

# Properties for the logistics of the future

Presentation Q2 2023



# Q2 2023 Presentation



**Jörgen Eriksson**

CEO



**Sofie Bennsten**

Chief Financial Officer



**David Silvesjö**

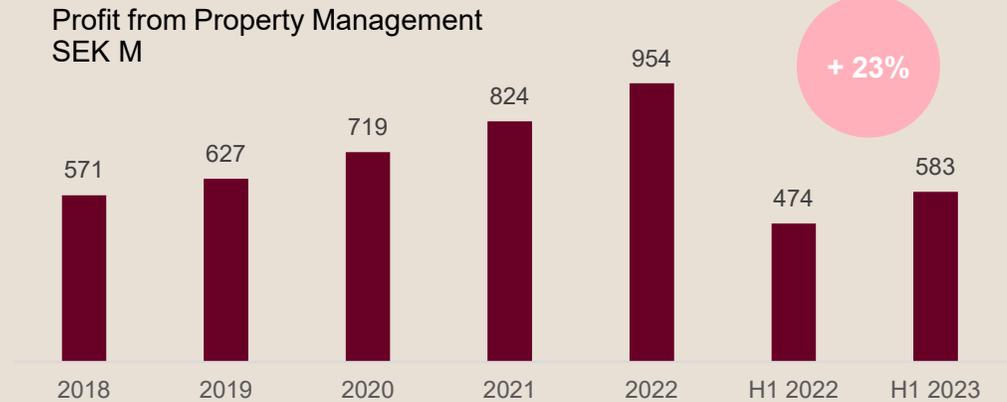
Chief Treasury Officer

# Agenda

1. Summary, last quarter
2. Business overview
3. Business update
4. Sustainability
5. Financial update
6. Take-away from today
7. Q&A

# Q2 2023 summary: We grow with our customers

- Rental income continues to increase due to indexation and acquisitions
- IFPM per share increased to SEK 11,65 (10,97)
- Published credit rating BBB- from Fitch Ratings
- Acquisition of Bockasjö
  - Strengthening capacity and profitability in current and new development
- Our biggest project announced
  - Investing 950 SEK M in Logistics position Ramlösa
  - Signed Letter of Intent with Nowaste Logistics



<b>+17%</b> Rental income YoY, Q2 2023	<b>+19%</b> Net operating surplus YoY, Q2 2023	<b>+6%</b> IFPM per share, YoY Q2 2023	<b>36.7%</b> Loan to value	<b>96.7%</b> Letting ratio	<b>5.3</b> WALE
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# Business overview

Sector-leading portfolio and prime customer base.

# Market update

- Trying macro environment, strong players stand out
  - Continued challenging market for Swedish e-commerce. Fashion and Pharmacy continues to grow.
  - Market leading 3PL players in DHL, Postnord and challengers such as Nowaste advancing their positions
- Still strong demand for modern space in prime location
  - Players with financial resources can invest in more space and automation thereby cementing optimal set-up for market turnaround and future long-term growth
  - Energy and location are key factors for customers
- Long-term trends favours logistics
  - Omni, circularity and reshoring drives long-term demand
  - Future revenue streams through energy solutions, charging stations, leasing of standardized equipment
  - Lack of prime land enables pricing power for existing prime assets

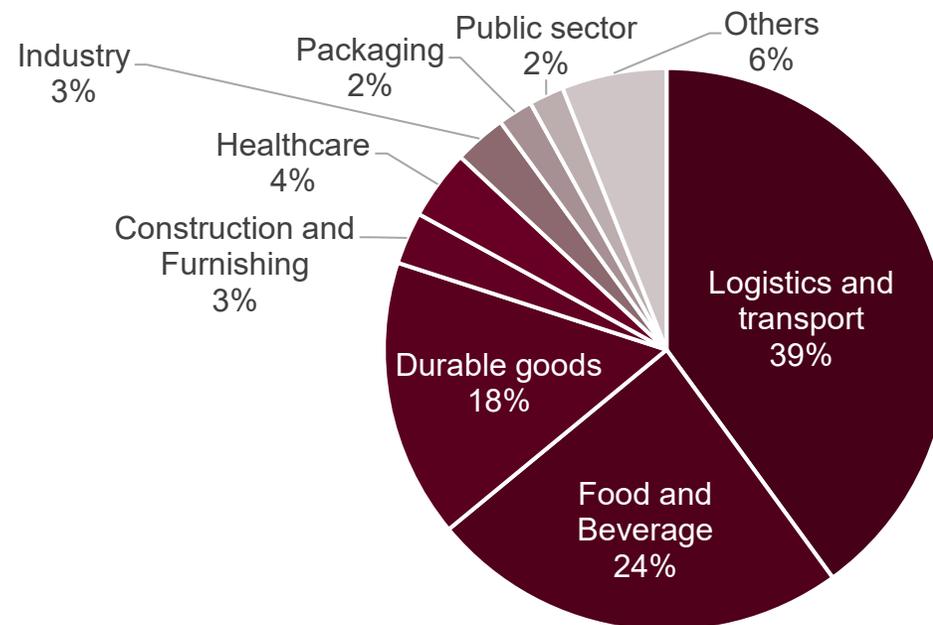


# Portfolio

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	5,059	305	97	296	87
Helsingborg	26	501	5,106	354	98	342	77
Jönköping	11	147	1,737	103	99	102	85
Malmö <sup>3</sup>	24	386	5,812	369	98	363	77
Stockholm	47	840	11,092	732	95	699	83
<b>Total</b>	<b>129</b>	<b>2,240</b>	<b>28,806</b>	<b>1,863</b>	<b>97</b>	<b>1,802</b>	<b>81</b>
Q2 2022	125	2,139	26,794	1,605	96	1,544	80

# Customer base

Customers	Share of contractual value
DHL	11%
ICA	8%
Martin & Servera	6%
Postnord	5%
Boozt	3%
Nowaste Logistics	3%
DKI Logistics	3%
Dagab	2%
Intervare	2%
Menigo Foodservice	2%
<b>Top 10</b>	<b>45%</b>

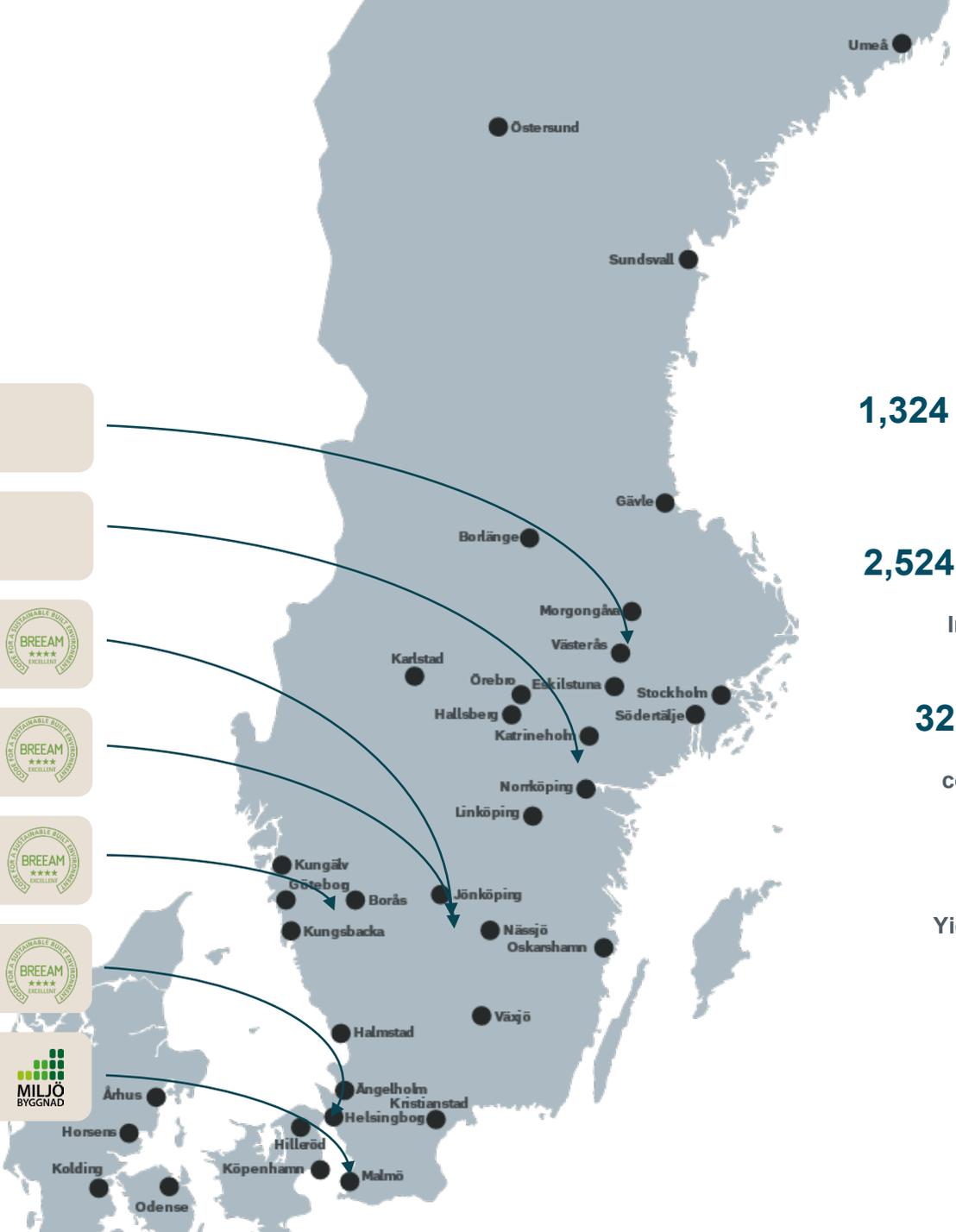


# Business update

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

# Current development

<b>Stenvreten 8:33, Enköping</b>	Tenant: COOP Investment: 124 SEK M	Sqm: 5,800 Finalized: Q1 2024	
<b>Statorn 31, Norrköping</b>	Tenant: SGD Investment: 115 SEK M	Sqm: 8,400 Finalized: Q3 2023	
<b>Hyltena 1:98, Jönköping</b>	Tenant: Elgiganten Investment: 813 SEK M	Sqm: 86,600 Finalized: Q2 2024	
<b>Stigamo 1.49, Jönköping</b>	Tenant: Nowaste Logistics Investment: 379 SEK M	Sqm: 33,000 Finalized: Q3 2024	
<b>Part of Dansered 1:64, Härryda</b>	Tenant: MM-Sport, Menigo Investment: 1,058 SEK M	Sqm: 84,080 Finalized: Q3 2024	
<b>Logistics position Ramlösa, Helsingborg</b>	Tenant: Nowaste Logistics Investment: 950 SEK M	Sqm: 75,000 Finalized: Q1 2026	
<b>Sockret 4, Malmö</b>	Tenant: Lekia Investment: 208 SEK M	Sqm: 18,665 Finalized: Q1 2024	



**1,324 SEK M**  
Carrying value

**2,524 SEK M**  
Remaining Investments

**323 Tsqm**  
GLA under construction

~ **6.5%**  
Yield on Cost

Case

# Logistics position Ramlösa

**Property:** Vevaxeln 1 and  
Vipparmen 1, Helsingborg

**Tenant:** Nowaste Logistics (LOI)

**Expected GLA (sqm):** 75 000  
sqm

**Expected Investment:** 950 SEK  
M including land acquisition

**Expected Net Operating  
Income:** 67 SEK M

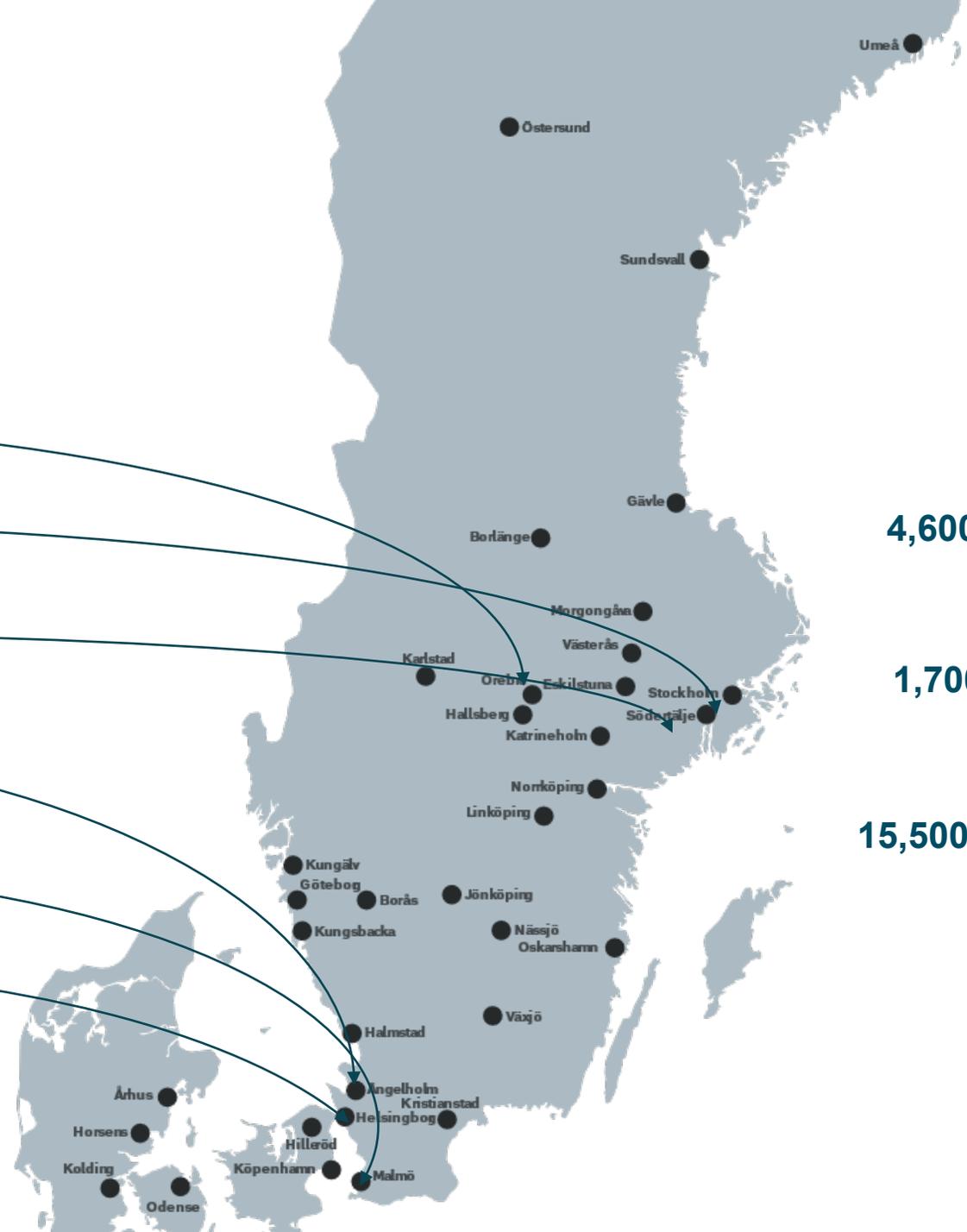
**Certification:** BREEAM Excellent

**Finalized:** Q1 2026



# Future development

- Örebro South (JV, 51%), Törsjö** Land, Sqm: 920,000 Pending zoning plan
- Stockholm South, Nykvarn/Södertälje** Land, Sqm: 450,000 Zoning plan approved
- Logistics Position Järna Södertälje** Land Sqm: 1,000 000 Pending zoning plan
- E-city Engelholm, Ängelholm** Land, Sqm: 490,000 Pending zoning plan
- Logistics Position Sunnanå, Malmö** Land Sqm: 120,000 Zoning plan approved
- Logistics Position Söderåsen, Bjuv** Land Sqm: 560,000 Pending zoning plan



**4,600 Ksqm**  
Land bank

**1,700 Ksqm**  
Potential GLA

**15,500 SEK M**  
Potential investment

# Bocksjö acquisition

## Strengthening our capacity for future growth

**Company:** Bocksjö AB, a leading Swedish logistics property developer. Extensive track record and network

**Purchase price:** Net effect of 125 SEK M in issued Catena shares

**Finalized:** October 2023

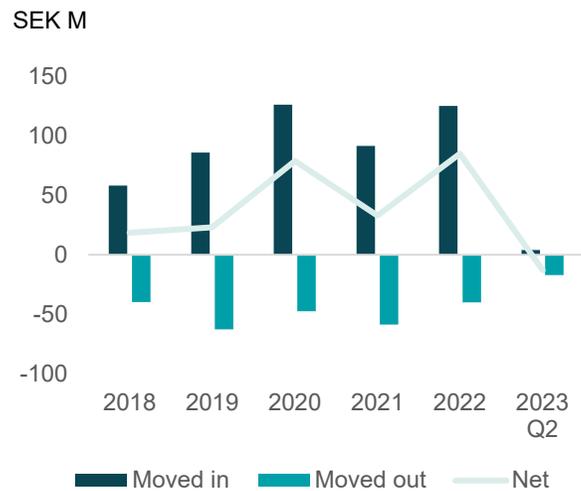
### Rationale:

- Adding capacity, knowledge and network to capitalize on landbank
- Increased profitability in current and future projects

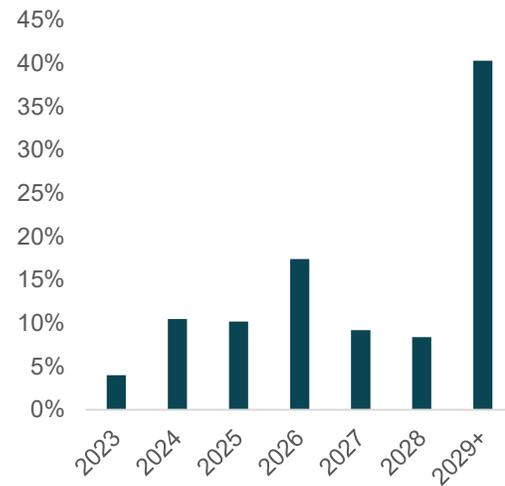


# Leasing update

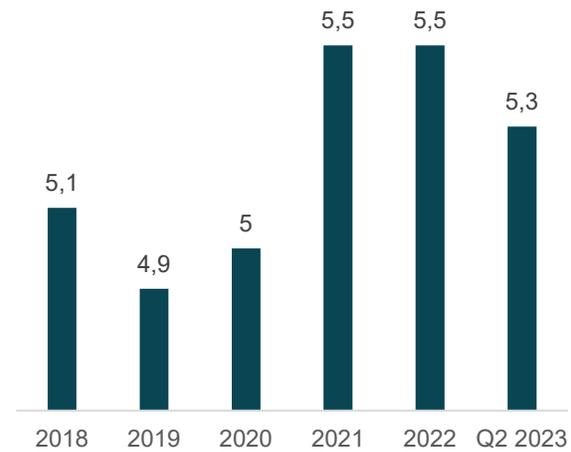
Net leasing



Maturity profile – contractual annual rent



WALE development



Letting ratio



# Sustainability

We are taking long-term responsibility.

# Sustainability

## Continued progress towards 2030 targets

- 33 percent of lettable area is environmentally certified
  - Now totalling ~735,000 sqm
- Certified as GPTW at 88 percent
- Increase of self-produced solar energy
  - Q2 2023 4,399 Mwh vs Q2 2022 2,522 Mwh

Sustainability targets	Q2 2023	2022	2021	Trend
Net-zero greenhouse gas emissions by 2023				
-Scope 1-2 (location based)	1,533	2,814	2,632	➔
-Scope 3 (locations based)	12,200	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	33	25	15	➔
Certified as a Great Place to Work with a TrustIndex of at least 85 percent	-	88	88	➔

EU taxonomy			
	Q2 2023 SEK M	"Eligible" %	"Aligned" %
Turnover <sup>1)</sup>	892	100%	54%
Investments <sup>2)</sup>	2,036	100%	75%
Costs <sup>3)</sup>	40	100%	39%

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

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

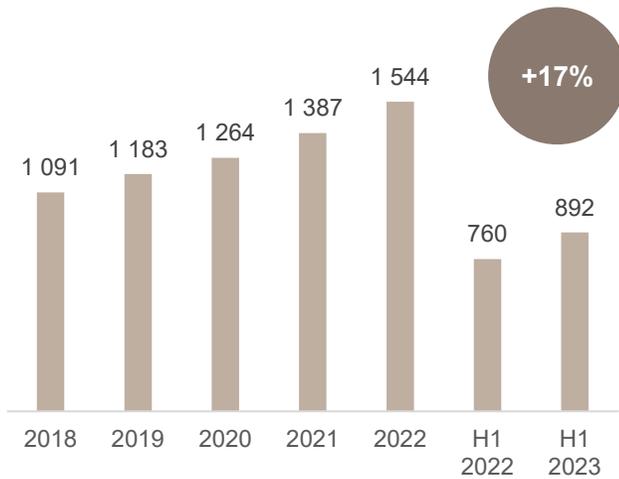
3. Operating expenditure (Opex) refers to direct expenses for the servicing, repair and maintenance of properties.

# Financial update

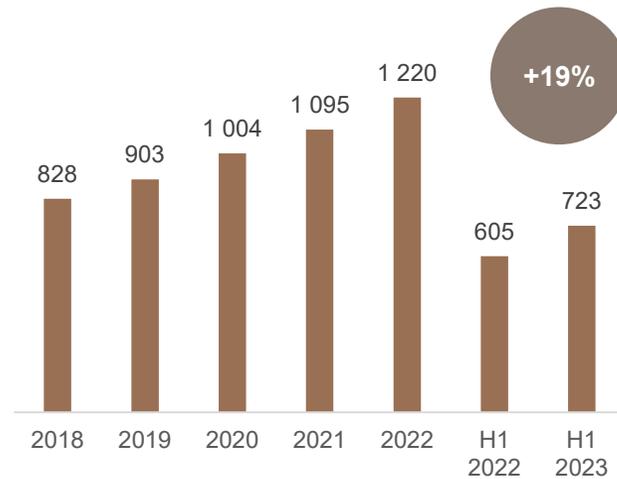
Strong cashflows and balance sheet provides flexibility and opportunity.

# Income

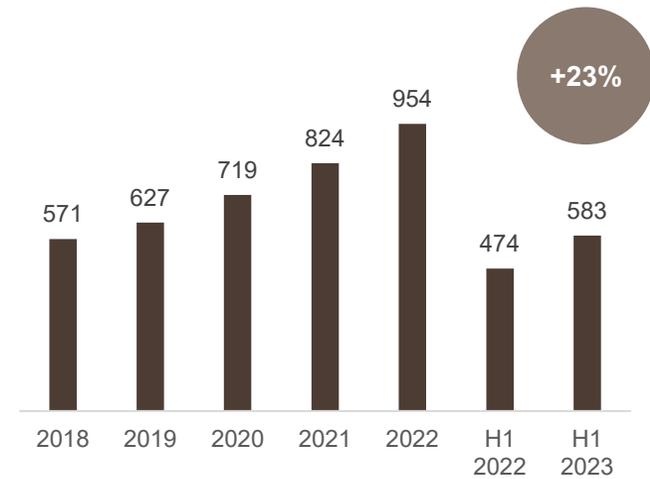
Rental income  
SEK M



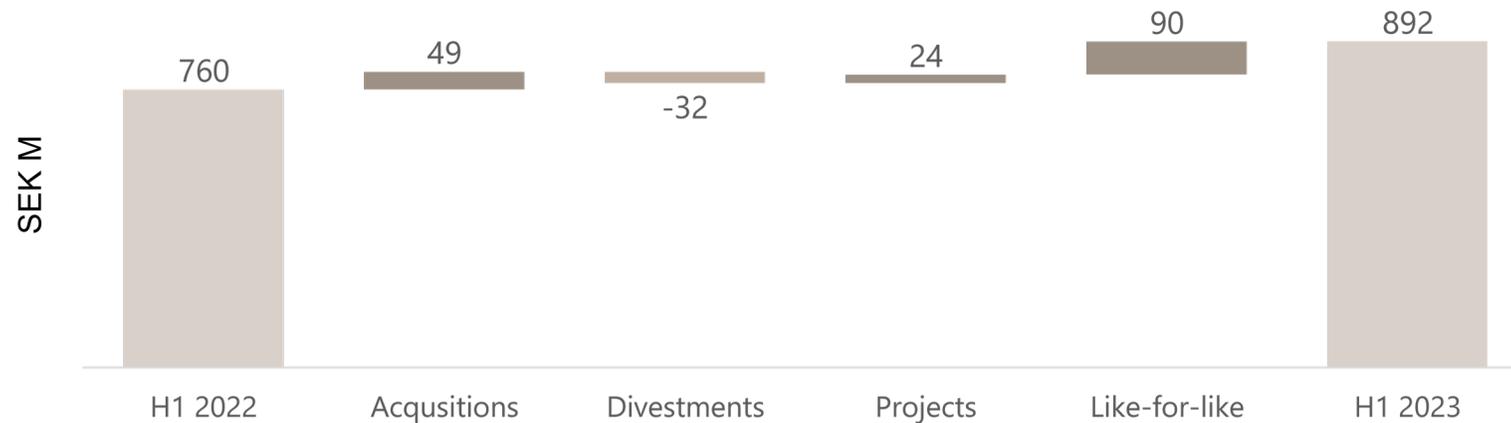
Net operating surplus  
SEK M



Profit from property management  
SEK M



# Rental development



H1 2023 YoY	
Like-for-like <sup>1</sup>	11,9 %
Project development	3,1 %
Acquisitions	6,4 %
Divestments	-4,2 %
<b>Total</b>	<b>17,2 %</b>

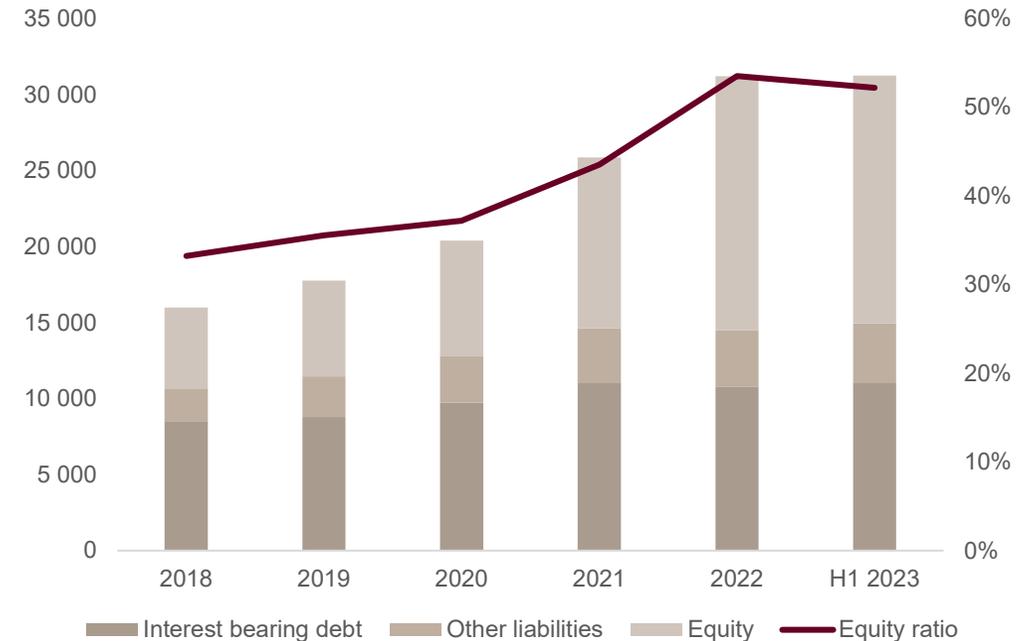
- Strong LFL driven by CPI increase
- Vanda and Fröträdet main drivers within divestments
- The acquisitions of Halmslätten and DK1 assets main reason for positive effect

# Capital structure management

## Acting proactively to stay head

- During the quarter, financial markets have been surrounded by tighter credit conditions but also a somewhat more stable interest environment.
  - Equity ratio of 52% enables stability and flexibility.
  - In Q2 2023, Fitch Ratings published a long-term BBB- credit rating with stable outlook signaling improvement in financial flexibility and profile. NCR affirmed BBB- with positive outlook.
  - Strong operations, longer leases and sound financial metrics makes us comfortable to commit to new investments.
  - We will continue to assess optimal debt/equity combination to keep a margin of safety and deliver attractive returns.

SEK M

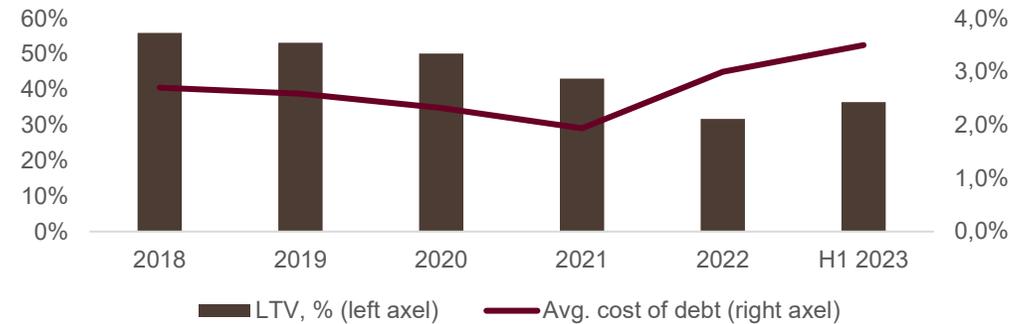
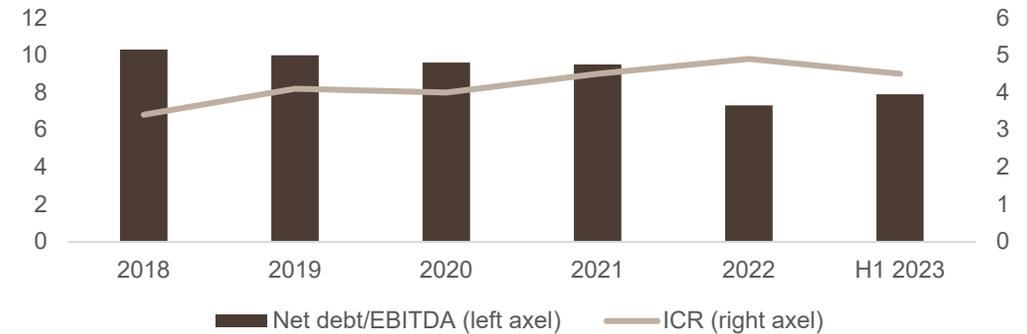


# Financial position

## Financial metrics supports our strategy

- Strong operation mitigating the new interest rate environment
  - Avg. cost of debt increased to 3.5 percent (3.0 percent Q4 2022)
  - ICR of 4.5x well above minimum target

Outcome		Policy
7.9 x	Net debt/ EBITDA	<9.0x
4.5 x	ICR	>2.0x
36.7 %	LTV	<50 %
3.5 %	Cost of debt	
32 %	Secured LTV	
42 %	Green share	>50 % by 2025



# Debt and money management

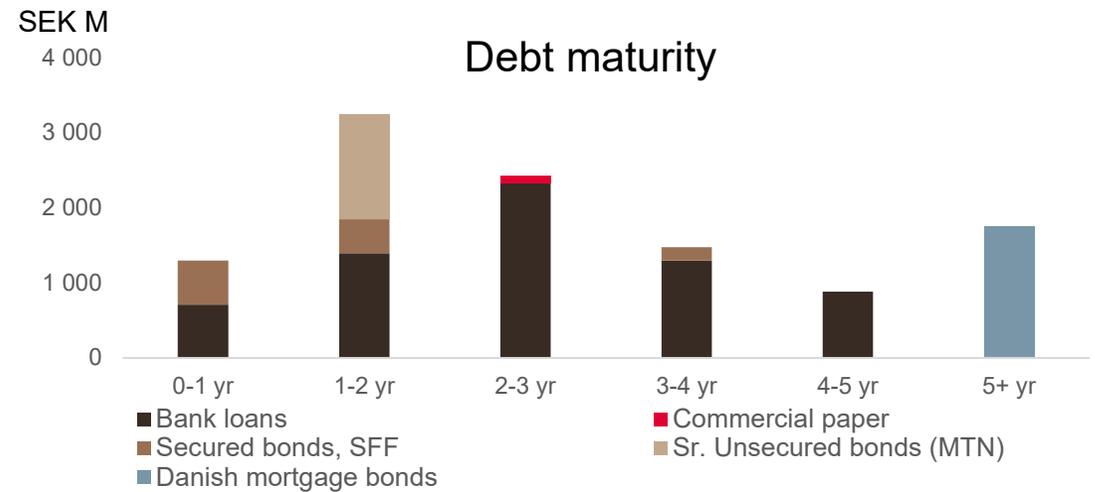
## Catena has built a resilient financial position

### Debt management

- Refinanced over 1.6 SEK Bn in second quarter. Mostly bank debt with 3- and 4-years duration.
- 130 DKK M in new debt with 15 years of duration.
- Average debt maturity has been extended to 4.2 years.
- Loan agreement with NIB was signed after Q2 2023 for an 8-year commitment adding another longterm funding source.
- 1.3 SEK Bn matures next 12 months (12% of total debt). Meaning there is plenty of funds to cover for upcoming maturities.

### Money management

- Liquid funds: 3.1 SEK Bn (incl commitments)
- New interest environment adds financial income to P/L through placements



**4.2 y**  
Debt  
maturity

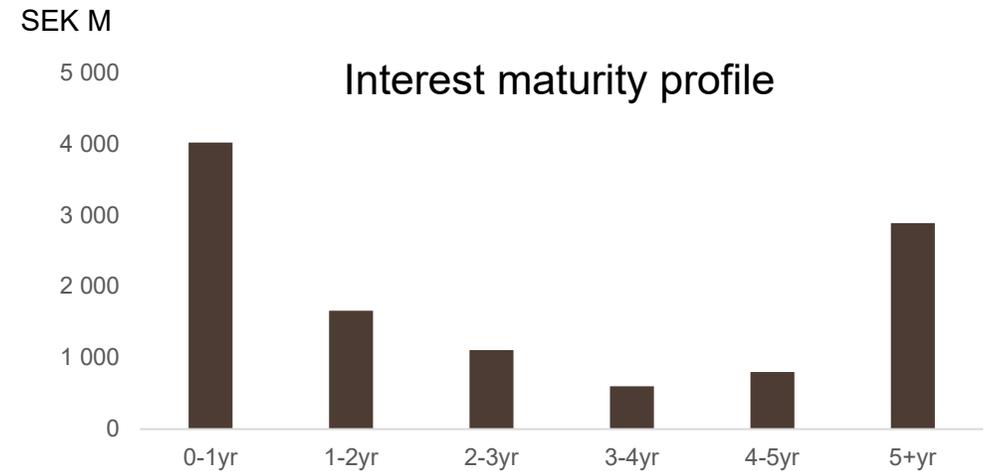
**0.5 Billion SEK**  
Cash  
holdings

**2.6 Billion SEK**  
Unutilised credit  
facilities

# Interest sensitivity

## Hedging position complies with our long term view

- Significant hedge against rising interest rates
  - 68 percent hedge ratio, including fixed interest loans and swaps with total average interest maturity of 2.9 years reassures impact from higher interest rates.
  - If market rates (Stibor,Cibor) moves out 1 percentage point all else equal P&L is impacted by 34 SEK M which would imply interest coverage comfortably over 3.5x.



Interest rate sensitivity		
Market interest rate (Stibor, Cibor)	1%	-1%
Interest expense increase/decrease, SEK M	34	-34

# Capital deployment

Transactions

1,106

Acquisitions (SEK M)

-9

Divestments (SEK M)

977

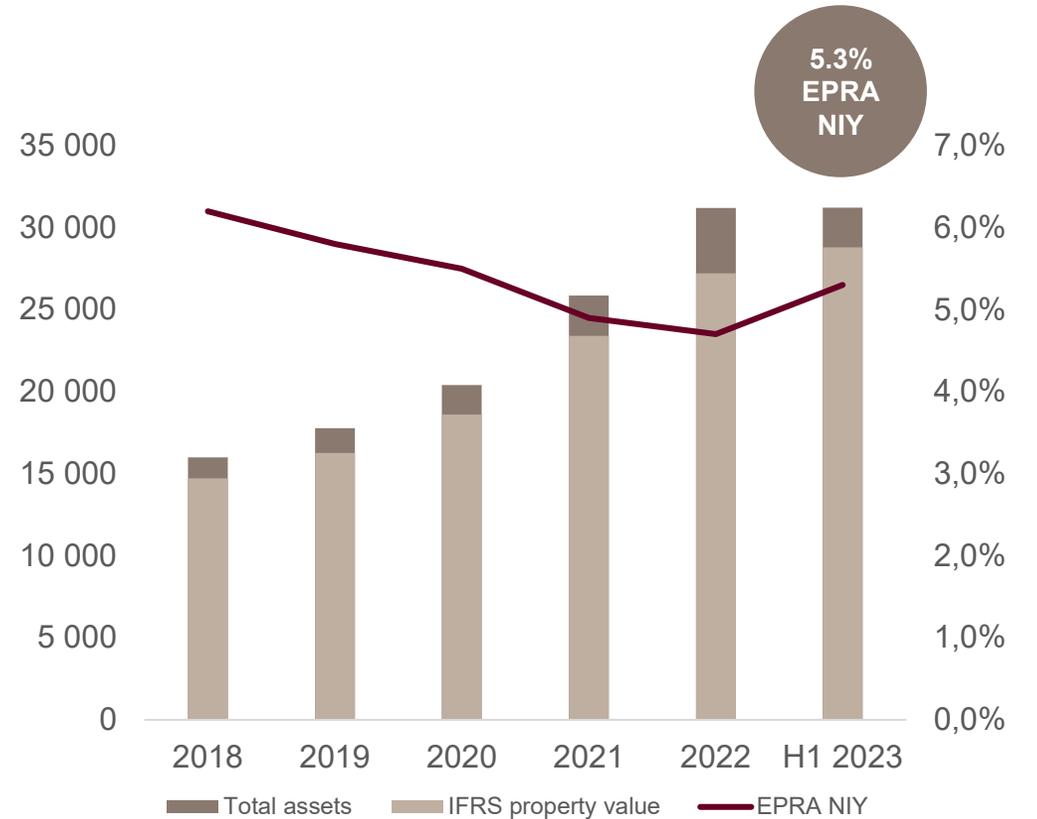
Development CAPEX (SEK M)



# Property valuation

## Higher yields mitigated by higher rent levels

- Value changes H1 2023
  - -558 SEK M of unrealized value change
  - Driven by higher yields, mitigated by higher rent levels
- Value changes Q2 2023
  - 152 SEK M of unrealized value changes
  - Driven by higher rent levels
- Average weighted valuation yield of 5.6 percent



**Takeaway from today**

- 1. Strong fundamentals capitalized by land bank and ascertained by credit rating**
- 2. Attractive pipeline of best-in-class assets under construction**



# Q&A



**Jörgen Eriksson**

CEO



**Sofie Bennsten**

Chief Financial Officer



**David Silvesjö**

Chief Treasury Officer

# CATENA