

22nd August 2023

Ad hoc announcement pursuant to Art. 53 LR

Intershop achieves pleasing half-year profit and appoints two new members of the Management Board

The business performance in the first half of 2023 was pleasing:

- **Net profit amounted to CHF 52.8 million or CHF 28.62 per share, which corresponds to a return on equity of 12.2%.**
- **Rental income rose to CHF 40.6 million despite the sale of two rented properties.**
- **The sale of the 60 commonhold apartments on Römerstrasse in Baden, which were completed in 2023, and smaller portfolio adjustments resulted in a profit contribution of CHF 20.2 million.**
- **The revaluation of the real estate portfolio led to a gain of CHF 14.9 million.**
- **The vacancy rate of investment property portfolio decreased by 2.1 percentage points to 7.9% and that of development property portfolio by 1.9 percentage points to 18.3% compared to the end of 2022. The gross yield of the investment property portfolio amounted to 5.7% and the net yield 4.9%.**

As expected, rental **income** rose by 7.7% to CHF 40.6 million in the first half of the year. This was due to successful lettings and rent increases due to index adjustments. Excluding additions and disposals (like-for-like), income from the investment property portfolio rose by 5.3% and from the development property portfolio by 4.0%.

As at the balance sheet date, the **portfolio** comprised 27 investment properties and 18 development and promotional properties. Rental income in the period under review was generated by the following types of use: 44% office and education, 35% commercial and logistics, 6% retail and gastronomy, 9% residential and 6% parking.

The **value of the real estate portfolio** the end of the first half of the year amounted to CHF 1,359.1 million. Due to the investments made of CHF 41.9 million and a revaluation gain of CHF 14.9 million or 1.2% of the portfolio value, which was attributed in particular to letting successes at Redingstrasse in Basel and a development property in Zurich, the portfolio value fell by just 2.5% compared to the end of 2022 despite the disposals made.

Shareholders' equity as at 30.06.2023 amounted to CHF 839.2 million or CHF 455.24 per share. This equates to an equity ratio of 60%.

The **sale** of two investment properties in Grenchen and Rombach, part of a portfolio streamlining, the land parcel in Au-Wädenswil and the 60 commonhold apartments on Römerstrasse in Baden resulted in a profit of CHF 20.2 million. Thus, the result of the prior year period, with a profit from sales of CHF 1.5 million, was clearly exceeded.

Property expenses increased by 5.9% but remained at a low 10.5% of rental income at CHF 4.2 million.

Administrative expenses rose by CHF 0.1 million. **Personnel expenses** were CHF 0.3 million or 5.1% higher than in the same period last year due to higher salaries and performance-related compensation.

Despite rising interest rates, **interest expenses** fell slightly year-on-year to CHF 2.9 million, which was due to the significantly lower level of debt. **Tax expenses** increased by CHF 0.7 million to CHF 10.9 million due to higher sales profits.

The **vacancy rate** for both investment and development property portfolios was significantly reduced in the first half of the year by 2.1 percentage points to 7.9% and 1.9 percentage points to 18.3% respectively. Around 3 percentage points of the vacancy rate of the overall portfolio or around 50% of the vacancy rate of the development property portfolio are attributable to the World Trade Center in Lausanne. These vacant spaces will deliberately not be let until the ongoing refurbishment work is completed.

All construction and development projects are progressing largely as expected.

As none of the acquisition targets examined had an attractive opportunity/risk profile for Intershop, no acquisitions were made in the first half of the year.

The total return of the share, which consists of the price change and the dividend paid, amounted to 7.3% and was thus significantly above the benchmark index SXI Swiss Real Estate Shares TR with 0.8%.

Outlook

Intershop expects a stable development of rental income in the second half of the year. The reduction of vacancies should also set positive accents, although a continuation of the vacancy reduction of the magnitude of the first semester is rather unlikely.

The transaction market will continue to be closely monitored. Acquisition opportunities that arise will be exploited if sustainable added value can be achieved. If attractive sales opportunities arise, they will be seized. A prospective buyer has been granted a purchase right for two properties, which can be exercised in the course of the third quarter and would then result in a profit contribution in the mid single-digit million range.

Excluding changes in market value, Intershop again expects a good year-end result, which should enable it to maintain its attractive dividend policy.

Changes in the Executive Board

The Board of Directors is pleased to announce that two succession arrangements have been made at Executive Board level.

Ms Mireille Lehmann will succeed Christian Baldinger as Head of Construction and Development and Member of the Executive Board by 1 April 2024 at the latest.

Mr Yannick Hartmann will succeed Andreas Wirz as Head of Real Estate and Member of the Executive Board by 1 June 2024 at the latest. The Head of Real Estate combines asset management, property management and facility management. Portfolio management will be handled by the Executive Board.

The orderly transfer of functions will be regulated and phased in over the coming months.

In both cases, it is pleasing to see that two young talents who can already look back on several years of successful work at Intershop have come to the fore.

Mireille Lehmann holds a Master's degree in Architecture from ETH Zurich and successfully completed a Master of Advanced Studies (MAS) in Real Estate at the Center for Urban & Real Estate Management (CUREM) at the University of Zurich. She has been managing challenging

development, repositioning and redevelopment projects for Intershop since 2016. In the process, she has proven herself to be a confident negotiator with strong leadership skills and can look back on extensive practical experience.

Yannick Hartmann completed a commercial apprenticeship with a vocational baccalaureate, holds a bachelor's degree in business law and completed a Master of Advanced Studies (MAS) ZFH in Corporate Finance & Corporate Banking at the Zurich University of Applied Sciences. Since 2015, he has worked in the area of portfolio management successfully completing challenging repositionings and complex acquisition and divestment transactions.

The Board of Directors is convinced that with the new executives and their expertise, it will be able to present qualified successors for the departing members of the Executive Board and ensure the continuity and targeted further development of the company.

Appendix

Key figures Intershop Group

Contact

Cyrill Schneuwly, CEO

Simon Haus, designated CEO

Thomas Kaul, CFO

Company portrait

Intershop is a real estate company listed on the SIX Swiss Exchange and active in Switzerland, investing primarily in commercial properties. The portfolio as of 30 June 2023 comprised 45 properties with a lettable area of approximately 507,000 m² and a market value of approximately CHF 1.4 billion. Intershop invests primarily in the Zurich economic area, in the Lake Geneva region and along the main transport axes. The portfolio combines high earning power and security thanks to diversification in terms of use and geography with considerable value-added potential in the developable properties.

Agenda

27/02/2024	Publication of Annual Report 2023 with media and financial analyst conference
27/03/2024	61 st Annual General Meeting
27/08/2024	Publication of half-year report 2024 with online presentation for media representatives and financial analysts

Download/Links

[Half-year report 2023 \(download as PDF file\)](#)

[Intershop Investors/Half-year report 2023](#)

[Short CV Mireille Lehmann](#)

[Short CV Yannick Hartmann](#)

For more information on Intershop, please visit the [website](#).

Key figures Intershop Group

		1 st HY 2023	1 st HY 2022
FINANCIALS			
Net rental income	m CHF	36.3	33.7
Net gains from property disposals ⁷⁾	m CHF	20.2	1.5
Changes in fair value of porperties	m CHF	14.9	19.3
Operating result (EBIT)	m CHF	66.4	49.8
Earnings before tax (EBT)	m CHF	63.6	46.6
Net profit	m CHF	52.8	36.4
Net cash from operations	m CHF	56.5	5.9
Investments in real estate	m CHF	35.1	39.8
Total assets ²⁾	m CHF	1'393.1	1'456.3
Total value of property portfolio ²⁾	m CHF	1'359.1	1'393.5
Financial liabilities ²⁾	m CHF	391.3	394.9
Shareholders' equity ²⁾	m CHF	839.2	878.8
Return on equity ¹⁾		12.2%	9.2%
Return on equity excl. changes in fair value of properties ^{1) 6)}		9.6%	5.8%
PORTFOLIO			
Number of investment properties ²⁾		27	29
Number of development properties ^{2) 7)}		18	20
Lettable area ²⁾	in m ²	507'111	517'468
Gross yield ^{2) 3) 4)}		5.7%	5.4%
Net yield ^{2) 3) 5)}		4.9%	4.7%
Vacancy rate investment property portfolio ^{2) 3)}		7.9%	10.0%
Vacancy rate development property portfolio ²⁾		18.3%	20.2%
Vacancy rate total portfolio ²⁾		11.3%	13.3%
PERSONNEL			
Number of employees ²⁾		69	65
SHARE			
Earnings per share ⁶⁾	CHF	28.62	19.38
Earnings per share excl. changes in fair value of properties ⁶⁾	CHF	22.57	12.19
Net asset value per share (NAV) ^{2) 8)}	CHF	455.24	476.70
Share price on balance sheet date ²⁾	CHF	597.00	603.00
Dividend per share ⁹⁾	CHF	50.00	25.00

1) Based on the average shareholders' equity during the period, see «Alternative performance measures», Annual report 2022, page 124

2) Figures as at 30/06/2023 and as at 31/12/2022

3) Figures relate to the investment property portfolio as at the balance sheet date

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 2022, page 124

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 2022, page 124

6) See «Earnings per share», Half-year report 2023, page 27

7) Including promotional properties

8) See «Net asset value per share», Half-year report 2023, page 24

9) Dividend paid in the first half-year for the financial year 2022 and 2021, 2022 including a one-off extraordinary dividend of CHF 25 per share