

Q1 beat across the board

Cibus delivered a strong Q1 report, with net operating income 3% higher than expected and income from property management 9% better than our forecast. Overall, Cibus delivered solid figures across the board, even though unrealised value changes only amounted to EUR 2.8m compared with our estimate of EUR 7.0m. Cibus updated its earnings capacity for Q2 2019e and it is slightly higher than our current forecast. We expect the share to have a positive development compared to the real estate sector today. We have a Buy rating and a 12-month target price of SEK 122.

Solid Q1 figures

- ▶ Sales and income from property management amounted to EUR 15.4m (n/a) and EUR 7.6m (n/a), respectively, compared with our expectations of EUR 14.8m and EUR 7.0m. Most figures came in slightly better than expected.
- ▶ The property market conditions in Finland continue to be favourable and Cibus continuously scout for acquisitions. During Q1 2019, Cibus acquired six properties for c. EUR 30m, of which five are newly built.
- ▶ Net LTV as of Q1 2019 amounts to 56.7% and Cibus aim to refinance another senior debt facility at lower margin in 2019e. We find it likely that the company will acquire acquisitions worth EUR 50m in 2019, thus reaching its goal earlier than communicated.

Conclusion for the share

- ▶ We expect the share to trade up today.
- ▶ We have a Buy rating and a target price of SEK 122.
- ▶ We will make minor positive estimate revisions following the Q1 report.

Cibus, Interim report 1 January 2019 - 31 March 2019, 15 May 2019

| EURm | Q1'19e | Q1'19 | % dev | Q1'18 |
|---|-------------|-------------|-------------|------------|
| Sales | 14.8 | 15.4 | 4% | n/a |
| Net operating income | 11.8 | 12.1 | 3% | n/a |
| NOI-margin | 79.9% | 79.0% | | n/a |
| Central administration | -1.1 | -1.0 | -11% | n/a |
| Net interest | -3.8 | -3.5 | -6% | n/a |
| Adjusted income from property management | 7.0 | 7.6 | 9% | n/a |
| IFPM-margin | 47.2% | 49.7% | | n/a |
| Change in value properties, unrealised | 7.0 | 2.8 | -61% | n/a |
| Change in value financial instruments | 0 | 0 | | |
| Profit before tax | 14.0 | 10.0 | -29% | n/a |
| Cash earnings per share (EUR) | 0.22 | 0.16 | -25% | n/a |
| Dividend per share (EUR) | - | - | | n/a |
| EPRA NAV per share (EUR) | 11.1 | 11.2 | 0% | n/a |

Source: Pareto

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