

# CATENA

The leading property company in logistics.

CATENA



**“It’s sexy to be in logistics”**

Dr Nick Axford,  
Head of global research  
CBRE Group

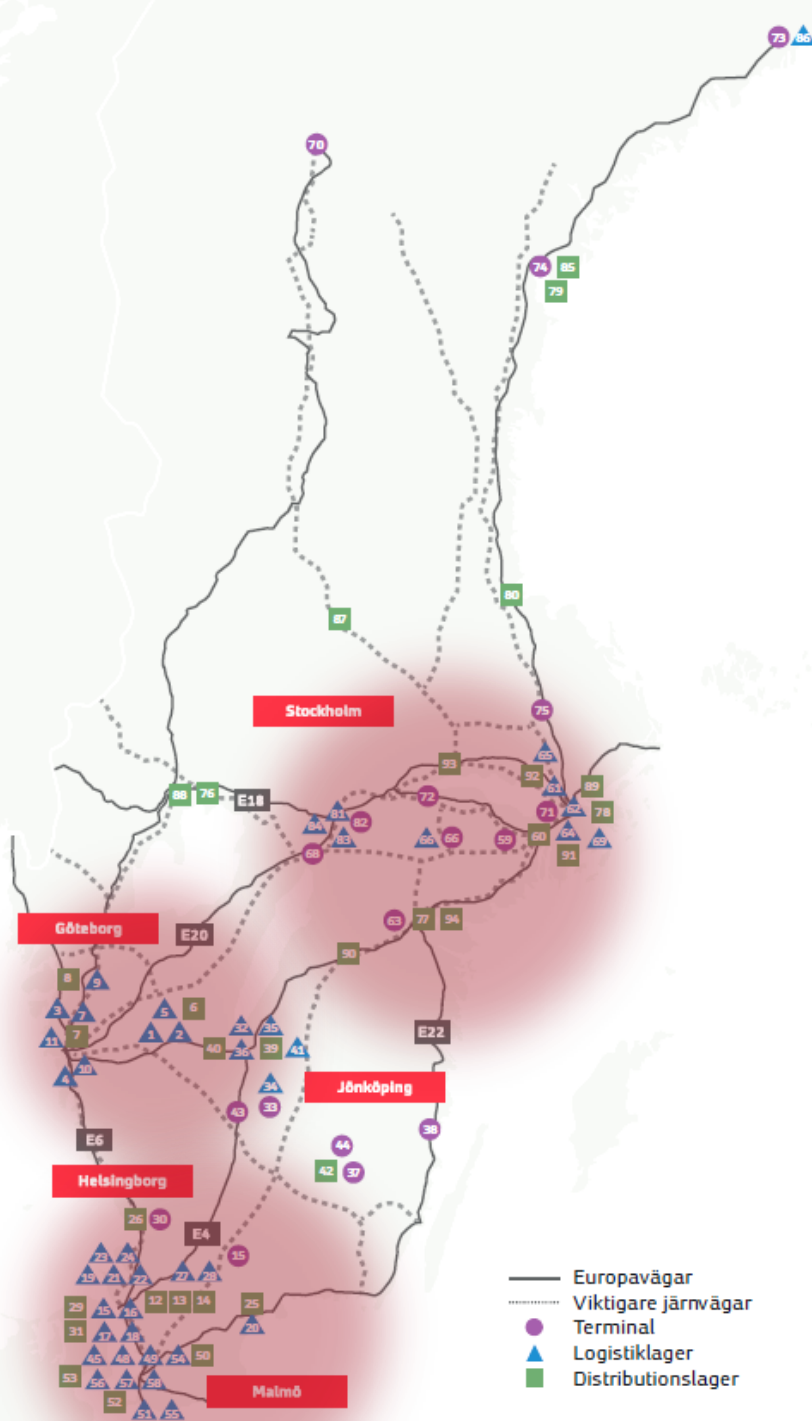
**CATENA**

# Location

*” Sweden's best logistics locations in 2018”*  
(Intelligent Logistik)

Geographical overview, Catena's properties

- 108 logistic properties
- 1,7 million sq.m lettable area
- 1 133 SEK m rental value



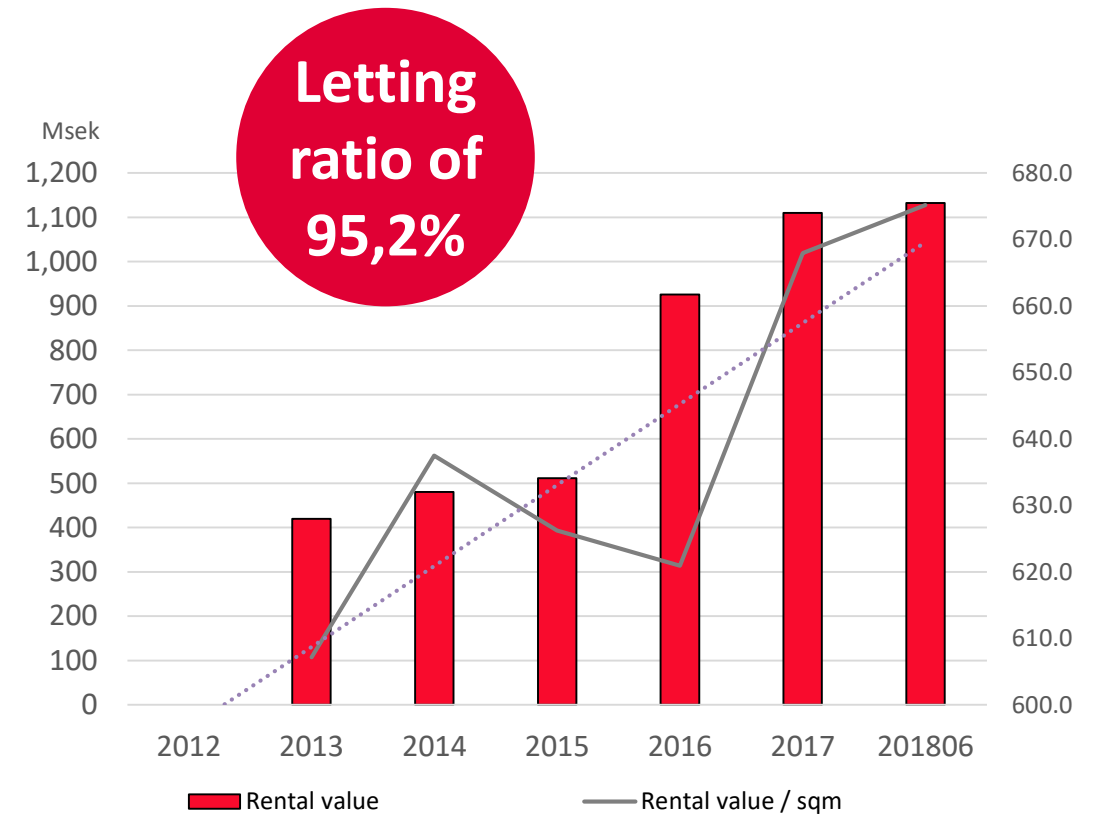
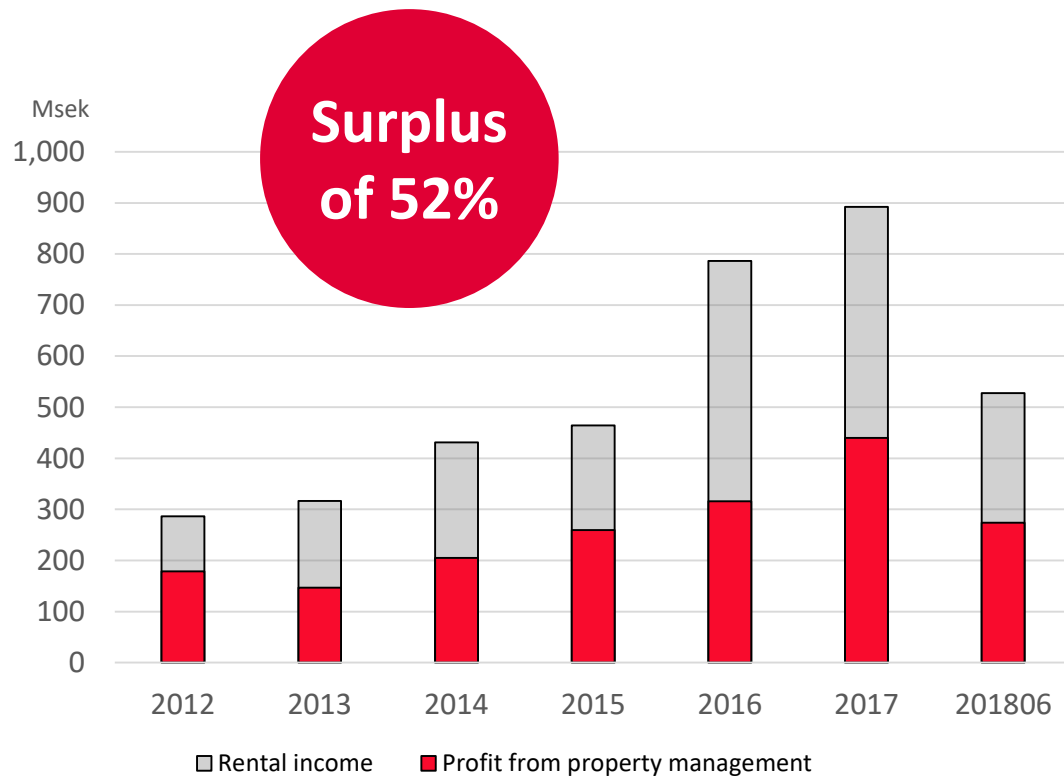
# Key indicators

## 2018 vs 2017 Q2 Interim report

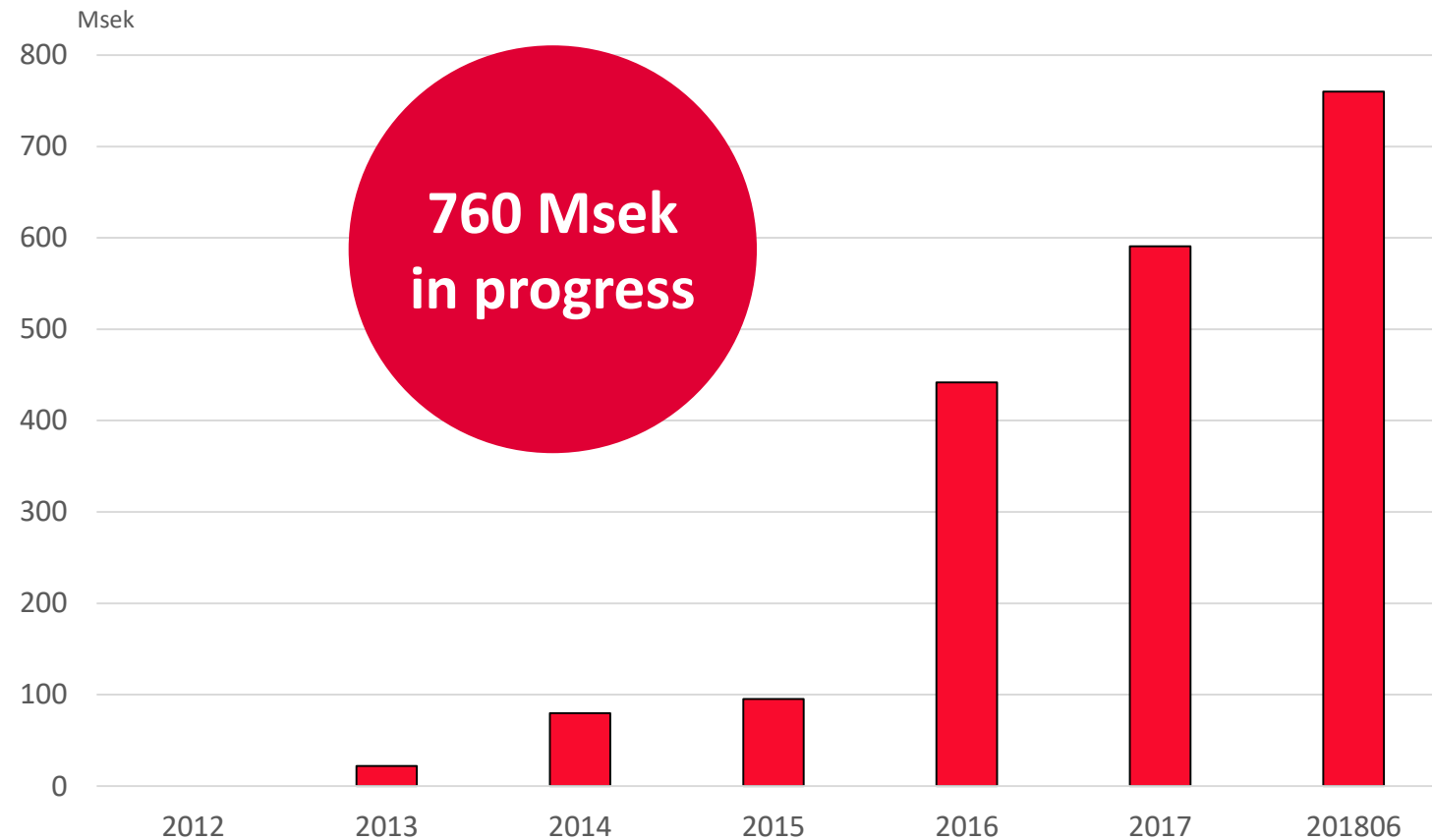
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- PROFIT FROM PROP.MANAGEMENT PR SHARE  
13,5 (11,2)
- RETURN ON EQUITY, %  
15,0 (15,3)
- RETURN ON TOTAL CAPITAL, %  
7,0 (6,3)
- EPRA NAV PR SHARE  
156,40 (141,08)
- EQUITY RATIO, %  
31,5 (32,3)
- Interest-coverage ratio, multiple  
3,2 (3,1)

# Momentum in rental growth



# Growing project portfolio





RENTAL VALUE  
1 133 MSEK

Contracts  
**437**

FAIR VALUE  
13 647 MSEK

Properties  
**108**

Employees  
**40**

Shareholders  
**14 746**

EQUITY  
4 807 MSEK

Creditors  
**11**

LOANS  
8 289 MSEK

# CATENA

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# EMPOWERING BUSINESS, UNLOCKING POTENTIAL

Leading owner and operator of business parks,  
offices and industrial complexes  
in Germany

EPRA ANNUAL CONFERENCE,  
6 SEPTEMBER 2018

Andrew Coombs, CEO



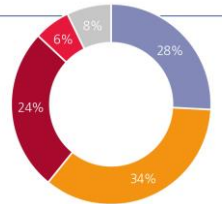
# ATTRACTIVE FUNDAMENTALS

- Owned and managed portfolio in excess of **€1bn** in Germany
- Largest economy in Europe
- Portfolio of **57 assets** located around the 'big seven' German markets
- Total of **1.4m sqm** of industrial, production and office space
- Assets acquired at attractive yields and at capital values well below replacement cost
- Well diversified tenant base



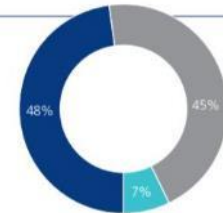
Total portfolio split

- Office
- Storage
- Production
- Smartspace
- Other



Tenant split by revenue

- Top 50 anchor tenants
- Smartspace SME tenants
- Other SME tenants



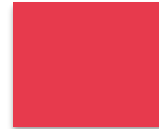
# PROPERTY + PLATFORM = ACTIVE VALUE CREATION

- Fully integrated operating platform
- Highly developed in-house marketing and sales team
- Dedicated service charge team delivering best in class cost recovery
- Proven capability in transforming vacant space and structural vacancy
- Highly accretive capex investment programmes delivering 40% return on cost
- Asset recycling



# RETURNS PROFILE

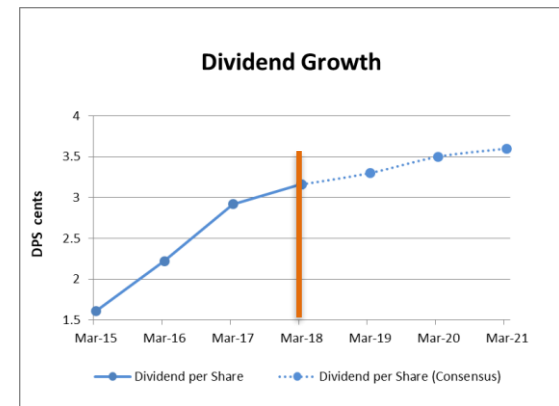
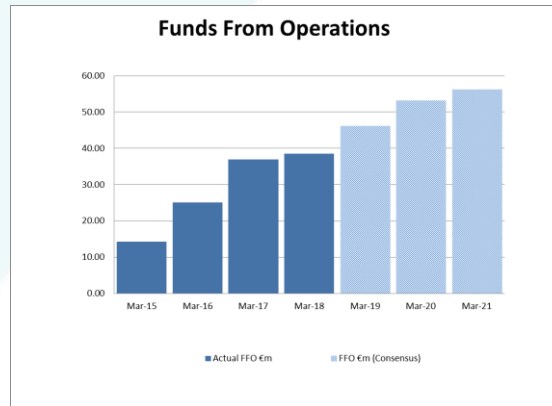
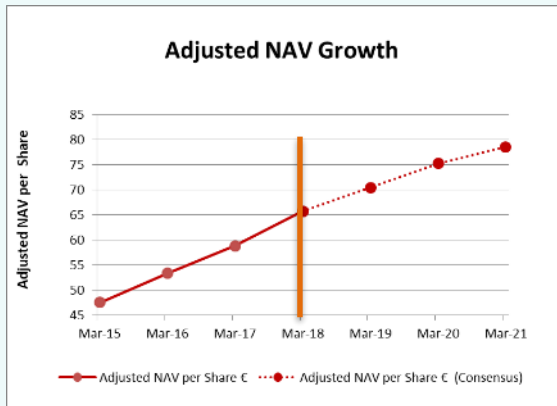
- Total shareholder accounting return in excess of **15%** for last three years
- 1/3 of return from dividends, 2/3 through NAV
- Defensive gross yield of **8.1%** with valuation gains mainly driven by improvements in income
- Policy of distributing **65% of FFO** as dividends
- Dividend yield ca. **5%**
- Future returns fueled by asset recycling, filling vacancy and improvements in service charge cost recovery



# FINANCIAL PERFORMANCE & CONSENSUS

- Year on year double digit NAV growth
- Continuous annual increases in FFO
- Asset recycling positions the Company for next phase of growth
- Progressive and well covered dividend
- Dividends paid bi-annually

CONSENSUS	March- 19	March- 20	March- 21
FFO €m	46.20	53.10	56.20
DPS cents per share	3.30	3.50	3.60
NAV cents per share	70.40	75.20	78.50





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Dedicated to Continental European Logistics Assets



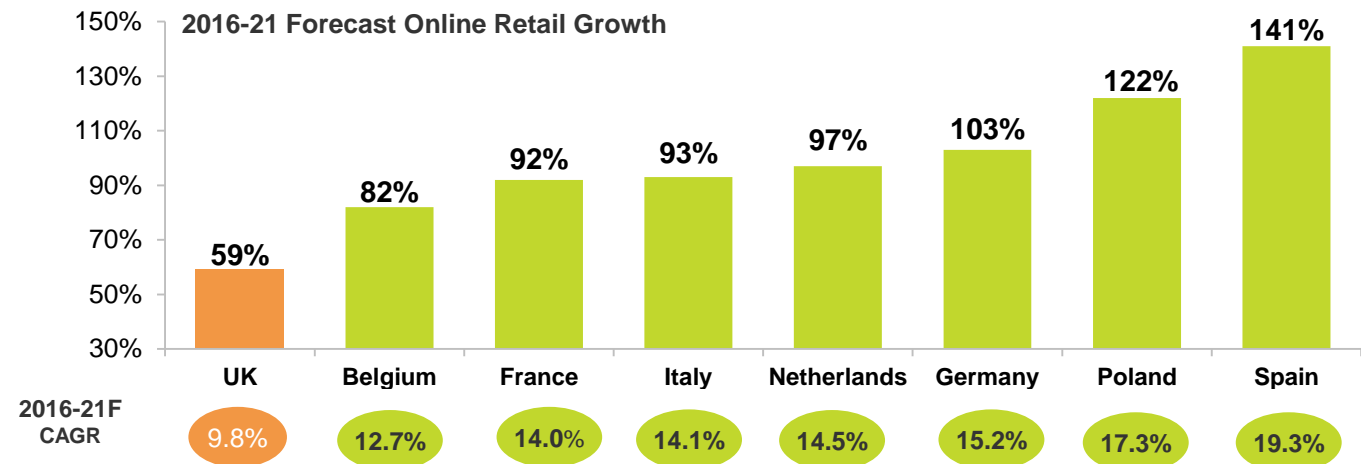
September 2018

## Major long-term structural increase in occupational demand for logistics assets

### Demand is driven by:

- the **growth of e-commerce**,
- **technological advancements** and
- the **drive for supply-chain optimisation**,
- resurgent **economic growth** across much of Continental Europe

## Continental Europe's anticipated growth in e-commerce penetration



**Online retail sales** across Europe are expected to rise **94%** from **2016 to 2021**



**3x** as much Big Box space is required for **online fulfilment** compared with store-based fulfilment





Rising demand for modern logistics assets is coupled with significant supply shortages in key European markets

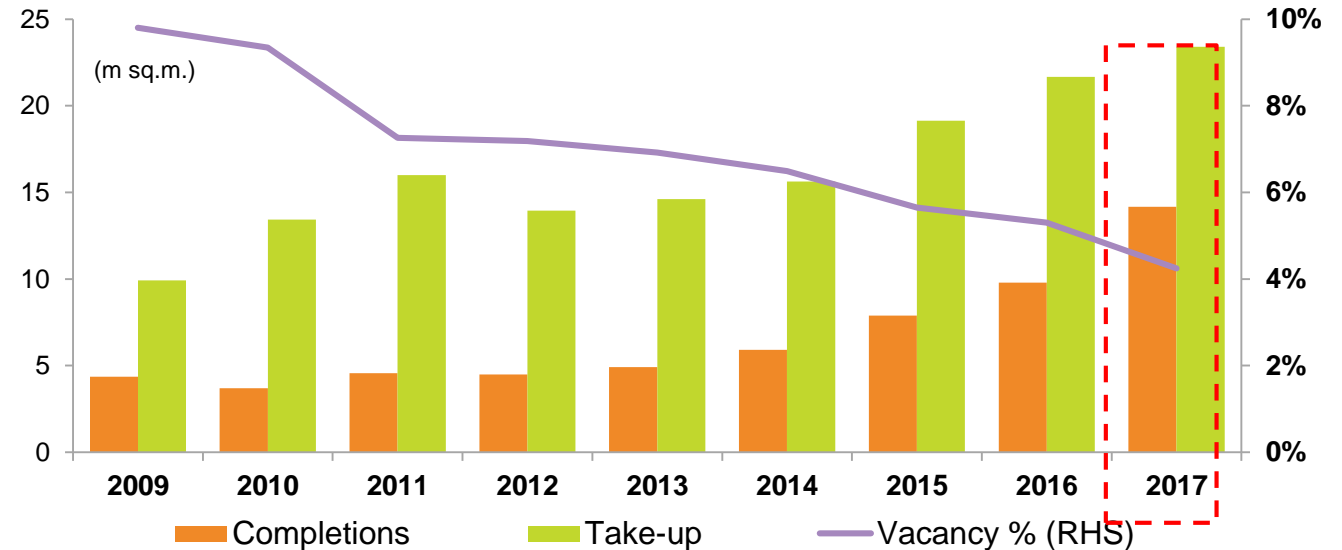
## Demand Drivers

- Retail sales
- Supply chain optimisation
- Technological innovation

## Supply Drivers

- Ageing stock
- Lack of speculative development
- Availability of suitable land

Vacancy level at or near all time lows



# The Continental European logistics market is on track to perform



Current market dynamic in Continental Europe closely resembles the transformation of the UK logistics market in recent years

## Knight Frank estimate that:

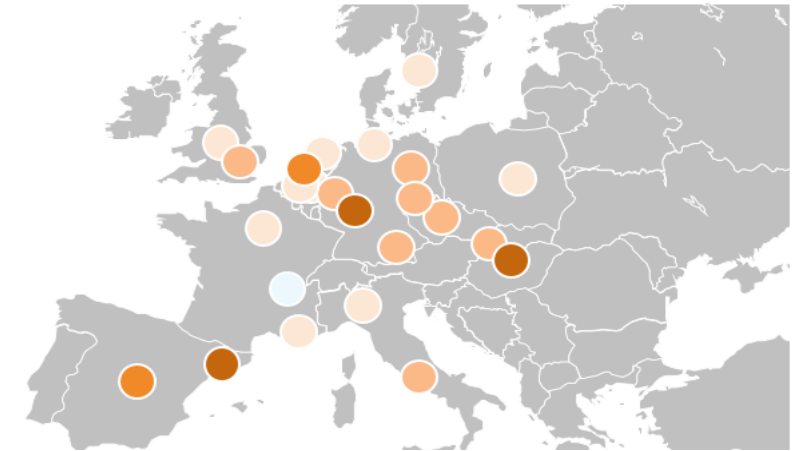
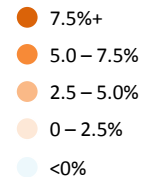
- Germany is **two to three years** behind
- France, Netherlands and much of Western Europe are c. **five years** behind
- Southern Europe and CEE are c. **ten years** behind

## Structural change will help drive rental growth:

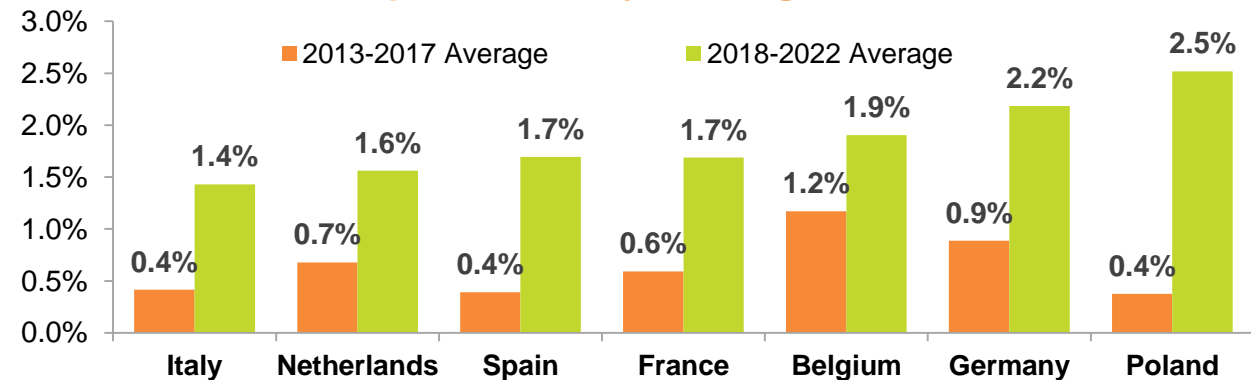
- In 2018, on average prime rents in key logistics hubs forecast **to grow by c.2.5%**

## Rental growth picking up across Continental Europe..

2017 Rental Growth



## ...complemented by a rising inflation environment



To build a well diversified portfolio of Continental European logistics assets in order to deliver an attractive capital return and income

Tritax EuroBox will seek to capitalise on:

- The favourable **supply/demand dynamics**
- Our **ability to source** attractively priced, high quality investment opportunities
- Our **extensive knowledge** of the sector and operators
- The **favourable debt market** conditions available

## Investment objectives at a glance

**4.75%**  
Target Initial  
Dividend Yield <sup>1,2</sup>

**9.0%**  
Target Total  
Return <sup>2</sup>

**45% GAV**  
Target Gearing

**5 yrs**  
Target WAULT

1. Dividends expected to increase progressively through regular indexation events inherent in underlying lease agreements

2. Euro denominated returns, by reference to IPO issue price, on a fully invested and geared basis. These are targets only and not profit forecasts. There can be no assurances that these targets will be met and they should not be taken as indications of Tritax EuroBox's expected or actual future results. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in Tritax EuroBox and should decide for themselves whether the targets are reasonable or achievable

<p><b>Strategically located</b></p>		<p><b>Modern</b></p>
	<p><b>European logistics assets which fulfil key roles in the logistics and distribution supply chains</b></p>	
<p><b>Technologically sophisticated</b></p>		<p><b>Barriers to entry</b></p>

**Targeting assets located in the most established European logistics markets, near major population centres and logistics terminals**

**Assets will typically:**

- **Be let to high quality tenants** - 'Mission Critical' assets typically let to financially sound tenants
- **Provide strong and secure income** - Assets which typically benefit from long term index linked leases, with the potential for future rental growth

**At IPO we successfully raised gross proceeds of £300 million (c. €339.3 million). Admitted to trading on the specialist fund segment of the main market of the LSE, on the 9 July 2018**

- Dedicated team working to invest the net proceeds in identified pipeline
- In exclusivity arrangements in relation to the acquisition of eight well located assets
- All are let or pre-let to high quality tenants and are, or will be once completed, of modern specification.

## Current pipeline under offer

**8 assets**

Under offer & in exclusivity

**€550m**

Total aggregate value of 8 assets

**100%**

Let or pre let

**85k sq m**

Average size of 8 assets

**12.4 yrs**

WAULT

**5.0%**

Weighted average net initial

1. Dividends expected to increase progressively through regular indexation events inherent in underlying lease agreements

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# Key Terms



<b>Issuer</b>	▪ Tritax EuroBox plc
<b>Structure</b>	▪ UK Investment Trust
<b>Listing</b>	▪ Specialist Fund Segment of Main Market of London Stock Exchange
<b>Issue Size</b>	▪ Up to £300 million (c. €340 million)
<b>Target Assets</b>	▪ Diversified portfolio of logistics assets ▪ Standing assets, pre-let forward funded developments and zoned land ▪ Properties typically let (or pre-let) to institutional grade tenants on long term leases ▪ Portfolio geographic exposure focused on core Continental European countries ▪ Net IPO proceeds expected to be deployed within 6-9 months from Admission
<b>Leverage</b>	▪ Medium-term target LTV of 45%
<b>Target Dividend<sup>(1)</sup></b>	▪ Target initial dividend yield of 4.75%. Dividends expected to increase progressively through regular indexation events inherent in underlying lease agreements ▪ Dividends paid quarterly in Sterling or Euro at the election of shareholders ▪ First dividend expected to be paid in relation to the period ending Q4 2018
<b>Target Total Return<sup>(1)</sup></b>	▪ 9.0% p.a. over the medium term
<b>Manager</b>	▪ Tritax Management LLP (the “Manager”)
<b>Management Fee</b>	▪ 1.30% p.a. on NAV up to and including €1bn; 1.15% p.a. on NAV between €1bn and €2bn and 1.00% on NAV above €2bn. NAV excludes cash balances ▪ 10% of net management fees payable in shares ▪ All costs involved with core asset management and property management will be paid by the Manager from its management fee ▪ No performance, acquisition or disposal fees payable by Tritax EuroBox to the Manager
<b>Board of Directors</b>	▪ Fully independent non-executive Board of Directors chaired by Robert Orr, the former European CEO of JLL
<b>Issue Costs</b>	▪ 2.0% of gross proceeds
<b>Reporting / Valuation</b>	▪ Half-yearly valuation by independent 3rd party valuer

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# Custodian REIT

“Small is beautiful”

“REIT of choice for private and institutional investors seeking high and stable dividends from well diversified UK real estate”




# KEY CHARACTERISTICS

- Diversified regional portfolio
- Sub-£10 million lot size
- Core/core plus
- Low gearing
- Income focused - **5.5% dividend yield\***



 FULLY COVERED  
DIVIDENDS

 LOW  
VOLATILITY

 DIVIDEND  
GROWTH

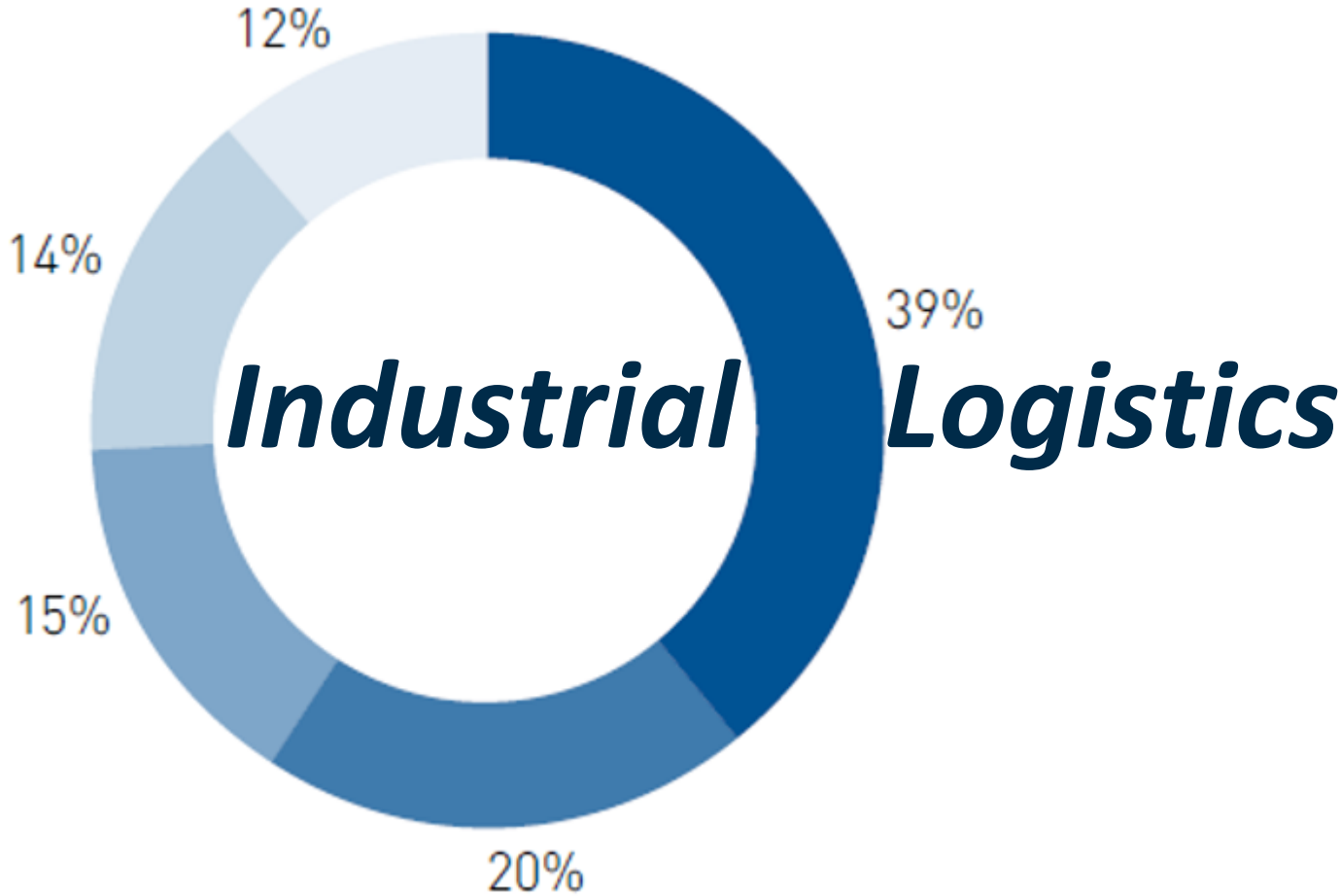
 TARGET  
GEARING  
25.0%

 FIXED RATE  
DEBT

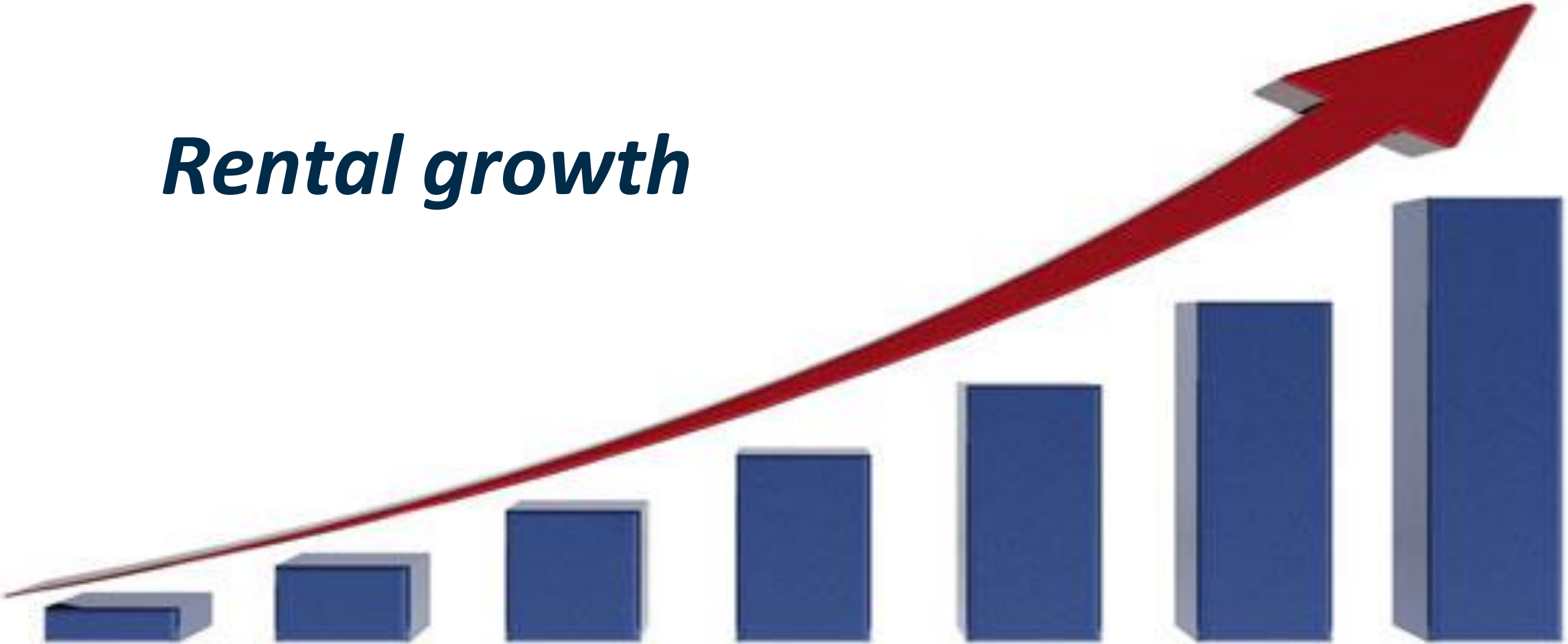
\* as at 3<sup>rd</sup> September 2018

# SECTOR STRATEGY

- Industrial and logistics
- 1,500 – 10,000 sqm
- High residual values
- Values supported by owner-occupier demand



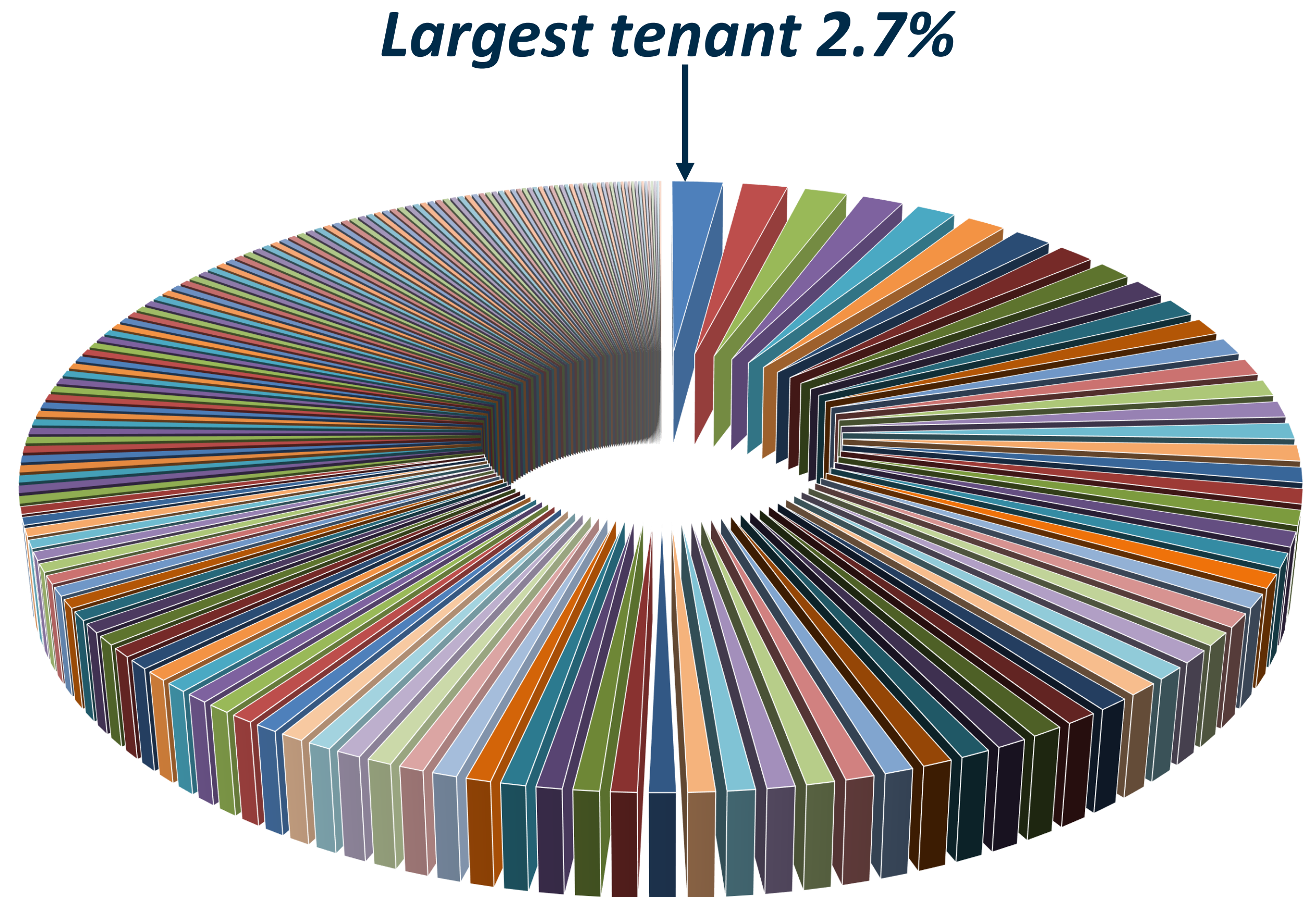
**Rental growth**



# DIVERSIFIED INCOME



- High quality tenants
- Over **250 tenants**
- Long leases
- WAULT 5.9 years to first break

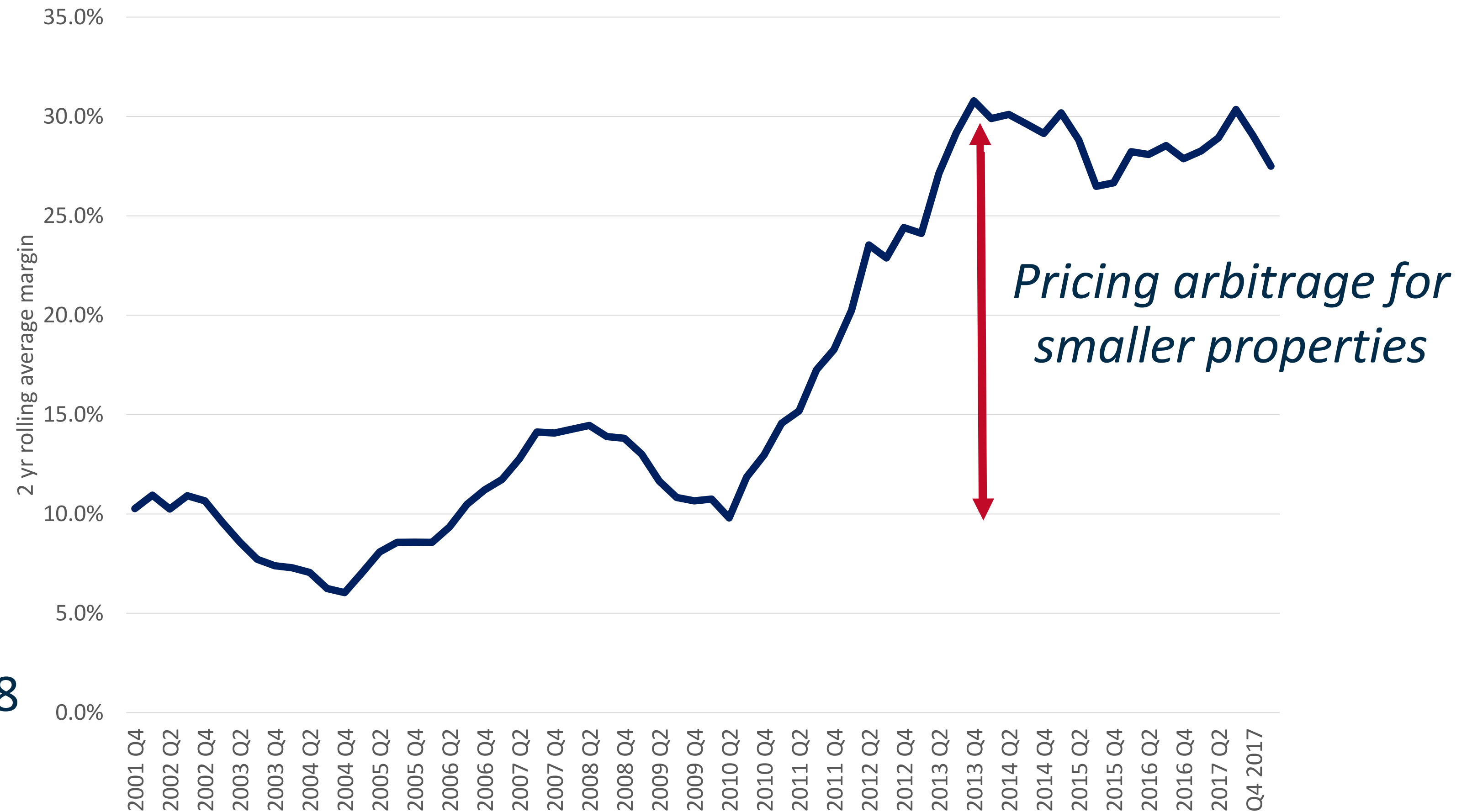


# CONCLUSION

## “Small is beautiful”

- Less competition
- Broad occupier demand
- Greater diversification
- Robust underlying value
- Higher income return
- NAV total return **9.6%** ytd 2018

### Marginal initial income return for sub-£10m properties



**Current margin 20% (107bps)**



# CONTACT DETAILS

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