

# The leading property company in logistics



**CATENA**

# Q1 2023 Presentation



Jörgen Eriksson, CEO



Sofie Bennsten, CFO



David Silvesjö, Chief Treasury Officer

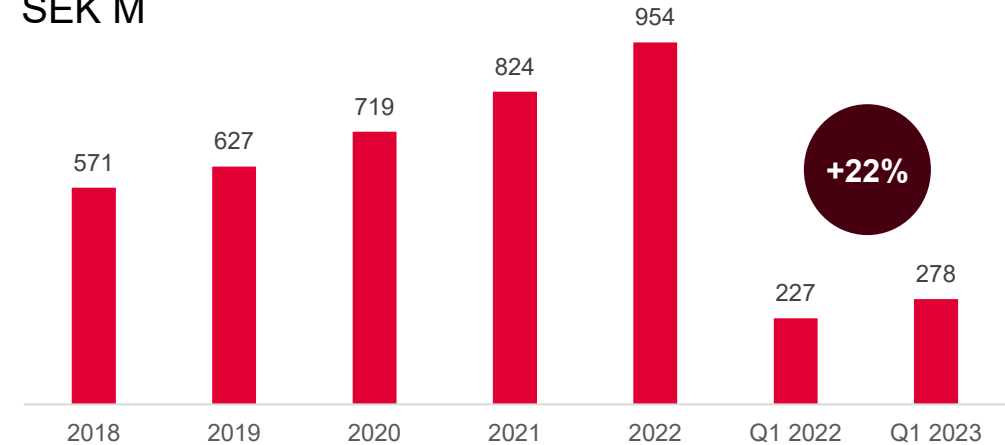
# Agenda

1. Summary of latest quarter
2. Business overview
3. Business update
4. Financial update
5. Takeaway from today
6. Q&A

# Q1 2023 summary: Attractive opportunities ahead, despite prevalent uncertainties

- Rental income increased due to indexation and acquisitions
- Keeping our word
  - Transaction of ICA properties completed
  - Announced 379 SEK M in new development after the quarter
  - Attractive opportunities in energy

Profit from Property Management  
SEK M



**+18%**  
Rental income YoY,  
Q1 2023

**+22%**  
Net operating surplus  
YoY, Q1 2023

**97.5%**  
Letting ratio

**35.1%**  
Loan to value

**5.4**  
WALE

# 2. Business overview

Sector-leading portfolio and prime customer base

# Business overview

## Market update

- Trying macro environment, strong players stand out
  - Swedish e-commerce sales down 7% during 2022
  - Small package volume increased by 7%
  - Market leading 3PL players in DHL, Postnord and challengers such as Nowaste advancing their positions
- Shifting view of the logistics facility favour prime assets
  - Harder to recruit warehouse workers and strict work environment requirements drives demand for modern facilities close to main cities
  - Energy and location are key factors for customers
- Long-term trends favours logistics
  - Omni, circularity and reshoring drives long-term demand
  - Lack of prime land drives pricing power for existing prime assets



# Business overview

## Portfolio

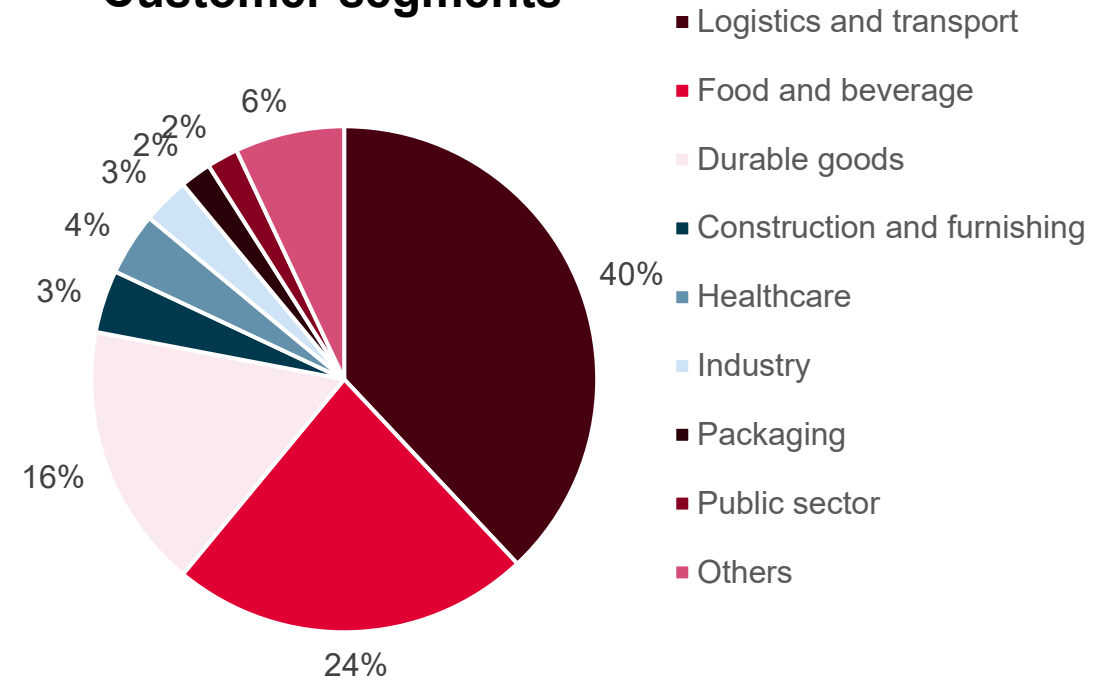
| Regions            | Number of properties | Lettable area, Tsqm | Fair Value, SEK M | Rental value, SEK M | Economic letting ratio, % | Contractual annual rent, SEK M <sup>1</sup> | Surplus ratio, % <sup>2</sup> |
|--------------------|----------------------|---------------------|-------------------|---------------------|---------------------------|---|-------------------------------|
| Göteborg           | 21                   | 366                 | 4,815             | 306                 | 98                        | 301   | 87                            |
| Helsingborg        | 26                   | 501                 | 5,033             | 354                 | 98                        | 346   | 76                            |
| Jönköping          | 10                   | 147                 | 1,564             | 95                  | 99                        | 94  | 82                            |
| Malmö <sup>3</sup> | 24                   | 386                 | 5,677             | 365                 | 98                        | 359   | 77                            |
| Stockholm          | 47                   | 840                 | 10,850            | 726                 | 96                        | 699   | 81                            |
| <b>Total</b>       | <b>128</b>           | <b>2,240</b>        | <b>27,939</b>     | <b>1,846</b>        | <b>97.5</b>               | <b>1,799</b>                                | <b>81</b>                     |
| Q1 2022            | 129                  | 2,168               | 24,905            | 1,579               | 95                        | 1,503                                       | 78                            |

# Business overview

## Customer base

| Customers          | Share of contractual value |
|--------------------|----------------------------|
| DHL                | 11%                        |
| ICA                | 8%                         |
| Martin & Servera   | 6%                         |
| Postnord           | 6%                         |
| Boozt              | 3%                         |
| Nowaste Logistics  | 3%                         |
| DKI Logistics      | 3%                         |
| Dagab              | 2%                         |
| Intervare          | 2%                         |
| Menigo Foodservice | 2%                         |
| <b>Top 10</b>      | <b>46%</b>                 |

### Customer segments





# 3 Business update

Attractive growth enabled by our long-standing customer relationships, unique landbank and strong financial position

# Business update

## Energy

### MAJOR OPPORTUNITIES WITHIN ENERGY

- Catena has identified investments of 500 SEK M in battery and solar panel installations
  - Made possible by our large roof surfaces and land area
  - High combined Internal Rate of Return ("IRR") in the low double digits
  - Compensation for frequency balancing, main revenue source
    - High ROI but uncertain long-term prospects
  - Peak shaving, recharge station for trucks makes facility future proof



# Business update

## Current development

### Part of Dansered 1:64, Härryda

Tenant: Menigo, MM-Sport  
 Investment: 1 056 SEK M  
 Sqm: 84 060  
 Finalized: Q3 2024



### Norra Varalöv 31:11, Ängelholm

Tenant: Carepa  
 Investment: 83 SEK M  
 Sqm: 6 900  
 Finalized: Q3 2024



### Sockret 4, Malmö

Tenant: Lekia  
 Investment: 208 SEK M  
 Sqm: 18 665  
 Finalized: Q1 2024



### Stigamo 1:49, Jönköping\*

Tenant: Nowaste Logistics  
 Investment: 379 SEK M  
 Sqm: 33 000  
 Finalized: Q3 2024



### Stenvreten 8:33, Enköping

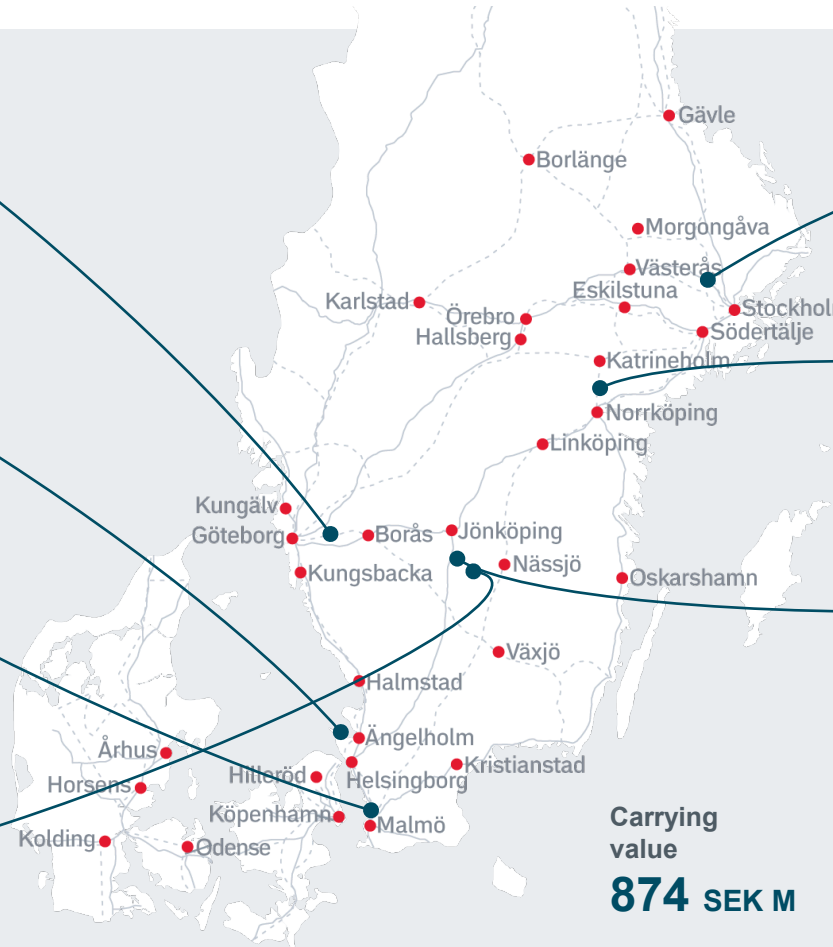
Tenant: Coop  
 Investment: 124 SEK M  
 Sqm: 5 800  
 Finalized: Q1 2024

### Statorn 31, Norrköping

Tenant: SGD  
 Investing: 115 SEK M  
 Sqm: 8 400  
 Finalized: Q3 2023

### Hyltena 1:98, Jönköping

Tenant: Elgiganten  
 Investment: 813 SEK M  
 Sqm: 86 600  
 Finalized: Q2 2024



Carrying value  
**874 SEK M**

Remaining Investments  
**1,619 SEK M**

GLA under construction  
**214 Tsqm**

Yield on Cost  
**~ 6 %**

CASE

## Growing with our customers

Property: Stigamo 1:49,  
Jönköping

Tenant: Nowaste Logistics

Expected GLA (sqm): 33 000 sqm

Exp. Investment: 379 SEK M  
including land acquisition

Certification: BREEAM Excellent

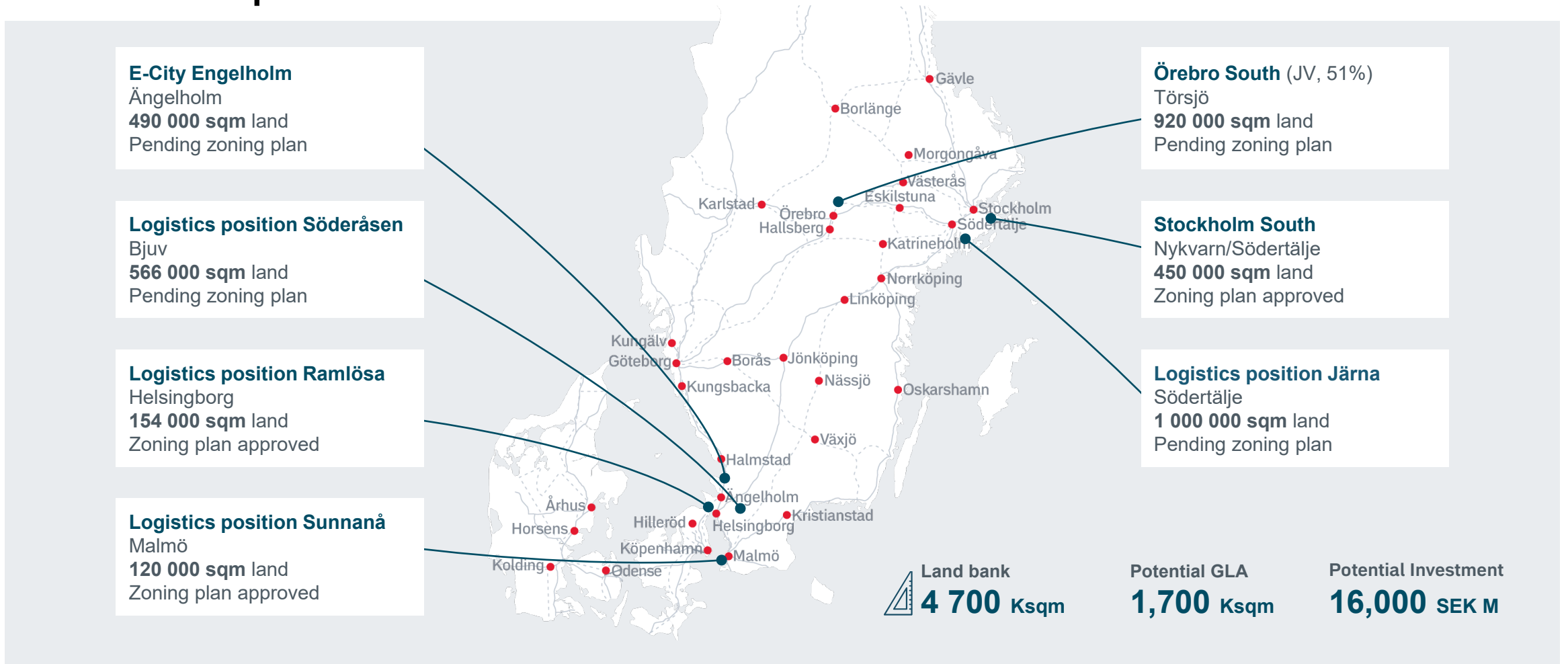
Finalized: Q3 2024



Catenas CEO Jörgen Eriksson (left) and Nowaste Logistics CEO Johan Kallin (right)

# Business update

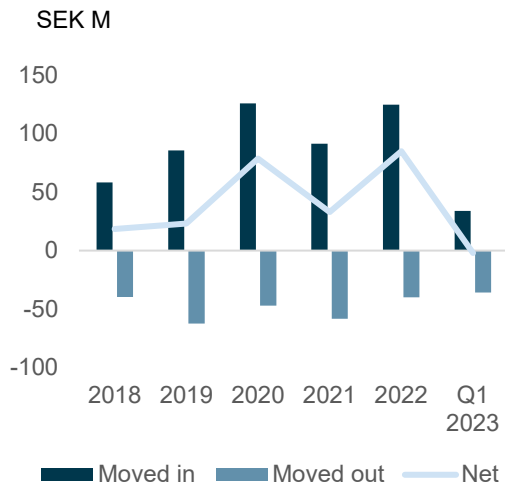
## Future development



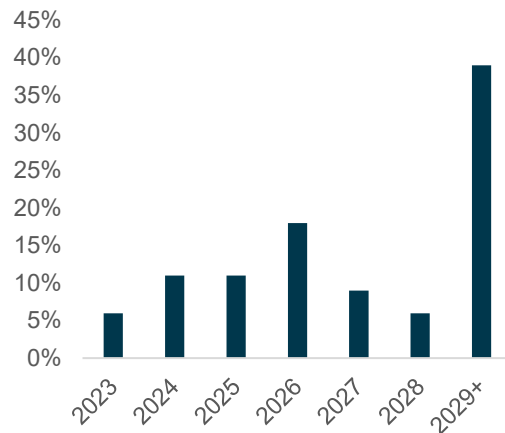
# Business update

## Leasing update

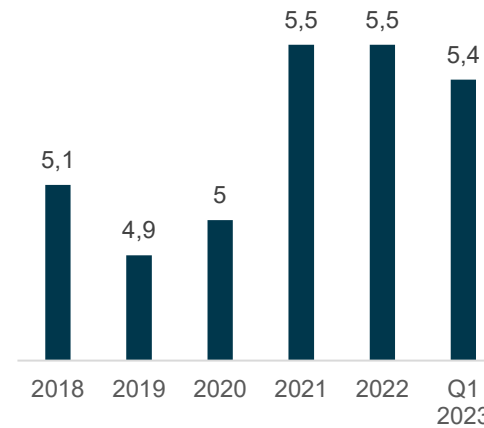
Net leasing



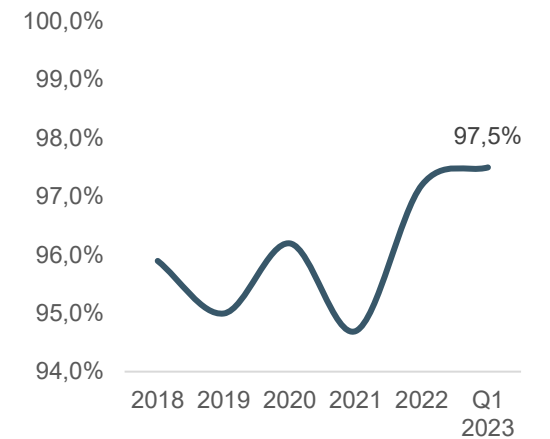
Maturity profile – contractual annual rent



WALE development



Letting ratio



# Business update

## Sustainability

### CONTINUED PROGRESS TOWARDS 2030 TARGETS

- 31 percent of lettable area is environmentally certified
  - 10 percentage point increase compared with 2022, now totalling ~694,000 sqm
- Ranked one of the best workplaces among medium sized companies in Sweden by Great Place to Work

| Sustainability targets   | Q1 2023 | 2022   | 2021   | Trend |
|--|---------|--------|--------|-------|
| Net-zero greenhouse gas emissions by 2023  |         |        |        |       |
| -Scope 1-2 (location based)  | 875     | 2,814  | 2,632  | ➔     |
| -Scope 3 (locations based)   | 8,281   | 32,659 | 19,590 | ⬇     |
| The entire portfolio must be net-positive in terms of biodiversity by 2030         | -       | 0.39   | 0.42   | ➔     |
| 100 percent of the Group's lettable area must be environmentally certified by 2030 | 31      | 25     | 15     | ⬆     |
| Certified as a Great Place to Work with a TrustIndex of at least 85 percent        | -       | 88     | 88     | ➔     |

| EU taxonomy               |              |              |             |
|---------------------------|--------------|--------------|-------------|
|                           | Q1 2023 MSEK | "Eligible" % | "Aligned" % |
| Turnover <sup>1)</sup>    | 446          | 100%         | 53%         |
| Investments <sup>2)</sup> | 1,410        | 100%         | 83%         |
| Costs <sup>3)</sup>       | 20           | 100%         | 42%         |

1. Turnover refers to total rental income in the income statement

2. Investments (Capex) refers to capitalised expenditure that increases the value of our properties, including conversions/extensions, acquisitions and new construction

3. Operating expenditure (Opex) refers to direct expenses for the servicing, repair and maintenance of properties.

# 4. Financial update

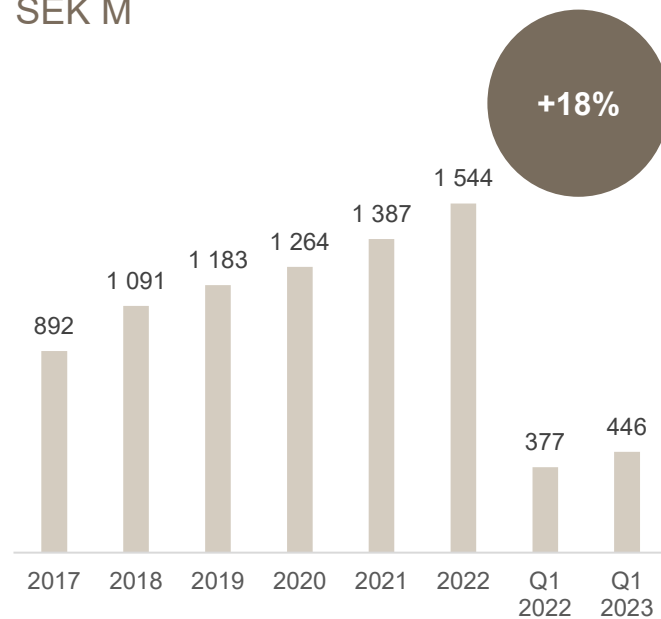
Strong cashflows and balance sheet provides flexibility and opportunity



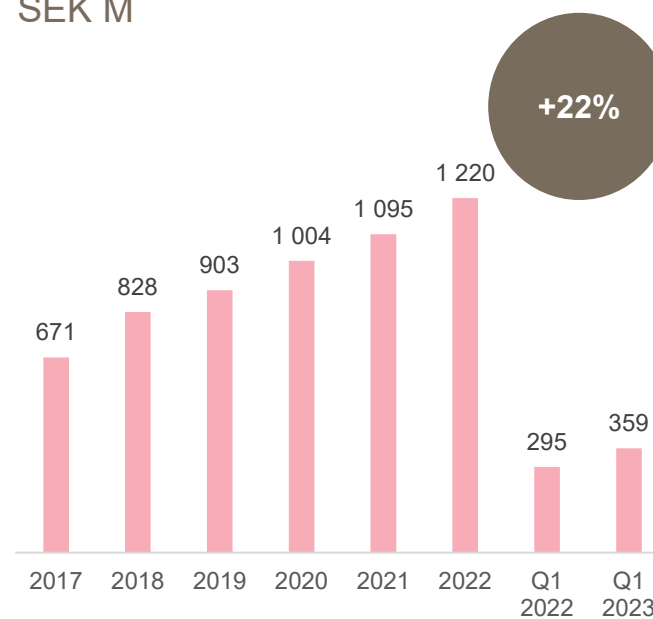
# Financial update

## Income

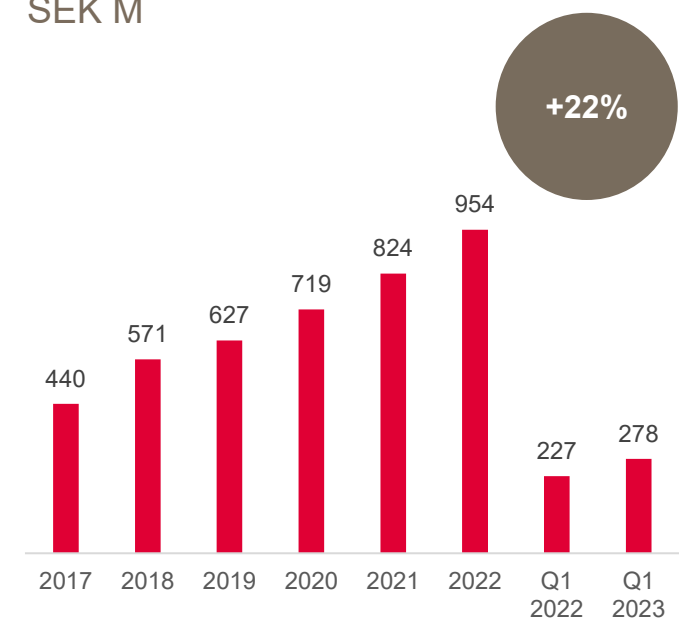
Rental Income  
SEK M



Net Operating Surplus  
SEK M



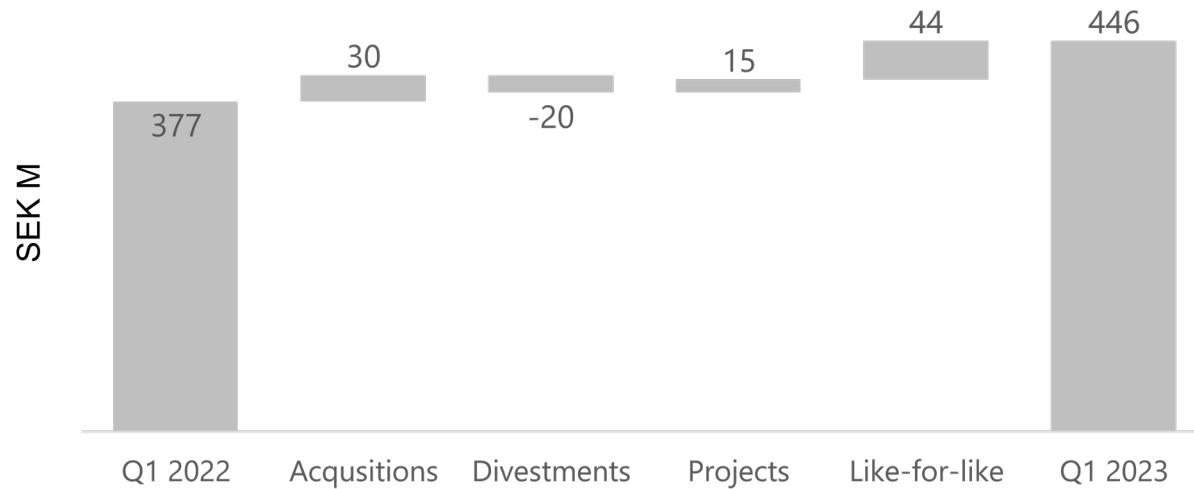
Profit from Property Management  
SEK M



# Financial update

## Rental development

- Strong LFL driven by CPI increase
- Vanda and Fröträdet main drivers within divestments
- The acquisitions of Halmslätten and DK1 assets main reason for positive effect



### 2022 YoY

|                            |               |
|----------------------------|---------------|
| Like-for-like <sup>1</sup> | 11,5 %        |
| Project development        | 3,2 %         |
| Acquisitions               | 8,0 %         |
| Divestments                | -5,2 %        |
| <b>Total</b>               | <b>18,3 %</b> |

Reference: 1 Like-for-like percent included impact of indexation, renegotiations and changes in occupancy. Majority of our rental agreements are uncapped CPI-linked

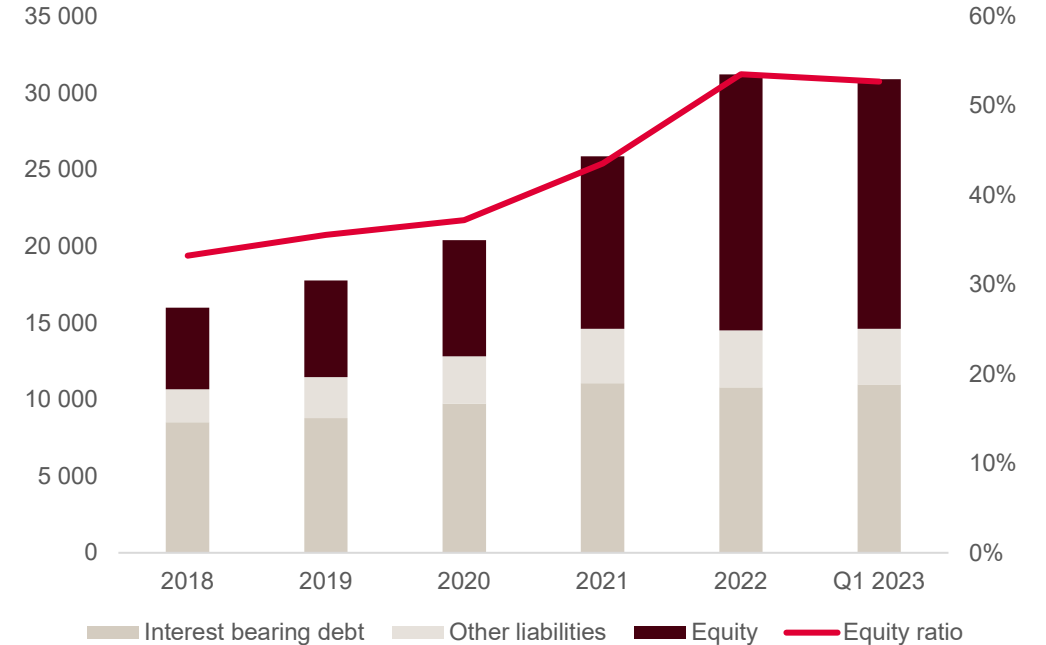
# Financial update

## Capital structure management

### WELL POSITIONED TO NAVIGATE MARKET CONDITIONS

- During the quarter, financial markets have been surrounded by higher uncertainty and overall tighter credit conditions
  - Strategically and proactively, we have taken action on our balance sheet to stay ahead of market conditions.
  - Strong operations, longer leases and sound financial metrics makes us comfortable to commit to new investments.
  - Equally important, we are committed to stay with ample headroom to our financial targets and covenants.

SEK M

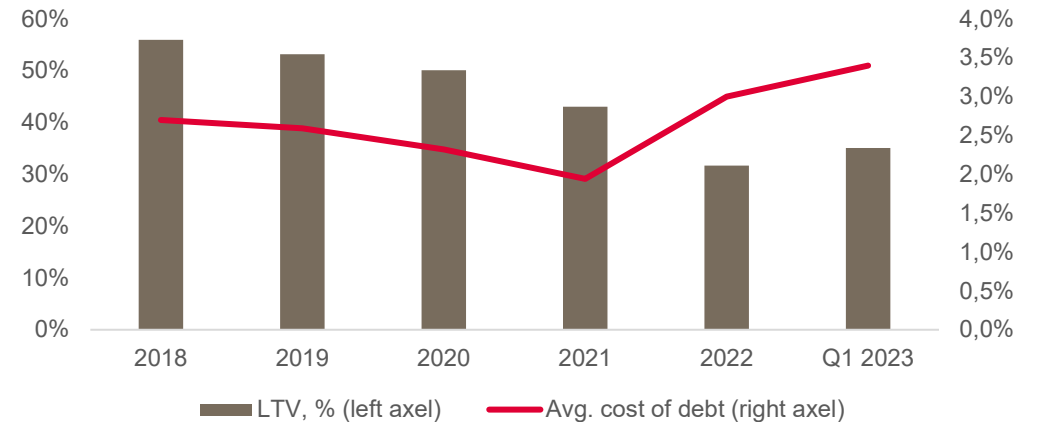
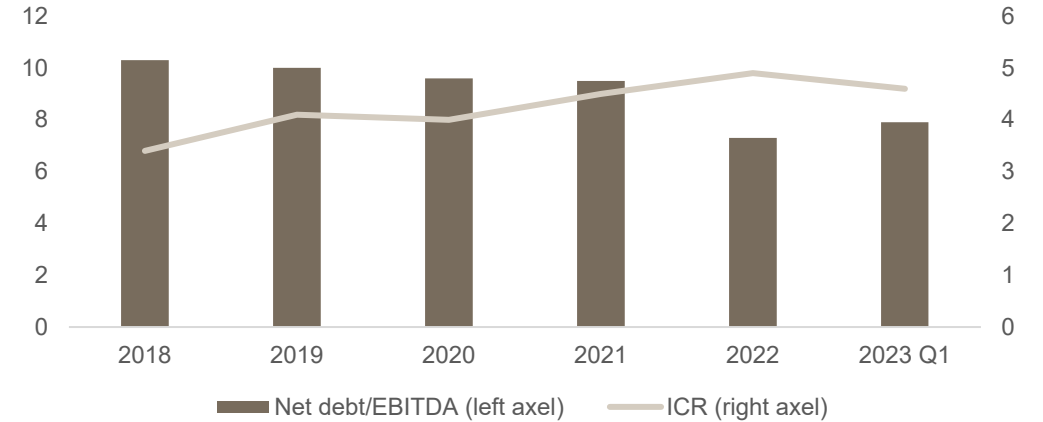
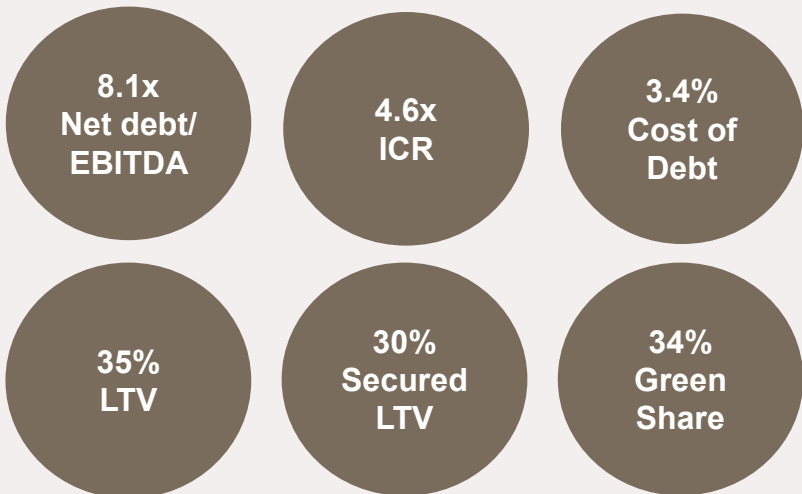


# Financial update

## Financial position

### STRATEGY SUPPORTED BY OUR FINANCIAL METRICS

- Strong operations mitigating the new interest environment
  - Avg. cost of debt increased to 3.4% (3.0% Q4 2022)
  - ICR of 4.6x well above minimum target



# Financial update

## Debt and money management

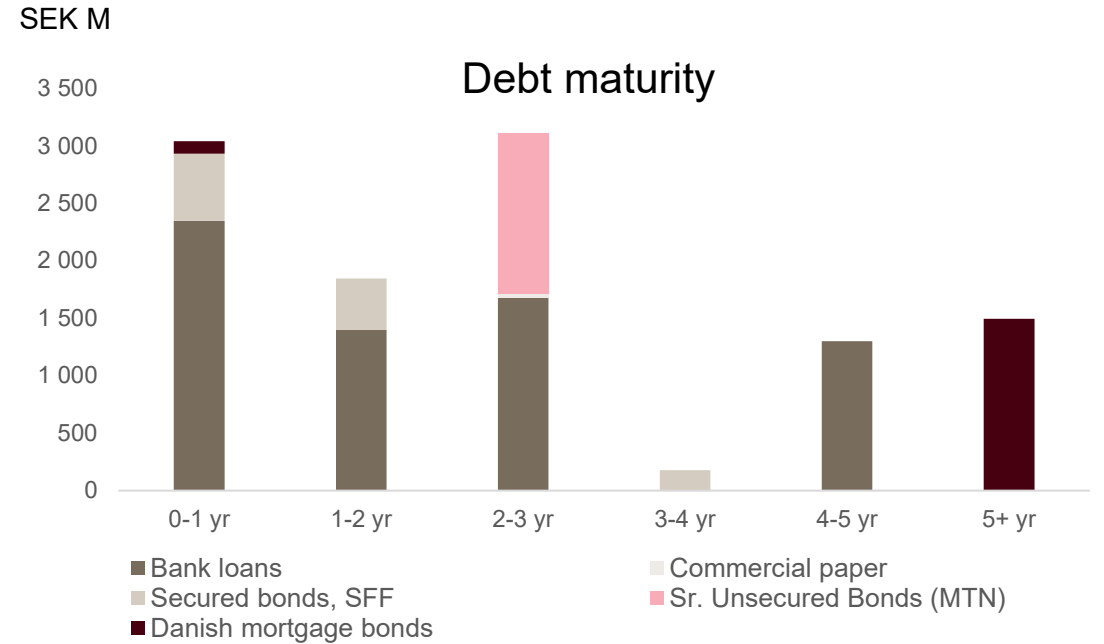
CATENA HAS BUILT A RESILIENT FINANCIAL POSITION

### Debt management

- Low LTV and strong cash holding enables development momentum
- 12-months of debt maturities safely covered
- 3.0 SEK Bn matures next 12 months (28%)
  - Appr. 2.4 SEK Bn is bank facilities
  - Ongoing discussions about entire amount

### Money management

- Liquid funds: 3,8 SEK Bn (incl commitments)
- During quarter, financial income positively impacted by placements



3.6y  
Debt  
Maturity

1.2 Billion  
SEK  
Cash  
Holdings

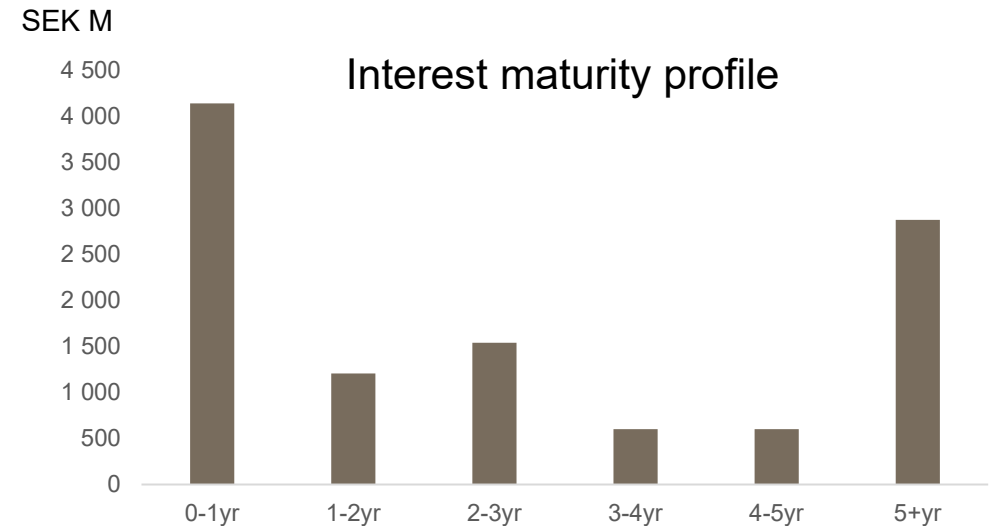
2.6 Billion  
SEK  
Unutilised  
Credit  
Facilities

# Financial update

## Interest sensitivity

### HEDGING RATES COMPLIES WITH OUR LONG TERM VIEW

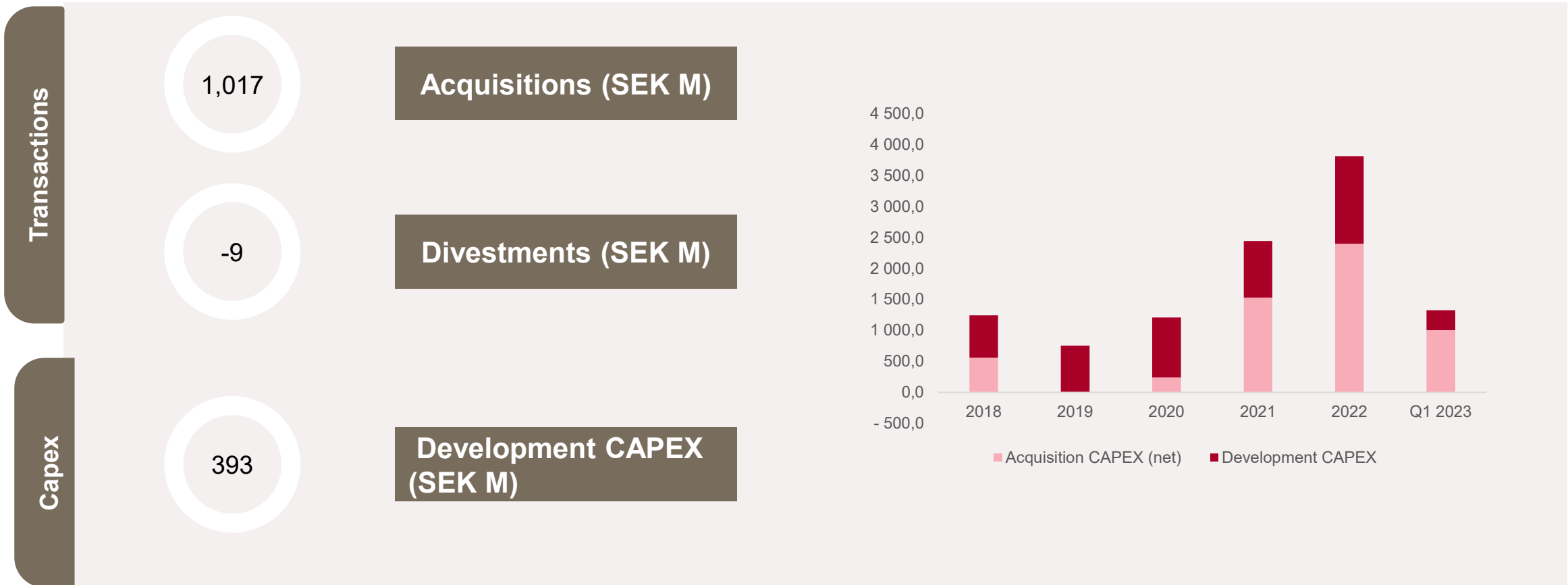
- **Significant hedge against rising interest rates**
  - 67% hedge ratio, including fixed interest loans and swaps with total average loan interest maturity of 3.0 years reassures impact from higher interest rates.
  - If market rates (Stibor, Cibur) moves out 1 percentage point all else equal P&L is impacted by 36 SEK M which would imply interest coverage still well above 4x.



| Interest rate sensitivity                 |    |     |
|---|----|-----|
| Market interest rate (Stibor, Cibur)      | 1% | -1% |
| Interest expense increase/decrease, SEK M | 36 | -36 |

# Financial update

## Capital deployment

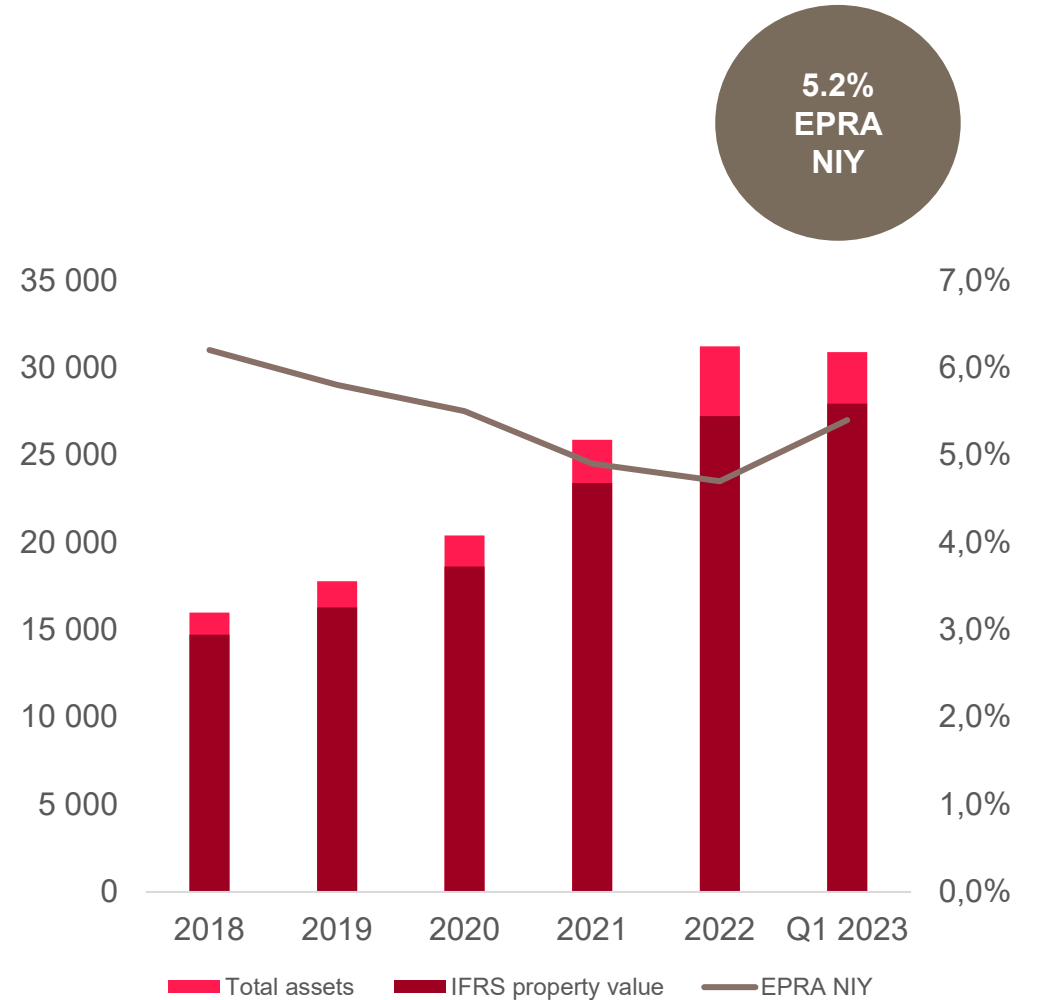


# Financial update

## Property valuation

### HIGHER YIELDS MITIGATED BY HIGHER RENT LEVELS

- Value changes Q1 2023
  - - 710 SEK M of unrealized value change
  - 2,5% in total write down of portfolio
  - Average weighted valuation yield of 5.6 %





# 5. Takeaway from today

## Takeaway from today

1. Attractive opportunities ahead, despite prevalent uncertainties
2. Maintaining a resilient financial profile driven by strong cash flows, liquidity and low LTV.

# Q&A



Jörgen Eriksson, CEO



Sofie Bennsten, CFO



David Silvesjö, Chief Treasury Officer