.7%	80.8%
EBIT	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	80.0%	80.7%	80.8%

## Adjusted earnings

EBITDA (adj)	0	0	0	0	21	43	55	70	92	99	101
EBITA (adj)	0	0	0	0	21	43	55	70	92	99	101
EBIT (adj)	0	0	0	0	21	43	55	70	92	99	101
EPS (adj, EUR)	n.a.	n.a.	n.a.	n.a.	0.40	0.88	0.92	1.18	1.28	1.38	1.40

## Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	80.0%	80.7%	80.8%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	80.0%	80.7%	80.8%
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	80.0%	80.7%	80.8%

## 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.	33.5%	15.7%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	36.3%	18.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.3%	18.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	28.8%	10.4%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5.5%	5.4%
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.	75.5%	77.1%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	75.5%	77.1%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	25.4	15.9	18.1	24.0	17.2	16.0	15.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	23.4	21.5	20.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	23.4	21.5	20.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	23.4	21.5	20.9

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	n.a.	22.9	14.3	17.3	22.4	15.0	14.0	13.8
EV/Sales	n.a.	n.a.	n.a.	n.a.	26.80	15.76	19.50	22.66	18.71	17.36	16.91
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	23.4	21.5	20.9
EV/EBITA	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	23.4	21.5	20.9
EV/EBIT	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	23.4	21.5	20.9
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	8.3%	6.4%	5.7%	3.5%	4.7%	5.0%	5.3%
FCF yield	n.a.	n.a.	n.a.	n.a.	-2.9%	-8.9%	-53.7%	-10.3%	-24.0%	6.6%	6.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	5.1%	3.0%	5.3%	4.1%	6.3%	6.6%	6.5%
Payout ratio	n.a.	n.a.	n.a.	n.a.	211.3%	101.7%	102.3%	83.6%	81.2%	79.9%	82.9%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
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	816	881	1,281	1,509	1,842	1,852	1,862
of which leased assets	0	0	0	0	0	6	8	10	10	10	10
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	2	1	4	5	5	5	5
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	1	0	0	0	0	0	0
Total non-current assets	0	0	0	0	819	882	1,284	1,514	1,847	1,857	1,867
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	2	4	1	2	2	3	3
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	1	2	2	3	4	5	5
Cash and bank	0	0	0	0	26	25	37	51	78	98	114
Total current assets	0	0	0	0	29	30	39	56	85	105	121
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>848</b>	<b>913</b>	<b>1,324</b>	<b>1,571</b>	<b>1,931</b>	<b>1,961</b>	<b>1,988</b>
Shareholders equity	0	0	0	0	329	333	458	583	701	727	750
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	29	29	29	29
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	0	329	333	458	583	701	727	750
Deferred tax	0	0	0	0	9	14	20	31	33	35	37
Long term interest bearing debt	0	0	0	0	486	535	810	911	1,149	1,149	1,149
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	2	2	1	0	0	0	0
Non-current lease debt	0	0	0	0	0	6	9	13	13	13	13
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	498	557	841	956	1,195	1,197	1,199
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0	1	1	1	1
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	21	23	22	28	35	37	38
Short term interest bearing debt	0	0	0	0	0	0	3	2	0	0	0
Total current liabilities	0	0	0	0	21	23	25	31	35	38	39
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>848</b>	<b>913</b>	<b>1,324</b>	<b>1,571</b>	<b>1,931</b>	<b>1,961</b>	<b>1,988</b>
<b>Balance sheet and debt metrics</b>											
Net debt	0	0	0	0	461	517	785	876	1,084	1,064	1,048
of which lease debt	0	0	0	0	0	6	9	13	13	13	13
Working capital	0	0	0	0	-18	-17	-20	-24	-29	-31	-31
Invested capital	0	0	0	0	801	865	1,265	1,491	1,818	1,826	1,835
Capital employed	0	0	0	0	815	874	1,280	1,510	1,863	1,888	1,912
ROE	n.m.	n.m.	n.m.	n.m.	8.4%	9.2%	8.7%	9.9%	10.8%	10.6%	10.4%
ROIC	n.m.	n.m.	n.m.	n.m.	4.2%	4.2%	4.1%	4.1%	4.4%	4.3%	4.4%
ROCE	n.m.	n.m.	n.m.	n.m.	5.3%	5.1%	5.1%	5.0%	5.5%	5.3%	5.3%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	21.9	11.9	14.3	12.5	11.8	10.7	10.4
Interest coverage	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	n.m.	38.8%	36.5%	34.6%	37.1%	36.3%	37.0%	37.7%
Net gearing	n.m.	n.m.	n.m.	n.m.	140.1%	155.2%	171.5%	150.2%	154.6%	146.5%	139.6%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>EBITDA (adj) for associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>43</b>	<b>55</b>	<b>70</b>	<b>92</b>	<b>99</b>	<b>101</b>
Paid taxes	0	0	0	0	-1	-2	-1	-1	-3	-4	-5
Net financials	0	0	0	0	-4	-15	-21	-22	-27	-27	-27
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	1	-4	-1	0	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	-1	2	1	0	0	0
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>26</b>	<b>31</b>	<b>46</b>	<b>62</b>	<b>68</b>	<b>69</b>
Change in NWC	0	0	0	0	0	-13	4	5	5	2	1
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>13</b>	<b>35</b>	<b>51</b>	<b>67</b>	<b>70</b>	<b>70</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>16</b>	<b>13</b>	<b>35</b>	<b>51</b>	<b>67</b>	<b>70</b>	<b>70</b>
Proceeds from sale of assets	0	0	0	0	0	2	0	0	0	0	0
Acquisitions	0	0	0	0	-25	-53	-392	-180	-323	0	0
Free cash flow	0	0	0	0	-9	-39	-357	-129	-256	70	70
Free cash flow bef A&D, lease adj	0	0	0	0	16	13	35	51	67	70	70
Dividends paid	0	0	0	0	-6	-26	-30	-38	-44	-50	-53
Equity issues / buybacks	0	0	0	0	0	0	123	85	92	0	0
Net change in debt	0	0	0	0	24	24	24	24	235	0	0
Other financing adjustments	0	0	0	0	0	12	7	10	9	10	10
Other non-cash adjustments	0	0	0	0	17	28	245	32	-9	-10	-10
Change in cash	0	0	0	0	26	-1	12	14	27	20	16
<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.	0.0%	0.0%	0.0%	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.	10	14	17	28	22	22	22
Market cap.	n.a.	n.a.	n.a.	n.a.	314	432	665	1,249	1,066	1,066	1,066
Enterprise value	n.a.	n.a.	n.a.	n.a.	775	949	1,450	2,125	2,149	2,130	2,114
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	31.1	31.1	40.0	44.0	48.4	48.4	48.4

Source: Company data and Nordea estimates

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**Completion Date**

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