

23rd August 2022

Ad hoc announcement pursuant to Article 53 LR

Intershop holds its own in a challenging environment in the first half of 2022 – and once again excellent annual results are expected following the sale of "AuPark"

In a challenging environment, business developed in the first half of 2022, as follows:

- **The Group's net profit amounts to CHF 36.4 million or CHF 19.38 per share, which corresponds to a return on equity of 9.2%.**
- **The market value of the AuPark in Wädenswil increased by CHF 16.6 million following the receipt of the legally binding building permit, contributing significantly to the revaluation gain of CHF 19.3 million.**
- **The gross yield on the investment property portfolio remained unchanged at 5.4% and the net yield at 4.7%.**

The decline in net profit is due to lower gains on disposals. The volatility of the profit is a result of Intershop's strategy to realise value added by selling developed projects and properties.

At the balance sheet date, the newly presented **portfolio** comprised 29 investment properties and 21 development and promotional properties. Rental income during the reporting period analysed by usage consisted of: 46% office and education, 35% commercial and logistics, 6% retail and gastronomy and 13% residential and parking.

The **value of the property portfolio** at the end of the reporting period was CHF 1,449.6 million. After deduction of the investments made, the market values increased by CHF 19.3 million or 1.4% of the portfolio value, principally due to a revaluation gain of CHF 16.6 million on the "AuPark" project in Wädenswil. The main value drivers were again changes in the rental situation, investments and, in some cases, lower discount rates for core and residential properties.

Equity as at 30.06.2022 amounted to CHF 768.2 million or CHF 416.69 per share. This results in an equity ratio of 52.3%.

As expected, **rental income** increased by 1.1% to CHF 37.7 million due to successful lettings. On a like-fo-like basis (excluding acquisitions and disposals), income from investment properties rose by 2.9% and from development properties by 3.8%.

The **sale** of a smaller development property resulted in a profit contribution of CHF 1.5 million. This is a significant reduction, as in the previous year the profit from the sale of the 30 commonhold apartments in Basle was recorded.

Real estate expenses rose by 5.2% to CHF 4.0 million, but still amounted to a low 10.6% of rental income.

While **administrative expenses** increased by 4.4%, **personnel expenses** decreased by 5.5%. **Interest expenses** decreased significantly by CHF 1.0 million or 23.7% due to lower interest rates resulting from the placement of the Green Bond. Due to the effect of deferred taxes from the revaluation gains, **tax expenses** rose by CHF 2.9 million to CHF 10.2 million.

While the **vacancy rate** for investment properties increased by 1.4 percentage points to 10.6% in the first half of the year, the vacancy rate for development properties remained largely stable. Around one third of the vacancies in the investment properties and around 40% of the vacancies in the development properties were deliberately not re-let due to ongoing or planned conversions or renovations.

The project developments in Basle and Wohlen are proceeding according to plan. In Vernier, there is a slight delay due to the building application process. Contrary to expectations, construction work in Baden could not be accelerated and only 19 flats will be handed over in the current year. The building permit for the "AuPark" development project arrived somewhat earlier than expected and has since become legally binding.

Intershop continued to follow the transaction market very closely during the reporting period but was unable to identify any purchase opportunities that promised attractive added value potential.

The total return of the share, which consists of the share price gain and the dividend paid, amounted to 4.9% and was thus significantly above the benchmark index SXI Swiss Real Estate Shares TR of -7.8%.

Outlook

Rental income should remain at the previous year's level (like-for-like) in the second half of the year, since planned or ongoing renovation works continue at the large properties in Lausanne and Basle and, as a result, no additional income can be expected in the immediate future. In view of the current economic uncertainties, a significant reduction in vacancies in the second half of the year also seems unlikely. The work on the extension of the high-rise residential buildings in Basle and the refurbishment of the office building in Wohlen should be largely completed in the current year. Construction of the "Orubi" commercial building in Vernier is scheduled to begin in the autumn.

The transaction market will continue to be closely monitored. Acquisition opportunities will be exploited if sustainable added value can be achieved. If attractive sales opportunities arise, they will be seized. As already announced, Intershop has sold the "AuPark" development property after the balance sheet date.

Excluding changes in market value, Intershop again expects an excellent annual result, which should enable the company to maintain its attractive dividend policy.

Attachment

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 at 30/06/2022, its portfolio comprised 50 properties with a lettable area of approx. 514,000 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

28/02/2023	Publication of annual report 2022 with media and financial analysts conference
30/03/2023	60 th Annual General Meeting
22/08/2023	Publication of half-year report 2023 with online presentation for media and financial analysts

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[Half-year report 2022\(Download, pdf\)](#)

Further information on Intershop is available from the [website](#).

Key figures Intershop Group

		1 st HY 2022	1 st HY 2021
FINANCIALS			
Net rental income	CHF m	33.7	33.5
Net gains from property disposal	CHF m	1.5	17.7
Changes in fair value of properties	CHF m	19.3	6.2
Operating result (EBIT)	CHF m	49.8	52.4
Earnings before tax (EBT)	CHF m	46.6	48.2
Net profit	CHF m	36.4	40.9
Net cash from operations	CHF m	5.9	34.0
Investments in real estate	CHF m	39.8	33.9
Total assets ²⁾	CHF m	1,468.7	1,426.7
Total value of property portfolio ²⁾	CHF m	1,449.6	1,387.3
Financial liabilities ²⁾	CHF m	514.9	428.9
Shareholders' equity ²⁾	CHF m	768.2	809.7
Return on equity ¹⁾		9.2%	11.6%
Return on equity excluding changes in fair value of properties ^{1) 6)}		5.8%	10.1%
PORTFOLIO			
Number of investment properties ²⁾		29	39
Number of development properties ^{2) 7)}		21	12
Lettable area ²⁾	in m ²	513,814	513,253
Gross yield ^{2) 3) 4)}		5.4%	5.4%
Net yield ^{2) 3) 5)}		4.7%	4.7%
Vacancy rate investment property portfolio ^{2) 3)}		10.6%	9.2%
Vacancy rate development portfolio ²⁾		19.5%	19.8%
Vacancy rate total portfolio ²⁾		13.8%	12.8%
PERSONNEL			
Number of employees ²⁾		72	74
SHARE			
Earnings per share ⁶⁾	CHF	19.38	21.51
Earnings per share excluding changes in fair value of properties ⁶⁾	CHF	12.19	18.82
Net asset value per share (NAV) ^{2) 8)}	CHF	416.69	426.40
Share price at balance sheet date ²⁾	CHF	617.00	612.00
Dividend per share ⁹⁾	CHF	25.00	25.00

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

2) Figures as per 30/06/2022 and 31/12/2021

3) Figures relate to investment properties as at the balance sheet date; figures as at 31.12.2021 adjusted for the new presentation of the portfolio as described in the Annual report 2021, page 13

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, page 120

5) Effective annual gross rental income less any directly attributable property expenses (excluding interest expense) in proportion to the market value of the properties as at the balance sheet date see «Alternative Performance Measures», Annual report 2021, page 112

6) See «Earnings per share», see Half-year report 2022, page 29

7) Including promotional properties

8) See «Net asset value per share», see Half-year report 2022, page 26

9) Dividend paid in the first half-year for the financial year 2021 and 2020