



CATELLA

# Interim report

*January–September 2021*

# Today's presenters



CHRISTOFFER ABRAMSON  
CEO and President



MATTIAS BRODIN  
Chief Financial Officer

# Leading investment partner in European property

## CATELLA GROUP

*The preferred Pan-European real estate investment partner*

### PROPERTY INVESTMENT MANAGEMENT

Regulated fund products, regional asset management services and project management of real estate development

### PRINCIPAL INVESTMENTS

Direct investments and co-investments with partners in real estate projects

### CORPORATE FINANCE

Leading European advisor within real estate related corporate finance

Founded in 1987, 25 offices across 13 countries and 550+ employees.

## Strong local presence

- Deep local knowledge in each market
- Local entrepreneurship and expertise
- Local offices in 25 cities across Europe
- Cross-border capacity and knowledge sharing

## Pan-European reach

- Established in 13 countries
- Pan-European perspective on investments
- Integrated approach to business opportunities
- Ability to support international investors in several European countries

## Access to global capital

- Fund investors across Europe, many of which have invested in Catella funds since inception
- Listed on Nasdaq Stockholm with access to listed equity and debt



# Key highlights – Q3 2021

## CATELLA GROUP

- Underlying growth in core operations
- Delivering on strategy
  - Management meeting in Düsseldorf focus on growth, capital raising, digitalization and diversity
- Entered Poland with new development partnership (after Q3)



## PROPERTY INVESTMENT MANAGEMENT

- Organic AUM growth +SEK 10 bn YTD to SEK 112 bn
- Low margin mandates exited and sale of AM mandate in Q3-21 leaving AUM unchanged from Q2-21
- CER III relaunched as first 'dark green' pan-European residential ESG impact fund
- APAM selected as investment manager for parts of Greater Manchester Pension Fund's SEK 9,3 bn UK property portfolio (after Q3)



*New mandates of over € 270 M from Norway's largest pension company KLP and German pension funds & insurers lift total equity commitment to €750 million in CER III*

## PRINCIPAL INVESTMENTS

- Sale of logistics property in France
- 13 ongoing development projects in logistics, residential and office with SEK 0,8 bn invested
- Expected sale of Infrahubs Norrköping in Q4

### *Infrahubs Norrköping*



*70 000 sqm logistic property with Nordic region's largest solar cell plant. Postnord TPL, tenant with a 10-year lease agreement*

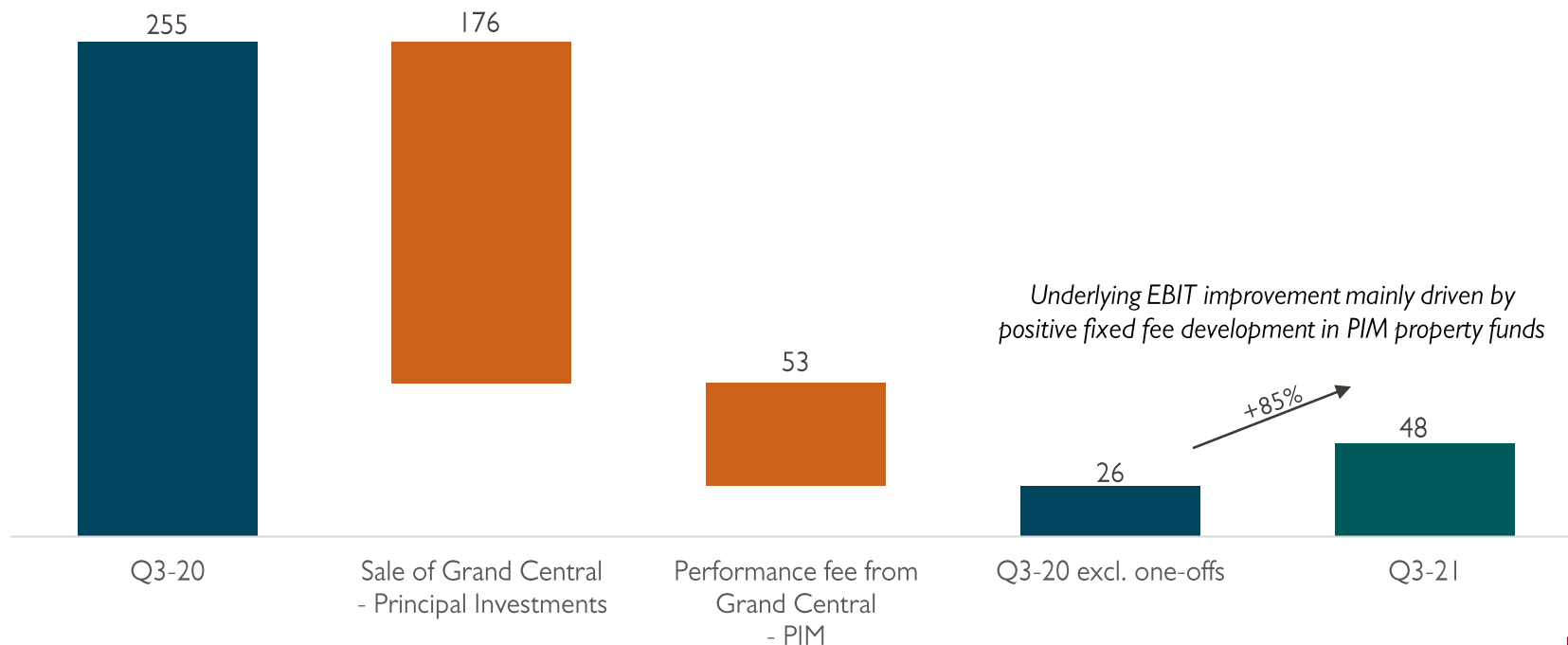
## CORPORATE FINANCE

- Slow transaction quarter but continued activity in large M&A transactions
- Continued expansion in debt and equity advisory services
- Solid pipeline in Q4

## GLADSHEIM

*Catella advised Gladsheim Fastigheter AB in conjunction with an investment of up to SEK 2 billion by Ares Management*

# Underlying EBIT improvement YoY adjusted for sale of Grand Central development project in Q3-20



# Key financial highlights (core operations\*) – Q3 2021

## CATELLA GROUP\*

Adjusted total revenue

SEK **375** M (SEK 639 M)

Adjusted operating profit

SEK **48** M (SEK 249 M)

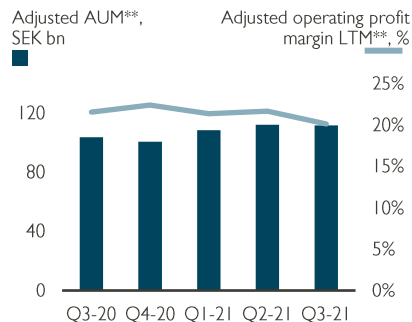
Adjusted operating profit margin

**13%** (40%)

Adjusted earnings per share

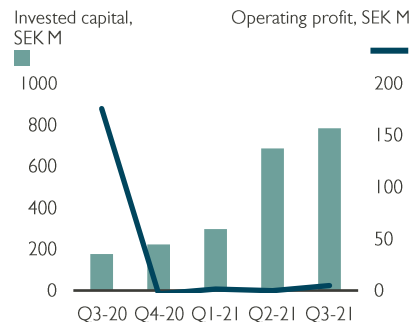
SEK **0.37** (SEK 2.34)

## PROPERTY INVESTMENT MANAGEMENT



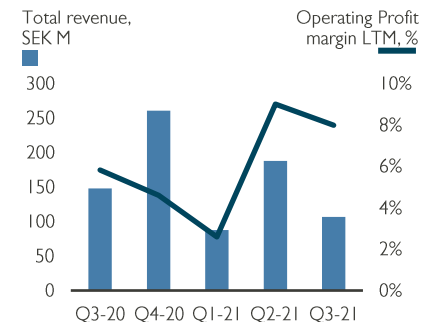
- Inflows of SEK 5,7 billion in the quarter
- Outflows of SEK 6,3 billion, mainly driven by exited low margin mandates in Sweden and France
- Stable operating profit margin, Q3-20 positively affected from performance fees from Grand Central (+53 MSEK)

## PRINCIPAL INVESTMENTS



- Nearly SEK 100 M invested in Q3-21, mainly in Infrahubs projects
- Sale of Grand Central in Q3-20 (+ SEK 176 M)
- Completion of Moussey II in France in Q3-21 (SEK +5 M) and additional profit recognition in Q4-21

## CORPORATE FINANCE



- Slight revenue increase in Nordics driven by strength in transactions and capital market related services
- Lower revenue contribution in Continental Europe due to slow activity in commercial properties
- Continued expansion in debt and equity advisory services

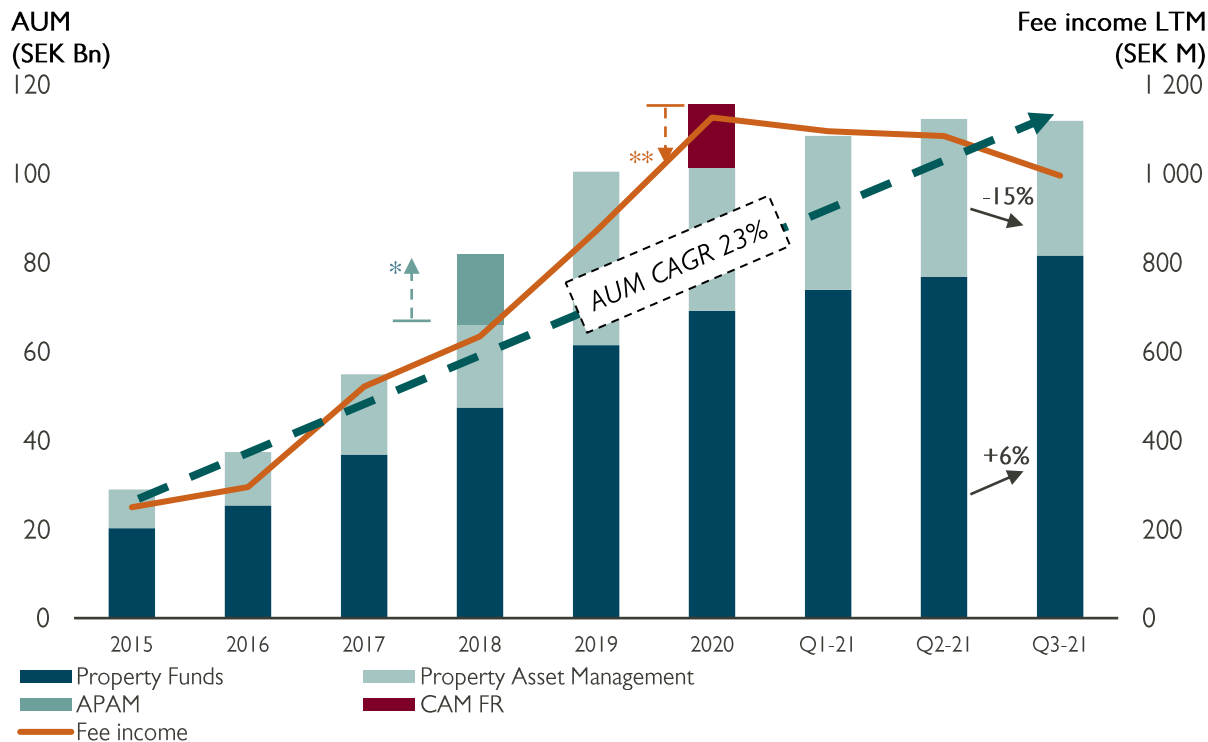


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Property Investment Management

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# Strong development in real estate fund assets



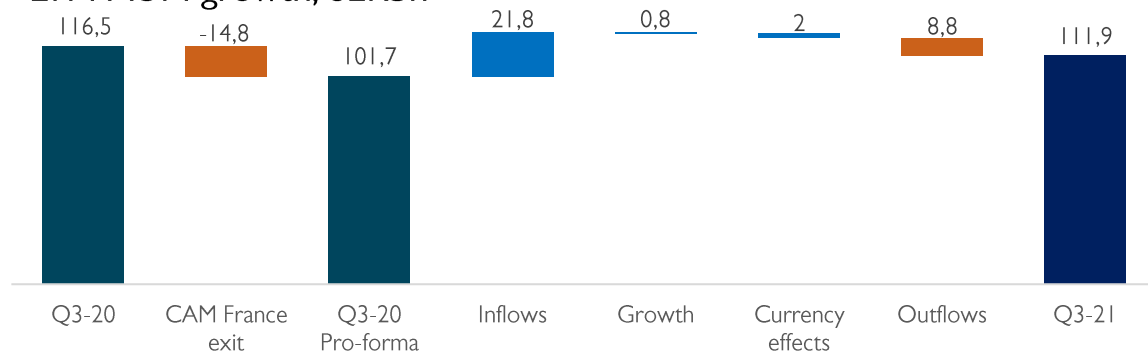
FEE INCOME SPLIT			
	Q3 2021	Q3 2020	Change, %
LTM fixed fees	SEK 649 M	SEK 598 M	9%
LTM variable fees	SEK 317 M	SEK 482 M	-34%

- Decrease in variable fees mainly driven by 2020 performance fees from Grand Central and Pantha Rhei Dutch Residential, and the divestment of CAM France
- 9% increase in Fixed Fees shows strength in underlying portfolio growth



# AUM growth of SEK 10 bn or 10% over the last twelve months

## LTM AUM growth, SEKbn



## Q3 AUM growth, SEKbn



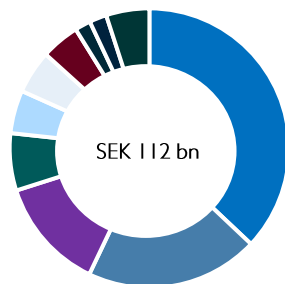
## KEY TAKE-AWAYS

- Inflows to property funds continued and AUM reached a SEK 80 billion milestone. The growth is mainly related to residential funds
  - YTD Inflows to residential funds including Catella Wohnen Europa (SEK 2,5 bn) and Catella Europe Residential III (SEK 1,3 bn)
- Outflows during the quarter related to two ending AM-mandates, Tre-kronor (SEK 2 bn) and Catella Hospitality (SEK 1,8 bn). The outflows only have limited EBIT-impact
- In APAM (UK) two larger mandates were sold leading to outflows of SEK 1,3 bn but contributed by SEK 10 M in variable revenues
- Un-levered committed capital at Q3 amounted to SEK 15,5 bn
- Andreas Wesner from LaSalle IM nominated as MD Catella Real Estate AG (CREAG)

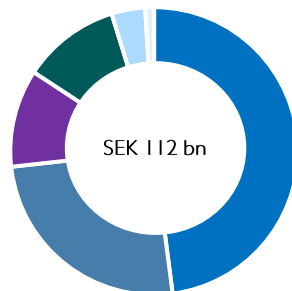
# Income Statement

SEK M	Q3 2021	Q3 2020	Change, %	FY 2020
Property Funds	202	197	3%	749
Property Asset Management	82	200	-59%	493
<b>Total revenue</b>	<b>260</b>	<b>349</b>	<b>-25%</b>	<b>1 126</b>
Assignment expenses and commission	-47	-30	-57%	-164
<b>Revenue</b>	<b>213</b>	<b>319</b>	<b>-33%</b>	<b>962</b>
Operating expenses	-156	-226	-38%	-723
<b>Operating profit</b>	<b>57</b>	<b>92</b>	<b>-38%</b>	<b>239</b>

## AUM SPLIT PER COUNTRY AND ASSET CLASS



- Germany, 37%
- UK, 20%
- Netherlands, 13%
- Denmark, 7%
- Spain, 5%
- France, 5%
- Finland, 4%
- Austria, 2%
- Sweden, 2%
- Other, 5%



- Residential, 48%
- Office, 25%
- Retail, 11%
- Other, 11%
- Logistics & industry, 4%
- Hotel, 1%

## KEY TAKE-AWAYS

- Decrease in total revenue mainly related to performance fee from Grand Central and divestment of Asset Management in France (CAM FR) in Q1-21
- Decrease in OPEX due to divestment of CAM FR and lower variable salaries
- Excluding Grand Central performance fee contribution operating profit increased by SEK 18 M, driven by positive fixed fee development
- Broad and defensive allocation in AUM with focus on residential, logistics and core office



# Principal Investments

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# Diversification and growth across geographies and assets



**Infrahubs, Örebro**  
SEK 184 M\*



**Norrköping, SE**  
SEK 512 M\*



**Kaktus Towers, CPH, DK**  
SEK 1,334 M\*



**Barcelona, ES**  
SEK 170 M\*



**Mer, FR**  
SEK 312 M\*



**Roye, FR**  
SEK 242 M\*



**Königsalle, Düsseldorf, DE**  
SEK 1,984 M\*



**Seestadt mg+, Düsseldorf, DE**  
SEK 2,021 M\* (Part I)



**Düssel-Terrassen, Düsseldorf, DE**  
SEK 920 M\* (Part I – 333 units)

## KEY TAKE-AWAYS

Continued growth and diversified investments across Europe

- Seestadt commencing part I of development
- Permits obtained for Düssel-Terrassen development
- Kaktus Towers, first commercial lease signed and residential leasing starting in Q4-21
- Infrahubs Norrköping marketed for sale in Q4-21

Catella recently launched projects:

- Through Infrahubs:
  - Vaggeryd, SE, SEK 280 M\*
  - Ljungby, SE, SEK 178 M\*
- Through Catella Logistics Europe:
  - Metz, FR, SEK 380 M\*

# Project overview

Development Projects	Country	Type	Project start	Estimated completion	Catella ownership, %	Total investment Q3-21, SEK M	Catella total investment Q3-21, SEK M
Seestadt MG+	DE	Residential	Q1 2019	2030+	45	326	50
Düssel-Terrassen	DE	Residential	Q4 2018	2030+	45	111	18
Königsallee 106	DE	Office	Q2 2021	Q4 2024	23	825	182
<b>Catella Project Capital</b>						<b>1 262</b>	<b>250</b>
Roye Logistique	FR	Logistics	Q2 2019	Q4 2021	65	152	2
Mer Logistique	FR	Logistics	Q1 2020	Q2 2022	65	136	24
Barcelona Logistics	ES	Logistics	Q4 2020	Q3 2022	100	6	6
<b>Catella Logistics Europe</b>						<b>293</b>	<b>32</b>
Norrköping	SE	Logistics	Q4 2020	Q1 2022	50	453	222
Ljungby	SE	Logistics	Q2 2021	Q3 2022	40	11	11
Örebro	SE	Logistics	Q2 2021	Q2 2022	50	86	86
Vaggeryd	SE	Logistics	Q3 2021	Q3 2022	50	37	21
Other Infrahubs	SE	Logistics				35	19
<b>Infrahubs</b>						<b>622</b>	<b>359</b>
Kaktus	DK	Residential	Q2 2017	Q3 2022	93	934	143
<b>Total</b>						<b>3 110</b>	<b>784</b>

## KEY TAKE-AWAYS

- Catella, together with partners, engaged in 11 development projects across Europe with additional projects in start-up
- Q3 investments of SEK 96 M primarily in Örebro (SEK 45 M), Vaggeryd (SEK 21 M) and other Infrahubs projects (SEK 41 M)
- Continued good pipeline of new projects

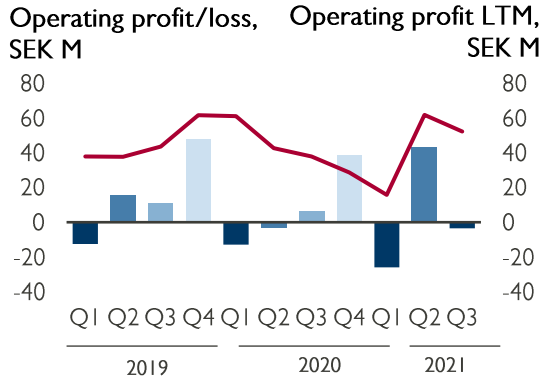
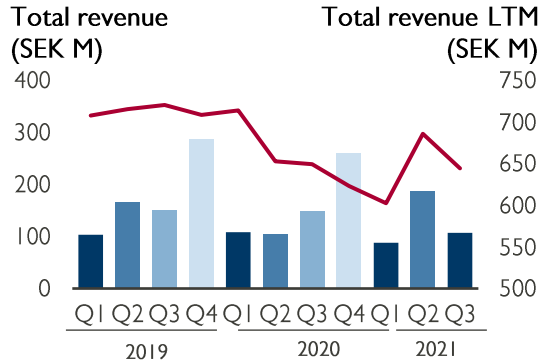


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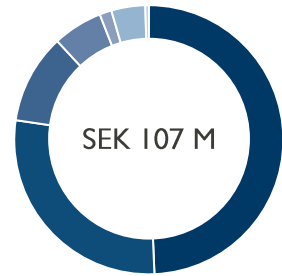
# Corporate Finance

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# Sales and results of operations

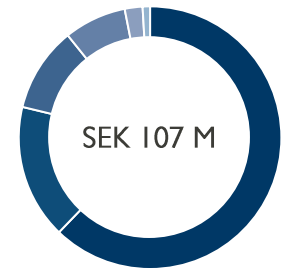


## REVENUE SPLIT PER COUNTRY Q3



- France 48%
- Sweden 27%
- Finland 11%
- Denmark 6%
- Germany 1%
- Spain 4%
- Baltics 0%

## REVENUE SPLIT PER ADVISORY SERVICES Q3



- Buy and Sell Brokerage 62%
- Residential 17%
- M&A, IPO and Debt Advisory 10%
- Valuation 8%
- Letting 2%
- Research 1%

## KEY TAKE-AWAYS

- Stable revenue development in Nordics driven by increase in transactions and capital market related services
- Slower transaction market in commercial properties in Continental Europe leading to lower revenues
- Total operating profit 9 MSEK lower YoY
- Continued growth in advisory services outside of traditional Buy and Sell brokerage
- Solid pipeline for Q4 across jurisdictions

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index

99 percentile

median

main average

Financials

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average profitability



# Financial summary, ongoing operations\*

SEK M	Q3, 2021	Q3, 2020	Change
<b>Total revenue</b>	375	639	-41%
- Related to sale of Grand Central		-262	
<b>Adjusted Total revenue</b>	375	377	-0,5%
Assignment expenses and commission	-56	-49	14%
Operating expenses	-271	-334	-19%
<b>Operating profit/loss</b>	48	255	-81%
- Related to sale of Grand Central		-229	
<b>Adjusted Operating profit/loss</b>	48	26	85%
<b>Profit/loss before tax</b>	46	238	-81%
<b>Profit/loss reported figures</b>	33	207	-84%
<b>Ratios, Catella core*</b>			
Operating Margin, %	13%	40%	-27 p.p
EPS	0,40	2,44	-2,04
Return on Equity, %	5%	20%	-15 p.p
<b>Adjusted for sale of Grand Central</b>			
Operating Margin, %	13%	5%	+8 p.p
EPS	0,40	0,08	+0,32
Return on Equity, %	5%	0%	+5 p.p

## KEY TAKE-AWAYS

- Stable revenue adjusting for one-off sale of development project Grand Central
- OPEX decrease mainly driven by fewer FTEs 520 (562)
- Profit improvement of 85% adjusting for sale of Grand Central
- Underlying operating margin, EPS and Return on Equity improvement

# Financial and liquidity position

SEK M	Q3, 2021	Q4, 2020	Change
Total assets	4 843	4 233	14%
Equity	1 689	1 791	-6%
Equity ratio	35%	42%	-7 p.p
Cash and cash equivalents	1 712	1 856	-8%
Whereof:			
-Group operating units	840	996	-16%
-Holding companies	448	486	+8%
-Bank	424	374	+13%

## KEY TAKE-AWAYS

- Continued strong balance sheet and equity ratio
- Significant available liquidity (SEK 1,3 bn) to facilitate further profitable growth
- Continued investments leading to slight decrease in cash
- Potential additional headroom of SEK 280 M
  - issuance of SEK 250 million under existing bond framework
  - unutilized credit facility of SEK 30 million



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# Summary and key take-aways

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# Summary and key take-aways



Stable quarter in core operations when adjusting for one-offs in Q3-20



Continued interest in PIM funds and asset management



Progress on strategic transformation



Expansion into new market



Continued ESG advancement



Solid pipeline of opportunities in Corporate Finance



Continued development opportunities in Principal Investments meeting investment criteria



Outlook indicating continued strong market rest of 2021

Thank you!

# Investor Relations

## Most recent equity research

Date	Institution	Recommendation	TP
2021-08-30	ABG Sundal Collier	–	–
2021-08-24	Redeye	–	SEK 47 (Base case)

### Analyst coverage

Institution	Analyst
ABG	Patrik Brattelius
Redeye	Jesper Henrikson

## Selected Investor Relations events

- Q3-2021 Interim report, 2021-11-11
- Year-end report 2021, 2022-02-25
- Q1-2022 Interim report, 2022-05-06
- AGM, 2022-05-24

For more information:

<https://www.catella.com/en/investor-relations>



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2021-11-11

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## Largest shareholders 2021-09-30

Owner	Capital	Votes
Claesson & Anderzén	49,4%	48,8%
Alcur Fonder	6,2%	5,6%
Avanza Pension	3,4%	3,1%
M2 Asset Management AB (Rutger Arnhult)	3,4%	3,6%
Nordea Fonder	2,4%	2,1%
Nordnet Pension Insurance	2,4%	2,2%
Strawberry Capital AS (Petter Stordalen )	2,3%	2,6%
Thomas Andersson Borstam	1,5%	1,3%
Swedbank Insurance	1,4%	1,3%
Familjen Hedberg	1,1%	1,0%
Other	29,3%	28,5%



Head of Investor Relations and Group Communications



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