



# Interim Report

January – March 2023

# Today's presenters



Christoffer Abramson  
CEO and President



Michel Fischier  
Chief Financial Officer

# The sustainable link between property and finance

## Catella Group

### INVESTMENT MANAGEMENT

Regulated real estate fund products and regional asset management services

### PRINCIPAL INVESTMENTS

Investments with partners in real estate projects and project management of real estate developments

### CORPORATE FINANCE

Leading European advisor within real estate related corporate finance

Founded in 1987, over 20 offices across 12 countries and 500+ employees.

### STRONG LOCAL PRESENCE

- Deep local knowledge in each market
- Local entrepreneurship and expertise
- Local offices in over 20 cities across Europe
- Cross-border capacity and knowledge sharing

### PAN-EUROPEAN REACH

- Established in 12 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 – Q1 2023

## CATELLA GROUP

- Continued strong balance sheet and liquidity, with no near-term refinancing needs
- Head of Capital Raising recruited to drive growth and pan-European strategies
- Divestment of Catella Hospitality Europe (CHE)

## INVESTMENT MANAGEMENT

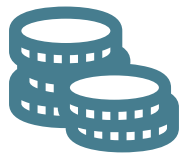
- Flat AUM development Q-o-Q after sale of Catella Hospitality Europe (CHE)
- Solid pipeline of development projects to AUM
- Committed capital of SEK 10 bn

## PRINCIPAL INVESTMENTS

- Principal Investments engaged in 10 development projects
- Agreement to sell logistic property in Vaggeryd, Sweden
- Continued market uncertainties postponing divestments

## CORPORATE FINANCE

- Continued wait-and-see mode in transaction market
- Stable pipeline of transactions but uncertainties in execution
- Select geographies and Valuation services remain strong



Increase of 53% of cash and cash equivalents Y-o-Y to SEK 1.7bn

Catella Elithis acquired a 64-apartment project in Mulhouse, north-eastern France



Catella Elithis, the world's first real estate investment vehicle focusing on residential developments producing more energy from renewable sources than used by buildings and tenants



Agreement to sell a 45,700 square meters logistic property in Vaggeryd. The property is fully leased to Husqvarna with a long-term agreement



Corporate Finance Sweden transaction advisor in sale of Elefanten 17 in Stockholm on behalf of Catella Real Estate AG

# Key financial highlights – Q1 2023

## CATELLA GROUP

Total revenue

SEK **462** M (SEK 581 M)

Operating profit

SEK **-2** M (SEK 111 M)

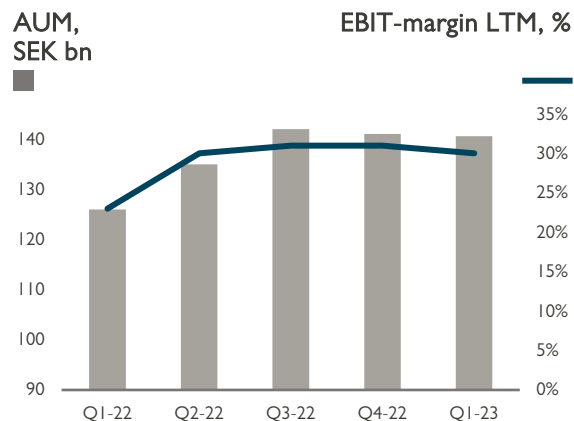
Operating profit margin

**0%** (19%)

Earnings per share

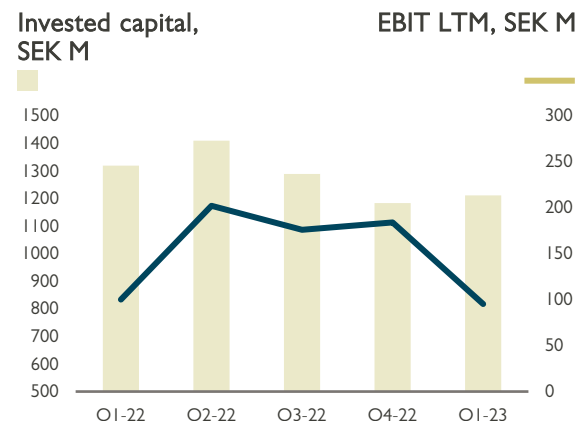
SEK **-0.09**kr (0.90 kr)

## INVESTMENT MANAGEMENT



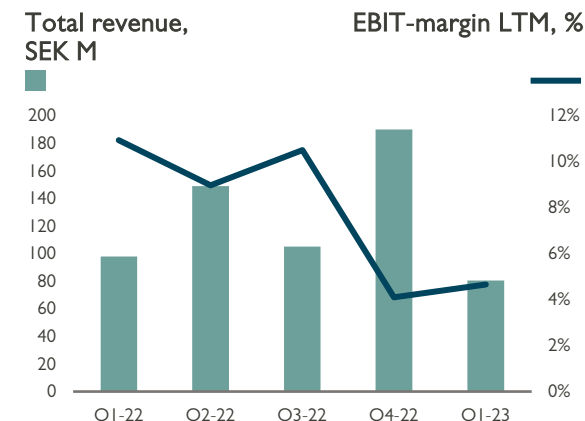
- LTM AUM growth of SEK 15 bn, +12%
- Solid earnings with fixed fees well in excess of fixed costs

## PRINCIPAL INVESTMENTS



- 10 ongoing development projects with SEK 1.2 bn invested
- Continued market uncertainty postponing sales

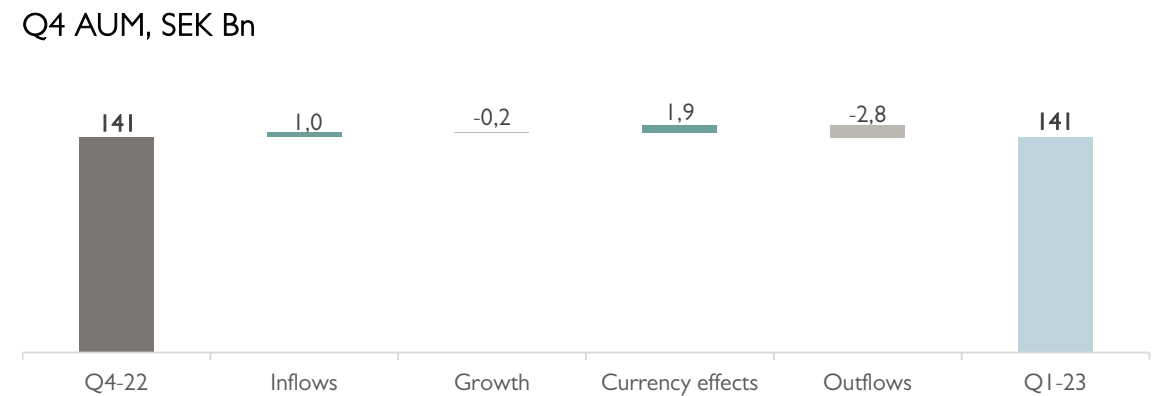
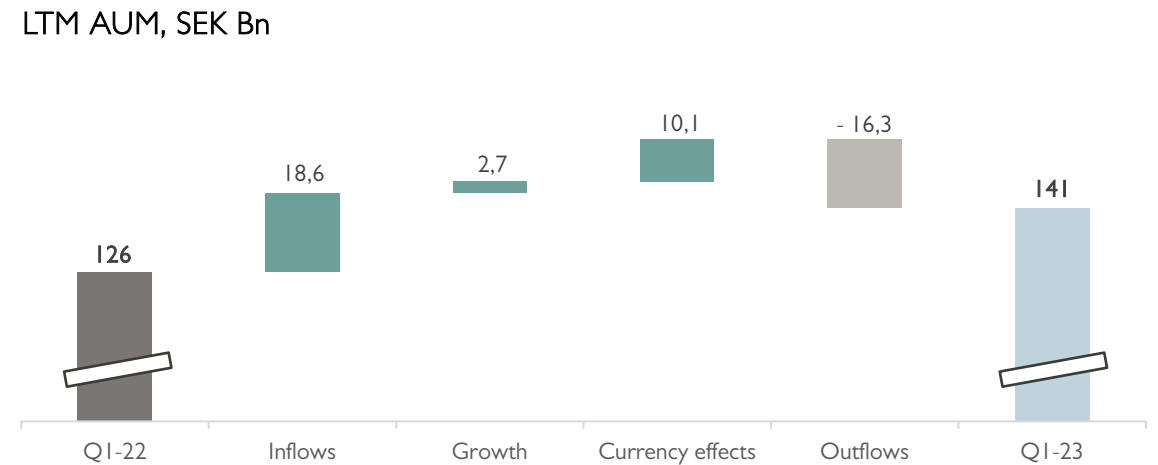
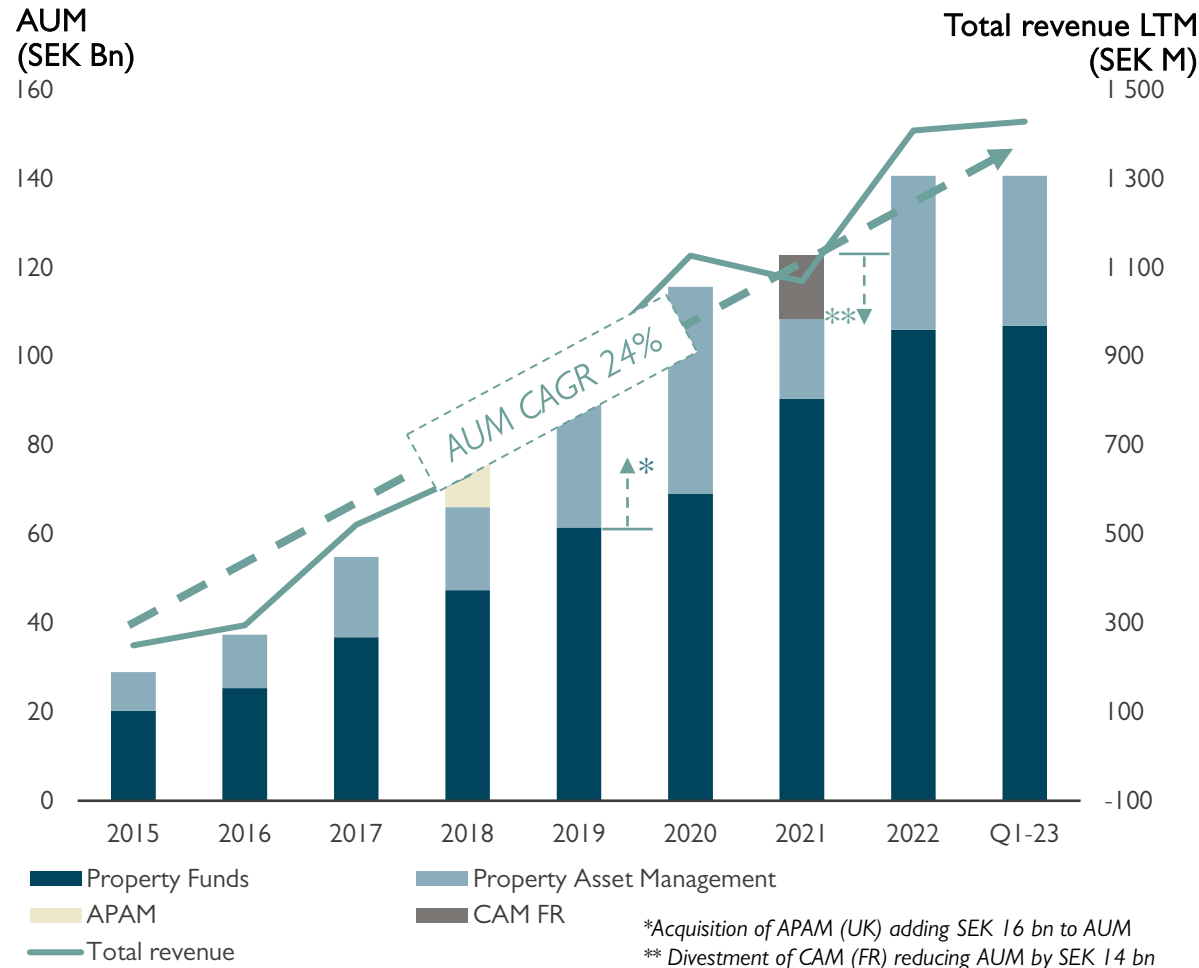
## CORPORATE FINANCE



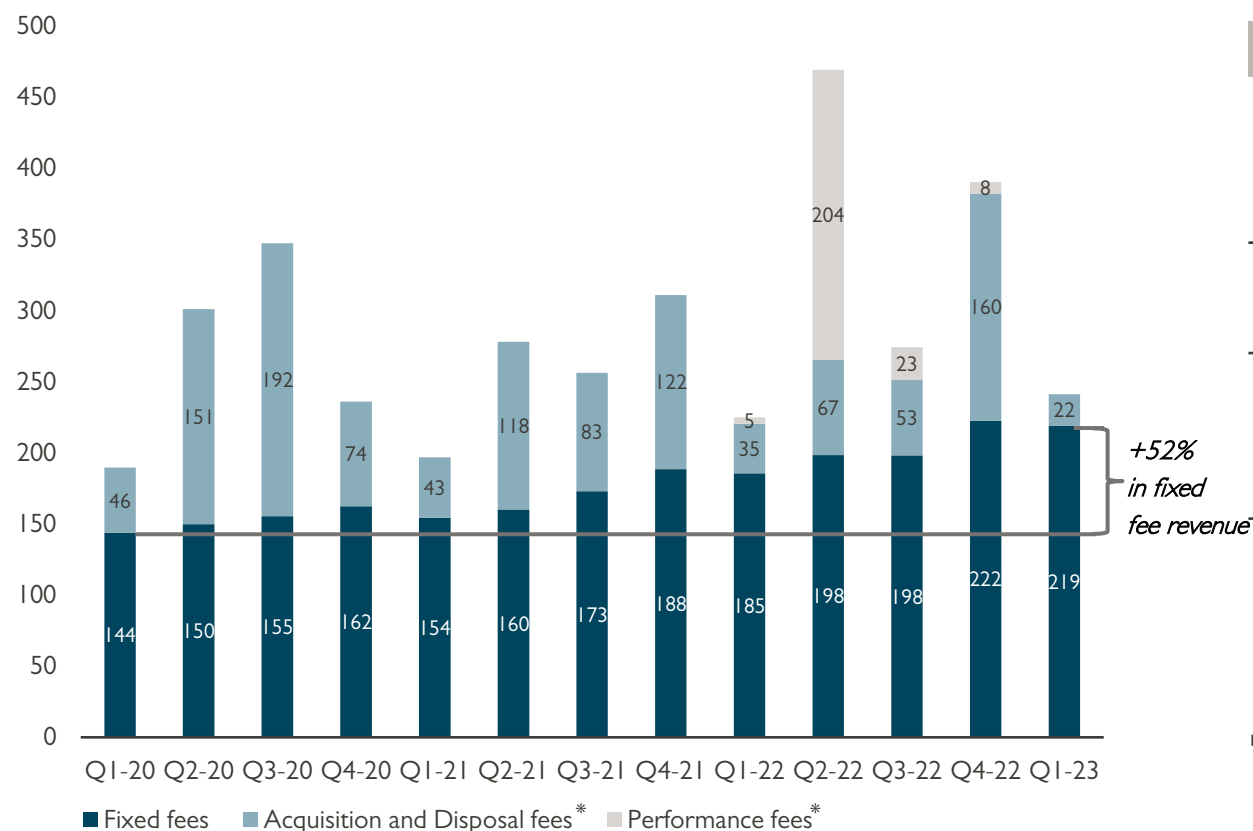
- Slight operating profit improvement to -20 (-22) despite lower revenue

# Investment Management

# Flat AUM development Q-o-Q despite divestment of CHE



# Strong fixed fee development as AUM grows



SEK M	Q1 2023	Q1 2022	Change, %
Property Funds**	208	192	8%
Asset Management**	62	64	-3%
Other	0	0	-
<b>Total revenue</b>	<b>250</b>	<b>231</b>	<b>8%</b>
Assignment expenses and commission	-43	-35	23%
<b>Net Revenue</b>	<b>207</b>	<b>196</b>	<b>6%</b>
Variable expenses	-21	-25	-16%
Operating expenses	-155	-124	25%
<b>Operating profit</b>	<b>31</b>	<b>47</b>	<b>34%</b>
<b>Operating margin, %</b>	<b>12%</b>	<b>20%</b>	<b>-8 p.p.</b>

- Current uncertainties result in lower expectations on variable revenue development
- Fixed fees well above non-variable Operating expenses providing a cushion

\* Performance fees part of Acquisition and Disposal fees until reported separately in Q1/22

\*\* Includes internal revenue. Internal revenue has been eliminated in total revenue



# Principal Investments

# No major investments or divestments made during the quarter, continued progress in current projects



## 10 ongoing projects after Q1

### Sweden (Infrahubs)

- *Logistics, Jönköping*

### Denmark (Direct Investment)

- *Residential, "Kaktus", Copenhagen*

### Germany (Catella Project Capital)

- *Residential, "Seestadt MG+", Düsseldorf*
- *Residential, "Düffel-Terrassen", Düsseldorf*
- *Office, "Königsallee", Düsseldorf*

### Spain (Catella Logistic Europe)

- *Logistics, Barcelona*

### France (Catella Logistic Europe)

- *Logistics, "Polaxis"*
- *Logistics, "Metz-Eurolog"*

### United Kingdom (Catella APAM)

- *Mixed use, "The Maltings", Salisbury*
- *Retail, Mander Centre, Wolverhampton*

## Invested equity, project IRR, and targets

	Current status	Long term Target
Catella invested equity (SEK Bn)	1.2	1.5
Project IRR		20%

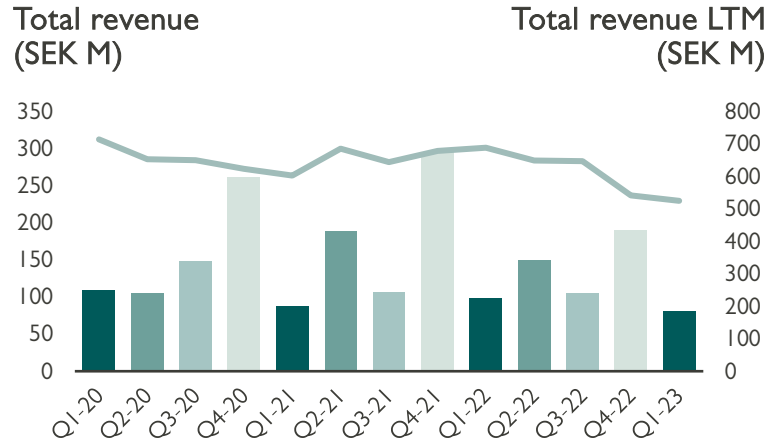
## Income statement\*

SEK M	Q1 2023	Q1 2022	LTM Q1 2023	LTM Q1 2022
Total revenue	131	262	529	660
Expenses	-117	-61	-343	-286
Deducted result from non-controlling operations	-5	-104	-90	-189
<b>Operating profit/loss</b>	<b>9</b>	<b>97</b>	<b>95</b>	<b>184</b>
Operating margin, %	7%	37%	18	28
No. of employees	39	37	39	38

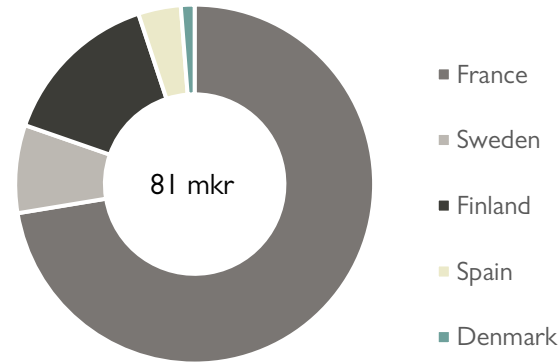


# Corporate Finance

# Sales and results of operations

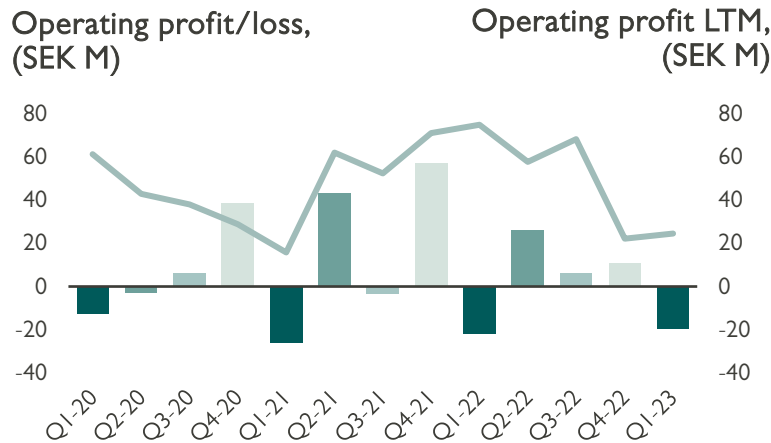


REVENUE SPLIT PER COUNTRY Q4

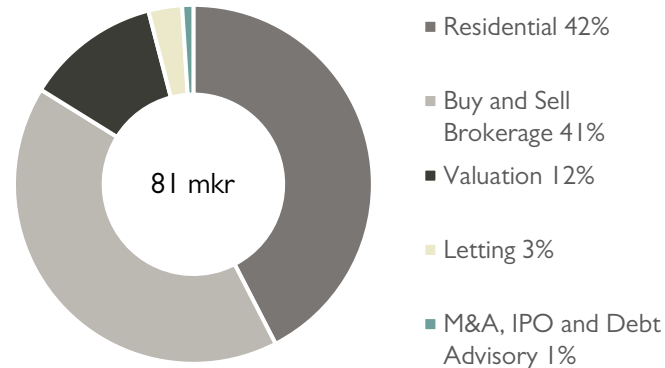


## KEY TAKE-AWAYS

- Historically low transaction volumes, down over 60% Y-o-Y
- Despite lower revenue, Corporate Finance reached a slightly improved EBIT, -20 MSEK (-22)
- Stable transaction pipeline but significant uncertainty in execution
- Increased demand for valuation and capital market services



REVENUE SPLIT PER ADVISORY SERVICES Q4





# Financials

# Financial summary

SEK M	Investment Management		Principal Investments		Corporate Finance		Other		Group	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Total revenue	250	231	131	262	81	98	1	-9	462	581
Expenses	-217	-184	-117	-61	-100	-120	-22	-2	-456	-366
Deduction of profit attributable to non-controlling interests	-2	0	-5	-104	0	0	-1	0	-8	-104
<b>EBIT</b>	<b>31</b>	<b>47</b>	<b>9</b>	<b>97</b>	<b>-20</b>	<b>-22</b>	<b>-22</b>	<b>-12</b>	<b>-2</b>	<b>111</b>
Financial items - net									1	-19
<b>EBT</b>									<b>-1</b>	<b>92</b>
Tax									-7	-12
<b>Net profit/loss</b>									<b>-8</b>	<b>79</b>
<i>Operating margin, %</i>									0%	19%
<i>Earnings per share, SEK</i>									-0.09	0.90

## KEY TAKE-AWAYS

### EBIT Q1

- Investment management
  - Limited variable revenues with fixed fees driving earnings
- Principal Investments
  - No divestments in Q1-23 (Infrahubs Norrköping in Q1-22). EBIT driven by rental income in Kaktus and finalized installation of solar panels in Norrköping
- Corporate Finance
  - Lower revenue mitigated by focused operations in 5 countries (9)
- Other
  - Increase in FTEs and one-off related personnel costs

### EBT

- Higher interest cost mitigated by improved intercompany lending and tailwinds from currency effects

### EPS

- Slightly negative EPS due to lower revenue

# Improved equity and cash position

SEK M	Q1, 2023	Q1, 2022	Change
<b>Total assets</b>	6 111	5 679	8%
<b>Equity</b>	2 436	2 000	22%
<i>Equity ratio</i>	40%	35%	5 p.p
<b>Cash and cash equivalents</b>	1 710	1 117	53%
Whereof:			
-Group operating units	1 081	1 028	+5%
-Holding companies	629	89	+607%

## KEY TAKE-AWAYS

- Continued efficient balance sheet and strong equity ratio
- No short-term refinancing needs and strong liquidity position providing capital for opportunistic and long-term value creating investments
- Additional headroom of SEK 250 M
  - issuance of SEK 250 million under existing bond framework

# Summary and key take-aways



# Summary and key take-aways



Weak transaction market affecting all business areas



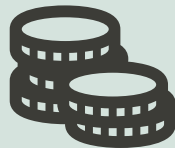
Flat AUM development but continued SEK 10 bn capital commitments and development pipeline



Head of Capital Raising appointed to drive growth and pan-European strategies



Published sustainability report and taxonomy



Continued strong financial position to capture long-term value creation opportunities in new market environment



Thank you

[catella.com](https://catella.com)

# Investor Relations

## Most recent equity research

Date	Institution	Recommendation	TP
2023-05-02	ABG Sundal Collier	–	–
2023-02-28	Redeye	–	SEK 70 (Base case)

Analyst coverage	Institution	Analyst
	ABG	Patrik Brattelius
	Redeye	Jesper von Koch

## Financial Calendar

- Q1 Interim report 2023-05-05
- AGM, 2023-05-10
- Q2 Interim report 2023-08-18
- Q3 Interim report 2023-10-27
- Year-end report 2024-02-09

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



Owner	Capital	Votes
Claesson & Anderzén	49,4%	48,9%
Alcur Fonder	8,1%	7,3%
M2 Asset Management AB (Rutger Arnhult)	4,5%	4,5%
Symmetry Invest	3,4%	3,1%
Avanza Pension	2,5%	2,2%
Nordea Fonder	2,4%	2,1%
Nordnet Pension Insurance	1,8%	1,6%
Strawberry Capital AS (Petter Stordalen )	1,6%	2,1%
Familjen Hedberg	1,1%	1,0%
Thomas Andersson Borstam	1,1%	1,0%
Other	24,1%	26,2%



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