

As a result of the divestments of Catella Bank's operations, the entire Banking business area has been reported as a disposal group held for sale in accordance with IFRS 5. This means that in the Consolidated Income Statement net profit (after tax) is reported on a separate line under period profit from disposal group held for sale.

# INTERIM REPORT

January – March 2019

» *A Catella clearly positioned for future growth.*

CATELLA

# Leading finance group in property and funds

Catella was founded in 1987, has 29 offices across 15 countries and 550+ employees within three business areas:

## CORPORATE FINANCE

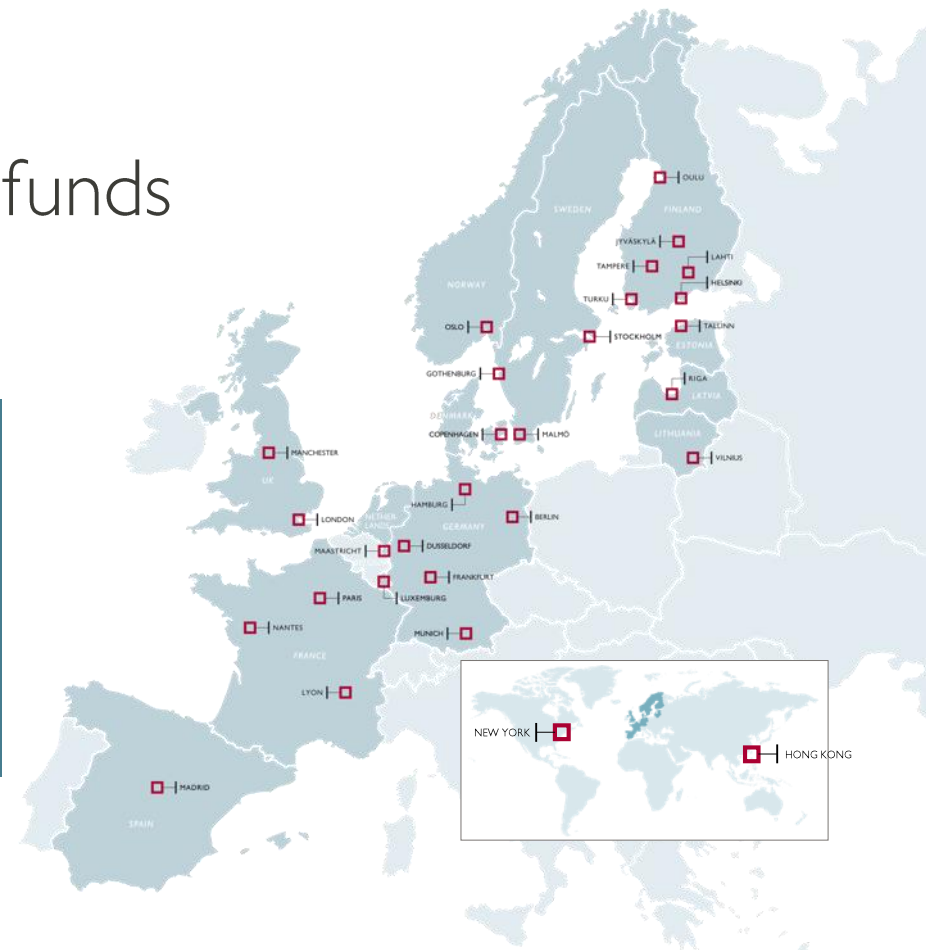
Leading European advisor within high-end real estate transaction services and real estate related corporate finance.

## PROPERTY INVESTMENT MANAGEMENT

Offers institutions, companies and individuals specialized regulated fund products and regional asset management services.

## EQUITY, HEDGE AND FIXED INCOME FUNDS

Leading independent fund manager in the Nordics and a global niche player in systematic macro.



Headquartered in Stockholm and listed at Stockholm Stock Exchange, Nasdaq OMX, midcap.

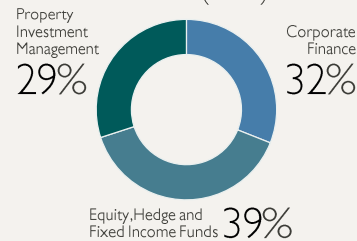
## MARKET CAPITALISATION

SEK 2,2 Bn  
March 2019

## TOTAL INCOME\*

SEK 2,3 Bn  
Last 12 months "LTM"

## DISTRIBUTION OF INCOME (LTM)\*



## OPERATING PROFIT\*

SEK 333 M  
LTM

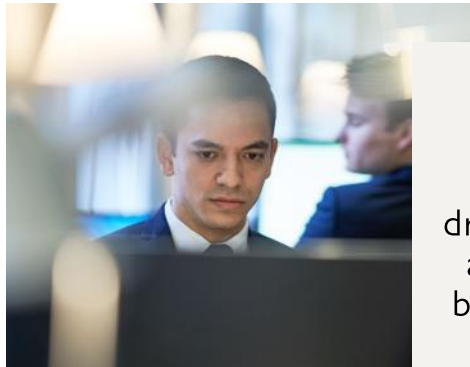
## ASSETS UNDER MANAGEMENT "AUM"\*

SEK 196 Bn  
Q1 2019

\*The Banking business area is reported as a Disposal group held for sale and is not included in the Group figures.



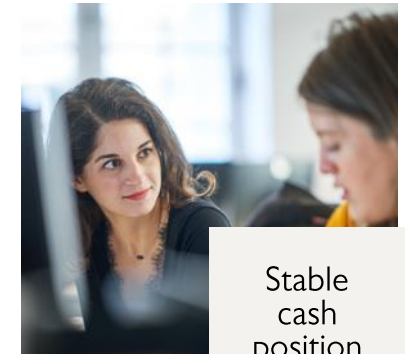
# Differentiated, interlinked business model with visible income base



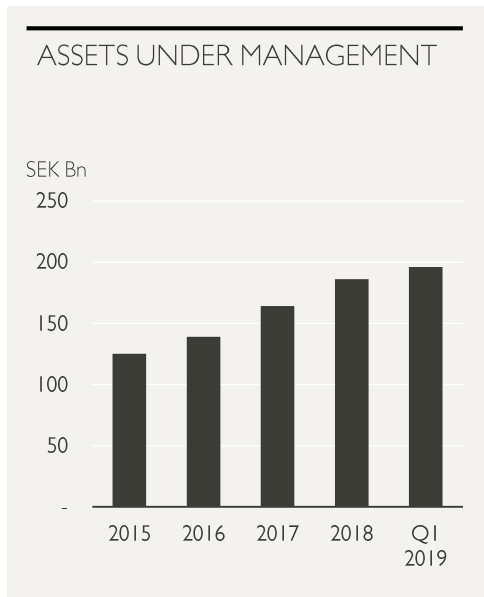
High growth in asset under management driving fixed income and increases the base's for potential variable income



Sound profit despite the fact that most of the growth has taken place over the income statement



Stable cash position

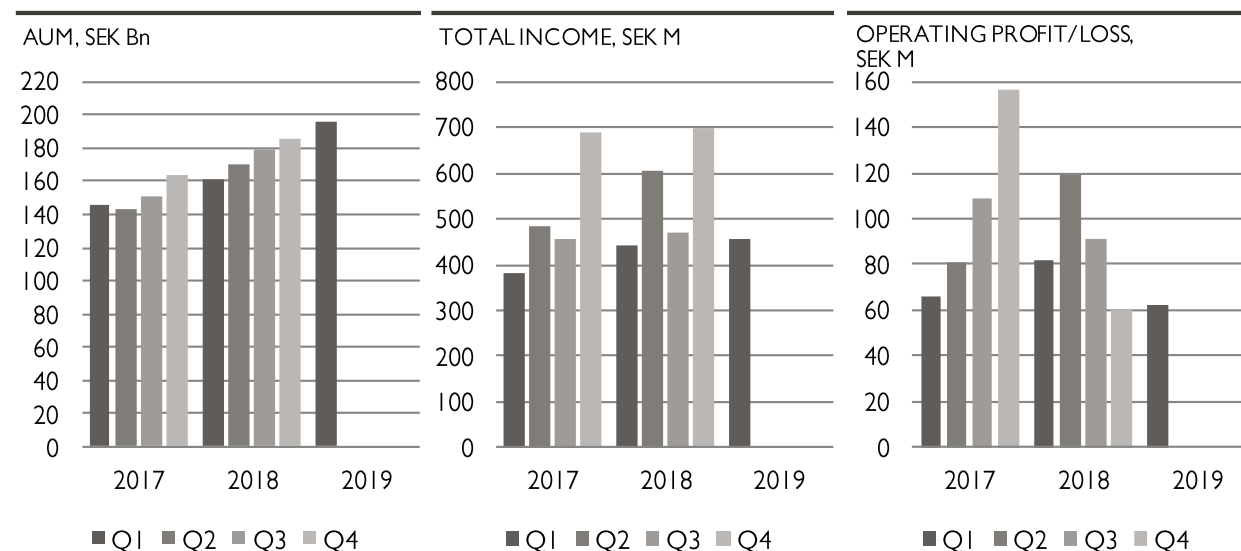


\*THE BANKING BUSINESS AREA IS REPORTED AS A DISPOSAL GROUP HELD FOR SALE AND NOT INCLUDED IN THE GROUP FIGURES

\*\* THE DARKER PART OF THE STACKED BARS ARE SEK 220M CAPITAL BRIDGE TO BANKING, WHICH WILL BE REPAYED DURING 2019 TO CATELLAS REMAINING OPERATIONS.

# Sales and results of operations Group

- Business activity was high in the first quarter, with normal seasonal variations in Catellas property businesses.
- Fixed earnings increased significantly year-on-year, contributing to income in line with the previous year despite lower variable earnings, mainly from Mutual Funds.
  - The growth in fixed earnings was mainly derived from increased assets under management, but also from an improved product mix.
- Operating profit decreased year-on-year, mainly due to higher personnel expenses from recruitment, in line with our aggressive focus and strategy for entities within asset management.
- The wind-down of the Banking business area is proceeding according to plan. The divestment of Banking's three operations was completed in the quarter.
  - Realized revenues of SEK 254 M recognized in the first quarter.
  - Profit for the quarter burdened by provisions for share of previously communicated cost of winding down Banking.
  - Migration of as many card customers as possible continues to maximise additional purchase consideration.

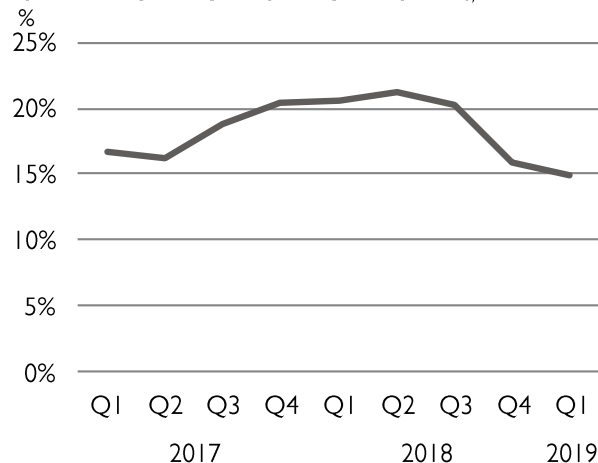


SEK M	3 Months		12 Months	
	2019 Jan-Mar	2018 Jan-Mar	Rolling 12 Mth.	2018 Jan-Dec
<b>Total income</b>	454	442	2,228	2,216
Assignment expenses and commission	-77	-82	-384	-389
Operating expenses	-314	-279	-1,510	-1,474
<b>Operating profit/loss</b>	62	81	333	352
<b>Net profit/loss for the period</b>	133	42	170	-28
Profit/loss attributable to the Parent Company shareholders	111	22	-22	-112
<i>Operating margin, %</i>	14	18	15	16
No. of employees, at end of period	557	468	-	553
<b>Asset under management, SEK Bn</b>	196.0	161.0	-	186.2
<i>net in-(+) and outflow(-)</i>	0.5	-3.8	3.9	-0.5

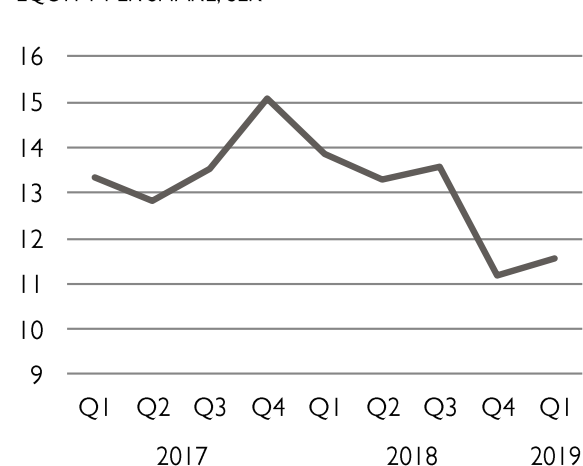
\* Includes internal income between business areas.

# KPIs Group – Remaining operations

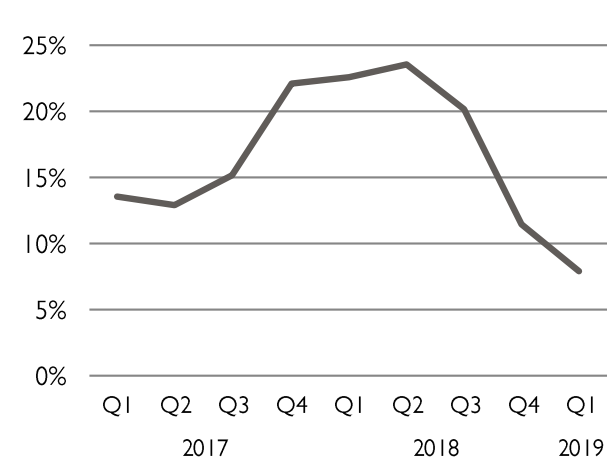
OPERATING MARGIN ROLLING 12 MONTHS, %



EQUITY PER SHARE, SEK \*



RETURN ON EQUITY, %



- The KPIs relate only to remaining operations. Profit and assets for Banking have not been included.
- Catella made a shareholder contribution of SEK 220 M to Catella Bank in the fourth quarter 2018 to satisfy the capital requirement for Catella Bank which is in the process of being wound down. This was to cover provisions made in the fourth quarter 2018 attributable to expenses in 2019.
- Shareholder contributions affect the KPIs of remaining operations because equity and assets decrease by a corresponding amount.
- The shareholder contribution is expected to be repaid in the second or third quarter 2019.

Key Figures	3 Months		12 Months	
	2019 Jan-Mar	2018 Jan-Mar	Rolling 12 Mth.	2018 Jan-Dec
Profit margin, %	5	14	8	9
Return on equity, % *	8	23	-	11
Equity/Asset ratio, %	40	56	-	41
Equity, SEK M *	974	1,133	-	940
Equity and liabilities, SEK M	2,998	2,412	-	2,760
Earnings per share, SEK *	0.01	0.52	1.00	1.50
Equity per share, SEK *	11.58	13.84	-	11.17
Property transaction volume, SEK Bn	5.1	12.5	61.3	68.6
Asset under management, SEK Bn	196.0	161.0	-	186.2
<i>net in-(+) and outflow(-), mdkr</i>	0.5	-3.8	3.9	-0.5
No. of employees, at end of period	557	468	-	553

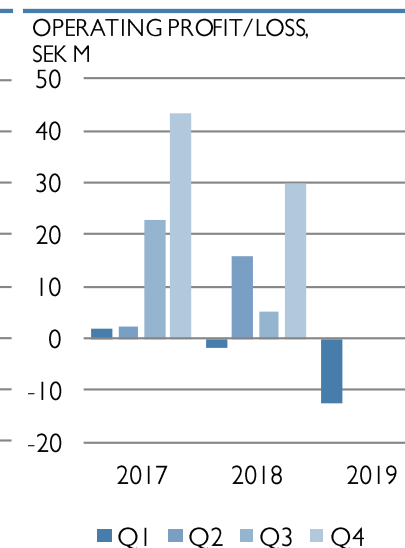
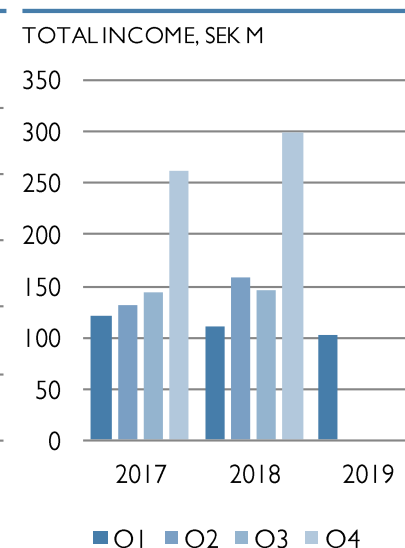
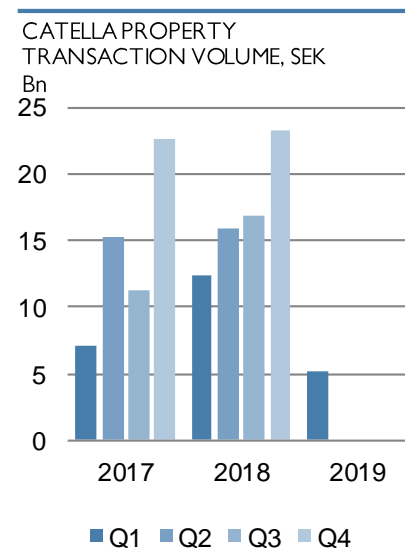
\* Attributable to shareholders of the Parent Company.



# CORPORATE FINANCE

# Sales and results of operations

- The transaction market for commercial properties in Europe, excluding the UK, totalled EUR 31.9 Bn (49.9), a decrease of 36% year-on-year.
- Breakdown of Catella's property transaction volumes in the quarter:
  - France SEK 4.1 Bn (9.6)
  - Sweden SEK 2.5 Bn (1.6)
  - Germany SEK 0.1 Bn (0.0)
  - Denmark SEK 0.0 Bn (0.8)
- The decrease in operating profit year-on-year was mainly due to:
  - Decreased income in Denmark
  - Increased assignment costs in France.
- The first quarter is seasonally the weakest for the property transaction market, and Catella.



SEK M	3 Months		12 Months	
	2019 Jan-Mar	2018 Jan-Mar	Rolling 12 Mth.	2018 Jan-Dec
Nordic *	34	40	240	246
Continental Europe *	68	70	466	468
<b>Total income</b>	<b>103</b>	<b>111</b>	<b>708</b>	<b>715</b>
Assignment expenses and commission	-9	-6	-91	-88
Operating expenses	-106	-106	-578	-578
<b>Operating profit/loss</b>	<b>-12</b>	<b>-2</b>	<b>38</b>	<b>49</b>
Operating margin, %	-12	-1	5	7
No. of employees, at end of period	220	212	-	221
Property transaction volume, SEK Bn	6.8	12.5	63.0	68.6
of which Nordic	2.7	2.8	29.9	30.1
of which Continental Europe	4.1	9.6	33.0	38.5

\* Includes internal income between business areas.



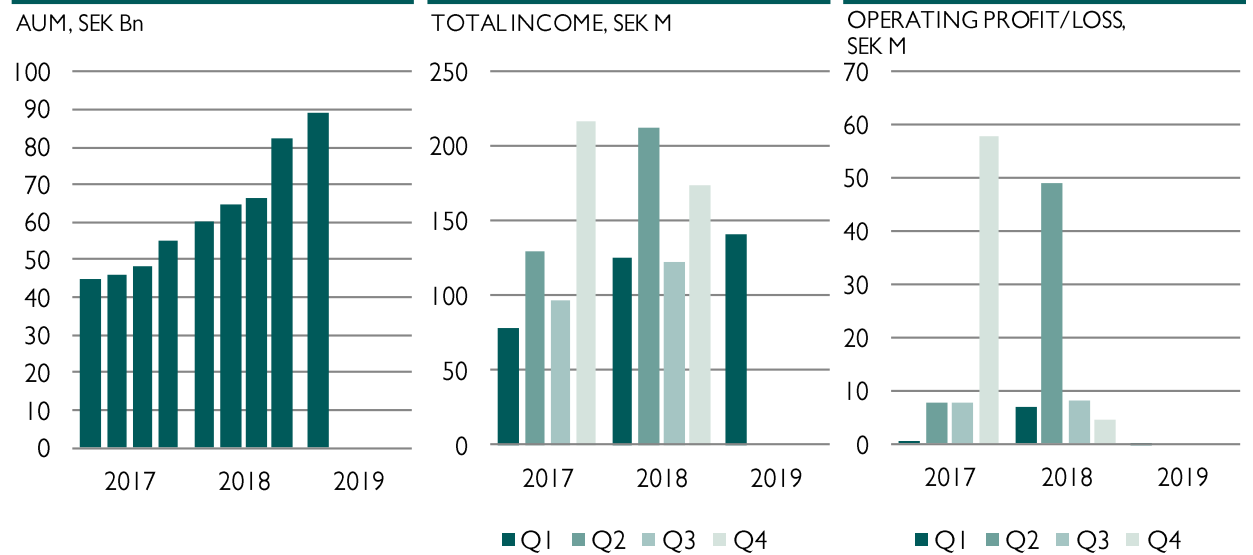


# PROPERTY INVESTMENT MANAGEMENT



# Sales and result of operations

- In December 2018, Catella acquired 75% of the shares in APAM Ltd, which is active in the UK, an important strategic market for Catella.
- Assets under management increased by SEK 6.8 Bn in the quarter, mainly driven by growth in APAM of SEK 3.1 Bn.
- Assets under management for the business area as a whole increased by SEK 28.8 Bn year-on-year.
- Year-on-year growth in total income was driven by increased assets under management. Income growth was mainly derived from Property Funds and APAM.
- Variable earnings for Property Asset Management in Denmark decreased as no property development projects were divested like in the previous year.
- The share of fixed earnings increased significantly both including and adjusted for APAM.
- Operating profit was positively affected by lower assignment expenses and increased consulting and personnel costs.
  - Personnel costs were mainly due to aggressive initiatives in Property Funds.
- Headcount increased by 72 year-on-year, of which 36 employees in APAM.



SEK M	3 Months		12 Months	
	2019 Jan-Mar	2018 Jan-Mar	Rolling 12 Mth.	2018 Jan-Dec
Property Funds *	104	82	429	406
Property Asset Management *	47	48	259	260
<b>Total income</b>	<b>141</b>	<b>125</b>	<b>650</b>	<b>634</b>
Assignment expenses and commission	-32	-39	-135	-142
Operating expenses	-110	-79	-454	-423
<b>Operating profit/loss</b>	<b>0</b>	<b>7</b>	<b>61</b>	<b>68</b>
Operating margin, %	0	5	9	11
No. of employees, at end of period	220	148	-	220
<b>Asset under management, SEK Bn</b>	<b>89.0</b>	<b>60.2</b>	-	<b>82.2</b>
net in-(+) and outflow(-)	4.4	2.0	8.1	5.7

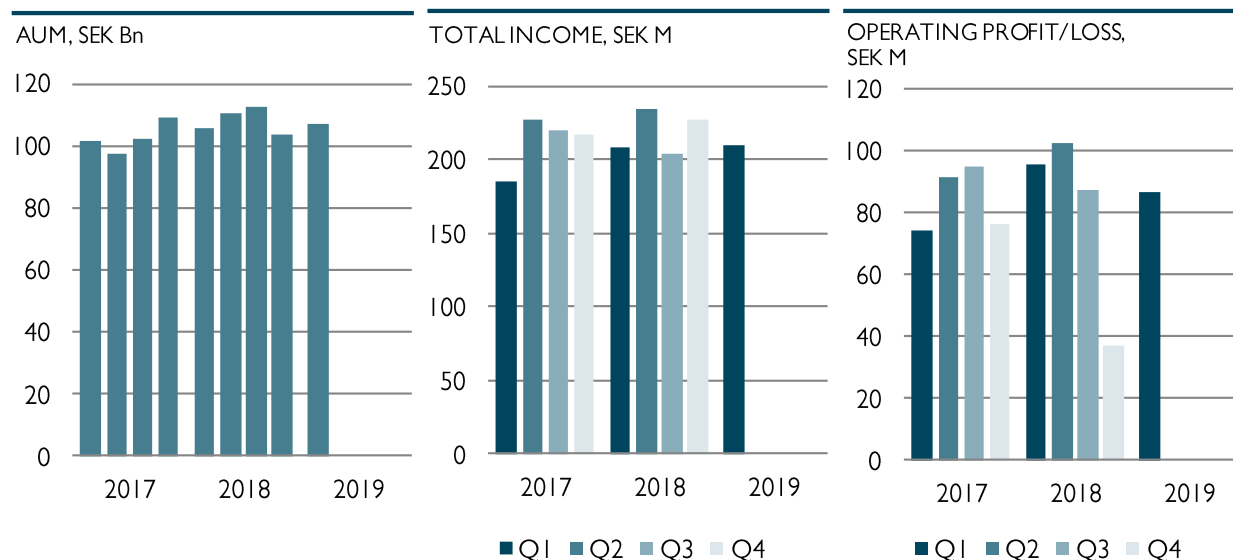
\* Includes internal income between business areas.



# EQUITY, HEDGE AND FIXED INCOME FUNDS

# Sales and results of operations

- New savings in funds in Sweden totalled SEK 10.0 Bn in the quarter.
  - At the end of the quarter, Mutual Funds' share of fund volumes in Sweden was 0.7% (0.8).
- Business area assets under management increased by SEK 3.0 Bn (-3.5) in the quarter, mainly due to exchange rate effects.
- Income was mainly derived from Systematic Macro, where assets under management increased by SEK 4.6 Bn year-on-year.
  - Of which net flows were SEK 2.6 Bn in the same period.
- Increased assets under management combined with a more favourable product mix generates more stable earnings in the form of fixed earnings and potential future variable earnings.
- Total income was in line with the corresponding quarter in the previous year despite a shortfall of variable earnings in Mutual Funds.
  - A majority of income consists of fixed earnings which increased by 16% and is attributable to Systematic Funds.
- Year-on-year operating profit was negatively affected by the above shortfall in variable earnings, and increased personnel expenses in Systematic Funds driven by recruitment.
- From 1 January 2018, Systematic Funds moved to annual settlement of all products, which means that variable earnings can only be settled and recognised for profit at year end.
  - Accrued, non-chargeable, variable earnings in Systematic Funds were SEK 0 M at the end of the period.



SEK M	3 Months		12 Months	
	2019 Jan-Mar	2018 Jan-Mar	Rolling 12 Mth.	2018 Jan-Dec
Mutual Funds *	59	94	276	311
Systematic Funds *	151	114	600	564
<b>Total income</b>	<b>210</b>	<b>209</b>	<b>876</b>	<b>875</b>
Assignment expenses and commission	-36	-37	-160	-161
Operating expenses	-87	-76	-403	-391
<b>Operating profit/loss</b>	<b>87</b>	<b>96</b>	<b>314</b>	<b>323</b>
Operating margin, %	41	46	36	37
No. of employees, at end of period	96	89	-	91
<b>Asset under management, SEK Bn</b>	<b>107.0</b>	<b>105.9</b>	<b>-</b>	<b>103.9</b>
net in-(+) and outflow(-)	-3.9	-5.8	-4.2	-6.2

\* Includes internal income between business areas.



# PRINCIPAL INVESTMENTS

# Catella's principal investments

## INVESTMENTS

SEK M	31 March 2019
Property development projects	108
Loan portfolios	218
Other holdings	49
<b>Total</b>	<b>374</b>

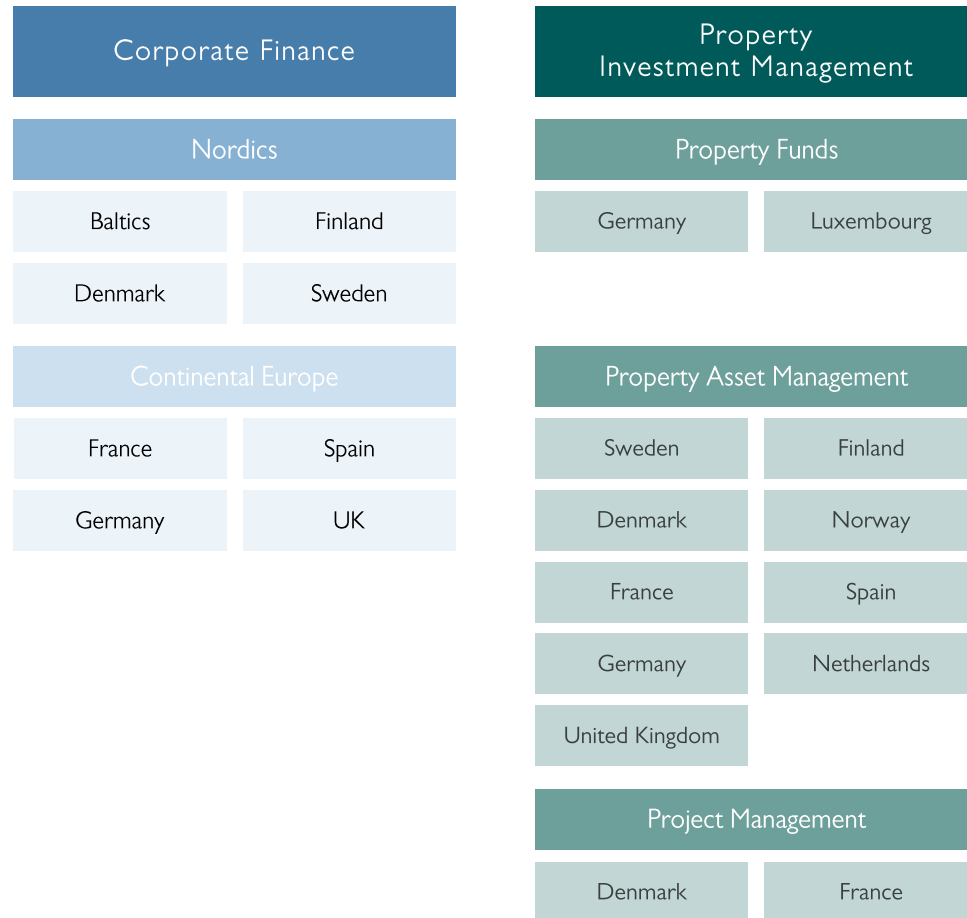
## HISTORICAL CASH FLOW FROM LOAN PORTFOLIOS – ACTUAL AND FORECAST

SEK M	Total		
	Actual	Forecast	Variance
Full year 2009-2018	268.3	242.3	26.0
Q1 2019	1.9	2.2	-0.3
<b>Total</b>	<b>270.2</b>	<b>244.5</b>	<b>25.7</b>

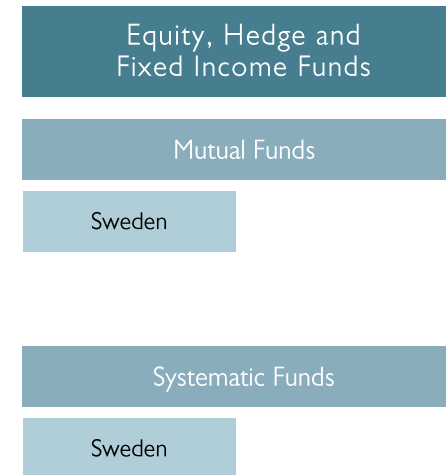
- Principal investments totalled SEK 374 M as of 31 March 2019, an increase of SEK 10 M on the previous quarter.
- The increase was mainly due to profit recognition of the property development project Living Lyon of SEK 9 M.

# Business areas and Principal Investments – Pan-European reach

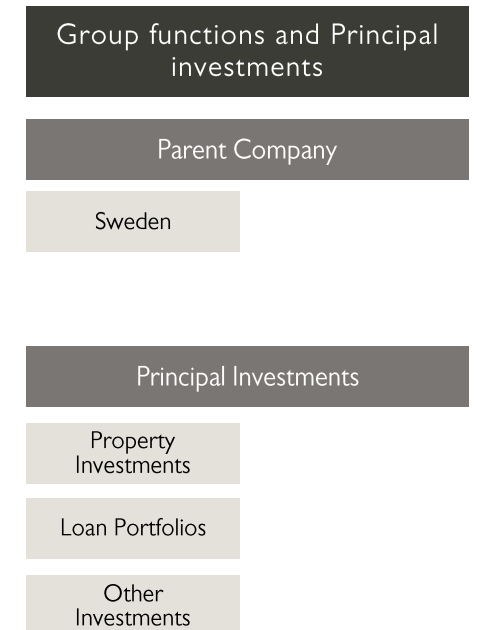
## PROPERTY INVESTMENTS AND ADVISORY



## FUND MANAGEMENT



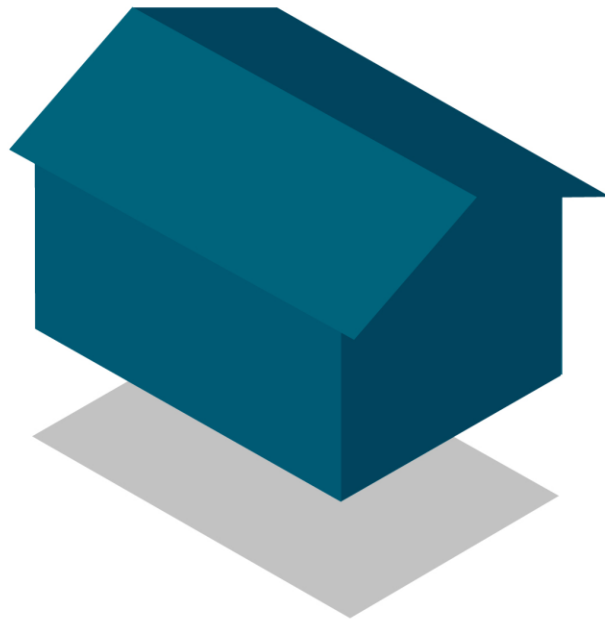
## OTHER



International Distribution: London, Hong Kong and New York



# The Catella strategy



## **Vision**

To be the preferred European partner for investors – together shaping the future in property and alternative investments.



## **Brand promise**

Delivering beyond the expected.



## **Values**

- Professional
- Respectful
- Entrepreneurial
- People-oriented



## **Strategic focus areas**

- Growth
- Expand product offer
- Develop global distribution
- Performance and talent management
- One Catella



## **Thought leadership in alternative investments**

We help our clients generate value in other ways than traditional investment alternatives.



## **Capitalize on market trends**

Savings growth; Urbanisation and Digitization.



## **Reach**

- 15 countries
- 29 cities
- 550+ employees

# Financial calendar 2019

## AGM 2019

- May 27, 2019

## Interim report january-june 2019

- August 23, 2019

## Interim report january–september 2019

- November 14, 2019

## Year-end report 2019

- February 21, 2020

# Contact



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Birger Jarlsgatan 6

8	3
Synch	Cis - Reception
Cord Communications	2
6	Stariga huset, Humlegården Birger Jarlsgatan 6
Catella - Reception	1
	HBO-Nordic
	Tingre transporter, bilvägar till leveranshus Birger Jarlsgatan 6A
4	
	Denna fastighet bevakas av <b>HUMLEGÅRDEN</b>
	Tingre transporter, bilvägar till leveranshus Birger Jarlsgatan 6A

Thank you!

