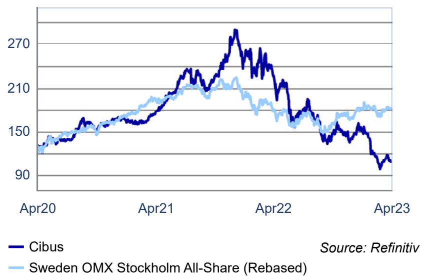
Cibus

Construction and Real Estate
Sweden

KEY DATA

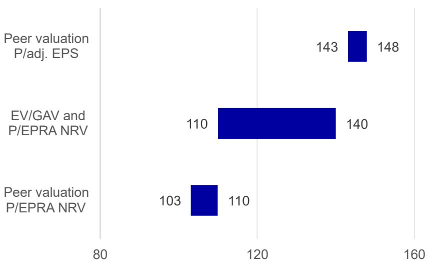
Stock country	Sweden
Bloomberg	CIBUS SS
Reuters	CIBUS.ST
Share price (close)	SEK 110.0
Free Float	100%
Market cap. (bn)	EUR 0.55/SEK 6.30
Website	www.cibusnordic.com
Next report date	18 Jul 2023

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	0%	0%
EBIT (adj)	0%	-1%	-1%

Source: Nordea estimates

Nordea IB & Equity - Analysts
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Reacting rapidly to rising interest expenses

Cibus's Q1 2023 income from property management (IFPM) was below Infront consensus, even adjusted for EUR -1.2m in one-offs. Earnings capacity-based IFPM per share declined by 9% q/q, to EUR 1.05. This was mainly caused by an increase in the cost of debt, i.e. 4.3% in Q1 from 3.9% in Q4. We cut adjusted EPS by 9-12% for 2023E-25E due to higher interest costs. We also cut our dividend estimates to a flat level of EUR 0.9 in 2023-25, as we believe Cibus will need to reduce its net LTV from the current ~56% level. Our fair value range is SEK 110-140 (120-160) per share, based on a mix of P/EPRA NAV and peer valuation. The share is trading at a ~33% discount to EPRA NRV, which corresponds to an implied yield of ~7% versus the reported 6.1%.

Focus on balance sheet and financial costs continues

Cibus' LTV at the end of Q1 was 55.9% when adjusting for the EUR 71m share issue completed after the end of Q1. The average interest rate for total debt was 4.3% at the end of Q1, up from 3.9% at the end of 2022. The company disclosed that current hedges will cap interest rates on bank loans at 4.55% as of Q3 2023 and through to Q2 2025. 76% of Cibus' financing is bank loans, 21% bonds and 3% hybrid capital. Cibus will face EUR 4.7m lower net financials on an annual level once the EUR 61.8m bond matures in September, which will be paid off with the capital raised in the equity issue. However, we see some pressure from increasing net financials in 2024 too.

Q1 financial costs higher than expected, operationally in line

IFPM was EUR 13.0m (adjusted for one-offs), 7% below consensus and 5% below our estimate. Q1 EPRA NRV per share was EUR 14.4 (SEK 163), weighed down by EUR 8.5m in negative fair value changes; the valuation yield increased by 10 bp to 6.1%. We see limited risk of additional negative fair value changes, as the grocery store category has experienced limited yield compression. We cut adjusted EPS by 9-12% for 2023E-25E to reflect the higher interest rate level. We also cut our dividend estimates by 5-14% for 2023-25, as we find it unlikely that Cibus can pay a growing dividend.

Fair value range cut to SEK 110-140

We lower our fair value range to SEK 110-140 (120-160) per share, based on peer group valuations and P/EPRA NRV. Our fair value range equals a 2023E adjusted P/E of 10-13x, a P/EPRA NRV of 0.6-0.8x (including dividends) and a 2023E dividend yield of 7.3-9.3%.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	60	74	94	124	137	142	146
NOI margin	80.8%	82.5%	81.4%	80.3%	82.6%	83.0%	83.3%
EPS (adj, EUR)	0.88	0.92	1.18	1.12	0.93	0.94	0.96
EPS (adj) growth	120.2%	5.0%	28.8%	-5.5%	-16.6%	0.7%	1.8%
P/E (adj)	15.9	18.1	24.0	11.5	10.4	10.3	10.1
DPS, EUR	0.89	0.94	0.99	0.90	0.90	0.90	0.90
NAV per share	11	11	12	12	14	15	16
NAV growth	1.9%	-2.1%	10.7%	2.4%	16.6%	6.6%	7.7%
NOI/EV (adj)	5.1%	4.2%	3.6%	5.8%	7.2%	7.5%	7.8%
P/NAV	128.0%	156.5%	241.4%	107.1%	69.0%	64.7%	60.1%
P/EPRA NAV	124.7%	152.9%	213.3%	87.9%	67.2%	63.1%	58.6%
Dividend yield	6.4%	5.7%	3.5%	7.0%	9.3%	9.3%	9.3%
Loan-to-value (adj)	58.7%	61.3%	58.0%	59.1%	55.0%	54.8%	54.2%
Net debt/EBITDA(adj)	11.9	14.3	12.5	12.1	9.7	9.3	8.9

Source: Company data and Nordea estimates

Q1 results and estimate revisions

Cibus posted Q1 net operating income of EUR 27.6m, up 27% y/y, owing to acquisitions, and 1% above our estimate and 2% above Infront consensus. Income from property management (IFPM) was EUR 11.8m, down 19% y/y, and 14% below our estimate and 16% below consensus. However, IFPM included EUR 1.2m of negative one-offs. Adjusting for these, IFPM was 5% below our estimate and 7% below consensus. Fair value changes were EUR -8.5 (~0.4% of portfolio), as yields expanded slightly, and the average valuation yield was 6.1%. Earnings capacity-based IFPM per share was down q/q, at EUR 1.05 from EUR 1.16, owing to increased financial expenses. Net financial expenses in earnings capacity came in at EUR 49.9m, versus EUR 44.3m in Q4 2022. EPRA NRV per share was EUR 14.4 (SEK 163), down from EUR 14.7 in Q4. Cibus is currently trading at a 33% discount to EPRA NRV and an implied yield of 7.0% versus the average valuation yield of 6.1%. Current hedges will cap interest rates for bank loans at 4.55% as of Q3 2023 through Q2 2025.

Q1 IFPM was clearly below consensus, even adjusting for one-off items...

Net operating income was EUR 27.6m, up 27% y/y owing to acquisitions, and 1% above our estimate and 2% above Infront consensus. Income from property management (IFPM) was EUR 11.8m, down 19% y/y and 14% below our estimate and 16% below consensus. However, IFPM included EUR 1.2m in total negative one-offs. Adjusting for these, IFPM was 5% below our estimate and 7% below consensus.

...burdened by high net financials and EUR 1.2m in one-offs

Interest expenses for Q1 were EUR 11.0m; we expected EUR 11.5m. Total net financial costs were EUR 13.6m, including FX and fees from early bond redemption. The average interest rate in the loan portfolio was 4.3% at the end of Q1. Interest costs will decline on an annual level by EUR ~4.7m once the EUR 61.8m bond is paid off with proceeds from the recent share issue.

Fair value changes of EUR -8.5m, as average valuation yield increased 10 bp

EPS of EUR 0.03 (no consensus) was due to negative fair value changes of EUR -8.5m, as the average valuation yield increased slightly and stood at 6.1% (first time disclosed explicitly). We estimated the valuation yield was 6.0% at the end of 2022. EPRA NRV per share was EUR 14.4 (SEK 163 at the current FX rate), down from EUR 14.7 in Q4. Cibus is trading at a 33% discount to the Q1 EPRA NRV and an implied yield of ~7.0%, we estimate.

Interest rate on bank loans capped at 4.55% from Q3 2023 through Q2 2025

The company disclosed that current hedges will cap interest rates on bank loans at 4.55% as of Q3 2023 through Q2 2025. We note that 76% of Cibus' financing is bank loans, 21% bonds and 3% hybrid capital.

LTV at ~56% after directed share issue

The reported net LTV was 59.8% at the end of Q1, but adjusting for the share issue approved on 20 April, LTV was 55.9%. The average bank loan margin was 1.6% at the end of Q1 and average capital maturity 2.7 years.

Earnings capacity-based IFPM per share down to EUR 1.05

Earnings capacity-based IFPM per share declined from EUR 1.16 to EUR 1.05, mainly owing to increased financial costs. Net financial expenses in earnings capacity was EUR 49.9m, up from EUR 44.3m in Q4 2022.

CIBUS: Q1 DEVIATION TABLE

EURm	Actual Q1 2023	NDA est. Q1 2023E	Deviation vs. actual		Cons est. Q1 2023E	Deviation vs. actual		Actual Q1 2022	y/y	Actual Q4 2022	q/q
Rental income	**29.7**	**29.0**	**1**	**2%**	**30.0**	**0**	**-1%**	**23.5**	**26%**	**28.3**	**5%**
Net operating income	**27.6**	**27.2**	**0**	**1%**	**27.0**	**1**	**2%**	**21.8**	**27%**	**26.5**	**4%**
NOI margin	93.0%	93.8%		-0.8pp	90.0%	3.0pp	3.0pp	92.8%	0.3pp	93.7%	-0.7pp
Income from property mgmt	**11.8**	**13.7**	**-2**	**-14%**	**14.0**	**-2**	**-16%**	**14.6**	**-19%**	**12.4**	**-5%**
EPS	**0.03**	**0.28**	**-0.25**	**-89%**	**-**	**n.a.**	**n,a,**	**0.80**	**-96%**	**0.26**	**-88%**

Source: Company data, Infront and Nordea estimates

IFPM and adjusted EPS cut by 6-10% for 2023E-25E

After the Q1 report, we make marginal changes to our operational estimates, but cut IFPM and adjusted EPS by 9-12% for 2023E-25E, due to increased net financial costs. We lower our dividend estimates by 5-14% for 2023-25, as we now believe Cibus will not be able to grow its dividend, but will instead aim to keep it at EUR 0.9.

ESTIMATE REVISIONS AFTER THE Q1 REPORT (EPS AND DPS IN EUR)

	New estimates			Old estimates			Change		
EURm	2023E	2023E	2024E	2023E	2023E	2024E	2023E	2023E	2024E
Rental income	121.0	126.1	129.9	120.7	126.7	130.5	0%	0%	0%
Net operating income	113.2	118.0	121.6	112.9	118.6	122.2	0%	0%	0%
Profit from property mgmt	54.9	59.4	61.1	60.2	67.1	68.9	-9%	-11%	-11%
Adj. EPS	0.93	0.94	0.96	1.03	1.07	1.08	-9%	-12%	-12%
DPS	0.90	0.90	0.90	0.95	1.00	1.05	-5%	-10%	-14%

Source: Nordea estimates

Earnings capacity-based profit from property management was down q/q

Based on the disclosed earnings capacity as of 31 December 2022, income per share from property management (before taxes) suggests operating income of EUR 1.05 per share, down from EUR 1.16 in Q4 2022, mainly related to increased net financial expenses and slightly higher costs for the EUR 30m hybrid.

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 – and it has gained a significant presence in Denmark since 6 April 2022. 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 454 properties with a broad geographical spread. 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.

Cibus is a truly Nordic owner of daily goods properties

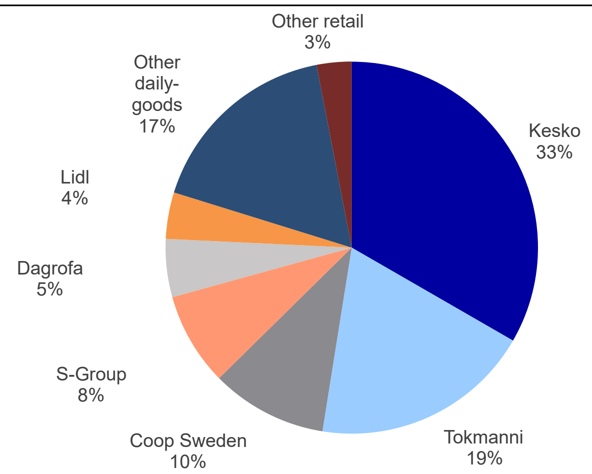
The largest Nordic player in a segment dominated by pension funds

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 portfolio consists of Finnish, Swedish and Norwegian assets. On 6 April 2022, the company also entered Denmark. 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 approximately EUR 1.9bn.

Highly diversified property portfolio with a market value of EUR ~1.9bn

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 2022, Cibus had 454 properties in its portfolio with a leasable area of ~981,000 m^2. The portfolio is diversified, with no single property accounting for more than 2.0% of the portfolio's total net operating income, thus 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 31 MARCH 2023



Source: Company data

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

About 97% of net operating income is derived from grocery and daily goods tenants. Cibus's portfolio is diversified in terms of property type, however, as 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.

Grocery and daily goods tenants are resilient

Minimal dependence on macroeconomic factors

Grocery and daily goods sales have for obvious reasons remained 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 of 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.

LTV lowered through EUR ~71m directed share issue in March

The average cost of debt was 4.3% at the end of Q1 2023

Net LTV was 59.8% at the end of Q1 2023; the weighted average total cost of debt was roughly 4.4% at the end of Q1 including . Cibus has bank loans of EUR 876m and bonds outstanding of EUR 244m (EUR and SEK bonds) in total. The company also has a EUR 30m hybrid bond, with the first call date on 24 September 2026 and an interest rate of 3M Euribor + 475 bp.

8.8 million new shares issued in March...

On 23 March 2023, Cibus announced it had issued 8.8 million new shares at SEK 92 per share, raising gross proceeds of SEK 810m (EUR ~72m). The proceeds from the directed share issue will be used to repay the outstanding EUR 61.8m of the bond maturing on 18 September 2023.

...enabling the company to redeem the bond maturing in September

As of Q4 2022, Cibus had secured bank loans of EUR 880m with a weighted average floating interest rate margin of 1.6% and a weighted average loan maturity of 3.0 years. About 70% of the bank loans are interest-hedged, either by interest rate caps or by fixed interest rates.

- Cibus has issued an unsecured green bond of EUR 50m. The bond matures on 29 December 2024 and carries a floating coupon rate of 3M Euribor + 4.00%.
- Cibus issued an unsecured green bond of SEK 700m on 26 August. The bond matures on 3 September 2025 with a floating coupon rate of 3M Stibor + 5.95%.
- Cibus has issued an unsecured bond of EUR 135m. The bond matures on 18 September 2023 and carries a floating coupon rate of 3M Euribor + 4.50%. The outstanding amount was EUR 76.3m at the end of 2022 and has repurchased EUR 14.5m of the bond in 2023, meaning that EUR 61.8m of the bond is still outstanding.
- On 17 June 2021, Cibus issued hybrid bonds totalling EUR 30m. The hybrid bonds have a perpetual maturity, with the first opportunity for redemption occurring after 5.25 years, and maturing with an interest rate of 3M Euribor + 4.75%.

Cibus discloses interest rate sensitivity

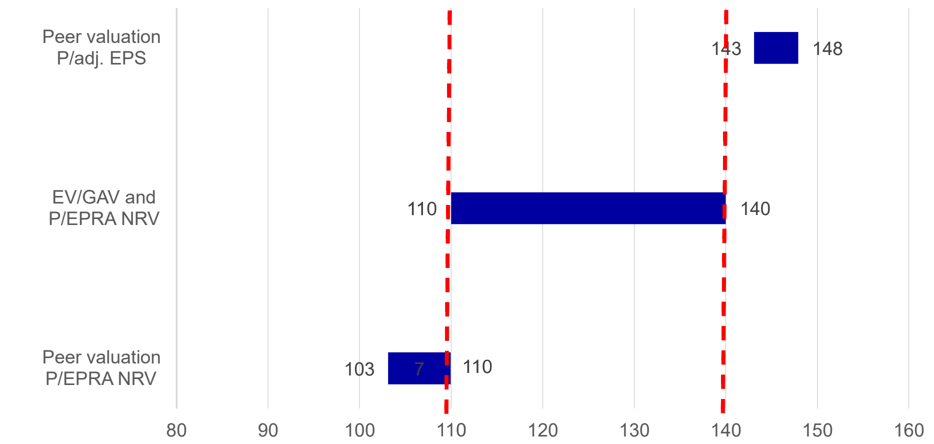
Based on current earnings capacity – and taking interest rate ceilings and fixed rates into account – the company discloses that an increase of 1 pp to the average interest rate would have a EUR -6.7m effect on profit on an annual basis, compared to the profit level reported at the end of March 2023. An increase of 2 pp would have a EUR -9.8m effect on profit an annual basis.

Valuation conclusion

Our fair value range is SEK 110-140

Our main valuation approach is based on 2023E P/EPRA NRV of 0.63-0.80x, which results in a fair value range of SEK 110-140 (120-160). A peer group EPRA/NRV valuation suggests a range of SEK 103-110, while the peer adjusted P/E range is SEK 143-148. 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 110-140, corresponding to a 2023E adjusted P/E of 10.3-13.1x.

VALUATION APPROACH (SEK PER SHARE)



Source: Company data and Nordea estimates

Our peer group of Swedish real estate compounders is trading at adjusted P/E multiples of 10.8-27.0x 2024E with a median of 17.3x, while Cibus is trading at 10.3x.

PEER GROUP VALUATION: SWEDISH REAL ESTATE COMPOUNDERS

			Adj. P/E			P/EPRA NAV/NRV			Dividend yield (%)	
Company	**Price**	**2022**	**2023E**	**2024E**	**2022**	**2023E**	**2024E**	**2022**	**2023E**	**2024E**
Fastighets AB Trianon	17.70	15.6	21.9	27.0	46%	51%	52%	0.0%	0.0%	1.1%
Nyfosa AB	68.95	7.8	11.2	11.6	66%	74%	74%	5.0%	4.4%	4.8%
Sagax AB	246.90	40.4	25.1	22.9	232%	226%	202%	0.0%	0.0%	0.0%
Samhallsbyggnadsbolaget I Norden AI	12.15	- 2.9	11.7	10.8	36%	49%	52%	8.3%	10.7%	11.0%
Average		**15.2**	**17.5**	**18.1**	**95%**	**100%**	**95%**	**3.3%**	**3.8%**	**4.2%**
Median		**11.7**	**16.8**	**17.3**	**56%**	**63%**	**63%**	**2.5%**	**2.2%**	**3.0%**
Cibus (Nordea estimates)	**109.50**	**10.9**	**8.6**	**10.8**	**76%**	**69%**	**70%**	**9.8%**	**10.3%**	**10.9%**

Note: Share prices updated as of 26 April 2023

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. Therefore, 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 9.3% for 2023 should offer downside protection for the share.

The dividend yield should not have an impact on its valuation, but if Cibus can maintain or increase its dividend, we reason that the dividend yield should offer downside protection and an attractive stable dividend play. Our fair value range of SEK 110-140 per share corresponds to a 2023E dividend yield of 7.3-9.3%. Currently, Cibus is trading at a 9.3% dividend yield for 2023E.

VALUATION TABLE

Share price	Share price	EV/GAV (x)		P/EPRA NRV (x)		Adj. PE		NOI/EV (%)		Dividend yield (%)	
(SEK)	(EUR)	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E
40.00	3.51	0.64	0.64	0.24	0.23	3.8	3.7	9.3	9.7	25.7	25.7
50.00	4.39	0.67	0.66	0.30	0.29	4.7	4.7	8.9	9.3	20.5	20.5
60.00	5.26	0.69	0.69	0.37	0.34	5.6	5.6	8.6	9.0	17.1	17.1
70.00	6.14	0.72	0.72	0.43	0.40	6.6	6.5	8.3	8.7	14.7	14.7
80.00	7.02	0.75	0.74	0.49	0.46	7.5	7.5	8.0	8.3	12.8	12.8
90.00	7.89	0.77	0.77	0.55	0.51	8.5	8.4	7.7	8.1	11.4	11.4
100.00	8.77	0.80	0.80	0.61	0.57	9.4	9.3	7.4	7.8	10.3	10.3
110.00	9.65	0.83	0.82	0.67	0.63	10.3	10.3	7.2	7.5	9.3	9.3
120.00	10.52	0.85	0.85	0.73	0.69	11.3	11.2	7.0	7.3	8.6	8.6
130.00	11.40	0.88	0.87	0.79	0.74	12.2	12.1	6.8	7.1	7.9	7.9
140.00	12.28	0.90	0.90	0.85	0.80	13.2	13.1	6.6	6.9	7.3	7.3
150.00	13.16	0.93	0.93	0.91	0.86	14.1	14.0	6.4	6.7	6.8	6.8
160.00	14.03	0.96	0.95	0.97	0.92	15.0	14.9	6.2	6.5	6.4	6.4
170.00	14.91	0.98	0.98	1.03	0.97	16.0	15.9	6.0	6.3	6.0	6.0
180.00	15.79	1.01	1.01	1.10	1.03	16.9	16.8	5.9	6.2	5.7	5.7
190.00	16.66	1.04	1.03	1.16	1.09	17.9	17.7	5.7	6.0	5.4	5.4
200.00	17.54	1.06	1.06	1.22	1.14	18.8	18.7	5.6	5.9	5.1	5.1
210.00	18.42	1.09	1.08	1.28	1.20	19.7	19.6	5.5	5.7	4.9	4.9

Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES

EURm	2021	2022	2023E	2024E	2025E
Rental income	**81**	**107**	**121**	**126**	**130**
Rental income growth	24.6%	31.7%	13.4%	4.2%	3.0%
Property expenses	-4	-4	-8	-8	-8
Net rental income	**76**	**100**	**113**	**118**	**122**
NRI margin %	94.2%	93.3%	93.6%	93.6%	93.6%
Administrative expenses	-6	-9	-8	-9	-9
Other operating income	13	17	16	16	16
Other operating expenses	-14	-20	-16	-16	-16
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	11	28	-11	-3	11
Depreciation, amortisation and impairment losses	0	0	0	0	0
Operating profit/loss	**79**	**116**	**94**	**106**	**123**
Financial income	0	0	0	0	0
Financial expenses	-22	-36	-50	-50	-51
Net financials	**-22**	**-36**	**-50**	**-50**	**-51**
Share of result from associated companies	0	0	0	0	0
Profit before taxes	**57**	**81**	**44**	**56**	**72**
Current tax expense	0	0	-2	-4	-4
Change in deferred tax	-8	-17	2	1	-2
Profit/loss for the period	**49**	**63**	**44**	**53**	**65**
Funds from operations	**47**	**52**	**53**	**56**	**57**

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023E	Q3 2023E	Q4 2023E
Rental income	**23**	**27**	**28**	**28**	**30**	**30**	**31**	**31**
Rental income growth	20.7%	37.4%	37.3%	31.0%	26.5%	10.3%	9.7%	9.1%
Property expenses	-1	-1	-1	-1	-1	-2	-2	-3
Net rental income	**22**	**26**	**27**	**27**	**28**	**28**	**29**	**28**
NRI margin %	95.8%	96.1%	95.6%	96.1%	95.8%	93.3%	93.4%	91.8%
Administrative expenses	-2	-2	-2	-3	-2	-2	-2	-2
Other operating income	5	3	5	5	5	4	4	3
Other operating expenses	-5	-4	-5	-5	-6	-4	-4	-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	27	17	9	-25	-8	0	0	-2
Depreciation, amortisation and impairment losses	2	7	5	0	-2	0	0	0
Operating profit/loss	**46**	**42**	**35**	**2**	**17**	**27**	**28**	**28**
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-5	-10	-10	-11	-14	-13	-13	-11
Net financials	**-5**	**-10**	**-10**	**-11**	**-14**	**-12**	**-12**	**-11**
Share of result from associated companies	0	1	2	3	0	1	2	3
Profit before taxes	**41**	**32**	**26**	**-9**	**3**	**14**	**16**	**16**
Current tax expense	0	0	0	0	0	0	0	-2
Change in deferred tax	-7	-7	-4	1	1	0	0	0
Profit/loss for the period	**34**	**25**	**21**	**-8**	**5**	**14**	**16**	**15**
Funds from operations	**14**	**14**	**15**	**12**	**12**	**13**	**14**	**14**

Source: Company data and Nordea estimates

SUMMARY TABLE: KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Rental income	52	65	81	107	121	126	130
- rental income growth growth	106%	26%	25%	32%	13%	4%	3%
Net operating income (NOI)	49	61	76	100	113	118	122
Pre-tax profit	35	40	57	81	44	56	72
IFPM (pretax ex value gains)	27	33	47	52	55	59	61
FFO	28	33	47	52	53	56	57
-FFO growth	148%	20%	41%	12%	1%	6%	2%
Dividend	-26	-30	-38	-44	-44	-52	-52
Shareholder equity	333	458	583	698	768	769	783
EPRA NRV (incl. div not paid)	346	435	585	710	825	877	945
-EPRA NRV growth	3%	26%	35%	21%	16%	6%	8%
Net debt	517	785	876	1,101	1,018	1,012	1,006
Net debt/EBITDA	11.9x	14.3x	12.5x	12.1x	9.7x	9.3x	8.9x
Loan-to-value (net)	59%	62%	58%	59%	55%	55%	54%

Source: Company data and Nordea estimates

RATIOS RELATED TO BALANCE SHEET

	2019	2020	2021	2022	2023E	2024E	2025E
Investment properties, fair value EURm	875	1,273	1,500	1,851	1,840	1,837	1,847
Net investments, EURm	57	369	206	323	0	0	0
Net debt, EURm	517	785	876	1,101	1,018	1,012	1,006
Average interest rate	2.6%	2.7%	3.2%	3.2%	4.9%	4.9%	5.1%
Equity ratio	35%	37%	36%	40%	40%	40%	41%
Payout ratio (dividend / FFO)	102%	84%	80%	96%	96%	94%	98%

Source: Company data and Nordea estimates

NRV CALCULATION (EURm AND EUR PER SHARE)

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Equity (less hybrid, incl. value changes)	333	458	554	668	738	739	753
Acc. dividend added back	0	0	0	0	44	95	147
Deferred tax and derivatives	14	20	31	42	44	43	45
EPRA NRV	**346**	**478**	**585**	**710**	**825**	**877**	**945**
- per share	11.1	10.9	13.3	14.7	14.4	15.3	16.5
EPRA NRV	346	478	585	710	825	877	945
Derivatives	-2	-1	0	0	0	0	0
Deferred tax 10% -tax	-7	-10	-16	-21	-22	-21	-23
EPRA NNNRV (Nordea est.)	**337**	**467**	**569**	**689**	**803**	**856**	**922**
- per share	10.9	10.6	11.8	12.0	14.0	15.0	16.1

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**n.a.**	**n.a.**	**n.a.**	**29**	**60**	**74**	**94**	**124**	**137**	**142**	**146**
Revenue growth	n.a.	n.a.	n.a.	n.a.	108.3%	23.6%	26.1%	32.3%	10.5%	3.7%	2.7%
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	21	43	55	70	91	105	109	113
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	21	43	55	70	91	105	109	113
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	n.a.	21	43	55	70	91	105	109	113
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	-8	-15	-21	-22	-36	-50	-50	-51
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	4	7	6	12	42	-13	-3	11
Pre-tax profit	**0**	**0**	**0**	**17**	**35**	**40**	**59**	**97**	**42**	**56**	**72**
Reported taxes	0	0	0	-3	-5	-5	-8	-17	-1	-3	-6
Net profit from continued operations	0	0	0	14	30	35	51	80	41	53	65
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	14	30	35	51	80	41	53	65
EPS, EUR	**n.a.**	**n.a.**	**n.a.**	**0.44**	**0.97**	**0.96**	**1.27**	**1.69**	**0.76**	**0.93**	**1.14**
DPS, EUR	0.00	0.00	0.00	0.84	0.89	0.94	0.99	0.90	0.90	0.90	0.90
of which ordinary	0.00	0.00	0.00	0.84	0.89	0.94	0.99	0.90	0.90	0.90	0.90
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.	72.8%	72.0%	73.8%	74.6%	73.4%	76.5%	76.9%	77.1%
EBITA	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.5%	76.9%	77.1%
EBIT	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.5%	76.9%	77.1%
Adjusted earnings											
EBITDA (adj)	0	0	0	21	43	55	70	91	105	109	113
EBITA (adj)	0	0	0	21	43	55	70	91	105	109	113
EBIT (adj)	0	0	0	21	43	55	70	91	105	109	113
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.40	0.88	0.92	1.18	1.12	0.93	0.94	0.96
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.5%	76.9%	77.1%
EBITA (adj)	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.5%	76.9%	77.1%
EBIT (adj)	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.5%	76.9%	77.1%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.5%	18.8%	14.4%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	37.9%	20.3%	15.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37.9%	20.3%	15.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.4%	-0.9%	3.5%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	1.4%	0.2%	-0.9%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	73.5%	74.4%	75.3%	75.9%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	73.5%	74.4%	75.3%	75.9%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	n.a.	n.a.	n.a.	25.4	15.9	18.1	24.0	11.5	10.4	10.3	10.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	15.0	14.3	13.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	15.0	14.3	13.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	15.0	14.3	13.9

VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	n.a.	n.a.	n.a.	22.9	14.3	17.3	22.4	7.6	12.8	10.4	8.5
EV/Sales	n.a.	n.a.	n.a.	26.80	15.76	19.50	22.66	13.91	11.47	11.02	10.69
EV/EBITDA	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	15.0	14.3	13.9
EV/EBITA	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	15.0	14.3	13.9
EV/EBIT	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	15.0	14.3	13.9
Dividend yield (ord.)	n.a.	n.a.	n.a.	8.3%	6.4%	5.7%	3.5%	7.0%	9.3%	9.3%	9.3%
FCF yield	n.a.	n.a.	n.a.	-2.9%	-8.9%	-53.7%	-10.3%	-41.4%	10.2%	10.3%	10.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	5.1%	3.0%	5.3%	4.1%	10.4%	10.2%	10.3%	10.5%
Payout ratio	n.a.	n.a.	n.a.	211.3%	101.7%	102.3%	83.6%	80.5%	96.5%	95.8%	94.1%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
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	816	881	1,281	1,509	1,861	1,850	1,847	1,858
of which leased assets	0	0	0	0	6	8	10	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	2	1	4	5	2	2	2	2
Other non-IB non-current assets	0	0	0	0	0	0	0	15	15	15	15
Other non-current assets	0	0	0	1	0	0	0	0	0	0	0
Total non-current assets	0	0	0	819	882	1,284	1,514	1,878	1,867	1,864	1,875
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	2	4	1	2	1	1	1	1
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	1	2	2	3	4	5	5	5
Cash and bank	0	0	0	26	25	37	51	46	52	58	64
Total current assets	0	0	0	29	30	39	56	52	58	64	71
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	**0**	**0**	**0**	**848**	**913**	**1,324**	**1,571**	**1,930**	**1,926**	**1,929**	**1,946**
Shareholders equity	0	0	0	329	333	458	583	698	768	769	783
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	29	30	30	30	30
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	329	333	458	583	698	768	769	783
Deferred tax	0	0	0	9	14	20	31	45	44	43	45
Long term interest bearing debt	0	0	0	486	535	810	911	1,053	1,057	1,057	1,057
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	2	2	1	0	0	0	0	0
Non-current lease debt	0	0	0	0	6	9	13	14	14	14	14
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	498	557	841	956	1,111	1,114	1,113	1,115
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	1	1	1	1	1
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	21	23	22	28	39	43	45	46
Short term interest bearing debt	0	0	0	0	0	3	2	80	0	0	0
Total current liabilities	0	0	0	21	23	25	31	120	44	46	47
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**0**	**0**	**0**	**848**	**913**	**1,324**	**1,571**	**1,930**	**1,926**	**1,929**	**1,946**
Balance sheet and debt metrics											
Net debt	0	0	0	461	517	785	876	1,101	1,018	1,012	1,006
of which lease debt	0	0	0	0	6	9	13	14	14	14	14
Working capital	0	0	0	-18	-17	-20	-24	-34	-38	-39	-40
Invested capital	0	0	0	801	865	1,265	1,491	1,844	1,829	1,825	1,834
Capital employed	0	0	0	815	874	1,280	1,510	1,845	1,838	1,840	1,854
ROE	n.m.	n.m.	n.m.	8.4%	9.2%	8.7%	9.9%	12.5%	5.6%	6.9%	8.4%
ROIC	n.m.	n.m.	n.m.	4.2%	4.2%	4.1%	4.1%	4.4%	4.6%	4.8%	4.9%
ROCE	n.m.	n.m.	n.m.	5.3%	5.1%	5.1%	5.0%	5.4%	5.7%	5.9%	6.1%
Net debt/EBITDA	n.m.	n.m.	n.m.	21.9	11.9	14.3	12.5	12.1	9.7	9.3	8.9
Interest coverage	n.a.	n.a.	n.a.	2.6	2.9	2.6	3.1	2.5	2.1	2.2	2.2
Equity ratio	n.m.	n.m.	n.m.	38.8%	36.5%	34.6%	37.1%	36.2%	39.9%	39.9%	40.3%
Net gearing	n.m.	n.m.	n.m.	140.1%	155.2%	171.5%	150.2%	157.7%	132.6%	131.6%	128.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA (adj) for associates	**0**	**0**	**0**	**21**	**43**	**55**	**70**	**91**	**105**	**109**	**113**
Paid taxes	0	0	0	-1	-2	-1	-1	-1	-2	-4	-4
Net financials	0	0	0	-4	-15	-21	-22	-33	-50	-50	-51
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	1	-4	-1	-13	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	-1	2	1	13	0	0	0
Funds from operations (FFO)	**0**	**0**	**0**	**16**	**26**	**31**	**46**	**58**	**53**	**56**	**57**
Change in NWC	0	0	0	0	-13	4	5	7	4	1	1
Cash flow from operations (CFO)	**0**	**0**	**0**	**16**	**13**	**35**	**51**	**65**	**56**	**57**	**58**
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Free cash flow before A&D	**0**	**0**	**0**	**16**	**13**	**35**	**51**	**65**	**56**	**57**	**58**
Proceeds from sale of assets	0	0	0	0	2	0	0	0	0	0	0
Acquisitions	0	0	0	-25	-53	-392	-180	-323	0	0	0
Free cash flow	0	0	0	-9	-39	-357	-129	-258	56	57	58
Free cash flow bef A&D, lease adj	0	0	0	16	13	35	51	65	56	57	58
Dividends paid	0	0	0	-6	-26	-30	-38	-44	-44	-52	-52
Equity issues / buybacks	0	0	0	0	0	123	85	92	72	0	0
Net change in debt	0	0	0	24	24	24	24	24	-76	0	0
Other financing adjustments	0	0	0	0	12	7	10	68	-13	-3	11
Other non-cash adjustments	0	0	0	17	28	245	32	112	11	3	-11
Change in cash	0	0	0	26	-1	12	14	-5	6	6	6
Cash flow metrics											
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.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	10	14	17	28	13	10	10	10
Market cap.	n.a.	n.a.	n.a.	314	432	665	1,249	624	554	554	554
Enterprise value	n.a.	n.a.	n.a.	775	949	1,450	2,125	1,725	1,572	1,566	1,560
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	31.1	31.1	40.0	44.0	48.4	57.2	57.2	57.2

Source: Company data and Nordea estimates

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This report has not been reviewed by the Issuer prior to publication.

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