



**The leading  
property company  
in logistics.**

**CATENA**

# Q2 2021



Jörgen Eriksson CEO, Sofie Bennsten CFO

**CATENA**

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# Highlights

## Strong second quarter performance

- Rental income increased by 8 percent to SEK 672.8 million YoY.
- YTD Profit from property management<sup>1</sup> of SEK 399.2 million, up 11 percent YoY.
- EPRA NRV per share of 278 up 34 percent YoY.
- Earnings per share of 27.87 SEK up from 8.58 per share last year.
- SEK 27 million worth of new leases initiated, net of SEK 19 million in the quarter.
- Net LTV at 45.1 percent down 9.6 percentage points YoY

## Favorable market conditions facilitates our development pipeline forward

- Zoning approved for additional land in Sunnanå next to Malmö
- Acquisition of property in Gotheburg fully let to famously known amusementpark, Liseberg AB
- Several critical zoning plans underway – adding potential for new developments

## Supply-demand dynamics suggest a strong market going forward

- Occupier demand specifically strong in specific segments such as Groceries and 3PL
- Credit markets remains healthy with close to pre-covid levels

# Covid-19

As economies are starting to reopen coinciding with ongoing vaccination programs confidence among consumers is increasing. The impact from the Coronavirus has had limited direct impact on Catena but uncertainty pertaining to the consequences of the reopening of societies prevails.

The set-up program prepared for in the first quarter of 2020 to cope with the situation is still in progress and of critical importance. Summarizing first half of 2021;

- Rental value of 11 MSEK was agreed to change from quarterly to monthly payments of which they all have been paid for according to plan.
- Discounts linked to the government rent subsidy amounted to just under 2.8 MSEK.

Q2

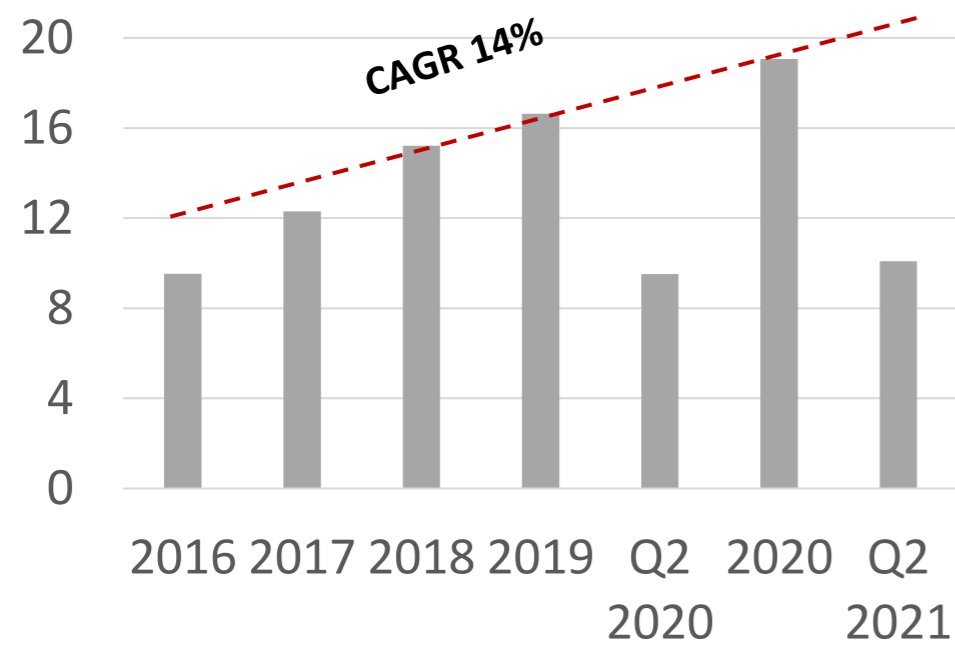
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# Performance

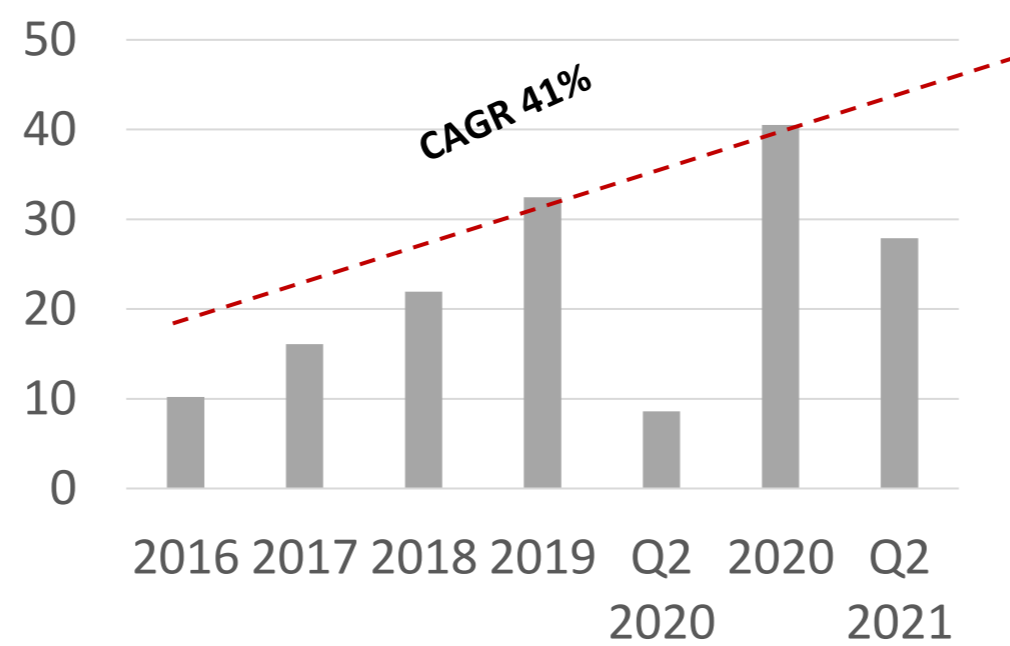
# A history of profitable growth



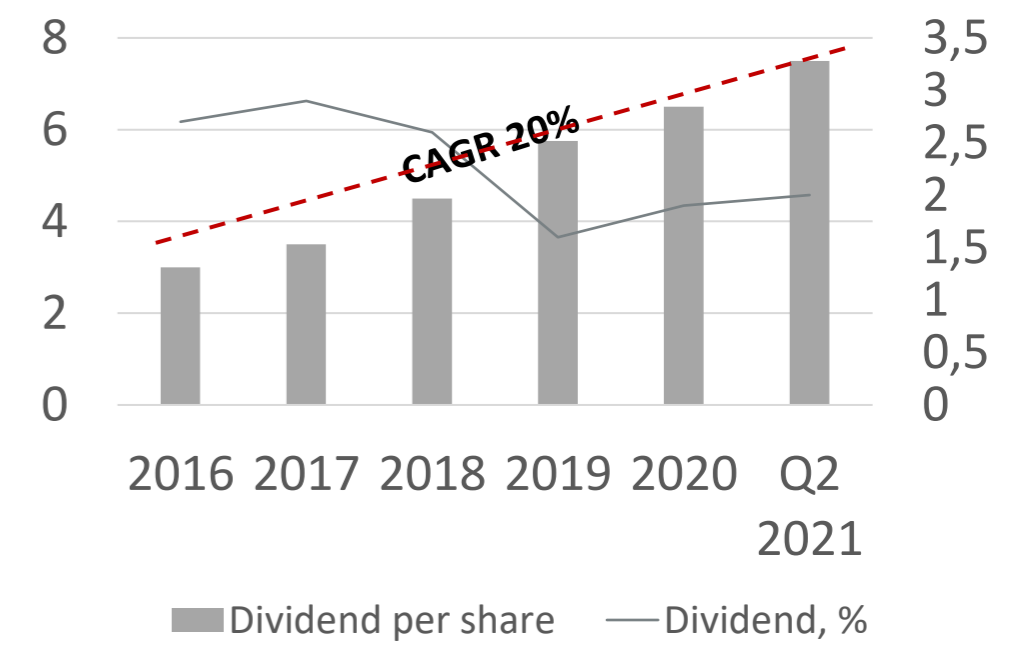
Profit from property management per share



Earnings per share

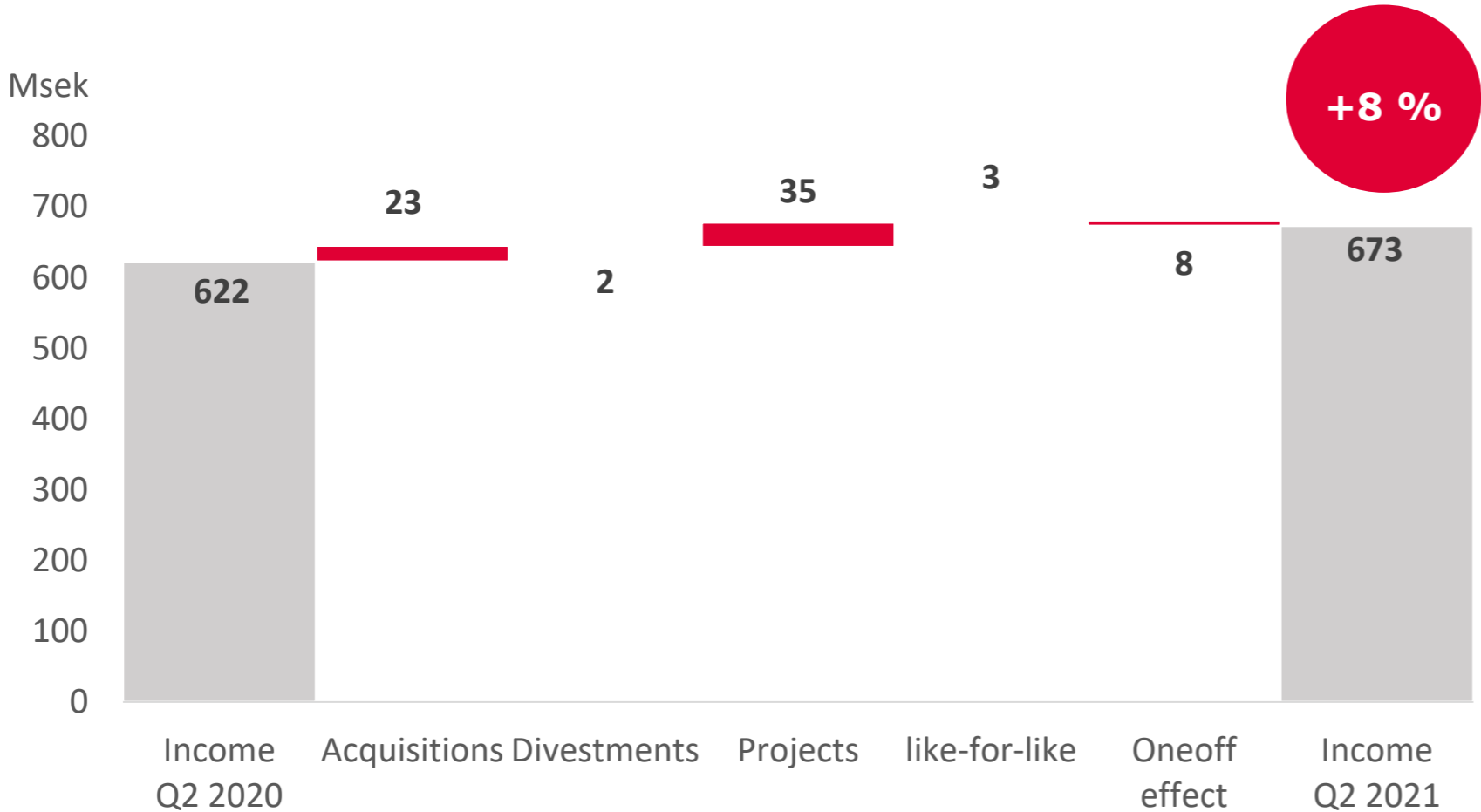


Dividend per share



## Rental growth

- Our project portfolio marks the strongest contributor to the income growth development
- Acquired growth was 3,6% due to a mix of acquisitions during the last 12 months.



**+8 %**

Q2 2021 (YTD)	
Like-for-like	0.5 %
Project developments	5.6 %
Acquisitions	3.6 %
Divestments	-0,3 %
One-off effects	-1.3 %
<b>Total</b>	<b>8.1 %</b>



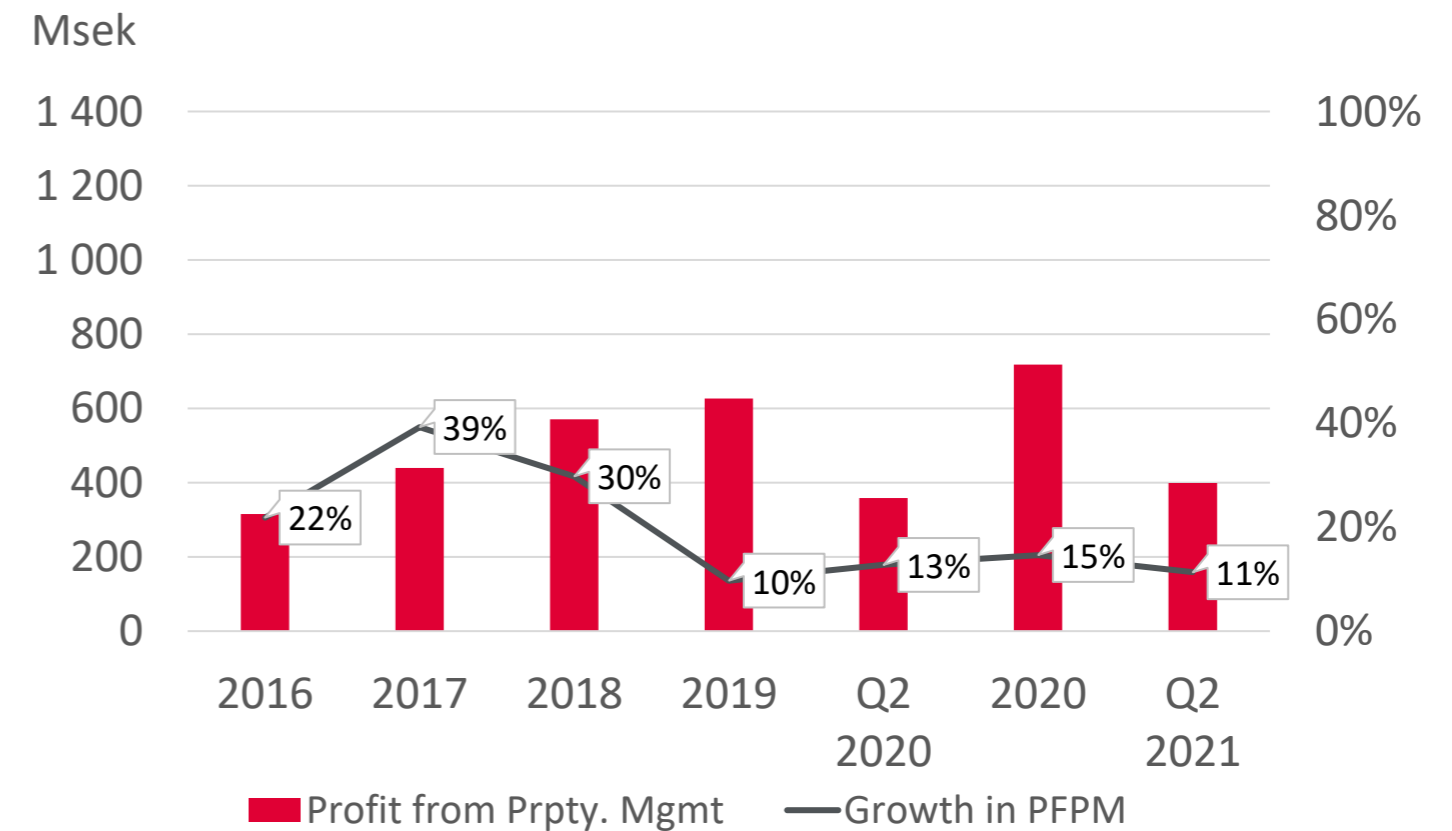
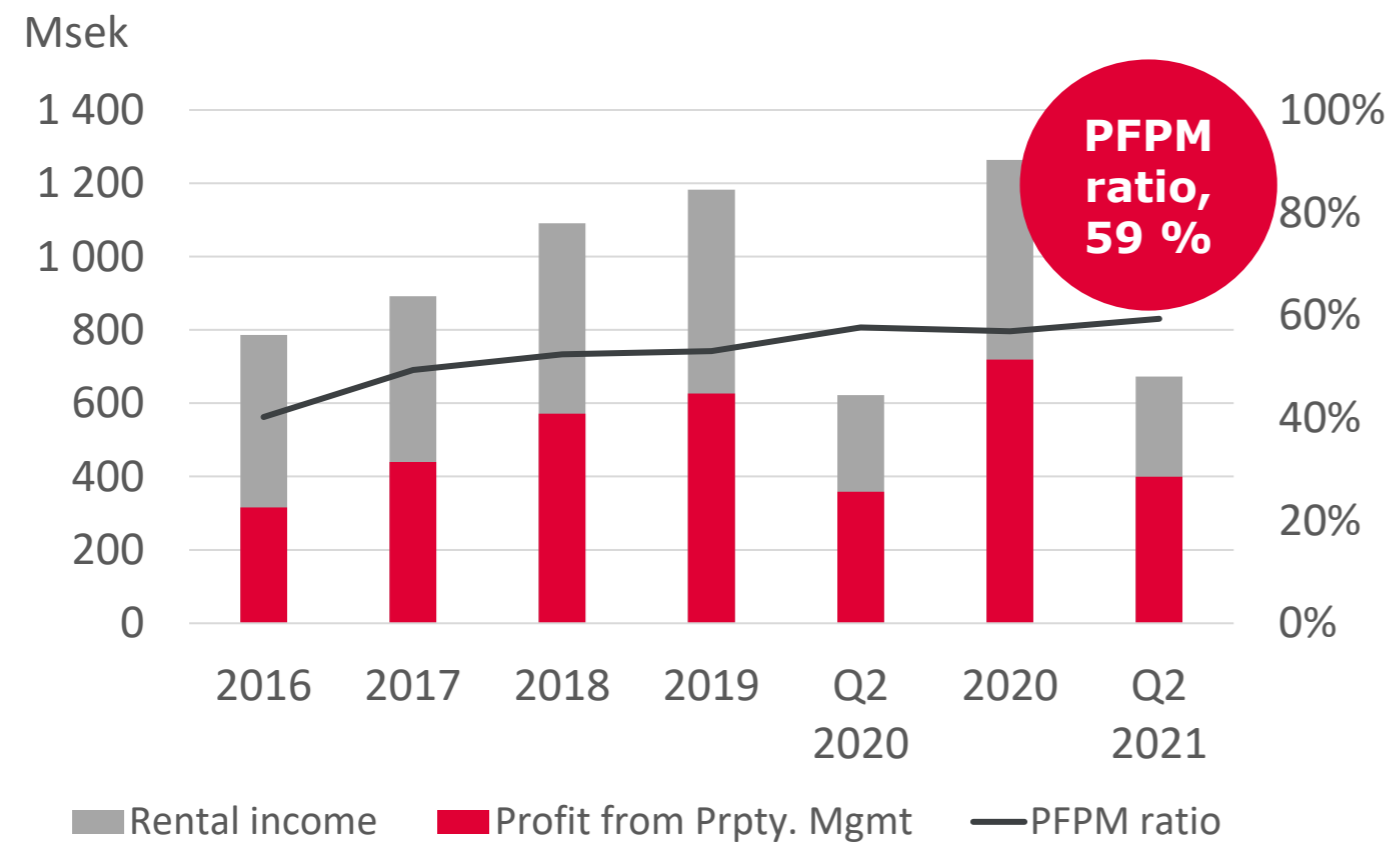
# Income statement – Period (YTD)

Q2

<b>MSEK</b>	<b>2021 Jan-June</b>	<b>2020 Jan-June</b>	<b>Y-o-Y change</b>
Rental income	672,8	622,3	8%
<i>SEK/sqm</i>	<i>661</i>	<i>661</i>	<i>0%</i>
Property expenses	-135,3	-122,0	11%
<i>SEK/sqm</i>	<i>-133</i>	<i>-131</i>	<i>2%</i>
<b>NOI</b>	<b>537,5</b>	<b>500,3</b>	<b>7%</b>
<i>NOI surplus ratio</i>	<i>79.9%</i>	<i>80,4%</i>	<i>1%</i>
Central admin	-17,5	-17,0	3%
Other	-1,0	-4,4	-77%
Financial net	-119,8	-120,4	0%
<b>Income from property management</b>	<b>399,2</b>	<b>358,5</b>	<b>11%</b>
<i>IFPM surplus margin</i>	<i>59.3%</i>	<i>56.3%</i>	<i>5%</i>
Value changes property	879,9	76,7	
Value changes derivatives	110,1	-23,9	
Taxes	-286,6	-87,8	
<b>Profit for the period</b>	<b>1102,6</b>	<b>323,5</b>	<b>241%</b>
<i>Profit for the period, SEK per share</i>	<i>27.87</i>	<i>8.58</i>	<i>225%</i>

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## Objective – to maintain a strong cashflow



### Objectives:

- 50 percent target on PFPM ratio
- Yearly target of 10 percent growth in PFPM
- Distribute 50 percent of profit from property management less standard tax

# Operational review

Q2

## Portfolio characteristics 1 (2)

REGIONS	# of properties	Lettable area tsqm	Fair Value Msek	Rental value Msek	Economic letting ratio %	Contractual annual rent, Msek <sup>1</sup>	Gross initial yield % <sup>2</sup>	Surplus ratio %
Gothenburg	18	297.1	2,876.0	208.7	88	183.2	6.4	82
Helsingborg	24	450.0	4,123.5	273.9	97	265.3	6.4	79
Jönköping	12	228.2	1,382.7	129.2	96	123.9	9.0	74
Malmö	24	345.8	4,311.0	291.2	98	284.8	6.6	75
Stockholm	45	779.5	8,480.9	584.7	95	554.2	6.5	83
<b>Total</b>	<b>123</b>	<b>2,100.6</b>	<b>21,174.1</b>	<b>1,487.7</b>	<b>95</b>	<b>1,411.4</b>	<b>6.7</b>	<b>80</b>
One year back	(112)	(1,876.5)	(17,222.5)	(1,324.2)	(96)	(1,270.3)	(7,4)	(80)

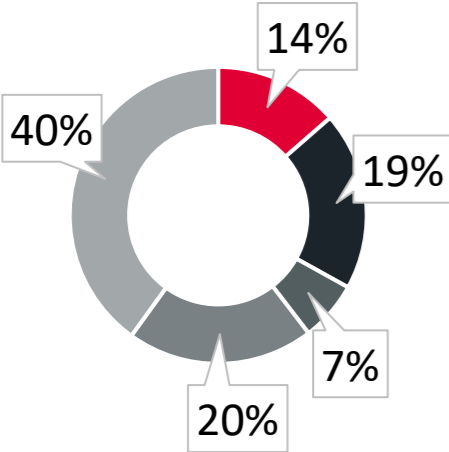
<sup>1</sup> Contractual annual rent are contracted rents before discounts and includes reinvoiced service charge

<sup>2</sup> Contractual rent/fair value

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## Portfolio characteristics 2 (2)

By value



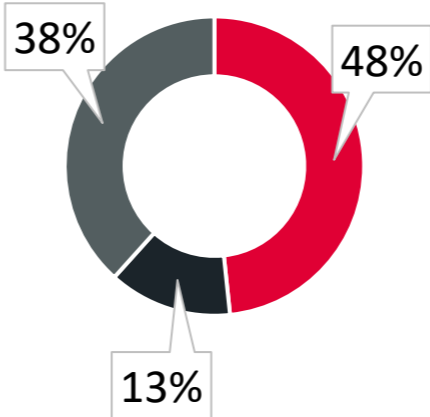
- Gothenburg
- Helsingborg
- Jönköping
- Malmö
- Stockholm

Tenant concentration by Contractual income



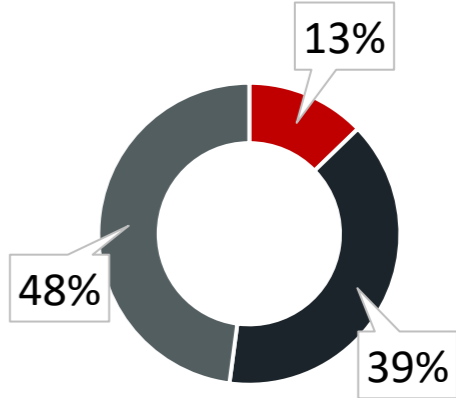
- 10 biggest tenants
- Rest

Asset size breakdown



- < 10k sqm
- 10k - 20k sqm
- > 20k sqm

Letteble space types, by area



- Terminals
- Distribution
- Logistics warehouse

# Well reputed and diversified customer base



Logistics/Transport /Recycling

Health/Medical

Fashion/Leisure /Electronics

Home/Construction /Packaging

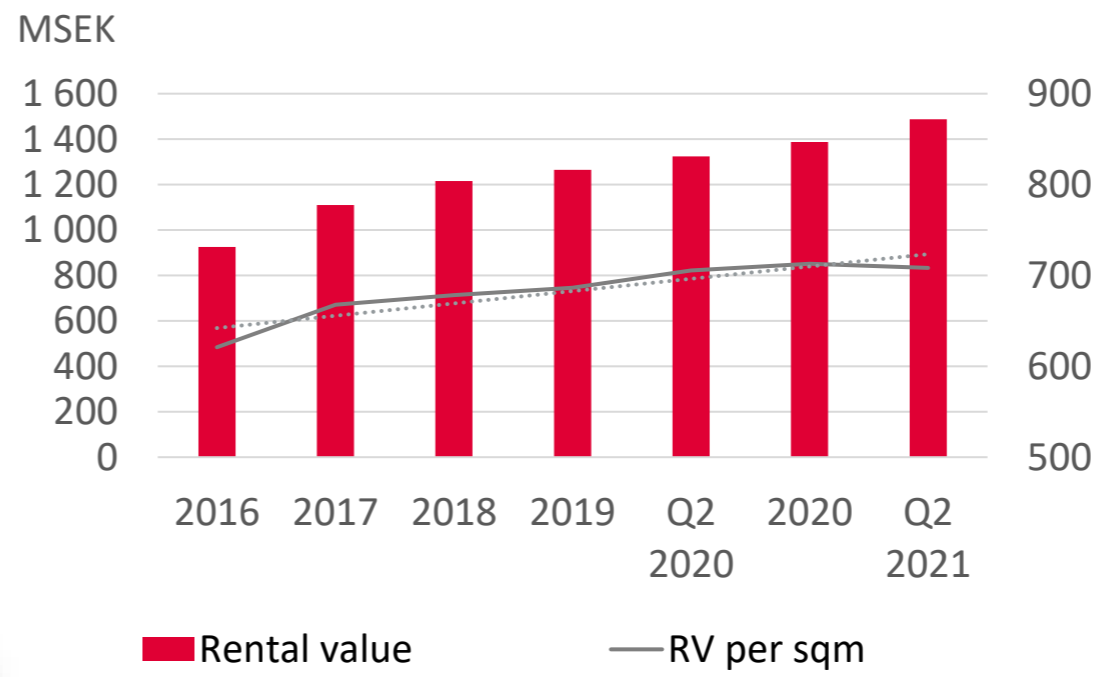
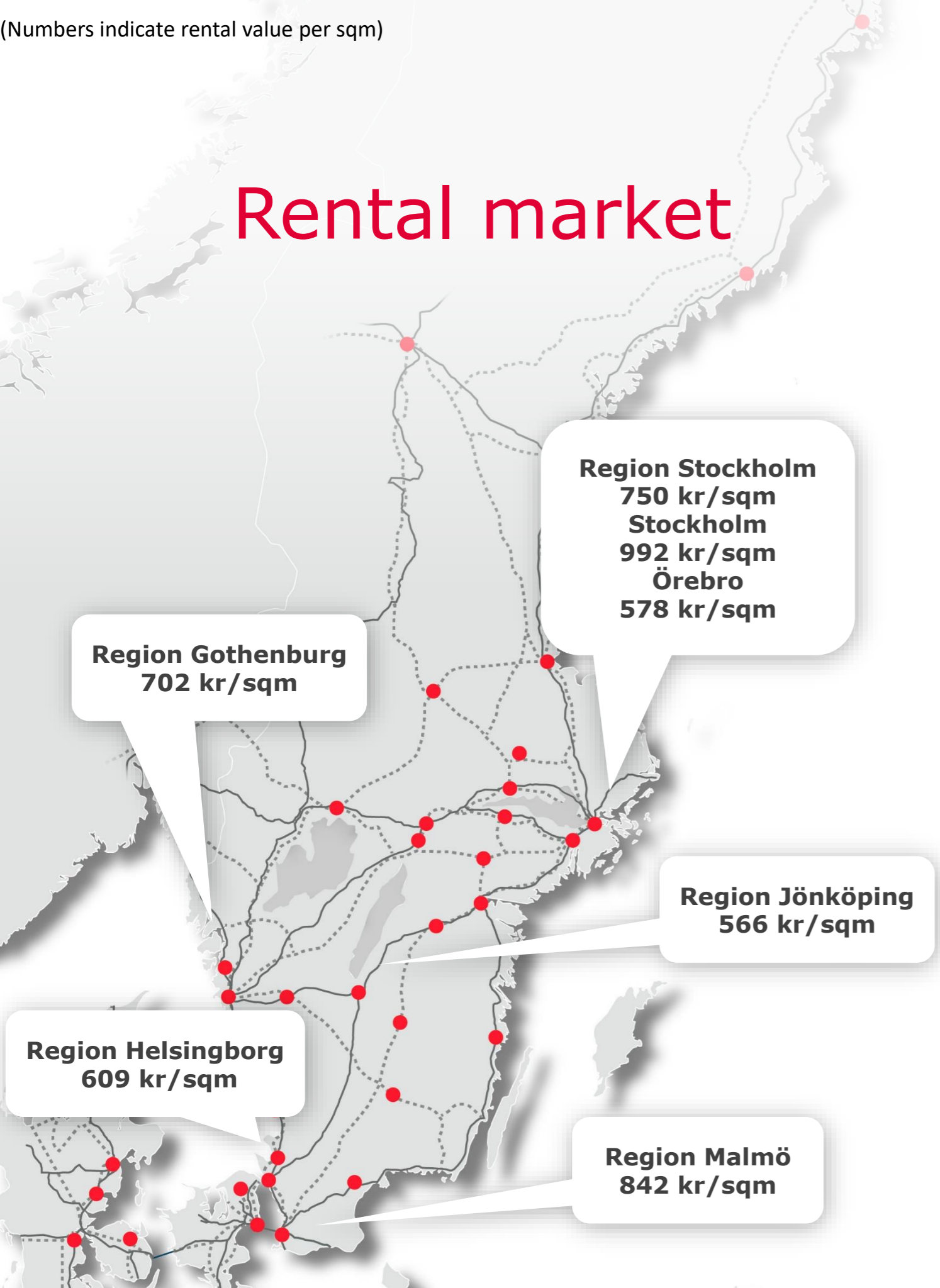
Food/Beverage

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(Numbers indicate rental value per sqm)

# Rental market

# Q2

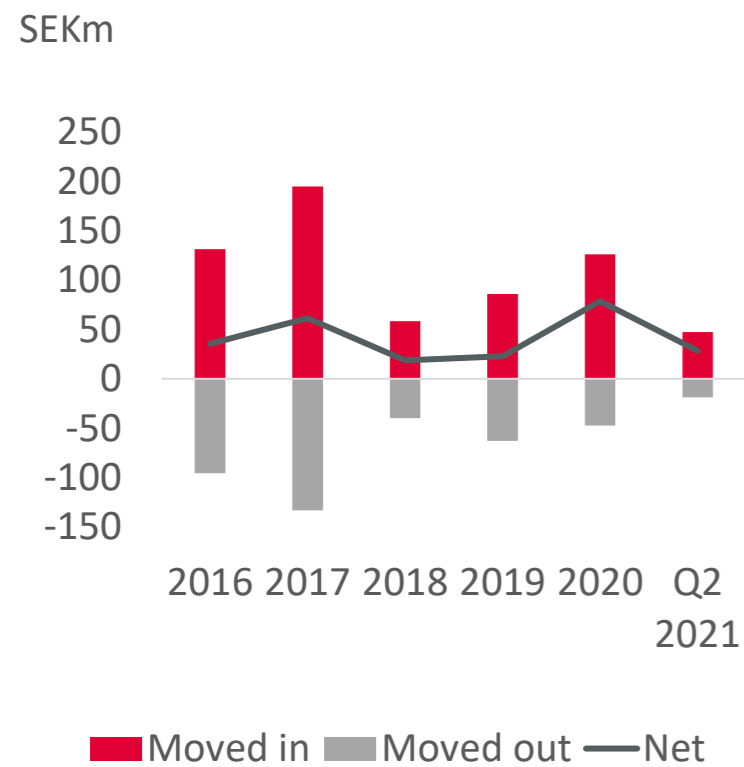


- Prime rent – terminal 900 – 1,700 SEK/Sqm
- Prime rent – distribution 550 – 1,000 SEK/Sqm

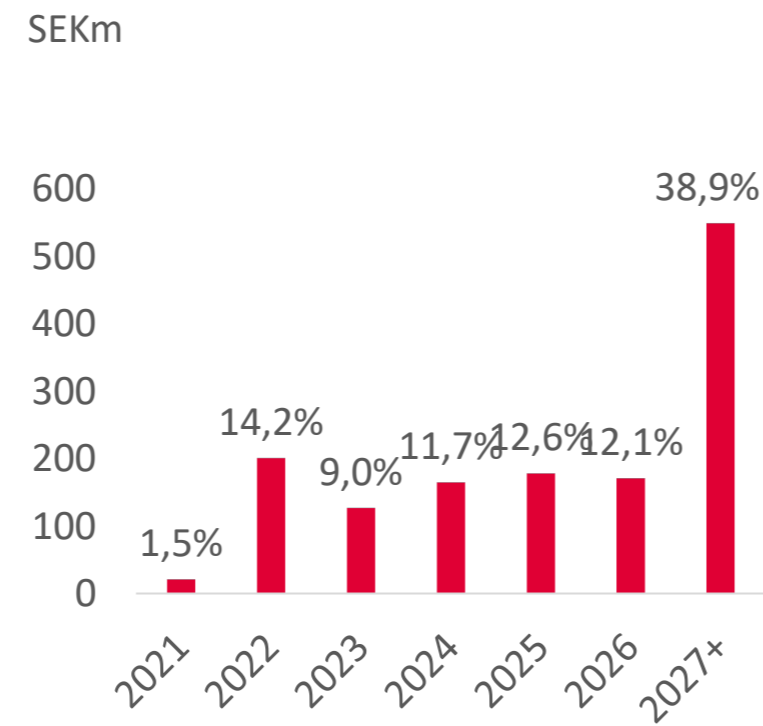
# Letting operations



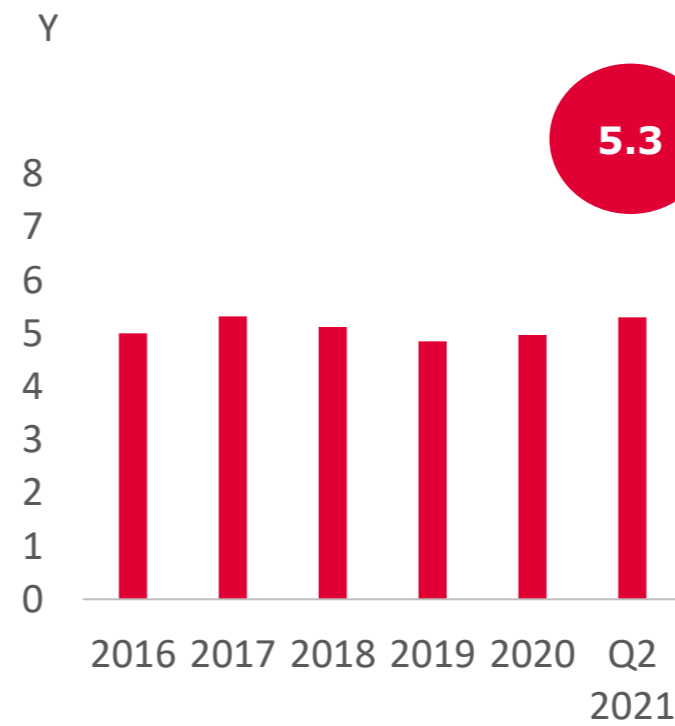
Net rental by contractual value



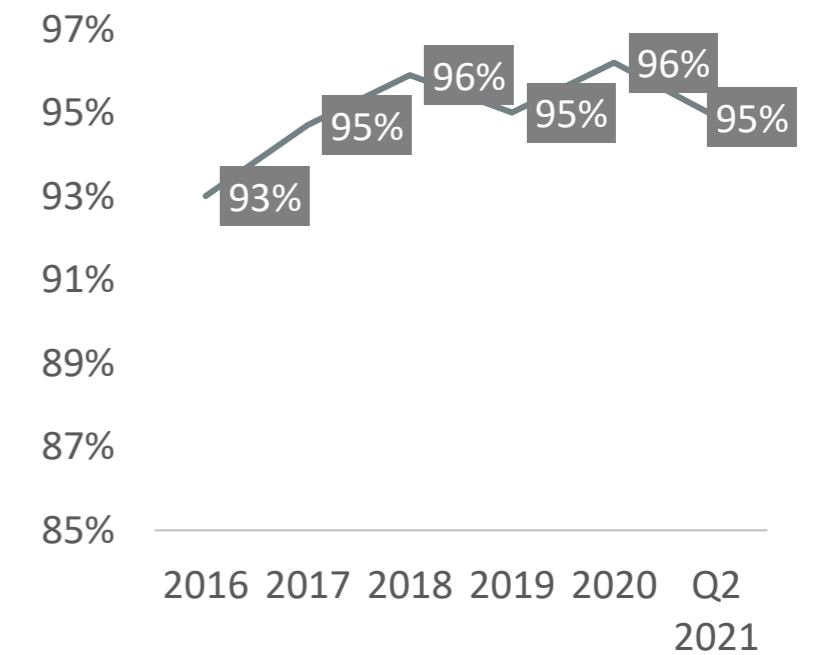
Maturity profile – contractual annual rent



WALE development



Letting ratio development



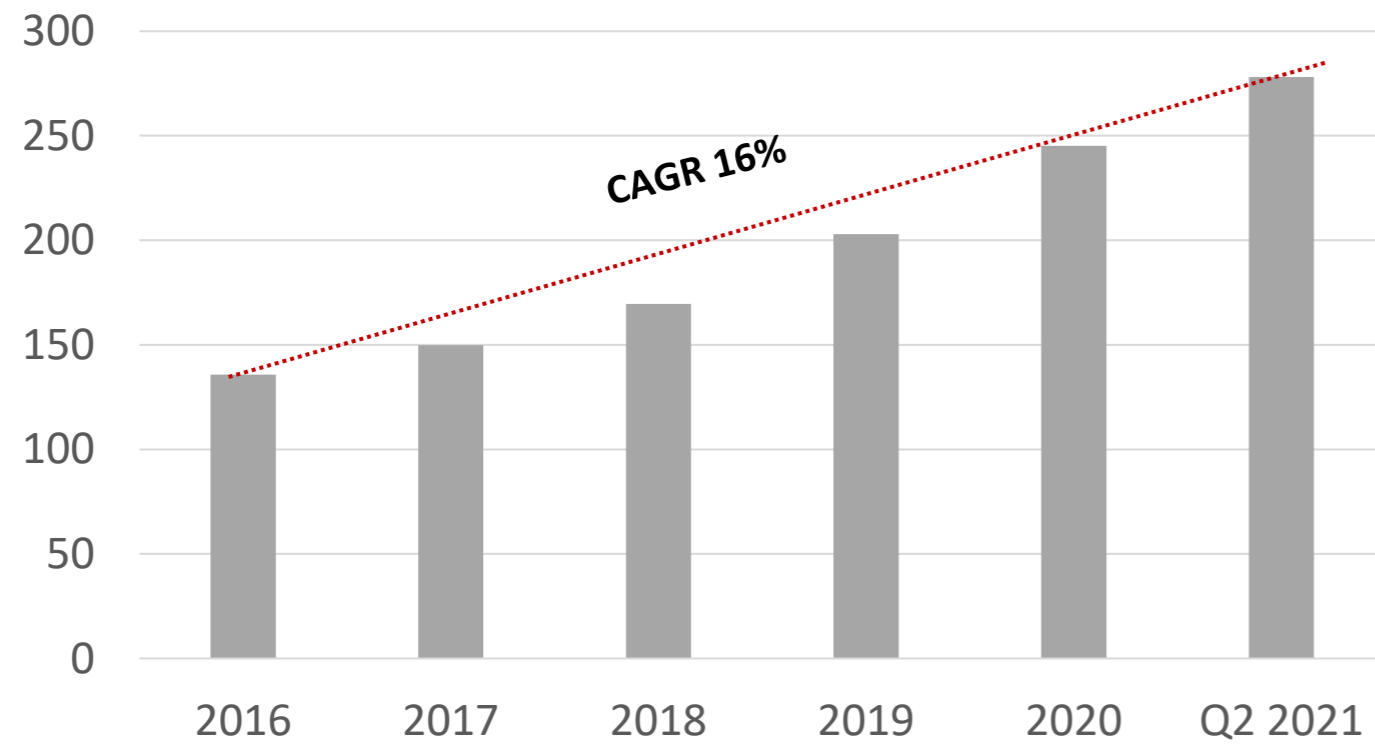


# Balance sheet and debt management

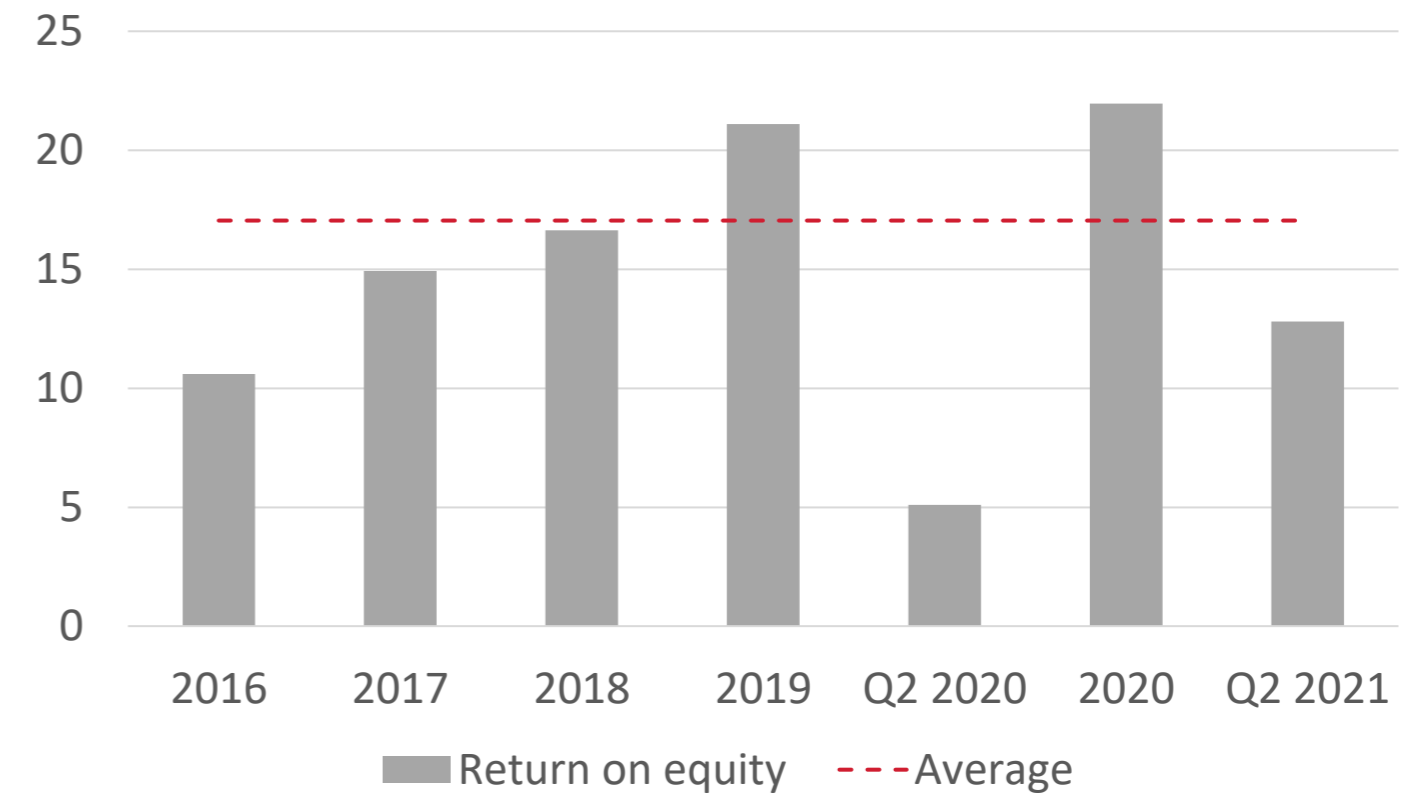
# Valuation



EPRA NRV per share



Return on equity, %



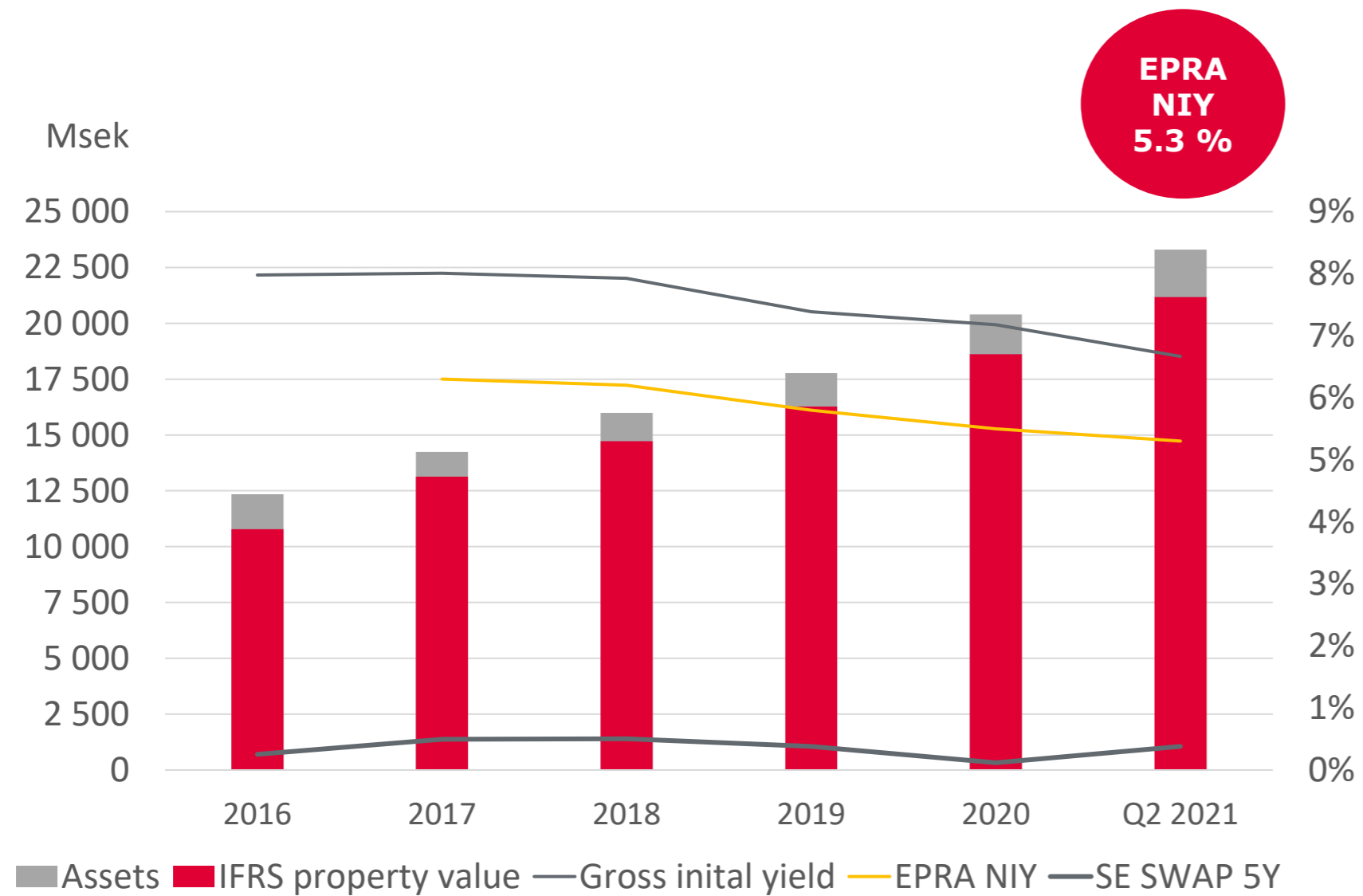
# Statement of financial position

Q2

SEK M	2021 Q2		2020 Q2	
Total assets				
Investment properties	21,174.1		17,222.5	
Goodwill	503.0		503.0	
Other assets	985.1		907.0	
Opening cash and cash equivalents	636.8		165.2	
<b>Total assets</b>	<b>23,299.0</b>		<b>18,797.7</b>	
Total shareholders' equity and liabilities				
Equity	9,657.9	<i>EPRA NRV - 276 SEK/share</i>	6,395.8	<i>EPRA NRV - 208 SEK/share</i>
Property loan	10,192.7	<i>2.3%, Cost of debt</i>	9,591.5	<i>2.4%, Cost of debt</i>
Other liabilities	3,448.4		2,810.4	
<b>Total shareholders' equity and liabilities</b>	<b>23,299.0</b>		<b>18,797.7</b>	

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# Property value and yield



## EPRA

In 2017 Catena's share was included in the international index EPRA

<sup>1</sup> Gross initial yield is calculated by dividing IFRS value by the contractual value on balance day

# Nordic Credit Rating BBB- (stable outlook)

## **BBB- (stable) long-term issuer rating by Nordic Credit Rating as per 3 May 2021 reflecting Catena's:**

- ✓ Strong position as one of the largest logistics property managers in Sweden, a sector expected to benefit from increasing e-commerce
- ✓ Long remaining lease terms
- ✓ High occupancy rate
- ✓ Solid profitability and interest coverage

### **Potential negative rating drivers:**

- Increased financial gearing, with net LTV returning to levels over 50% and
- EBITDA/net interest below 3.5x over a protracted period
- Deteriorating market fundamentals, adversely affecting occupancy and/or profitability

### **Potential positive rating drivers:**

- Improved credit metrics, with EBITDA/net interest over 5x and net debt/EBITDA below 9x over a protracted period
- Reduced tenant concentrations
- Proven commitment to new financial policy, and less concentrated debt maturity profile

# Green finance framework 1 (2)

Catena works with a long-term perspective for a sustainable society and has established a green framework for financing.

- Was launched May 2021
- Based on the Green Bond and Green Loan Principles
- The framework is and has been reviewed by the independent climate and environmental research institute Cicero
  - The framework has been rated *Cicero Medium Green*






## Examples of Green Eligible Assets



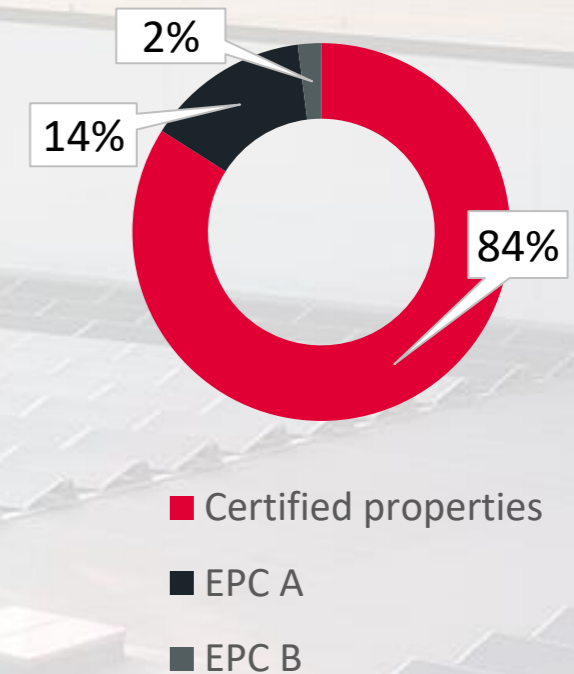
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# Green finance framework 2 (2)

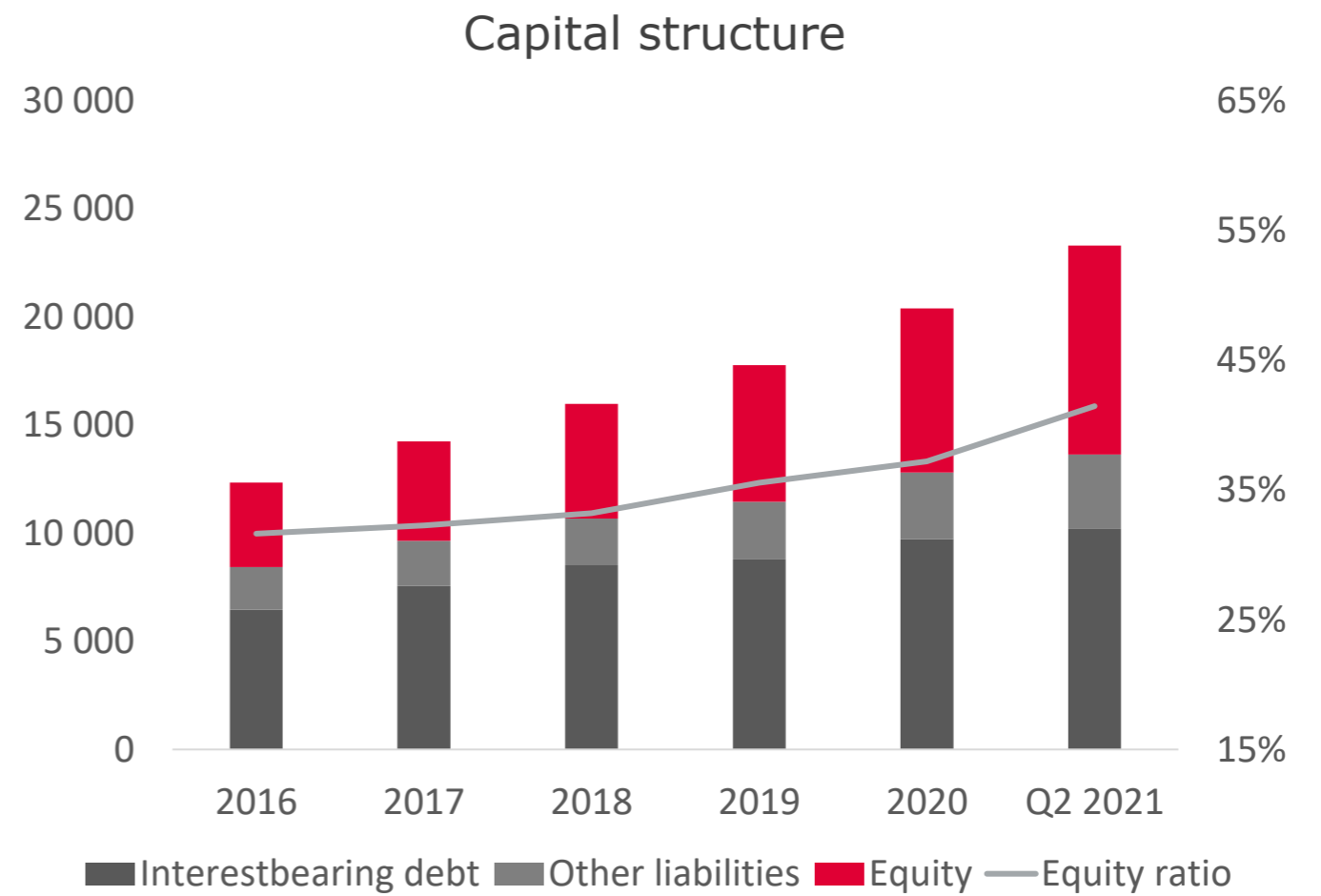
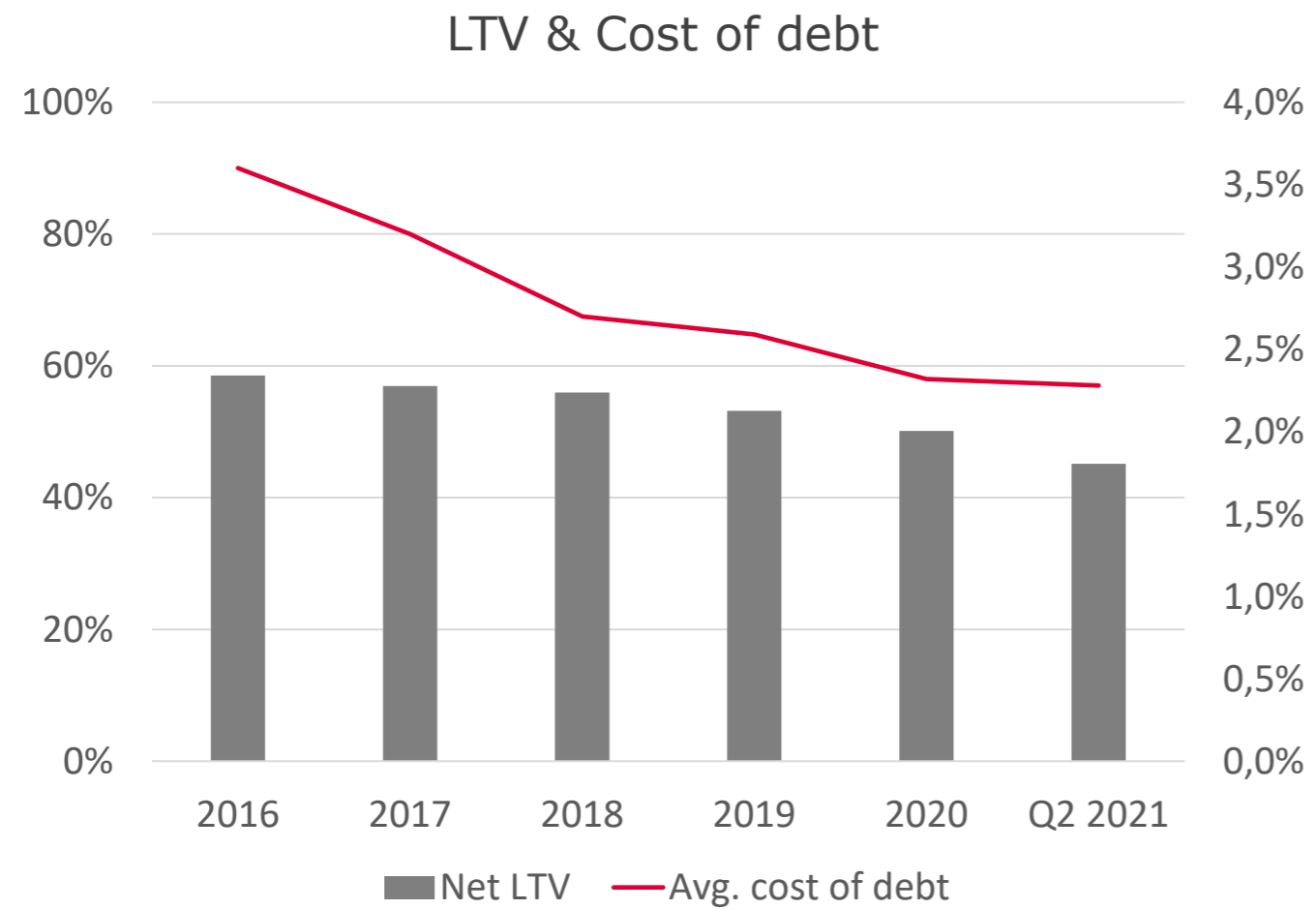
## Use of Proceeds

Green Eligible Assets	Sub-category	Core SDGs
Green & energy efficient buildings	<p>Category I - New construction &amp; major renovations</p> <ul style="list-style-type: none"> <li>New construction with:                             <ul style="list-style-type: none"> <li>minimum Miljöbyggnad Silver or Green Building or other minimum equivalent certification standard in terms of energy consumption after the completed construction</li> <li>energy performance certificate of class A or B</li> <li>energy consumption <math>\geq 20\%</math> below applicable national building regulation</li> </ul> </li> <li>Major renovations resulting in a reduced energy consumption of <math>\geq 30\%</math></li> </ul>	 
	<p>Category II - Existing buildings</p> <ul style="list-style-type: none"> <li>certification from the construction phase mentioned in category I</li> <li>obtained certification of Miljöbyggnad iDrift Silver demonstrating energy consumption of <math>\geq 10\%</math> below applicable national building regulation</li> <li>energy performance certificate of class A or B</li> <li>energy consumption <math>\geq 20\%</math> below applicable national building regulation</li> </ul>	
Energy efficiency	<p>Energy retrofits such as installation of onsite solar panels, heat pumps, improvements in ventilation systems, extension of district heating and cooling systems, improvements and implementation of control systems, as well as infrastructure for electric vehicles or other low-carbon vehicles</p>	  

## Green Eligible Assets split



# Debt and Capital Structure

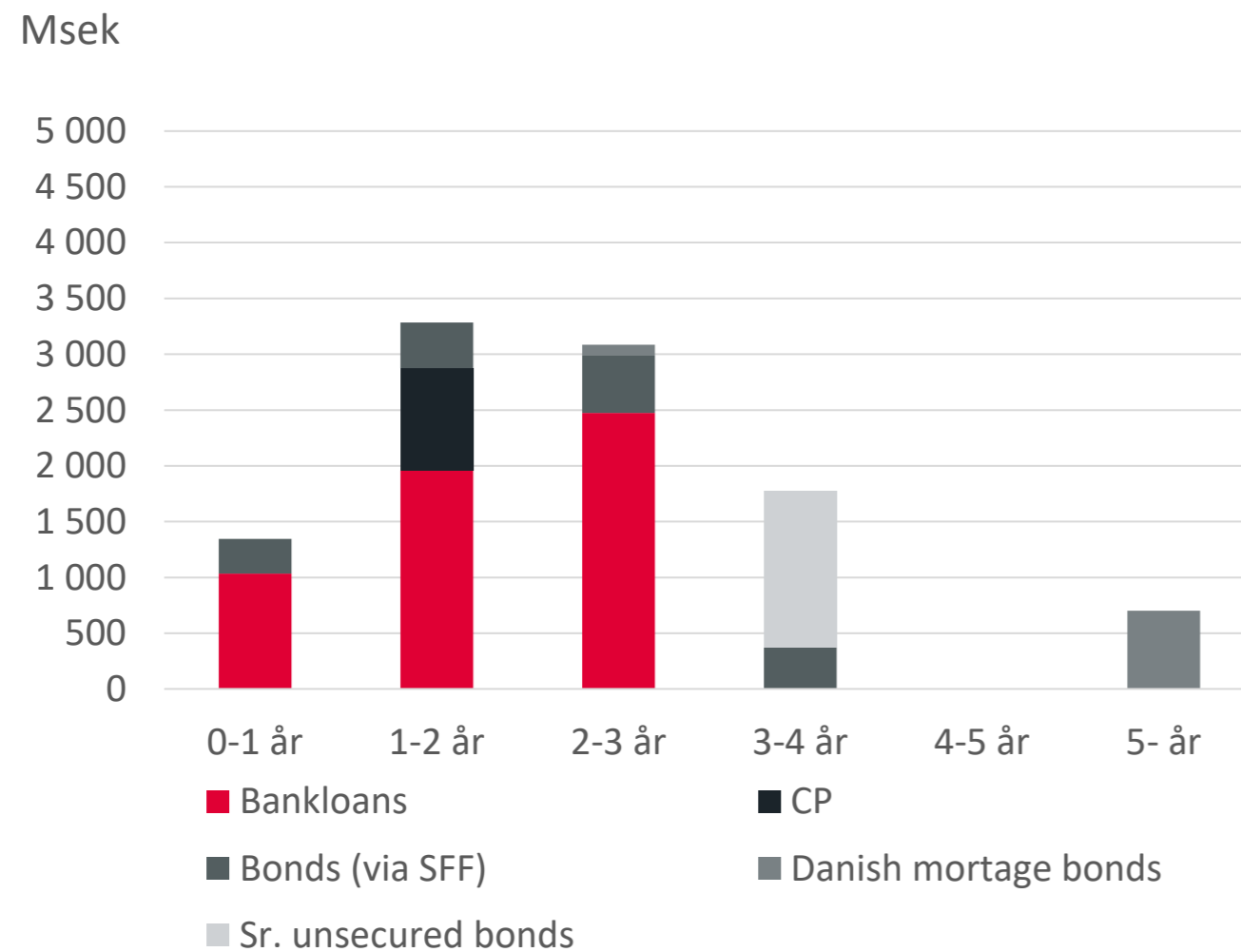




# Debt profile

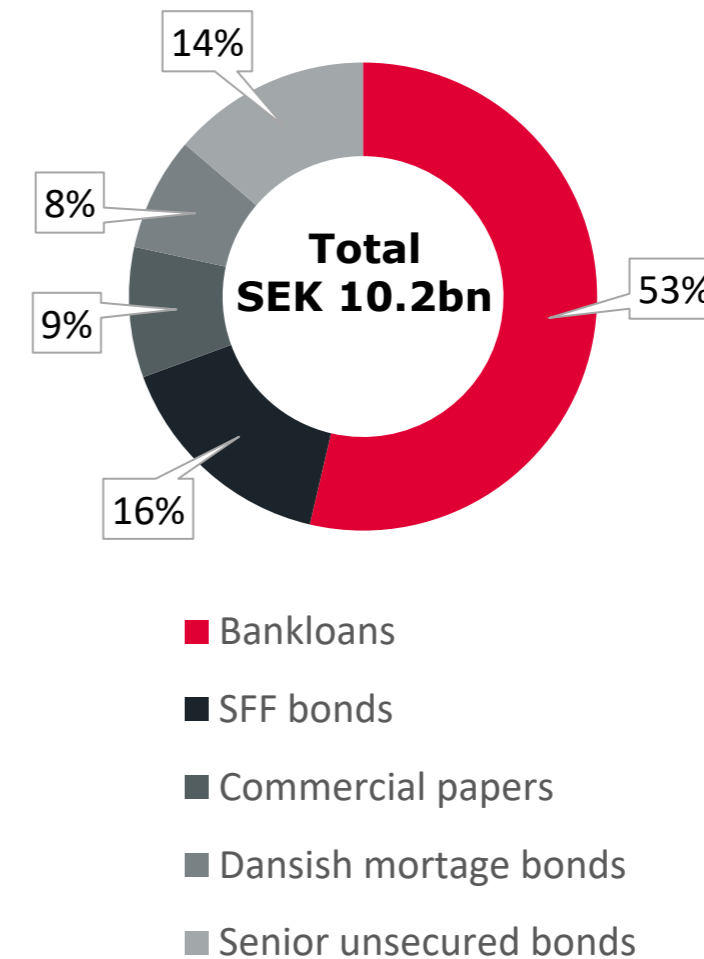


Debt maturity profile



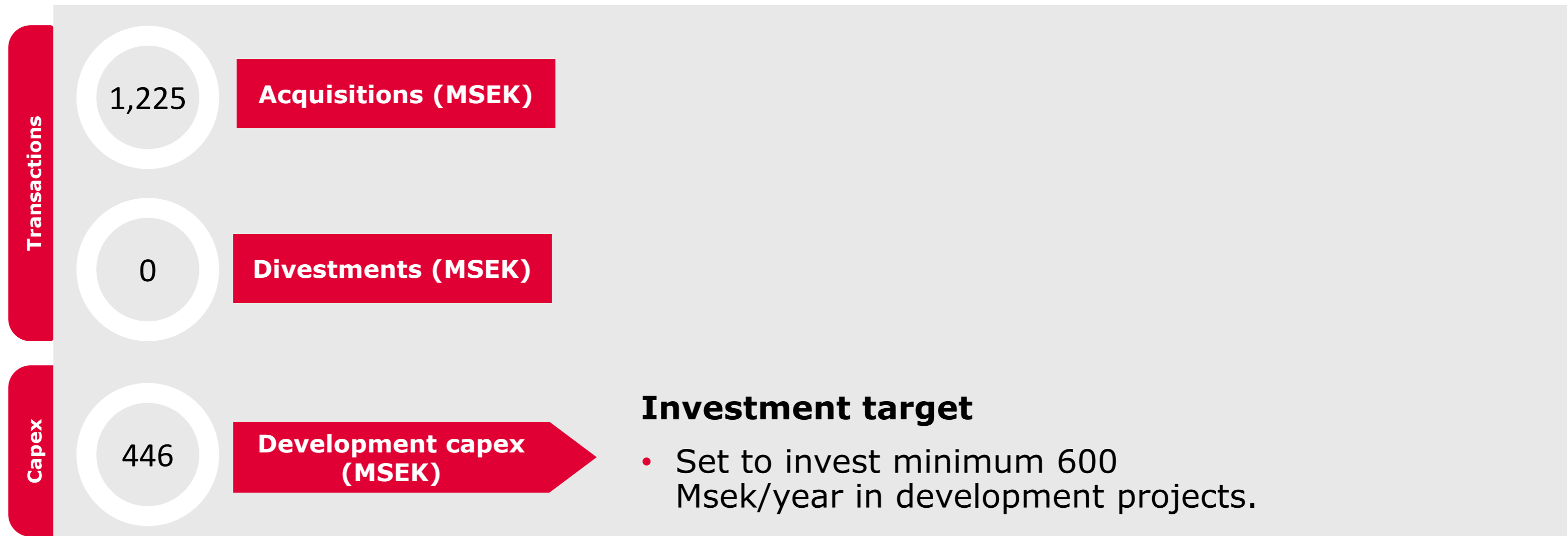
- Debt maturity 3.3 yr
- Interest maturity 3.0 yr
- Hedge ratio 71%
- Green share 14%

Financing split



# Capital deployment

# Capital deployment YTD



# Transactions

Q2

## ACQUISITIONS

Property	Transfer	Lettable area (sqm)	Region	Municipality	Property value (MSEK)	Rental income/y MSEK
Åre 92	Q1 2021	38,293	Gothenburg	Borås	272	17.4
Morgongåva 15:33	Q1 2021	Land	Stockholm	Heby	32	0
Hammerholmen 47-49	Q1 2021	16,489	Malmö	Hvidovre (DK)	218	12
Kokbjerg 15	Q1 2021	15,327	Malmö	Kolding (DK)	201	11
Nordigesvej 3	Q1 2021	4,497	Malmö	Risskov (DK)	43	3
Bavnevej 13	Q1 2021	26,752	Malmö	Vamdrup (DK)	193	11
Kokmose 2-6	Q1 2021	10,686	Malmö	Kolding (DK)	79	5
Hevea 3	Q1 2021	19,519	Gothenburg	Borås	76	7
Björrod 1:208	Q2 2021	7,550	Gothenburg	Härryda	79	4.9
Kärå 1:9	Q2 2021	Land	Helsingborg	Ängelholm	21	0

## DIVESTMENTS

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(Boxes represents a selection of ongoing projects)

# Development projects, in progress



**Storheden 2:1, Luleå**  
Kyl och frysexpressen  
Total investment: 75 MSEK  
Finalized: Q4 2021

**Morgongåva 15:33, Heby**  
Babyland  
Total investment: 300 MSEK  
Finalized: Q1 2022

**Broby 57:1 & 4:32, Åstorp**  
Seafrigo Nordic -  
Distributioncenter  
Total investment: 147 MSEK  
Finalized: Q3 2021

Book value, MSEK

930

Remaining investments,  
MSEK

>370

Adds Ksqm

59

Always targeting at least Miljöbyggnad "Silver" on new developments

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(Presented landlots represents a selection of our outstanding landbank)



# Potential, future development

**Örebro (JV, 34%)**  
Törsjö  
Sqm land: **920'**  
Pending zoning plan

**Landvetter**  
Härryda  
Sqm land: **210'**  
Pending zoning plan

**Magneten 6**  
Umeå  
Sqm land: **42'**  
Zoning plan activated

**Stockholm South**  
Nykvarn/Södertälje  
Sqm land: **450'**  
Pending zoning plan

**Logistics position Järna**  
Södertälje  
Sqm land: **1,000'**  
Pending zoning plan

**E-City**  
Ångelholm  
Sqm land: **850'**  
Pending zoning plan

**Jönköping**  
Jönköping  
Sqm land: **190'**  
Pending zoning plan

**Logistics position Sunnanå**  
Malmö  
Sqm land: **110'**  
Zoning plan approved

**Sockret (Malmö harbour)**  
Malmö  
Sqm land: **40'**  
Zoning plan activated



Landbank includes JV agreements, and various conditional options and contracts.



# Sustainability

# Sustainability strategy and targets



## Societal development



By developing more sustainable logistics, Catena is able to influence both business partners and the environment.

### Target

- Exert a positive influence on our business partners and our environment by strengthening our brand and being involved in societal development



## Sustainable properties



What we deliver must be sustainable over time.

### Targets

- At least 50% of all space at the Group's facilities shall be certified, as a minimum, at the Miljöbyggnad Silver level or equivalent as of 2025
- All buildings should, if possible, include a photovoltaic facility adapted to the conditions of the property and the tenant
- Fossil-free energy by 2030
- Reduce energy consumption for normal-year adjusted heating by 15% in kWh/m<sup>2</sup> and for electricity by 10% in kWh/m<sup>2</sup> by 2025 compared with 2017



## Attractive employer



Catena should be an exciting and responsible employer that attracts engaged and skilled employees.

### Targets

- Achieve an eNPS of at least 40 (in the annual employee survey) and safeguard equal opportunities in a safe and stimulating working environment
- Increase gender equality and diversity in all professional categories by 2025



# Sustainability within Catena

## Environmental certification and photovoltaic cells

- With 15 facilities installed and 7 underway they will correspond to approximately 5% of all electricity consumed.
- For newly developed facilities we aim at Miljöbyggnad Silver standard as minimum requirement, for existing buildings we are in progress of examining Miljöbyggnad iDrift (in use) to enhance environmental and social parameters.

Miljöbyggnad Silver/ iDrift Silver		
	Certified	Ongoing
Number of properties	12	10
Area, sqm	209,706	194,000
<b>% of total area</b>	<b>10%</b>	<b>19%</b>

Photovoltaic cells		
	Installed	Ongoing
Number of facilities	15	6
Effect (kwp)	5,134	1,500

1) Electricity includes property related as well as operational electricity

## Energy efficiency and CO<sub>2</sub>e

- Continued strive for examining ways to minimize consumed energy and CO<sub>2</sub>e emissions.

Energy consumption per sqm			
Kwh/sqm	Q2 2021	2020	2019
Electricity <sup>1</sup>	30	70	75
Heating, adj	27	44	43
Fuel, adj	6	10	31
<b>Total energy intensity</b>	<b>51</b>	<b>107</b>	<b>114</b>

CO <sub>2</sub> e emissions			
Tons, Co2e	Q2 2021	2020	2019
Scope 1	46	63	637
Scope 2	635	1,201	1,199
Scope 3	2,667	7,233	7,168
<b>Total</b>	<b>3,348</b>	<b>8,501</b>	<b>9,004</b>

Market insights and ongoing

**postnord**

Online spending grew by 53% in the first quarter of 2021 compared to 2020. Most staggering was the growth related to groceries, up by 128%.

[www.postnord.se/ebarometern](http://www.postnord.se/ebarometern)

**ICA**  
GRUPPEN

Online sales hit 149 percent growth in the first quarter and the share of total retail sales amounted to 6.1 percent which one year earlier was only at 0.2 percent.

[ICAgruppen.se](http://ICAgruppen.se)

**NTG** |   
Nordic Transport Group

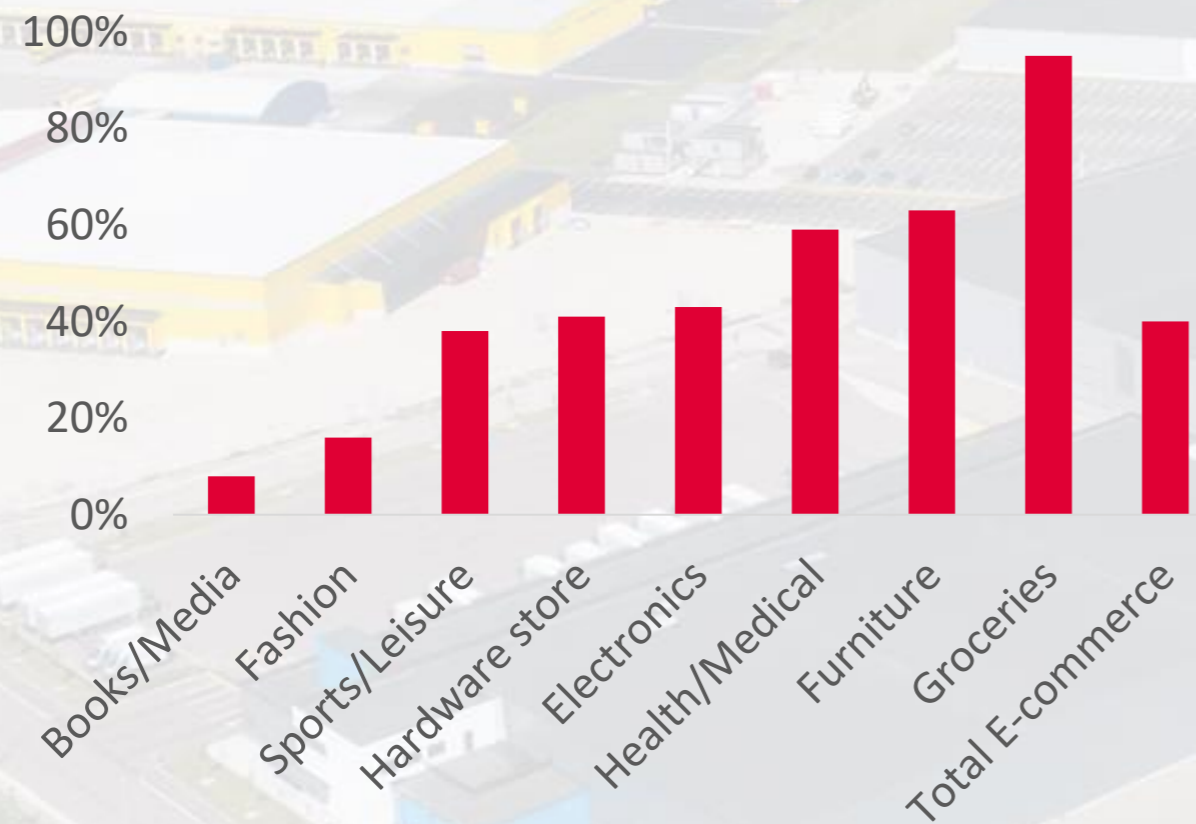
“Q1 2021 represents the best quarterly result in the history of NTG”

[www.investor.ntg.com](http://www.investor.ntg.com)

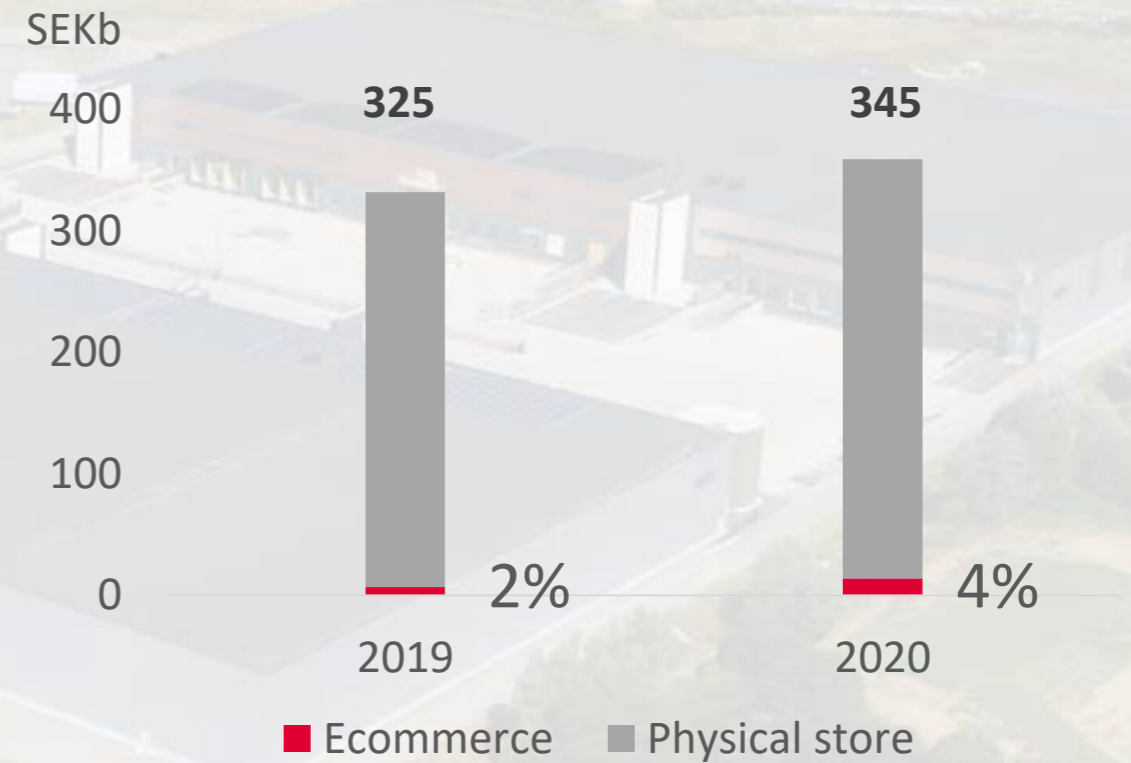
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# E-commerce penetration at 15% of retail sales – more to come

E-commerce growth 2020, Sweden



E-commerce share of grocery, Sweden



Source: Handelsfakta.se

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# CASE

Logistic position  
Sunnanå

DHL FREIGHT

DHL EXPRESS

SVENSK CATER

MULTI TENANT

(Lekia, DHL, Padel Crew, Scandinavian Cosmetics,  
Rechon Life Science, DS Smith)

CHEFS CULINAR

ZONING PLAN APPROVED

110 000 Sqm of land



Total investment:	1,001 MSEK
Total Rental value:	73 MSEK
Gross yield:	7.3%
Total sqm:	80,500
Time of production:	2015-2020

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# CASE

Acquisition

Björrod 1:208

Investment: 79 MSEK  
Tenant: Liseberg AB  
Total sqm: 7,500  
Lease duration: 10Y

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# Q&A



Jörgen Eriksson CEO, Sofie Bennsten CFO

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

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property company  
in logistics.**

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