Cibus

Construction and Real Estate
Sweden

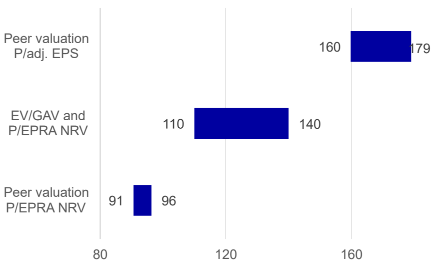
KEY DATA

Stock country	Sweden
Bloomberg	CIBUS SS
Reuters	CIBUS.ST
Share price (close)	SEK 104.8
Free float	100%
Market cap. (bn)	EUR 0.52/SEK 6.00
Website	www.cibusnordic.com
Next report date	07 Nov 2023

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts
Svante Krokfors
Director

David Flemmich
Associate Director

Increased hedging secures short-term earnings

Cibus' Q2 2023 income from property management (IFPM) was in line with our expectations but slightly below Infront consensus, even adjusted for the EUR -0.8m in one-offs. Earnings capacity-based IFPM per share declined by 18% q/q, to EUR 0.91. This was mainly caused by an increase in the number of shares following the EUR 70m share issue, but also from the cost of debt rising from 4.3% to 4.6%. The company has purchased bonds in the market and increased its hedging significantly. We make limited changes to our IFPM estimates. Our fair value range is unchanged, at SEK 110-140 per share, based on a mix of P/EPRA NAV and peer valuation. The share is trading at a ~30% discount to EPRA NRV, which corresponds to an implied yield of ~7% versus the reported 6.1%.

Continued focus on balance sheet and hedging

Cibus' LTV at the end of Q2 was 56.5%. The company disclosed that 95% of its debt is hedged. Current hedges will cap interest rates on fully-hedged bank loans at 3.95% as of Q3 2023 and through to Q4 2024 and then increase to 4.05% in H1 2025 after which hedges will gradually mature. 84% of Cibus' financing is bank loans (1.7% average margin), 14% bonds and 3% hybrid capital. After bond repurchases conducted, Cibus has EUR 149m of bonds outstanding. ICR will remain clearly below 2.0x even if interest rates were to increase markedly thanks to the hedging strategy.

Q2 financial costs in line with our expectations

IFPM was EUR 12.3m (adjusted for one-offs), 2% below consensus. The reported net financials including one-offs were EUR 14.3m; we estimated EUR 14.4m. Q2 EPRA NRV per share was EUR 13.0 (SEK 153), weighed down by the increased share count and EUR 8.3m in negative fair value changes; the valuation yield increased by 5 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 raise adjusted EPS by 2-5% for 2023E-25E due to lower assumption of effective tax rate. Our dividend estimates remain unchanged at EUR 0.9 per share for 2023E-25E, although we note that the payout ratio hovers around 100% under that assumption.

Fair value range unchanged at SEK 110-140

We keep our EPRA NRV-based fair value range at SEK 110-140 per share, based on peer group valuations and P/EPRA NRV. Our fair value range equals a 2024E adjusted P/E of 11-13x, a P/EPRA NRV of 0.7-0.8x (including dividends) and a 2024E dividend yield of 7-9%.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	60	74	94	124	136	142	145
NOI margin	80.8%	82.5%	81.4%	80.3%	82.6%	83.0%	83.2%
EPS (adj, EUR)	0.88	0.92	1.18	1.12	0.88	0.91	0.90
EPS (adj) growth	120.2%	5.0%	28.8%	-5.5%	-21.0%	3.3%	-1.3%
P/E (adj)	15.9	18.1	24.0	11.5	10.3	10.0	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%	13.3%	7.5%	8.3%
NOI/EV (adj)	5.1%	4.2%	3.6%	5.8%	7.3%	7.6%	7.9%
P/NAV	128.0%	156.5%	241.4%	107.1%	66.7%	62.0%	57.3%
P/EPRA NAV	124.7%	152.9%	213.3%	87.9%	64.9%	60.4%	55.8%
Dividend yield	6.4%	5.7%	3.5%	7.0%	9.9%	9.9%	9.9%
Loan-to-value (adj)	58.7%	61.3%	58.0%	59.1%	55.8%	55.4%	54.7%
Net debt/EBITDA(adj)	11.9	14.3	12.5	12.1	9.8	9.3	9.0

Source: Company data and Nordea estimates

Estimate revisions and deviation

CIBUS: ESTIMATE REVISIONS (EURm; EPS AND DPS IN EUR)

	New estimates			Old estimates			Change		
EURm	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Rental income	120.5	125.6	129.3	121.0	126.1	129.9	0%	0%	0%
Net operating income	112.7	117.4	121.0	113.2	118.0	121.6	0%	0%	0%
Profit from property mgmt	51.0	56.5	56.3	51.7	56.0	55.5	-1%	1%	2%
Adj. EPS	0.88	0.91	0.90	0.87	0.88	0.86	2%	4%	5%
DPS	0.90	0.90	0.90	0.90	0.90	0.90	0%	0%	0%

Source: Nordea estimates

CIBUS: RESULT DEVIATION

EURm	Actual Q2 2023	NDA est. Q2 2023E	Deviation vs. actual		Cons est. Q2 2023E	Deviation vs. actual		Actual Q2 2022	y/y	Actual Q1 2023	q/q
Rental income	29.6	30.0	0	-1%	30.0	0	-1%	27.2	9%	29.7	0%
Net operating income	28.1	28.0	0	0%	28.0	0	0%	25.2	11%	27.6	2%
NOI margin	94.8%	93.3%		1.4pp	93.3%	1.4pp	1.4pp	92.6%	2.1pp	93.0%	1.7pp
Income from property mgmt	11.5	11.6	0	0%	12.6	-1	-8%	13.6	-15%	11.8	-2%
EPS	0.06	0.20	-0.14	-71%	-	n.a.	n,a,	0.64	-91%	0.04	44%

Source: Company data, Infront consensus 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 – and it has gained a significant presence in Denmark since Q2 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 455 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

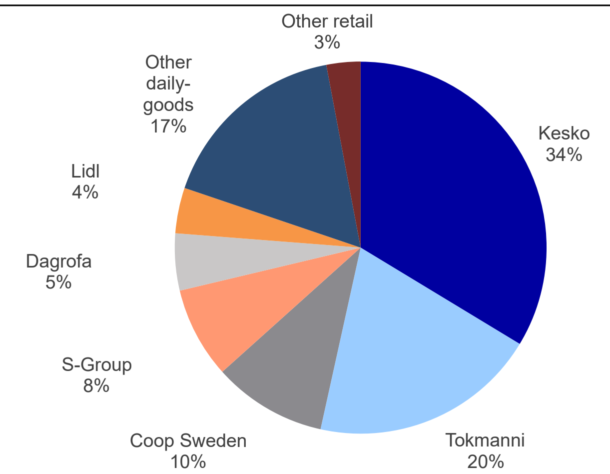
The largest Nordic player in a segment dominated by pension funds

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 ~1.8bn

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 June 2023, Cibus had 455 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 JUNE 2023



Source: Company data

Cibus' 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' 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 4.6% at the end of Q2 2023

Net LTV was 56.5% at the end of Q2 2023; the weighted average total cost of debt was roughly 4.6% at the end of Q2. Cibus has bank loans of EUR 917m and bonds outstanding of EUR 149m (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 were used to repay the outstanding EUR 61.8m of the bond maturing on 18 September 2023.

...and has repurchased bonds for the market

As of Q2 2023, Cibus had secured bank loans of EUR 917m with a weighted average floating interest rate margin of 1.7% and a weighted average loan maturity of 2.5 years. 100% 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%. After repurchases from the market, outstanding bonds amount to EUR 32m.
- Cibus issued an unsecured green bond of SEK 700m on 26 August. The bond matures on 2 September 2025 with a floating coupon rate of 3M Stibor + 5.95%. After repurchases from the market, outstanding bonds amount to SEK 679m.
- Cibus has issued an unsecured bond of EUR 70m. The bond matures on 1 December 2025 and carries a floating coupon rate of 3M Euribor + 7.00%. After repurchases from the market, outstanding bonds amount to EUR 59.5m.
- 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%.

Hedging has increased significantly

The company disclosed that current hedges will cap interest rate of bank loans at 3.95% from September 2023 to December 2024 and the to reach 4.05% in H1 2025. After that, the interest rate hedges will gradually mature. ICR was 2.4x on a 12 month rolling basis and will remain below 2.0x if reference interest rates stay below 9%. Bond covenants are at 1.75x and the company’s target is >2.0x.

Cibus discloses interest rate sensitivity

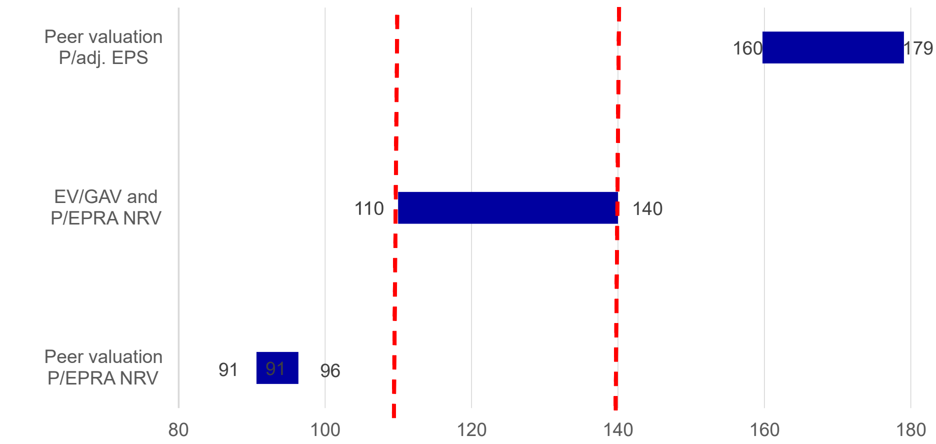
Based on current earnings capacity – and taking interest rate ceilings and fixed rates into account – the company discloses that an increase of 1 pp to the average interest rate would have a EUR -0.9m effect on profit on an annual basis, compared to the profit level reported at the end of June 2023. An increase of 2 pp would have a EUR -1.4m effect on profit an annual basis.

Our fair value range is SEK 110-140

Valuation conclusion

Our main valuation approach is based on 2024E P/EPRA NRV of 0.67-0.85x, which results in a fair value range of SEK 110-140. A peer group EPRA/NRV valuation suggests a range of SEK 91-96, while the peer adjusted P/E range is SEK 160-179. 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 2024E adjusted P/E of 10.5-13.3x.

VALUATION APPROACH (SEK PER SHARE)



Source: Company data and Nordea estimates

Our peer group of Swedish real estate compounders is trading at 2024E adjusted P/E multiples of 6.0-20.6x with a median of 15.2x, while Cibus is trading at 11.5x.

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	16.95		14.9	22.5	20.6	44%	51%	49%	3.1%	0.0%	0.0%
Nyfosa AB	62.40		7.1	14.0	11.5	60%	68%	68%	5.0%	4.7%	4.8%
Sagax AB	217.10		35.5	21.2	18.9	204%	202%	182%	0.0%	0.0%	0.0%
Samhallsbyggnadsbolaget I Norden AB	5.34	-	1.4	5.8	6.0	16%	28%	27%	8.3%	20.6%	14.6%
Average			**14.0**	**15.9**	**14.2**	**81%**	**87%**	**81%**	**4.1%**	**6.3%**	**4.8%**
Median			**11.0**	**17.6**	**15.2**	**52%**	**59%**	**59%**	**4.0%**	**2.4%**	**2.4%**
Cibus (Nordea estimates)	**110.60**		**10.9**	**8.6**	**11.5**	**76%**	**69%**	**77%**	**9.8%**	**10.2%**	**10.8%**

Note: Share prices updated as of 17 July 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 9.4% 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 7.4-9.4%. Currently, Cibus is trading at a 9.4% 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	3.47	0.65	0.64	0.26	0.24	3.9	3.8	9.2	9.7	25.9	25.9
50.00	4.34	0.68	0.67	0.33	0.30	4.9	4.8	8.9	9.3	20.7	20.7
60.00	5.21	0.70	0.70	0.39	0.36	5.9	5.7	8.5	8.9	17.3	17.3
70.00	6.08	0.73	0.72	0.46	0.43	6.9	6.7	8.2	8.6	14.8	14.8
80.00	6.94	0.75	0.75	0.52	0.49	7.9	7.6	7.9	8.3	13.0	13.0
90.00	7.81	0.78	0.77	0.59	0.55	8.8	8.6	7.7	8.0	11.5	11.5
100.00	8.68	0.81	0.80	0.66	0.61	9.8	9.5	7.4	7.8	10.4	10.4
110.00	9.55	0.83	0.83	0.72	0.67	10.8	10.5	7.2	7.5	9.4	9.4
120.00	10.42	0.86	0.85	0.79	0.73	11.8	11.4	7.0	7.3	8.6	8.6
130.00	11.29	0.89	0.88	0.85	0.79	12.8	12.4	6.8	7.1	8.0	8.0
140.00	12.15	0.91	0.91	0.92	0.85	13.8	13.3	6.6	6.9	7.4	7.4
150.00	13.02	0.94	0.93	0.98	0.91	14.7	14.3	6.4	6.7	6.9	6.9
160.00	13.89	0.97	0.96	1.05	0.97	15.7	15.2	6.2	6.5	6.5	6.5
170.00	14.76	0.99	0.99	1.11	1.03	16.7	16.2	6.0	6.3	6.1	6.1
180.00	15.63	1.02	1.01	1.18	1.09	17.7	17.1	5.9	6.1	5.8	5.8
190.00	16.49	1.05	1.04	1.24	1.16	18.7	18.1	5.7	6.0	5.5	5.5
200.00	17.36	1.07	1.06	1.31	1.22	19.7	19.0	5.6	5.8	5.2	5.2
210.00	18.23	1.10	1.09	1.38	1.28	20.6	20.0	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**	**120**	**126**	**129**
Rental income growth	24.6%	31.7%	12.9%	4.2%	3.0%
Property expenses	-4	-4	-8	-8	-8
Net rental income	**76**	**100**	**113**	**117**	**121**
NRI margin %	94.2%	93.3%	93.5%	93.5%	93.5%
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	-31	4	17
Depreciation, amortisation and impairment losses	0	0	0	0	0
Operating profit/loss	**79**	**116**	**73**	**113**	**129**
Financial income	0	0	0	0	0
Financial expenses	-22	-36	-53	-52	-56
Net financials	**-22**	**-36**	**-53**	**-52**	**-56**
Share of result from associated companies	0	0	0	0	0
Profit before taxes	**57**	**81**	**20**	**61**	**74**
Current tax expense	0	0	-1	-2	-2
Change in deferred tax	-8	-17	2	-1	-3
Profit/loss for the period	**49**	**63**	**22**	**58**	**68**
Funds from operations	**47**	**52**	**50**	**55**	**54**

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	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%	9.0%	9.7%	8.4%
Property expenses	-1	-1	-1	-1	-1	-1	-2	-3
Net rental income	**22**	**26**	**27**	**27**	**28**	**28**	**29**	**27**
NRI margin %	95.8%	96.1%	95.6%	96.1%	95.8%	95.8%	93.4%	89.2%
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	-5	-4	-1
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	-8	0	-14
Depreciation, amortisation and impairment losses	2	7	5	0	-2	2	0	-2
Operating profit/loss	**46**	**42**	**35**	**2**	**17**	**19**	**28**	**15**
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-5	-10	-10	-11	-14	-14	-12	-13
Net financials	**-5**	**-10**	**-10**	**-11**	**-14**	**-14**	**-12**	**-13**
Share of result from associated companies	0	1	2	3	0	1	2	3
Profit before taxes	**41**	**32**	**26**	**-9**	**3**	**4**	**16**	**2**
Current tax expense	0	0	0	0	0	0	0	0
Change in deferred tax	-7	-7	-4	1	1	-2	0	3
Profit/loss for the period	**34**	**25**	**21**	**-8**	**5**	**3**	**16**	**5**
Funds from operations	**14**	**14**	**15**	**12**	**12**	**12**	**14**	**13**

Source: Company data and Nordea estimates

SUMMARY TABLE: KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Rental income	52	65	81	107	120	126	129
- rental income growth growth	106%	26%	25%	32%	13%	4%	3%
Net operating income (NOI)	49	61	76	100	113	117	121
Pre-tax profit	35	40	57	81	20	61	74
IFPM (pretax ex value gains)	27	33	47	52	51	56	56
FFO	28	33	47	52	50	55	54
-FFO growth	148%	20%	41%	12%	-3%	8%	-1%
Dividend	-26	-30	-38	-44	-44	-52	-52
Shareholder equity	333	458	583	698	746	752	769
EPRA NRV (incl. div not paid)	346	435	585	710	759	817	889
-EPRA NRV growth	3%	26%	35%	21%	7%	8%	9%
Net debt	517	785	876	1,101	1,021	1,016	1,012
Net debt/EBITDA	11.9x	14.3x	12.5x	12.1x	9.8x	9.3x	9.0x
Loan-to-value (net)	59%	62%	58%	59%	56%	56%	55%

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	1,820	1,824	1,841
Net investments, EURm	57	369	206	323	0	0	0
Net debt, EURm	517	785	876	1,101	1,021	1,016	1,012
Average interest rate	2.6%	2.7%	3.2%	3.2%	5.2%	5.1%	5.5%
Equity ratio	35%	37%	36%	39%	39%	40%	40%
Payout ratio (dividend / FFO)	102%	84%	80%	102%	99%	100%	107%

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	716	722	739
Acc. dividend added back	0	0	0	0	0	52	103
Deferred tax and derivatives	14	20	31	42	43	44	47
EPRA NRV	**346**	**478**	**585**	**710**	**759**	**817**	**889**
- per share	11.1	10.9	13.3	14.7	13.3	14.3	15.5
EPRA NRV	346	478	585	710	759	817	889
Derivatives	-2	-1	0	0	0	0	0
Deferred tax 10% -tax	-7	-10	-16	-21	-21	-22	-24
EPRA NNNRV (Nordea est.)	**337**	**467**	**569**	**689**	**737**	**796**	**865**
- per share	10.9	10.6	11.8	12.0	12.9	13.9	15.1

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**	**136**	**142**	**145**
Revenue growth	n.a.	n.a.	n.a.	n.a.	108.3%	23.6%	26.1%	32.3%	10.0%	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	104	109	112
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	104	109	112
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	104	109	112
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	-53	-52	-56
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	-34	4	17
Pre-tax profit	**0**	**0**	**0**	**17**	**35**	**40**	**59**	**97**	**17**	**61**	**74**
Reported taxes	0	0	0	-3	-5	-5	-8	-17	2	-3	-6
Net profit from continued operations	0	0	0	14	30	35	51	80	19	58	68
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	19	58	68
EPS, EUR	**n.a.**	**n.a.**	**n.a.**	**0.44**	**0.97**	**0.96**	**1.27**	**1.69**	**0.35**	**1.01**	**1.19**
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%	76.4%	76.8%	77.0%
EBITA	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.4%	76.8%	77.0%
EBIT	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.4%	76.8%	77.0%
Adjusted earnings											
EBITDA (adj)	0	0	0	21	43	55	70	91	104	109	112
EBITA (adj)	0	0	0	21	43	55	70	91	104	109	112
EBIT (adj)	0	0	0	21	43	55	70	91	104	109	112
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.40	0.88	0.92	1.18	1.12	0.88	0.91	0.90
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.4%	76.8%	77.0%
EBITA (adj)	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.4%	76.8%	77.0%
EBIT (adj)	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	73.4%	76.4%	76.8%	77.0%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.4%	18.7%	14.3%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	37.7%	20.2%	15.3%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	37.7%	20.2%	15.3%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.4%	0.8%	4.3%
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%	75.2%	75.8%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	73.5%	74.4%	75.2%	75.8%

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	10.3	10.0	10.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	14.8	14.1	13.7
EV/EBITA (adj)	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	14.8	14.1	13.7
EV/EBIT (adj)	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	14.8	14.1	13.7

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	25.8	9.0	7.7
EV/Sales	n.a.	n.a.	n.a.	26.80	15.76	19.50	22.66	13.91	11.29	10.85	10.55
EV/EBITDA	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	14.8	14.1	13.7
EV/EBITA	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	14.8	14.1	13.7
EV/EBIT	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	18.9	14.8	14.1	13.7
Dividend yield (ord.)	n.a.	n.a.	n.a.	8.3%	6.4%	5.7%	3.5%	7.0%	9.9%	9.9%	9.9%
FCF yield	n.a.	n.a.	n.a.	-2.9%	-8.9%	-53.7%	-10.3%	-41.4%	10.4%	10.8%	10.6%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	5.1%	3.0%	5.3%	4.1%	10.4%	10.4%	10.8%	10.6%
Payout ratio	n.a.	n.a.	n.a.	211.3%	101.7%	102.3%	83.6%	80.5%	101.9%	98.6%	99.9%

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	1,830	1,834	1,851
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	1,847	1,851	1,868
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	50	55	58
Total current assets	0	0	0	29	30	39	56	52	56	61	65
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**	**1,903**	**1,912**	**1,933**
Shareholders equity	0	0	0	329	333	458	583	698	746	752	769
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	746	752	769
Deferred tax	0	0	0	9	14	20	31	45	43	44	47
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	1,113	1,114	1,118
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	44	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**	**1,903**	**1,912**	**1,933**
Balance sheet and debt metrics											
Net debt	0	0	0	461	517	785	876	1,101	1,021	1,016	1,012
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	1,809	1,812	1,828
Capital employed	0	0	0	815	874	1,280	1,510	1,845	1,816	1,823	1,839
ROE	n.m.	n.m.	n.m.	8.4%	9.2%	8.7%	9.9%	12.5%	2.6%	7.8%	8.9%
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%	6.0%	6.1%
Net debt/EBITDA	n.m.	n.m.	n.m.	21.9	11.9	14.3	12.5	12.1	9.8	9.3	9.0
Interest coverage	n.a.	n.a.	n.a.	2.6	2.9	2.6	3.1	2.5	2.0	2.1	2.0
Equity ratio	n.m.	n.m.	n.m.	38.8%	36.5%	34.6%	37.1%	36.2%	39.2%	39.3%	39.8%
Net gearing	n.m.	n.m.	n.m.	140.1%	155.2%	171.5%	150.2%	157.7%	136.9%	135.1%	131.7%

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**	**104**	**109**	**112**
Paid taxes	0	0	0	-1	-2	-1	-1	-1	-1	-2	-2
Net financials	0	0	0	-4	-15	-21	-22	-33	-53	-52	-56
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**	**50**	**55**	**54**
Change in NWC	0	0	0	0	-13	4	5	7	3	1	1
Cash flow from operations (CFO)	**0**	**0**	**0**	**16**	**13**	**35**	**51**	**65**	**54**	**56**	**55**
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**	**54**	**56**	**55**
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	54	56	55
Free cash flow bef A&D, lease adj	0	0	0	16	13	35	51	65	54	56	55
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	-34	4	17
Other non-cash adjustments	0	0	0	17	28	245	32	112	31	-4	-17
Change in cash	0	0	0	26	-1	12	14	-5	4	5	4
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	9	9	9
Market cap.	n.a.	n.a.	n.a.	314	432	665	1,249	624	520	520	520
Enterprise value	n.a.	n.a.	n.a.	775	949	1,450	2,125	1,725	1,541	1,536	1,533
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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Completion Date

18 Jul 2023, 22:37 CET

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Nordea IB & Equity Division, Equity Research	**Nordea IB & Equity Division, Equity Research**	**Nordea IB & Equity Division, EquityResearch**	**Nordea IB & Equity Division, Equity Research**
Visiting address:	Visiting address:	Visiting address:	Visiting address:
Aleksis Kiven katu 7, Helsinki	Smålandsgatan 17	Grønjordsvej 10	Essendropsgate 7
FI-00020 Nordea	SE-105 71 Stockholm	DK-2300 Copenhagen S	N-0107 Oslo
Finland	Sweden	Denmark	Norway
Tel: +358 9 1651	Tel: +46 8 614 7000	Tel: +45 3333 3333	Tel: +47 2248 5000
Fax: +358 9 165 59710	Fax: +46 8 534 911 60	Fax: +45 3333 1520	Fax: +47 2256 8650
Reg.no. 2858394-9			
Satamaradankatu 5			
Helsinki			