

Press release dated 1st March 2022

Ad hoc announcement pursuant to Article 53 LR

Intershop generates an exceptionally good result

In a volatile environment, Intershop closed 2021 with an excellent result:

- **The net profit amounted to CHF 144.2 million or CHF 75.92 per share and is thus 84% above the previous year. The return on equity corresponds to 20.1%.**
- **Shareholders' equity as at 31.12.2021 increased to CHF 810 million or CHF 426 per share. This corresponds to an equity ratio of 56.8%.**
- **The net yield of the investment property portfolio amounted to 4.9%.**
- **The vacancy rate of the investment property portfolio fell slightly to 11.0%.**
- **The overall performance of Intershop shares reached 3.6%.**
- **The Board of Directors proposes an unchanged dividend of CHF 25.00 per share to the Annual General.**

The year under review was again affected by the Corona pandemic, although the economy in Switzerland developed positively. While real estate investments enjoyed great popularity among investors due to the unchanged interest rate environment, restraint was still felt among potential office space tenants. Due to a subdued expansion of offers, however, there was no oversupply, and this resulted in largely stable rental prices. Demand for centrally located flats and commercial/industrial space remained intact.

As expected, **rental income** fell by a total of CHF 4.6 million to CHF 75.1 million, mainly as a result of the disposals made in the previous year and vacancies caused by ongoing or pending renovations. The **gross yield** of the investment property portfolio was 5.7%.

At the balance sheet date, the **portfolio** comprised 51 properties including development and promotion properties. The rental income for the reporting period derived from the following types of use: 48% office and education, 32 % commercial and logistics, 7 % retail and gastronomy, 6% residential and 7% parking.

The **value of the real estate portfolio** at the end of the reporting year was CHF 1,387 million. The revaluation of the portfolio by KPMG resulted in a net valuation gain of CHF 32.3 million or 2.6% after deduction of the investments made during the reporting period.

The **disposal** of properties resulted in a profit of CHF 106.1 million, which was mainly due to the sale of two investment properties and the condominiums of the promotional project in Basel.

After a temporary increase in the middle of the year, the **vacancy rate** of the investment property portfolio has decreased to 11.0%. Ongoing renovations of some larger residential properties contributed to this rather high rate.

Real estate expenses fell by CHF 1 million to CHF 8.3 million or a low 11.1% of rental income, which was primarily due to non-recoverable service charges from previous years that were lower than expected. The **net yield** on the investment property portfolio was 4.9%.

As a result of a slightly higher headcount and higher accruals for performance-related compensation, **personnel expenses** rose by 5.4% to CHF 11.7 million. **Administrative expenses**, including capital taxes, remained stable at CHF 2.6 million, down 1.4%.

Interest-bearing **financial liabilities** decreased by CHF 36.2 million to CHF 428.9 million. As a result, and thanks to lower average interest rates, **interest expenses** fell by CHF 0.9 million to CHF 8 million.

Despite the dividend payment of CHF 47.5 million, **equity** rose by CHF 99.1 million to CHF 810 million, which corresponds to a very solid equity ratio of 56.8%.

While prices for core properties continued to rise in the current market environment, development projects in attractive locations have meanwhile reached a level at which almost no premium can be identified. Intershop has taken advantage of this situation and sold the commercial property on Hohlstrasse, Zurich, as well as a smaller property in the canton of Bern. The "Orubi" development project in Vernier was acquired.

The development projects proceeded largely according to plan. The "Gellertstrasse" condominium project was successfully completed and the extension and refurbishment of the property on Rue de Lausanne in Geneva was also completed. The building is expected to be certified with the sustainability label "SNBS Gold". In addition, the newly constructed assembly plant in Oberwinterhur-Neuhegi was handed over to the tenant at the turn of the year. The comprehensive renovation of the commercial building in Pfäffikon/SZ, Talstrasse, was largely completed. In the meantime, about three quarters of the space has been let. The sustainable renovation and extension of the high-rise residential buildings in Basel, Redingstrasse, is continuing. Completion is still scheduled for the end of 2022.

Although the building permit for the "AuPark" project is still pending, demolition of the existing buildings began in the autumn of the reporting year. The civil engineering work on the new condominium complex in Baden turned out to be more complex than expected. In addition, there have been individual supply bottlenecks. The handover of about half of the flats will probably not take place until 2023.

The overall performance of Intershop shares, which is made up of the price gain and the dividend paid, reached 3.6% in the reporting year and, in contrast to the previous year, was slightly below the benchmark index SXI Swiss Real Estate Shares TR of 4.2%.

Intershop has published its third comprehensive sustainability report for the reporting year in accordance with the GRI standards (Global Reporting Initiative™) and plans to define and publish a concrete CO₂ reduction path by the time of the publication of the 2022 annual report, if not before.

In view of the continued good business performance, the Board of Directors has decided to again propose a dividend of CHF 25 per share, corresponding to a distribution volume of CHF 47.5 million.

Changes to the Board of Directors

As already announced in February 2022, Dieter Marmet will not stand for re-election after many years of successful work as a member and Chairman of the Board of Directors. The Board of Directors will propose Dr Christoph Nater as member and Ernst Schaufelberger as his successor as Chairman to the Annual General Meeting.

Outlook

In the absence of major upheavals due to geopolitical uncertainties, Intershop expects a slight growth in rental income in the low single-digit percentage range, subject to possible

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transactions. It should therefore be possible to more than compensate for the income lost in 2021 due to disposals. Based on the above assumptions, the vacancy rate is expected to be in the region of 10% in relation to the current investment property portfolio.

Intershop expects to achieve a profit in the high single-digit million range from the sale of half of the condominiums in the Baden promotional project in 2022. A similar result is expected once the second half of the condominiums are sold in 2023.

The building permit for the "AuPark" is expected in the current year. With this in mind, all strategic options are being examined, which, in addition to the realisation of the development also include various sales scenarios.

The transaction market will continue to be closely monitored and attractive opportunities for both acquisitions and disposals will be seized.

Intershop continues to expect to generate a return on equity of at least 8% on a multi-year average.

Annex

Key figures Intershop Group

Contact

Cyrill Schneuwly, CEO
Thomas Kaul, CFO

Company portrait

Intershop is a real estate company listed on the SIX Swiss Exchange and active in Switzerland, which invests principally in commercial properties. As of 31/12/2021, its portfolio included 51 properties with a lettable area of approx. 513,000 m² and a market value of some 1.4 billion Swiss francs. Intershop invests mainly in the Zurich area, around Lac Lemman and along the main traffic arteries. Its portfolio combines high yields with security, thanks to diversification by geography and type of use, with considerable potential for value appreciation in the properties with development potential.

Agenda

31/03/2022	59 th Annual General Meeting 2022
23/08/2022	Publication of half-year report 2022 with online presentation for media and financial analysts

Download/Links

[Summary 2021 \(download, PDF-file\)](#)

[Intershop Investor Relations](#)

Further information on Intershop is available from the website www.intershop.ch

Key figures Intershop Group

		2021	2020
FINANCIALS			
Net rental income	million CHF	66.8	70.4
Net gains from property disposal	million CHF	106.1	33.4
Changes in fair value of properties	million CHF	32.3	13.4
Operating result (EBIT)	million CHF	195.1	107.6
Earnings before taxes (EBT)	million CHF	187.3	98.8
Net income	million CHF	144.2	78.4
Cash flow from operations	million CHF	33.3	45.6
Investments in properties	million CHF	84.1	61.7
Total assets	million CHF	1,426.7	1,378.3
Total properties	million CHF	1,387.3	1,333.3
Financial liabilities	million CHF	428.9	465.1
Shareholders' equity	million CHF	809.7	710.6
Return on equity ¹⁾		20.1%	11.8%
Return on equity excluding changes in fair value of properties ¹⁾		17.0%	10.3%
PORTFOLIO			
Number of investment properties		39	40
Number of development properties ³⁾		12	12
Lettable area	in m ²	513,253	544,440
Gross yield ^{2) 4)}		5.7%	6.0%
Net yield ^{2) 5)}		4.9%	5.2%
Vacancy rate ²⁾		11.0%	11.3%
PERSONNEL			
Number of employees		74	71
SHARE			
Earnings per share ⁶⁾	CHF	75.92	41.67
Earnings per share excluding changes in fair value of properties ⁷⁾	CHF	64.22	36.44
Net asset value per share (NAV) ⁸⁾	CHF	426.40	374.02
Share price at balance sheet date	CHF	612.00	615.00
Dividend per share ⁹⁾	CHF	25.00	25.00

1) Based on the average shareholders' equity during the period, see «Alternative Performance Measures», Annual report 2021, p 120

2) Figures relate to investment properties at the balance sheet date

3) Including promotional properties

4) Effective annual gross rental income in proportion to the market value of the properties at the balance sheet date, see «Alternative Performance Measures», Annual report 2021, p 120

5) Effective annual gross rental income less directly attributable property costs (excluding interest expense) in proportion to the market value of the properties at the balance sheet date, see «Alternative Performance Measures», Annual report 2021, p 120

6) See «Earnings per share», Annual report 2021, p 84

7) After deducting changes in fair value of properties and associated deferred tax, see «Earnings per share», Annual report 2021, p 84

8) See «Net asset value per share», Annual report 2021, p 79

9) 2021: Proposal of the Board of Directors