

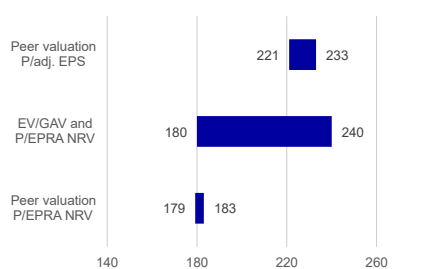
## KEY DATA

Stock country	Sweden
Bloomberg	CIBUS.SS
Reuters	CIBUS.ST
Share price (close)	SEK 171.2
Free Float	100%
Market cap. (bn)	EUR 0.72/SEK 7.53
Website	www.cibusnordic.com
Next report date	09 Nov 2022

## PERFORMANCE



## VALUATION APPROACH (SEK/SHARE)



## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	2%	1%	1%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

## Nordea Markets - Analysts

Svante Krokfors  
DirectorDavid Flemmich  
Senior Analyst, Sector Coordinator

## A slower M&amp;A pace could be on the cards

Cibus's Q2 2022 income from property management (IFPM) was below consensus even when adjusting for EUR 2.5m in negative one-offs. Earnings capacity-based IFPM per share was unchanged q/q at EUR 1.34. Despite the significantly weakened sentiment in the real estate market, we expect Cibus to keep making add-on acquisitions in the Nordics, and Cibus has also mentioned expanding outside of the Nordics if a suitable opportunity arises. However, given the fact that the EPRA NRV premium has shrunk to 10%, we believe M&A will be even more selective as EPS accretion has become more challenging. We make minor estimate revisions after the Q2 report. Our fair value range is SEK 180-240 per share, based on a mix of P/EPRA NAV and peer valuations.

## Ambitious growth targets threatened by multiple factors

At the end of 2021, Cibus announced growth targets with the ambition to double the portfolio size to EUR 2.5-3bn by year-end 2023. When the growth targets were published, interest rates, credit spreads, sentiment and real estate company valuations were completely different than today. The implication of the changed environment for Cibus is that combining growth and EPS accretion could be challenging, and we see an increased risk that Cibus will have to abandon its growth targets. Nevertheless, Cibus offers a growing and sustainable dividend, and could be a safe haven, as grocery-anchored assets have seen virtually no yield compression, which could keep valuations stable despite increasing interest rates. In addition, most rents are CPI-indexed, offering a partial inflation hedge.

## Q2 results somewhat below expectations

Income from property management (IFPM) was EUR 16.1m, adjusted for one-offs, 8% below consensus and 2% below our estimate. Q2 EPRA NRV per share was EUR 15.0 (SEK 157 at the current exchange rate), boosted by EUR 17m in positive fair value changes mainly related rent indexation and slightly lower yield requirements in Finland.

## Raised fair value due to the recovery in peer valuations

We raise our fair value range to SEK 180-240 (160-220) per share, based on a combination of peer group and P/EPRA NRV valuations. We hike the fair value range due to the recovery in peer valuations. Our fair value range corresponds to a 2023E adjusted P/E of 13.2-17.5x, a P/EPRA NRV of 0.96-1.28x (including dividends) and a 2023E dividend yield of 4.8-6.4%. Cibus trades at a ~10% premium to EPRA NRV - the implied yield is ~5.5%.

## SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	29	60	74	94	120	129	131
NOI margin	81.0%	80.8%	82.5%	81.4%	83.0%	83.7%	83.8%
EPS (adj, EUR)	0.40	0.88	0.92	1.18	1.30	1.31	1.31
EPS (adj) growth	n.a.	120.2%	5.0%	28.8%	10.0%	0.4%	0.1%
P/E (adj)	25.4	15.9	18.1	24.0	12.6	12.5	12.5
DPS, EUR	0.84	0.89	0.94	0.99	1.04	1.10	1.16
NAV per share	11	11	11	12	16	17	19
NAV growth	n.a.	1.9%	-2.1%	10.7%	34.7%	10.2%	8.7%
NOI/EV (adj)	3.0%	5.1%	4.2%	3.6%	5.3%	5.8%	6.0%
P/NAV	94.8%	128.0%	156.5%	241.2%	103.4%	93.9%	86.3%
P/EPRA NAV	92.9%	124.7%	152.9%	213.3%	100.4%	91.2%	84.0%
Dividend yield	8.3%	6.4%	5.7%	3.5%	6.3%	6.7%	7.1%
Loan-to-value (adj)	56.4%	58.7%	61.3%	58.0%	57.4%	56.1%	55.2%
Net debt/EBITDA(adj)	21.9	11.9	14.3	12.5	11.7	10.6	10.2

Source: Company data and Nordea estimates

## Q2 results and estimate revisions

Adjusting for negative one-offs of EUR 2.5m, the Q2 results were slightly below our and consensus estimates. Income from property management (IFPM) was EUR 16.1m, adjusting for one-offs, which was 8% below consensus and 2% below our estimate. Reported IFPM was EUR 13.6m and included EUR 2.1m from FX losses and EUR 0.4m from costs for a bridge financing loan for the Danish acquisition. The updated earnings capacity revealed an unchanged q/q IFPM per share of EUR 1.34.

Q2 income from property management (IFPM) was below consensus even when adjusting for EUR 2.5m one-offs

Cibus posted Q2 rental income of EUR 27.2m, 0% above our estimate and 1% below consensus. Net rental income was EUR 25.2m, 2% below our estimate and 3% below consensus. Reported income from property management (IFPM) was EUR 13.6m, 18% below our EUR 16.4m estimate and 22% below consensus of EUR 17.4m. The reported net financial costs, however, included EUR 2.1m of exchange rate losses and EUR 0.4m in one-offs from bridge loan financing. Adjusted for this, IFPM was 2% below our estimate and 8% below consensus.

### CIBUS: Q1 DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Cons est.	Deviation		Actual	y/y	Actual	q/q
	Q2 2022	Q2 2022E	vs. actual		Q2 2022E	vs. actual	Q2 2021	Q1 2022			
Rental income	27.2	27.1	0	0%	27.5	0	-1%	19.8	37%	23.5	16%
Net operating income	25.2	25.6	0	-2%	26.0	-1	-3%	18.5	36%	21.8	16%
NOI margin	92.6%	94.5%		-1.9pp	94.5%	-1.9pp	-1.9pp	93.3%	-0.7pp	92.8%	-0.1pp
Income from property mgmt	13.6	16.4	-3	-18%	17.4	-4	-22%	10.8	25%	14.6	-7%
EPS	0.63	0.32	0.31	95%	0.39	0.24	n.a.	0.31	100%	0.32	96%

Source: Company data, Infront and Nordea estimates

Q2 EPRA NRV per share was EUR 15.0 (SEK 157 at the current exchange rate), up from EUR 14.7 q/q, boosted by EUR 17m in positive fair value changes, mainly related to rent indexation and lower yield requirements in Finland. Net LTV was 58.0%, and the company had a cash position of EUR 29m at the end of Q2.

Cibus is examining opportunities to expand outside the Nordics

The company is continuously assessing possible acquisitions in Finland, Sweden, Denmark and Norway, which could include smaller add-on acquisitions as well as larger portfolios. Cibus is also exploring acquisition possibilities outside the Nordics, mainly in Germany, we believe, but the Nordics remain the first priority.

Minor estimate revisions

We make marginal estimate revisions after the Q2 report.

### ESTIMATE REVISIONS AFTER THE Q2 REPORT

EURm	New estimates			Old estimates			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Rental income	106.4	115.1	117.4	106.2	115.5	117.8	0%	0%	0%
Net operating income	99.9	108.0	110.2	99.7	108.4	110.5	0%	0%	0%
Profit from property mgmt	61.5	68.7	69.5	63.9	67.2	68.0	-4%	2%	2%
Adj. EPS	1.30	1.31	1.31	1.26	1.28	1.28	4%	2%	2%
DPS	1.04	1.10	1.16	1.04	1.10	1.16	0%	0%	0%

Source: Nordea estimates

Earnings-capacity-based profit from property management flat q/q...

Based on the disclosed earnings capacity as of 30 June 2022, income per share from property management (before taxes) suggests pre-tax operating income of EUR 1.34 per share, up from EUR 1.25 in Q4 2021, following closed acquisitions. The EUR 1.34 takes into consideration the hybrid bond coupon of EUR 1.275m, which is not included on the "net financial costs" line.

**EARNINGS CAPACITY**

EURm	31 Dec 2020	31-Mar-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	31-Dec-22E	31-Dec-23E	31-Dec-24E
Rental income	76.6	76.6	81.5	91.4	108.7	110.0	112.4	115.1	117.4
Property expenses	-4.0	-4.0	-5.2	-5.6	-6.5	-6.8	-6.9	-7.0	-7.1
Net rental income	72.6	72.6	76.3	85.8	102.2	103.2	105.5	108.1	110.3
Central admin.	-4.9	-4.9	-5.3	-5.9	-7.1	-7.1	-7.1	-7.3	-7.4
Net financial costs	-21.8	-21.8	-22.4	-23.8	-29.0	-29.9	-29.7	-32.1	-33.3
Operating income	45.9	45.9	48.5	56.2	66.2	66.3	68.7	68.8	69.6
- per share	1.15	1.15	1.18	1.25	1.34	1.34	1.39	1.39	1.41

Source: Company data and Nordea estimates

...should grow in line with inflation over the next few years, assuming no M&A

We expect IFPM to reach EUR 1.39 per share by the end of 2022, mainly as a result of announced but not closed transactions, and CPI indexation, and to reach EUR 1.39 in 2023, mainly due to rents increasing in line with inflation. We only update our estimates for earnings capacity to reflect announced deals; we do not try to predict acquisition activity.

# 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 also has a significant presence in Denmark. Unlike its retail real estate peers, who mainly focus on shopping centres, Cibus is less dependent on macroeconomic fluctuations and competition from e-commerce. Its portfolio is diversified, featuring 446 properties with a broad geographical spread. After all announced acquisitions have closed, we estimate the store count will be 448. 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

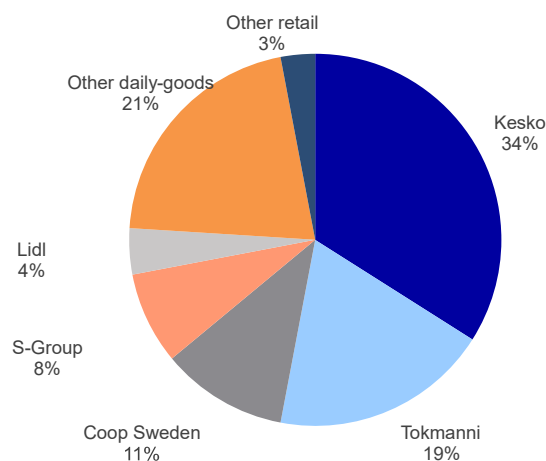
## Cibus is a truly Nordic owner of daily goods properties

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 Danish ones as of 6 April. In a segment dominated by Swedish and Finnish pension funds, Cibus has rapidly become the largest Nordic investor in the field, with a total property value of EUR ~1.8bn after the closing of the Danish acquisition.

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 30 June 2022, Cibus had 446 properties in its portfolio with a leasable area of ~960,000 m<sup>2</sup>. After the recently announced acquisitions (closing in 2022), the portfolio will have 448 properties, a leasable area of ~967,000 m<sup>2</sup>, and a market value of EUR ~1.9bn. The portfolio is diversified, with no single property in the portfolio accounting for more than 2.0% of the portfolio's total net operating income, eliminating dependence on any individual property. Only one property accounts for more than 1.5% of the portfolio's total rental income.

## RENTAL INCOME PER TENANT AS OF JUNE 2022



Source: Company data

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

More than 95% of net operating income is derived from grocery and daily goods tenants. Cibus's portfolio is diversified in terms of property type, however – it includes supermarkets, discount stores, hypermarkets, smaller markets and other retail assets. Including the Danish acquisition, approximately 69% of the portfolio's net operating income on an annual basis stems from properties in Finland, 14% from Denmark, 13% from properties in Sweden and 4% from properties in Norway. Supermarkets account for the majority of grocery sales in Finland, Sweden and Norway, and represent the dominant type of store property in the company's portfolio.

Minimal dependence on macroeconomic factors	<b>Grocery and daily goods tenants are resilient</b> 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.
In the near term, we expect a limited earnings boost from a lower cost of debt	<b>Cibus has a solid balance sheet</b> Cibus operates with an appropriate level of debt considering its stable cash flow profile, in our view. Net LTV was 58.0% at the end of Q2 2022; we estimate that the weighted average total cost of debt was roughly 2.7%.
Cibus has continued to issue bonds at new lows when it comes to interest costs	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 2022, 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. Cibus also 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 %	850	2.2 %
<b>Bond</b>	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	193	4.6 %	241	4.5 %
<b>Group total</b>	459	3.0 %	489	2.8 %	489	2.8 %	538	2.6 %	744	2.7 %	1091	2.7 %
<b>Debt cost/year</b>	-13.6		-13.6		-13.6		-14.1		-20.4		-29.7	

Source: Company data and Nordea estimates

Cibus now intends to grow its portfolio to EUR 2.5-3bn by the end of 2023...	<b>Aiming to double its portfolio by 2023</b> 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, to EUR 2.5-3bn from EUR 1,833m as of the current portfolio. Cibus had previously lifted its acquisition target from EUR 50m 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 300-600m	The new target implies acquisitions of EUR ~650-1,150m for 2022-23, i.e. EUR 325-575m annually after the EUR ~300m announced in 2022. This is materially higher than the 2020-21 acquisition 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. Cibus announced in conjunction with the Q1 report that it has also started to look for targets outside the Nordics, without specifying any potential countries. We believe Germany could be a new market for Cibus.

**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
4 properties in Norway	30/06/2022	30/06/2022	12.00	4	5,000	2,400
<b>Total</b>			<b>548.8</b>	<b>156</b>	<b>218,500</b>	<b>2,512</b>

Source: Company data

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 475-725m. A part of the equity portion, however, could be funded with hybrid bonds or similar equity-like instruments. The EPRA NRV premium has declined to a ~10% premium to Q2 2022 EPRA NRV, which makes equity-based M&A financing still attractive, although not as attractive as with the earlier 50-90% premium, as equity issuance above EPRA NRV in itself increases the EPRA NRV. Cibus is currently trading at an implied yield of ~5.5%, which in our view implies that it no longer can outbid the competition in many larger potential 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 5.5%, 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 917m in total between Q2 2022 and 2023, taking the portfolio size to EUR 2.75bn by the end of 2023. We assume a property value of EUR 1,833m at the end of Q2 2022 and EPRA NRV of EUR 15.0.
- 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 1,374m at the end of 2023, which equals net LTV of 50% assuming a cash position of EUR 29m at the end of 2023.
- EUR 605m of new equity would be issued. We assume equity would be issued at SEK 170 per share, i.e. roughly the current share price. This would increase the share count from 48.4 million at the end of Q2 2022 to 86 million by the end of 2023.
- Central administration costs would increase by 20% to EUR 8.5m in 2023 from EUR 7.1m annually based on the Q2 2022 earnings capacity.
- In our 2023 scenario, we assume the average cost of debt is ~2.7%. This is overly optimistic given the current credit market but makes the calculation illustrative in the best way.
- 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% versus 2.7% in our base-case scenario. 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. Again, given the current credit market, the assumption is overly optimistic but highlights the relative change in the current situation versus investment grade.

- 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	Q2 2022	Add M&A	2023E	IG 2023E
Property value	1,833	917	2,750	2,750
Gross debt	1,091	312	1,403	1,403
Cash and cash equivalents	29		29	29
Net debt	1,062	312	1,374	1,374
Net LTV (%)	57.9%		50.0%	50.0%
Number of shares (m)	48.4	37	86	86
New shares issued at (SEK)		170		
Equity issued		605		
EPRA NRV	726	605	1,331	1,331
EPRA NRV per share (SEK)	157		163	163
Rental income	110.0	53.8	163.8	163.8
Property expenses	-6.8	-3.3	-10.1	-10.1
Net operating income	103.2	50.4	153.6	153.6
Central administration	-7.1	-1.4	-8.5	-8.5
Net financial expenses	-29.9	-8.5	-38.4	-28.1
Income from property management (IFPM)	66.3	40.5	106.7	117.1
Expenses, hybrid bond	-1.4	0.0	-1.4	-1.4
IFPM including hybrid bond	64.9	40.5	105.4	115.8
IFPM including hybrid bond (EUR)	1.34		1.23	1.35
Cash earnings per share after 6% tax (EUR)	1.26		1.16	1.27

Source: Company data and Nordea estimates

EPRA NRV would increase only 3% based on new share issuance...

...while IFPM per share would decline by 8% in the base case and increase 1% in the IG scenario

Based on the current share price, cash earnings multiples would decline to 11.4-13.4x in our scenario analysis

Our fair value range is SEK 180-240 per share

EPRA NRV would increase to SEK 163 per share (from SEK 157 per share in Q2 2022) based solely on the new equity (EUR 605m) raised at a premium to EPRA NRV.

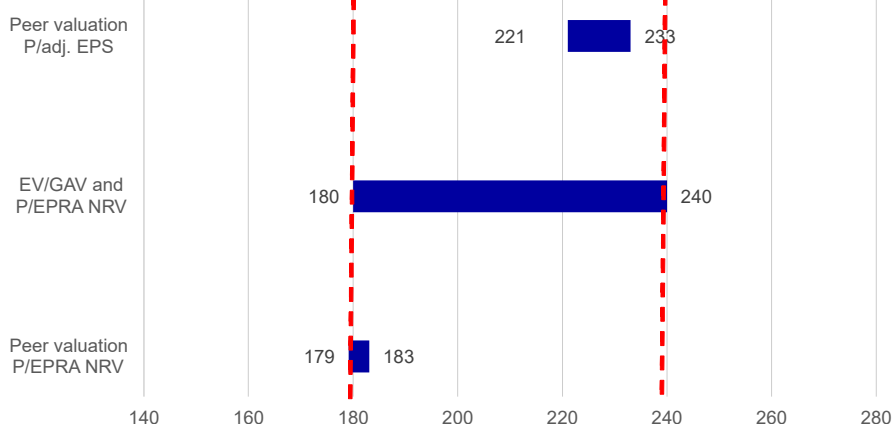
As presented in the scenario analysis above, under our assumptions, income from property management (IFPM) per share, including the impact from the hybrid bond, would decline by 8% from EUR 1.34 to EUR 1.23. In our IG 2023 scenario, IFPM per share would increase by 1% to EUR 1.35 per share. The reason for the negative/low impact on IFPM per share is that shares are issued only at a slight premium to EPRA NRV (a higher number of new shares) at the same time as the number of shares increases more compared to when Cibus traded at a substantial premium to EPRA NRV.

According to our scenario analysis, Cibus is trading at a 4% premium to 2023E EPRA NRV, while we expect EPRA NRV to increase to SEK 163 per share as a consequence of share issuances at a slight premium to EPRA NRV. Cash earnings multiples decline to 14.1x in our 2023 scenario and to 12.8x in the IG 2023 scenario, based on a share price of SEK 170 and a EUR/SEK rate of 10.40. If Cibus were to distribute 90% of its cash earnings in dividends, the dividend yield based on a share price of SEK 170 would be 6.4% in our 2023 scenario and 7.0% in the IG 2023 scenario.

#### Valuation conclusion

Our main valuation approach is based on 2023E P/EPRA NRV of 0.96-1.28x, which results in a fair value range of SEK 180-240 (160-220) per share. A peer group EPRA/ NRV valuation suggests a narrow range of SEK 179-183, while the peer adjusted P/E range is SEK 221-233 per share. Of all our valuation approaches, we assign the greatest weight to P/EPRA NRV, backed by peer valuation. We arrive at a fair value range of SEK 180-240 per share, corresponding to a 2023E adjusted P/E of 13.2-17.5x.

## VALUATION APPROACH (SEK PER SHARE)



Source: Company data and Nordea estimates

Our peer group of Swedish real estate compounders are trading at adjusted P/E multiples of 7.5-24.1x on 2023E with an average of 16.2x, while Cibus is currently trading at 12.4x.

## 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	31.45	3.7	21.4	20.8	102%	81%	80%	0.8%	1.8%	2.1%
Nyfosa AB	91.30	5.5	12.7	12.1	100%	84%	83%	2.4%	4.2%	4.4%
Sagax AB	239.30	10.8	25.6	24.1	276%	217%	191%	0.0%	0.0%	0.0%
Samhallsbyggnadsbolaget I Norden Af	16.77	1.0	8.7	7.5	48%	37%	35%	2.0%	8.3%	8.8%
<b>Average</b>		<b>5.3</b>	<b>17.1</b>	<b>16.2</b>	<b>132%</b>	<b>105%</b>	<b>97%</b>	<b>1.3%</b>	<b>3.6%</b>	<b>3.8%</b>
<b>Median</b>		<b>4.6</b>	<b>17.0</b>	<b>16.5</b>	<b>101%</b>	<b>82%</b>	<b>82%</b>	<b>1.4%</b>	<b>3.0%</b>	<b>3.2%</b>
<b>Cibus (Nordea estimates)</b>	<b>173.35</b>	<b>13.7</b>	<b>12.4</b>	<b>12.4</b>	<b>121%</b>	<b>99%</b>	<b>90%</b>	<b>6.1%</b>	<b>6.4%</b>	<b>6.8%</b>

Note: Share prices updated as of 11 July 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 6.8% for 2023 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 increase the dividend, we reason that the dividend yield should offer downside protection and an attractive stable dividend play. Our fair value range of SEK 180-240 per share corresponds to a 2023E dividend yield of 4.8-6.4%. Currently, Cibus is trading at a 6.8% 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
110.00	10.51	0.81	0.79	0.64	0.58	8.1	8.0	6.3	6.8	9.9	10.5
120.00	11.46	0.83	0.81	0.70	0.64	8.8	8.8	6.1	6.6	9.1	9.6
130.00	12.42	0.86	0.84	0.76	0.69	9.5	9.5	5.9	6.4	8.4	8.9
140.00	13.38	0.88	0.86	0.82	0.74	10.3	10.2	5.8	6.2	7.8	8.2
150.00	14.33	0.90	0.88	0.88	0.80	11.0	11.0	5.6	6.1	7.3	7.7
160.00	15.29	0.93	0.91	0.94	0.85	11.7	11.7	5.5	5.9	6.8	7.2
170.00	16.24	0.95	0.93	0.99	0.90	12.5	12.4	5.3	5.8	6.4	6.8
180.00	17.20	0.97	0.95	1.05	0.96	13.2	13.2	5.2	5.6	6.0	6.4
190.00	18.15	1.00	0.97	1.11	1.01	13.9	13.9	5.1	5.5	5.7	6.1
200.00	19.11	1.02	1.00	1.17	1.06	14.7	14.6	5.0	5.4	5.4	5.8
210.00	20.06	1.05	1.02	1.23	1.12	15.4	15.3	4.9	5.3	5.2	5.5
220.00	21.02	1.07	1.04	1.29	1.17	16.1	16.1	4.8	5.1	4.9	5.2
230.00	21.97	1.09	1.07	1.35	1.22	16.9	16.8	4.7	5.0	4.7	5.0
240.00	22.93	1.12	1.09	1.40	1.28	17.6	17.5	4.6	4.9	4.5	4.8
250.00	23.89	1.14	1.11	1.46	1.33	18.3	18.3	4.5	4.8	4.4	4.6
260.00	24.84	1.16	1.14	1.52	1.38	19.1	19.0	4.4	4.7	4.2	4.4
270.00	25.80	1.19	1.16	1.58	1.44	19.8	19.7	4.3	4.6	4.0	4.3
280.00	26.75	1.21	1.18	1.64	1.49	20.5	20.5	4.2	4.5	3.9	4.1
290.00	27.71	1.23	1.21	1.70	1.54	21.3	21.2	4.1	4.5	3.8	4.0
300.00	28.66	1.26	1.23	1.76	1.59	22.0	21.9	4.0	4.4	3.6	3.8
310.00	29.62	1.28	1.25	1.81	1.65	22.7	22.7	4.0	4.3	3.5	3.7

Source: Nordea estimates

## Sensitivity analysis

## CIBUS: ADJUSTED EPS SENSITIVITY TO AVERAGE INTEREST RATE AND NET OPERATING INCOME

		Average interest rate										
		6.00%	5.50%	5.00%	4.50%	4.00%	3.50%	3.00%	2.50%	2.00%	1.50%	1.00%
Net operating income change	-5%	-65%	-57%	-49%	-40%	-32%	-24%	-16%	-8%	0%	8%	16%
	-4%	-63%	-55%	-47%	-39%	-31%	-23%	-15%	-7%	2%	10%	18%
	-3%	-61%	-53%	-45%	-37%	-29%	-21%	-13%	-5%	3%	11%	19%
	-2%	-60%	-52%	-44%	-36%	-27%	-19%	-11%	-3%	5%	13%	21%
	-1%	-58%	-50%	-42%	-34%	-26%	-18%	-10%	-2%	6%	15%	23%
	0%	-57%	-48%	-40%	-32%	-24%	-16%	-8%	0%	8%	16%	24%
	1%	-55%	-47%	-39%	-31%	-23%	-15%	-6%	2%	10%	18%	26%
	2%	-53%	-45%	-37%	-29%	-21%	-13%	-5%	3%	11%	19%	27%
	3%	-52%	-44%	-36%	-27%	-19%	-11%	-3%	5%	13%	21%	29%
	4%	-50%	-42%	-34%	-26%	-18%	-10%	-2%	7%	15%	23%	31%
	5%	-48%	-40%	-32%	-24%	-16%	-8%	0%	8%	16%	24%	32%
	6%	-47%	-39%	-31%	-23%	-14%	-6%	2%	10%	18%	26%	34%
7%	-45%	-37%	-29%	-21%	-13%	-5%	3%	11%	19%	28%	36%	
8%	-44%	-35%	-27%	-19%	-11%	-3%	5%	13%	21%	29%	37%	
9%	-42%	-34%	-26%	-18%	-10%	-1%	7%	15%	23%	31%	39%	
10%	-40%	-32%	-24%	-16%	-8%	0%	8%	16%	24%	32%	41%	

Source: Nordea estimates

**CIBUS: EQUITY RATIO SENSITIVITY TO VALUATION YIELD AND NET OPERATING INCOME**

		Valuation yield										
		7.00%	6.75%	6.50%	6.25%	6.00%	5.75%	5.70%	5.50%	5.25%	5.00%	4.75%
Net operating income change	-5%	75%	72%	70%	67%	64%	62%	61%	59%	56%	54%	51%
	-4%	74%	72%	69%	66%	64%	61%	60%	58%	56%	53%	50%
	-3%	73%	71%	68%	66%	63%	60%	60%	58%	55%	52%	50%
	-2%	73%	70%	68%	65%	62%	60%	59%	57%	55%	52%	49%
	-1%	72%	69%	67%	64%	62%	59%	59%	57%	54%	51%	49%
	0%	71%	69%	66%	64%	61%	59%	58%	56%	53%	51%	48%
	1%	71%	68%	66%	63%	60%	58%	57%	55%	53%	50%	48%
	2%	70%	67%	65%	62%	60%	57%	57%	55%	52%	50%	47%
	3%	69%	67%	64%	62%	59%	57%	56%	54%	52%	49%	47%
	4%	69%	66%	64%	61%	59%	56%	56%	54%	51%	49%	47%
	5%	68%	65%	63%	61%	58%	56%	55%	53%	51%	48%	46%
	6%	67%	65%	62%	60%	58%	55%	55%	53%	50%	48%	46%
	7%	67%	64%	62%	59%	57%	55%	54%	52%	50%	48%	45%
8%	66%	64%	61%	59%	57%	54%	54%	52%	50%	47%	45%	
9%	65%	63%	61%	58%	56%	54%	53%	51%	49%	47%	44%	
10%	65%	62%	60%	58%	56%	53%	53%	51%	49%	46%	44%	

Source: Nordea estimates

**CIBUS: EPRA NRV SENSITIVITY TO VALUATION YIELD AND NET OPERATING INCOME**

		Valuation yield												
		7.00%	6.75%	6.50%	6.25%	6.00%	5.75%	5.70%	5.52%	5.50%	5.25%	5.00%	4.75%	4.50%
Net operating income change	-5.0 %	69	80	92	105	119	135	138	150	151	170	190	212	237
	-4.0 %	72	83	95	109	123	138	142	154	155	174	194	217	242
	-3.0 %	75	87	99	112	127	142	146	158	159	178	199	222	247
	-2.0 %	78	90	102	116	130	146	150	162	164	182	203	226	252
	-1.0 %	81	93	106	119	134	150	153	166	168	187	208	231	257
	0.0 %	85	96	109	123	138	154	157	170	172	191	212	236	262
	1.0 %	88	100	113	127	142	158	161	174	176	195	217	240	267
	2.0 %	91	103	116	130	145	162	165	178	180	199	221	245	272
	3.0 %	94	106	120	134	149	166	169	182	184	204	226	250	277
	4.0 %	97	110	123	137	153	170	173	186	188	208	230	254	282
	5.0 %	101	113	126	141	156	173	177	190	192	212	235	259	287
	6.0 %	104	116	130	144	160	177	181	194	196	216	239	264	292
	7.0 %	107	120	133	148	164	181	185	198	200	221	243	269	297
8.0 %	110	123	137	152	168	185	189	203	204	225	248	273	301	
9.0 %	113	126	140	155	171	189	193	207	208	229	252	278	306	
9.5 %	115	128	142	157	173	191	195	209	210	231	255	280	309	
10.0 %	117	130	144	159	175	193	197	211	212	233	257	283	311	

Source: Nordea estimates

# Detailed estimates

ANNUAL ESTIMATES					
EURm	2020	2021	2022E	2023E	2024E
<b>Rental income</b>	<b>65</b>	<b>81</b>	<b>106</b>	<b>115</b>	<b>117</b>
Rental income growth	26.2%	24.6%	31.2%	8.2%	2.0%
Property expenses	-3	-4	-6	-7	-7
<b>Net rental income</b>	<b>61</b>	<b>76</b>	<b>100</b>	<b>108</b>	<b>110</b>
NRI margin %	94.4%	94.2%	93.9%	93.8%	93.8%
Administrative expenses	-7	-6	-7	-7	-7
Other operating income	9	13	14	14	14
Other operating expenses	-10	-14	-14	-14	-14
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	50	15	10
Depreciation, amortisation and impairment losses	0	0	0	0	0
<b>Operating profit/loss</b>	<b>61</b>	<b>79</b>	<b>143</b>	<b>116</b>	<b>113</b>
Financial income	0	0	0	0	0
Financial expenses	-21	-22	-33	-34	-35
<b>Net financials</b>	<b>-21</b>	<b>-22</b>	<b>-33</b>	<b>-34</b>	<b>-35</b>
Share of result from associated companies	0	0	0	0	0
<b>Profit before taxes</b>	<b>40</b>	<b>57</b>	<b>110</b>	<b>82</b>	<b>78</b>
Current tax expense	0	0	-3	-4	-5
Change in deferred tax	-5	-8	-15	-3	-2
<b>Profit/loss for the period</b>	<b>35</b>	<b>49</b>	<b>92</b>	<b>75</b>	<b>71</b>
<b>Funds from operations</b>	<b>33</b>	<b>47</b>	<b>57</b>	<b>63</b>	<b>63</b>

Source: Company data and Nordea estimates

## INTERIM ESTIMATES

EURm	Q1/2021	Q2/2021	Q3/2021	Q4/2021	Q1/2022	Q2/2022	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>28</b>	<b>28</b>
Rental income growth	54.8%	50.5%	53.7%	11.1%	20.7%	37.4%	37.7%	29.0%
Property expenses	-1	-1	-1	-1	-1	-1	-2	-3
<b>Net rental income</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>21</b>	<b>22</b>	<b>26</b>	<b>26</b>	<b>25</b>
NRI margin %	95.3%	95.5%	95.4%	95.8%	95.8%	96.1%	94.4%	89.6%
Administrative expenses	-2	-2	-1	-2	-2	-2	-2	-2
Other operating income	4	3	3	3	5	3	3	3
Other operating expenses	-4	-3	-3	-4	-5	-4	-3	-2
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	27	17	2	5
Depreciation, amortisation and impairment losses	0	0	0	0	2	7	-4	0
<b>Operating profit/loss</b>	<b>17</b>	<b>20</b>	<b>22</b>	<b>28</b>	<b>46</b>	<b>42</b>	<b>29</b>	<b>32</b>
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-5	-6	-5	-6	-5	-10	-9	-9
<b>Net financials</b>	<b>-5</b>	<b>-6</b>	<b>-5</b>	<b>-6</b>	<b>-5</b>	<b>-10</b>	<b>-8</b>	<b>-9</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>41</b>	<b>32</b>	<b>20</b>	<b>23</b>
Current tax expense	-1	1	0	0	0	0	-1	-2
Change in deferred tax	-1	-2	-2	-3	-7	-7	0	0
<b>Profit/loss for the period</b>	<b>10</b>	<b>14</b>	<b>14</b>	<b>19</b>	<b>34</b>	<b>25</b>	<b>19</b>	<b>20</b>
<b>Funds from operations</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>13</b>

Source: Company data and Nordea estimates

**SUMMARY TABLE: KEY FIGURES**

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Rental income	25	52	65	81	106	115	117
- rental income growth	n.a.	106%	26%	25%	31%	8%	2%
Net operating income (NOI)	23	49	61	76	100	108	110
Pre-tax profit	16	35	40	57	110	82	78
IFPM (pretax ex value gains)	12	27	33	47	60	67	68
FFO	11	28	33	47	57	63	63
-FFO growth	n.a.	148%	20%	41%	22%	10%	0%
Dividend	-6	-26	-30	-38	-44	-50	-53
Shareholder equity	329	333	458	583	728	753	770
EPRA NRV (incl. div not paid)	338	346	435	585	789	867	940
-EPRA NRV growth	n.a.	3%	26%	35%	35%	10%	8%
Net debt	461	517	785	876	1,083	1,068	1,058
Net debt/EBITDA	21.9x	11.9x	14.3x	12.5x	11.7x	10.6x	10.3x
Loan-to-value (net)	56%	59%	62%	58%	58%	57%	56%

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	1,873	1,888	1,898
Net investments, EURm	0	57	369	206	323	0	0
Net debt, EURm	461	517	785	876	1,083	1,068	1,058
Average interest rate	2.8%	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%
Equity ratio	36%	35%	37%	37%	38%	38%	39%
Payout ratio (dividend / FFO)	102%	102%	84%	82%	86%	91%	99%

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	699	724	741
Acc. dividend added back	0	0	0	0	44	94	147
Deferred tax	9	14	20	31	46	49	51
<b>EPRA NRV</b>	<b>338</b>	<b>346</b>	<b>478</b>	<b>585</b>	<b>789</b>	<b>867</b>	<b>940</b>
- per share	10.9	11.1	10.9	13.3	16.3	17.9	19.4
EPRA NRV	338	346	478	585	789	867	940
Derivatives	-2	-2	-1	0	0	0	0
Deferred tax 10% -tax	-5	-7	-10	-16	-23	-25	-26
<b>EPRA NNNRV (Nordea est.)</b>	<b>331</b>	<b>337</b>	<b>467</b>	<b>569</b>	<b>766</b>	<b>842</b>	<b>914</b>
- per share	10.7	10.9	10.6	11.8	15.8	17.4	18.9

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	120	129	131
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	108.3%	23.6%	26.1%	28.4%	7.3%	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	93	101	103
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	93	101	103
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	93	101	103
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	-31	-32	-33
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	55	15	10
<b>Pre-tax profit</b>	0	0	0	0	17	35	40	59	116	84	80
Reported taxes	0	0	0	0	-3	-5	-5	-8	-18	-7	-7
Net profit from continued operations	0	0	0	0	14	30	35	51	98	76	73
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	98	76	73
<b>EPS, EUR</b>	n.a.	n.a.	n.a.	n.a.	0.44	0.97	0.96	1.27	2.07	1.58	1.50
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%	76.9%	78.0%	78.2%
EBITA	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	76.9%	78.0%	78.2%
EBIT	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	76.9%	78.0%	78.2%

### Adjusted earnings

EBITDA (adj)	0	0	0	0	21	43	55	70	93	101	103
EBITA (adj)	0	0	0	0	21	43	55	70	93	101	103
EBIT (adj)	0	0	0	0	21	43	55	70	93	101	103
EPS (adj, EUR)	n.a.	n.a.	n.a.	n.a.	0.40	0.88	0.92	1.18	1.30	1.31	1.31

### Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	76.9%	78.0%	78.2%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	76.9%	78.0%	78.2%
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	76.9%	78.0%	78.2%

### 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.	34.9%	16.9%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	36.8%	18.9%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.8%	18.9%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	29.0%	9.1%
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.	74.6%	75.6%	76.7%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	74.6%	75.6%	76.7%

### 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	12.6	12.5	12.5
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	20.3	18.4	18.0
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	20.3	18.4	18.0
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	20.3	18.4	18.0

### 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	7.9	10.4	10.9
EV/Sales	n.a.	n.a.	n.a.	n.a.	26.80	15.76	19.50	22.66	15.57	14.39	14.05
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	20.3	18.4	18.0
EV/EBITA	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	20.3	18.4	18.0
EV/EBIT	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	20.3	18.4	18.0
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	8.3%	6.4%	5.7%	3.5%	6.3%	6.7%	7.1%
FCF yield	n.a.	n.a.	n.a.	n.a.	-2.9%	-8.9%	-53.7%	-10.3%	-32.6%	8.4%	8.2%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	5.1%	3.0%	5.3%	4.1%	8.2%	8.4%	8.2%
Payout ratio	n.a.	n.a.	n.a.	n.a.	211.3%	101.7%	102.3%	83.6%	79.9%	84.2%	88.7%

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	1,883	1,897	1,908
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	1,887	1,902	1,913
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	81	97	109
Total current assets	0	0	0	0	29	30	39	56	87	104	116
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>1,975</b>	<b>2,007</b>	<b>2,029</b>
Shareholders equity	0	0	0	0	329	333	458	583	730	756	775
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	730	756	775
Deferred tax	0	0	0	0	9	14	20	31	46	49	51
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	1,208	1,211	1,213
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	36	39	39
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	37	40	41
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>1,975</b>	<b>2,007</b>	<b>2,029</b>
<b>Balance sheet and debt metrics</b>											
Net debt	0	0	0	0	461	517	785	876	1,081	1,065	1,053
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	-30	-32	-33
Invested capital	0	0	0	0	801	865	1,265	1,491	1,857	1,870	1,880
Capital employed	0	0	0	0	815	874	1,280	1,510	1,892	1,918	1,937
ROE	n.m.	n.m.	n.m.	n.m.	8.4%	9.2%	8.7%	9.9%	14.9%	10.3%	9.5%
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%	5.4%	5.3%	5.3%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	21.9	11.9	14.3	12.5	11.7	10.6	10.2
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%	36.9%	37.7%	38.2%
Net gearing	n.m.	n.m.	n.m.	n.m.	140.1%	155.2%	171.5%	150.2%	148.2%	140.9%	135.8%

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>93</b>	<b>101</b>	<b>103</b>
Paid taxes	0	0	0	0	-1	-2	-1	-1	-3	-4	-5
Net financials	0	0	0	0	-4	-15	-21	-22	-31	-32	-33
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>58</b>	<b>65</b>	<b>65</b>
Change in NWC	0	0	0	0	0	-13	4	5	7	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>65</b>	<b>67</b>	<b>65</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>65</b>	<b>67</b>	<b>65</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	-258	67	65
Free cash flow bef A&D, lease adj	0	0	0	0	16	13	35	51	65	67	65
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	55	15	10
Other non-cash adjustments	0	0	0	0	17	28	245	32	-50	-15	-10
Change in cash	0	0	0	0	26	-1	12	14	29	16	12
<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	16	16	16
Market cap.	n.a.	n.a.	n.a.	n.a.	314	432	665	1,249	793	793	793
Enterprise value	n.a.	n.a.	n.a.	n.a.	775	949	1,450	2,125	1,875	1,858	1,846
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**

22 Jul 2022, 00:51 CET

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