

Your sustainable investment partner -  
together building the link between  
property and capital



# Interim Report

April – June 2023

# Today's presenters



Christoffer Abramson  
CEO and President



Michel Fischier  
CFO

# The sustainable link between property and capital



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

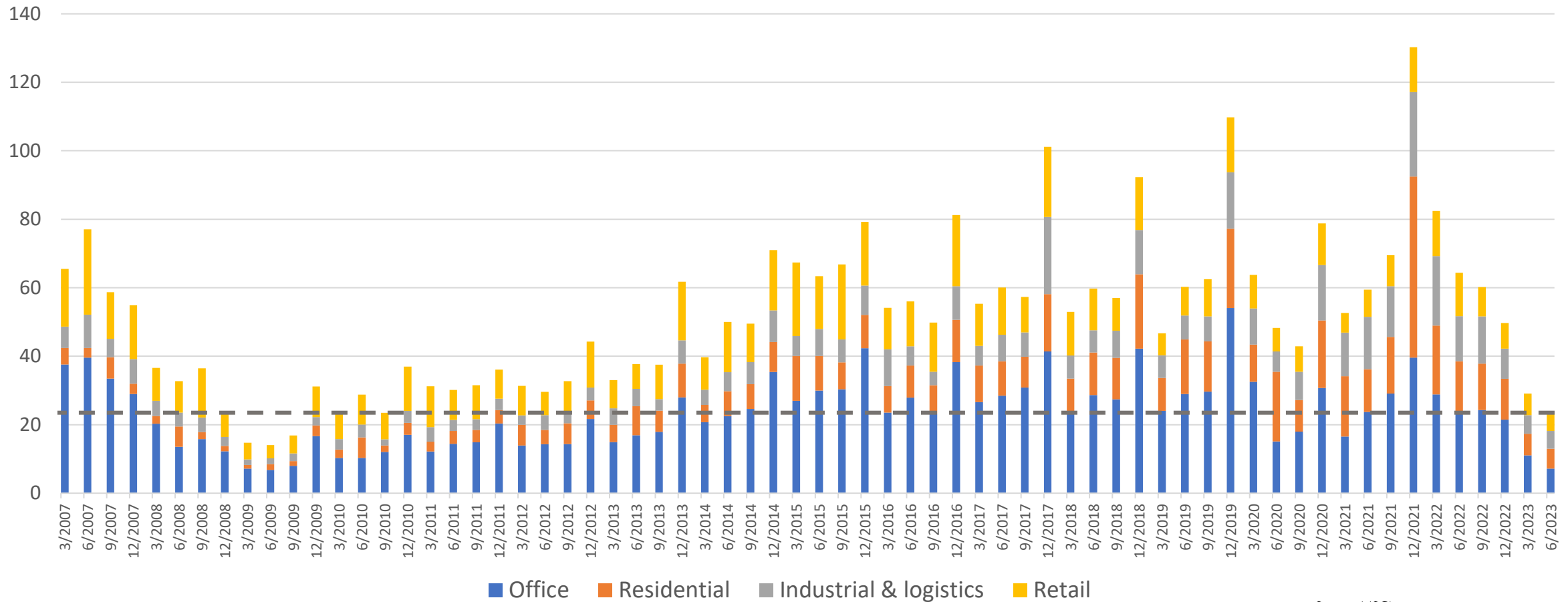
## ACCESS TO GLOBAL CAPITAL

- 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



# European transaction volumes at the lowest point since GFC

European quarterly transaction volumes (€ bn)



Source: MSCI

# Key highlights – Q2 2023

## CATELLA GROUP

- Progress with long-term value-creating initiatives in a slower transaction market
- Agreement to acquire majority of Aquila (Fr)
- Continued balance sheet strength and liquidity, with no near-term refinancing needs

## INVESTMENT MANAGEMENT

- SEK 9 bn growth in AUM mainly driven by residential inflows and FX-effects
- Continued pipeline of development projects supporting AUM growth
- Advisory mandate for Transport for London
- Committed capital of SEK 10 bn

## PRINCIPAL INVESTMENTS

- Logistic property in Vaggeryd, Sweden sold generating SEK 5 M in profit
- Divestment of JV in Infrahubs
- Principal Investments engaged in 10 development projects totalling SEK 1.5 bn invested capital
- Market uncertainties continue to postpone divestments

## CORPORATE FINANCE

- Demand for valuation services remains strong in a continued slow transaction market
- Stable pipeline of transactions but hard to predict execution and market timing



100 employees from across Europe attended the newly re-launched Catella Academy. The purpose of the Academy is to enable stronger networks across the group and identify synergies that create value within the organization



12-month advisory mandate for Transport for London. Initially, the contract entails assisting TfL's wholly-owned commercial property company in understanding and realizing the potential of its assets



Divestment of 50% holding in Infrahubs and associated projects corresponding to a return of total invested capital and a profit of SEK 12 M



Corporate Finance Finland advisor to Kruunuasunnot (government owned residential company) in the sale of major residential portfolio to KKR

# Key financial highlights – Q2 2023

## CATELLA GROUP

Total revenue

SEK **786** M (SEK 861 M)

Operating profit

SEK **84** M (SEK 328 M)

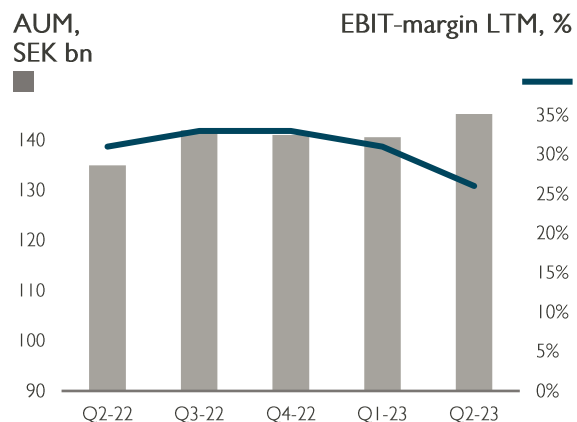
Operating profit margin

**11%** (38%)

Earnings per share

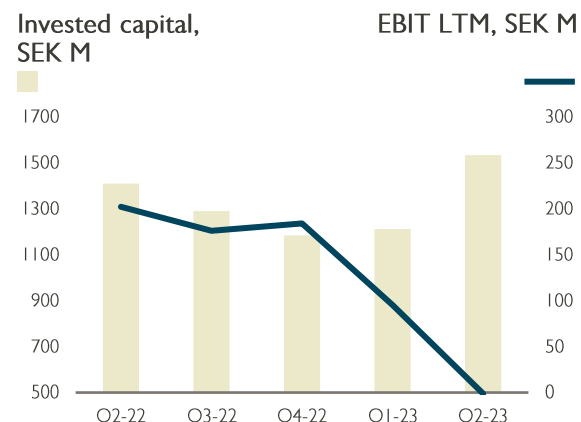
SEK **0.95**kr (2.80 kr)

## INVESTMENT MANAGEMENT



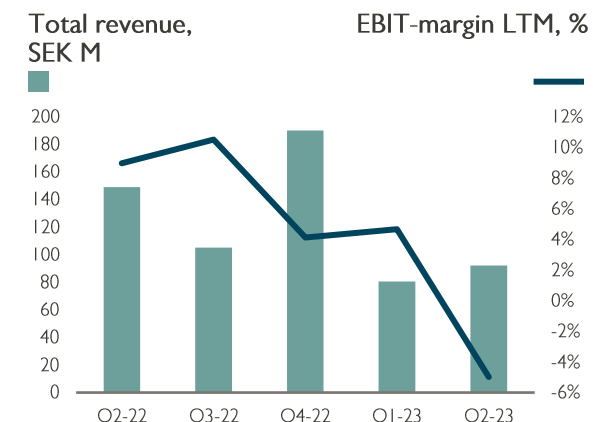
- LTM AUM growth of SEK 14 bn, +10%
- Lower variable revenue partially compensated by higher fixed fees, which have increased by 14% Y-o-Y

## PRINCIPAL INVESTMENTS



- Continued market uncertainty postponing sales
- Currently 10 development projects and SEK 1.5 bn invested

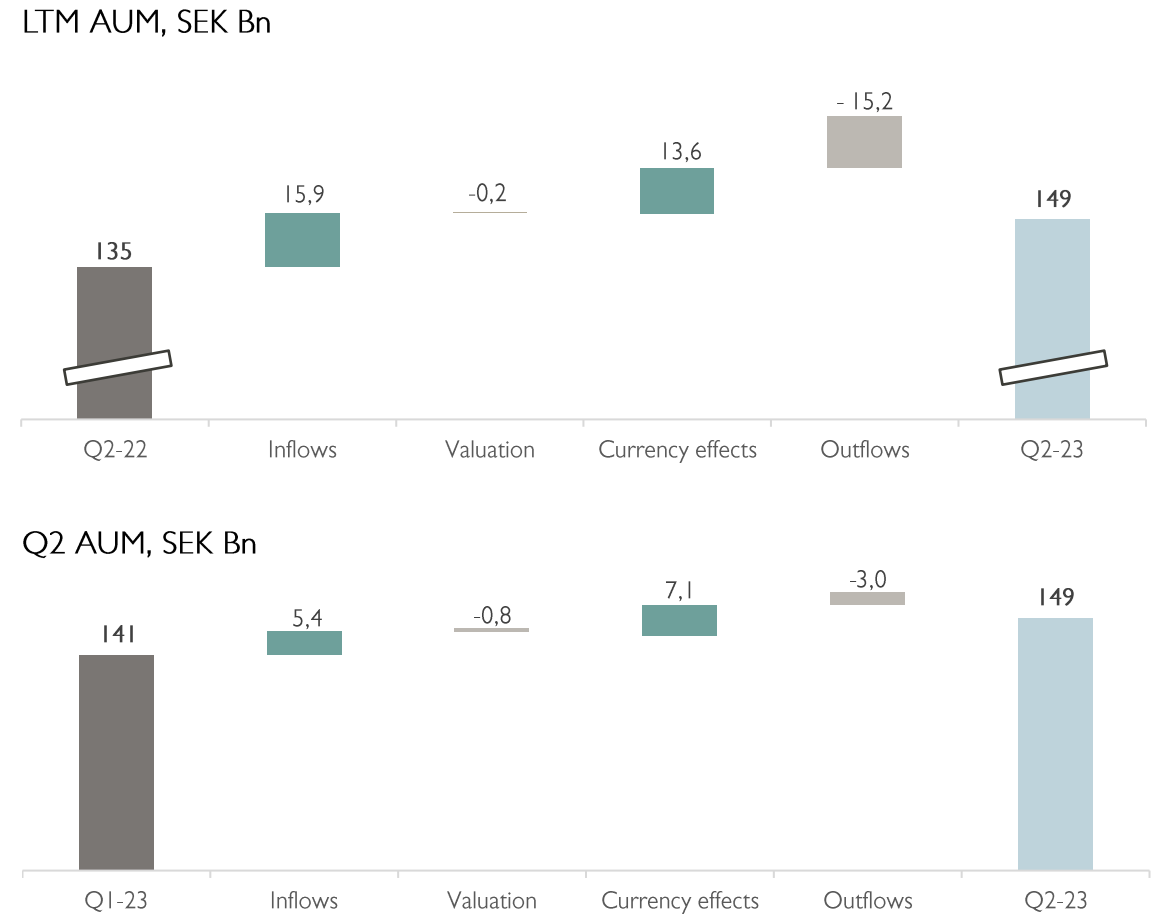
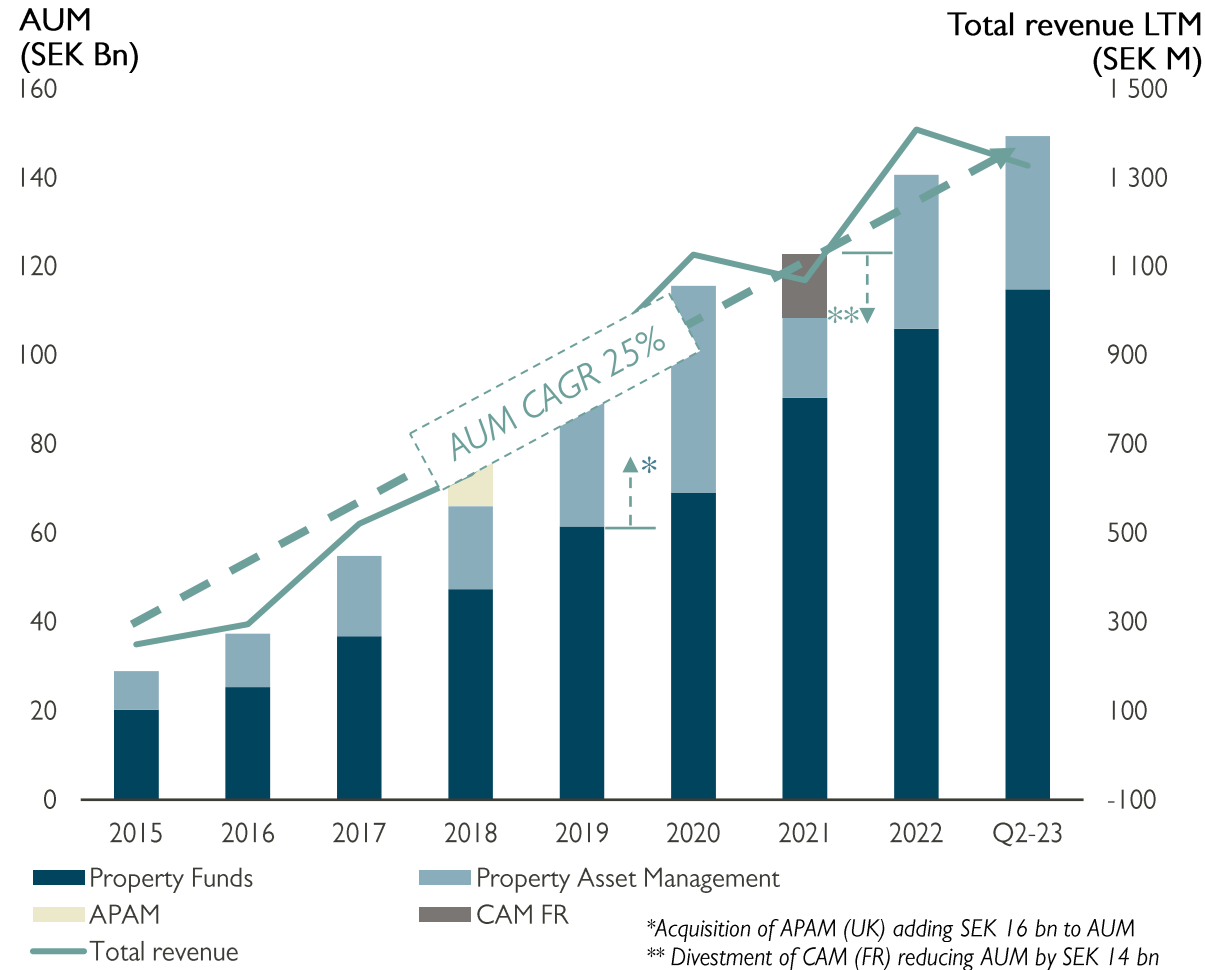
## CORPORATE FINANCE



- Slow European transaction market pushing transactions forward in time
- Market characterized by large and complex transactions which increases volatility and unpredictability of earnings

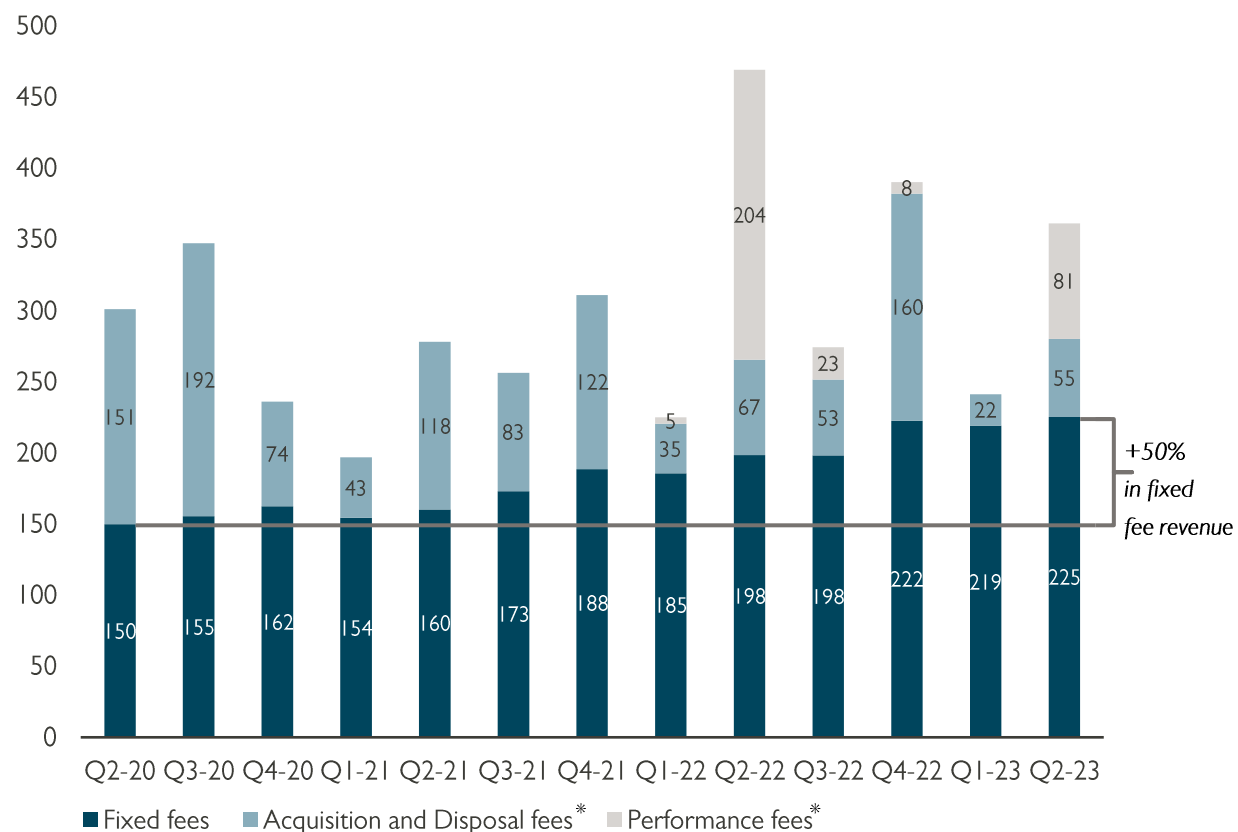
# Investment Management

# AUM growth driven by finalized development projects and FX





# Strong fixed fee development as AUM grows



SEK M	Q2 2023	Q2 2022	Change, %
Property Funds**	326	430	-24%
Asset Management**	66	73	-10%
Other	0	0	-
<b>Total revenue</b>	<b>370</b>	<b>471</b>	<b>-21%</b>
Assignment expenses and commission	-43	-37	16%
<b>Net Revenue</b>	<b>327</b>	<b>434</b>	<b>-25%</b>
Variable expenses	-44	-80	-45%
Operating expenses	-172	-143	20%
<b>Operating profit</b>	<b>111</b>	<b>211</b>	<b>-47%</b>
<b>Operating margin, %</b>	<b>30%</b>	<b>45%</b>	<b>-15 p.p.</b>

- Lower performance fees main driver behind SEK 135 M lower variable revenue
- 14% increase in fixed revenue providing stable revenue stream and profit

\* 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

# Divestment of Vaggeryd and Infracore, continued progress in current projects



## 10 ongoing projects after Q2

### Sweden (Infracore)

- Logistics, Jönköping

### Denmark (Direct Investment)

- Residential, "Kaktus", Copenhagen

### Germany (Catella Project Capital)

- Residential, "Seestadt MG+", Düsseldorf
- Residential, "Düssel-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)	1.5	1.5
Project IRR		20%

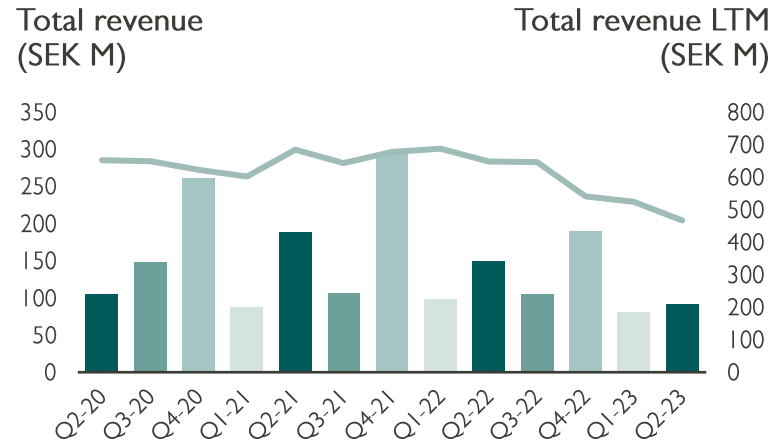
## Income statement\*

SEK M	Q2 2023	Q2 2022	LTM Q2 2023	LTM Q2 2022
Total revenue	320	242	607	278
Expenses	-311	-81	-572	-75
Deducted result from non-controlling operations	-4	-59	-36	-104
<b>Operating profit/loss</b>	<b>5</b>	<b>102</b>	<b>-1</b>	<b>100</b>
Operating margin, %	2%	42%	-0%	36%
No. of employees	39	39	39	39

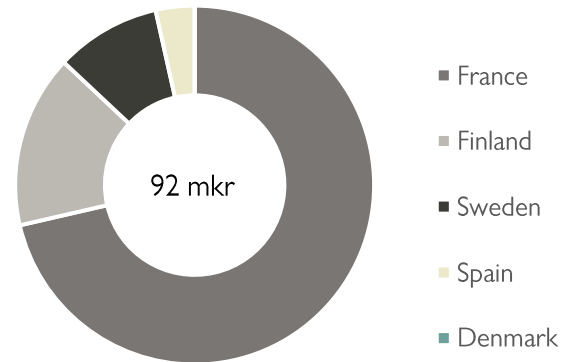


# Corporate Finance

# Sales and results of operations

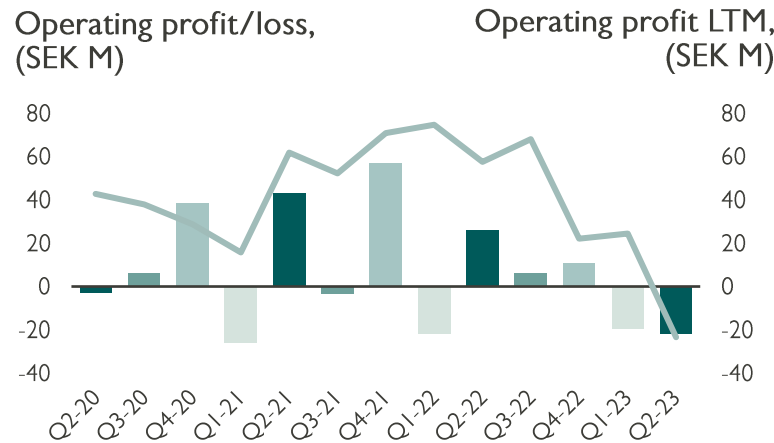


REVENUE SPLIT PER COUNTRY Q2

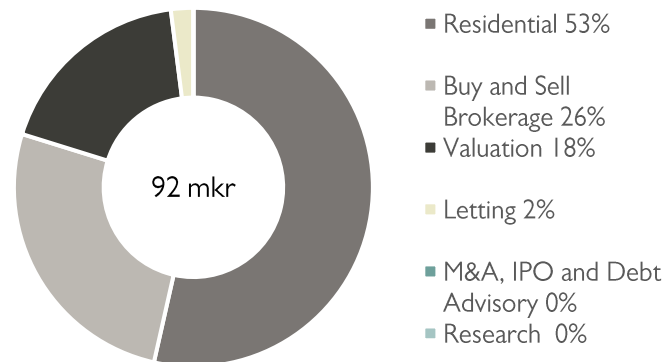


## KEY TAKE-AWAYS

- Historically low transaction volumes, down 66% Y-o-Y
- Revenue down by 38% (SEK -64M) resulting in SEK 48M lower EBIT to SEK -22M
- Significant pipeline of transactions but large uncertainty in execution
- Continued demand for valuation and capital market services



REVENUE SPLIT PER ADVISORY SERVICES Q2





# Financials

# Financial summary

SEK M	Investment Management		Principal Investments		Corporate Finance		Other		Group	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Total revenue	370	471	320	242	92	149	4	-1	786	861
Expenses	-257	-258	-311	-81	-114	-123	-14	-13	-696	-475
Deduction of profit attributable to non-controlling interests	-2	-2	-4	-59	0	0	0	3	-6	-58
<b>EBIT</b>	<b>111</b>	<b>211</b>	<b>5</b>	<b>102</b>	<b>-22</b>	<b>26</b>	<b>-11</b>	<b>-11</b>	<b>84</b>	<b>328</b>
Financial items - net									23	-2
<b>EBT</b>									<b>107</b>	<b>326</b>
Tax									-23	-79
<b>Net profit/loss</b>									<b>84</b>	<b>247</b>
<i>Operating margin, %</i>									<i>11%</i>	<i>38%</i>
<i>Earnings per share, SEK</i>									<i>0.95</i>	<i>2.80</i>

## KEY TAKE-AWAYS

- SEK 244 M lower EBIT mainly driven by:
  - lower variable revenue in Investment Management
  - limited profit from sales in Principal Investments
  - few transactions in Corporate Finance
- Improved Financial net as an effect of improved intercompany lending and currency effects

## Strong equity and cash position

SEK M	Q2, 2023	Q2, 2022	Change
<b>Total assets</b>	5 611	5 619	0%
<b>Equity</b>	2 281	2 181	5%
<i>Equity ratio</i>	29%	28%	1 p.p
<b>Cash and cash equivalents</b>	1 365	1 380	-1%
Whereof:			
-Group operating units	985	1 188	-17%
-Holding companies	380	192	+98%

### KEY TAKE-AWAYS

- Continued efficient balance sheet and strong equity ratio
- Shareholder loan to Kaktus replacing external financing of SEK 370 M main reason behind lower cash in holding companies SEK 380 M (SEK 629 M in Q1-23)
- 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 under existing bond framework



# Summary and key take-aways

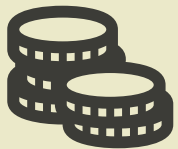
# Summary and key take-aways



Continued weak transaction market affecting all business areas in the near term, but opportunities in the long term



AUM growth and SEK 10 bn capital commitments and development pipeline driving sound underlying profitability



Continued strong financial position supporting long-term value creation opportunities in a new market environment



Agreement to acquire majority of Aquila – a strategic expansion for growth, diversification and synergies



Thank you

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

# Investor Relations

## Most recent equity research

Date	Institution	Recommendation	TP
2023-08-14	ABG Sundal Collier	–	–
2023-05-29	DNB	Buy	SEK 40
2023-07-24	Redeye	–	SEK 60 (Base case)

Analyst coverage	Institution	Analyst
	ABGSC	Patrik Brattelius
	DNB	Emil Jonsson
	Redeye	Jesper von Koch

## Financial Calendar

- 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>



## Largest shareholders 2023-07-31

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



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