

Increased dividend and strong cash flow profile

Cibus delivered below expectations, with net operating income reported at EUR 11.3m and adjusted income from property management reported at EUR 5.7m compared to our forecast of EUR 12.4m and EUR 8.3m respectively. The acquisition of a portfolio of six daily-goods properties in Finland supported Q4 2018 and Cibus is well on track to meet its target of EUR 100m in acquisitions within two years of its IPO in March 2018. We expect the share to have a flat development compared to the real estate sector today. We have a Buy rating and a target price of SEK 120.

Delivering below high expectations

Central administration was higher than expected, which was explained by costs associated with the resign of the last CEO. Moreover, we had forecast lower net interest than reported. Cibus also reported c. 1.8m in other operating income, attributable to a realised gain from a property sale. However, the updated earnings capacity looks solid and supports the cash flow profile ahead. We expect Cibus to refinance yet another senior debt facility at lower margin in 2019e and it is likely that the company will acquire acquisitions worth EUR 50m in 2019, thus reaching its goal earlier than communicated.

New CEO at the helm

The board has appointed Sverker Källgården as the new CEO and he will join the company on 4 March 2019. Mr Källgården has experience from the real estate sector, most recently as the CEO of Byggpartner, a Swedish construction company. We expect the CEO to deliver in accordance with Cibus' communicated business plan.

Clarified dividend policy

The board proposed a dividend of EUR 0.84 (0.80), 5% higher than our expectation of EUR 0.80. Ahead, the board clarified that a 5% annual increase is a reasonable target given the current portfolio, business plan and growth prospects.

Cibus, Interim report 1 October 2018 - 31 December 2018, 27 February 2019

EURm	Q4'18e	Q4'18	% dev
Sales	15.2	14.3	-6%
Net operating income	12.4	11.3	-9%
<i>NOI-margin</i>	<i>81.7%</i>	<i>79.0%</i>	
Central administration	-1.0	-1.4	36%
Net interest	-3.1	-4.3	39%
Other operating income	-	1.8	
Adjusted income from property management	8.3	5.7	-32%
<i>IFPM-margin</i>	<i>54.6%</i>	<i>39.5%</i>	
Change in value properties, unrealised	14.2	2.0	-86%
Cash earnings per share (EUR)	0.26	0.29	11%
Dividend per share (EUR)	0.80	0.84	5%
EPRA NAV per share (EUR)	11.7	11.1	-5%

Source: Pareto

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