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27 August 2024

Ad hoc announcement pursuant to Art. 53 LR

Intershop: Pleasing development in the first half of 2024

The Intershop Group's business performance in the first half of 2024 has developed as follows:

- **Net profit: CHF 52.7 million, CHF 5.72 per share** (HY 2023: CHF 52.8 million, CHF 5.72 per share)
- **Equity: CHF 869 million, CHF 94 per share** (YE 2023: CHF 867 million, CHF 94 per share)
- **Return on equity: 12.2%** (HY 2023: 12.2%)
- **Net rental income: CHF 36.8 million** (HY 2023: CHF 36.3 million)
- **Vacancy rate for investment properties: 6.9%** (YE 2023: 7.4%)
- **Changes in fair value of properties: CHF 22.4 million** (HY 2023: CHF 14.9 million)
- **Acquisition of an industrial and commercial property in Baden with development potential of 25%**

Operational successes were achieved in the reporting period. To be emphasised are the higher rental income and the revaluation gains.

Property income rose by 0.9% year-on-year to CHF 40.9 million thanks, primarily, to index adjustments and a reduction in vacancies, despite the loss of income totalling more than CHF 0.8 million due to prior year disposals. **The gross yield of the investment portfolio** is 5.7% (YE 2023: 5.6%).

No property **sales** were realised in the period under review. Sales-related activities led to the notarisation after the balance sheet date of the sales of a plot of land in Oberwinterthur and the property in Interlaken.

The value of the real estate portfolio amounted to CHF 1,438.6 million at the end of the period under review. The revaluation of the portfolio resulted in an aggregate revaluation gain of CHF 22.4 million or 1.6 % of the portfolio value, which was primarily attributable to rental increases and letting successes.

The **vacancy rate** of the investment property portfolio was reduced by 0.5 percentage points to 6.9% in the first half of the year. By contrast, the vacancy rate for development property portfolio rose by 10.2 percentage points to 28.6%. This was due to the completion of the "Métiers Vernier" project and the acquisition of the vacant property in Baden. On a like-for-like basis, the increase amounted to 0.5 percentage points.

Property expenses fell by 2.1% to CHF 4.2 million.

While **administrative expenses** rose by 18.8% to CHF 1.8 million, partly due to higher consulting costs, **personnel expenses** fell by 4.6% to CHF 5.4 million. The lower remuneration for the new management had a positive effect. On the other hand, individual salary increases at the beginning of the year and the transitional double remuneration of certain management positions had a negative impact.

Financial expenses increased by 18% year-on-year to CHF 3.4 million, which was attributable to both higher average financial debt and higher average interest costs.

The provision for deferred taxes was reduced by CHF 8.9 million due to an adjustment to incorporate market valuations from 20 years and individually estimated, strategy-based residual holding periods in certain cantons. In addition, tax accruals of CHF 3.7 million were reversed resulting from definitive assessments of a subsidiary covering several periods. These two effects in particular resulted in a net **tax income** of CHF 2.2 million (prior year period: tax expense of CHF 10.9 million).

Equity as at 30 June 2024 amounted to CHF 869 million, or CHF 94.28 per share. This results in an equity ratio of 59%.

Property portfolio

A number of significant letting successes were achieved during the period under review, some of which will only take effect from the second half of the year.

The weighted average remaining term of the commercial leases contractually fixed as at the end of the period under review (WAULT) increased to 4.5 years (as at the end of 2023 this amounted to 4.0 years).

On the acquisition side, a vacant development property in Baden was acquired with an annual target rent of CHF 1.2 million. Concepts for re-letting are in progress. The resulting structural measures are to be implemented by summer 2025. Due to its attractive location with a direct connection to the railway station, the potential for residential use is also being assessed. An initial letting success has already been achieved for an interim letting, which will take effect after the balance sheet date.

Development and promotional properties

The construction and development projects are proceeding according to plan and construction progress in the first half of 2024 was largely in line with expectations. The basic construction of the "Métiers Vernier" commercial building was completed in the first quarter. The second renovation phase of the "Bloom" in Lausanne began in April and should be completed by autumn 2025. For the "Mediacampus" in Zurich, a test planning to evaluate the potential for densification will be carried out by the end of the year and a draft special utilisation plan has been submitted for the Oststrasse development property in St. Gallen.

Successful expansion of renewable energy and sustainable construction projects

The expansion of photovoltaic systems has progressed. In west Switzerland, two new systems with a total output of 450 kWp were commissioned in the reporting period. The switch to renewable energy is also being accelerated. Based on the market values of the properties as at the balance sheet date, 44% of the total portfolio was serviced entirely with renewable energy.

Outlook

Intershop expects both rental income and the vacancy rate to develop positively by the end of the financial year (like-for-like).

Profits of between CHF 10 million and CHF 20 million before tax are expected from the property sales already completed in the second half of the year and from additional planned disposals.

On the acquisition side, the purchase of an office and commercial building in Baar as at 1 August 2024 was notarised after the balance sheet date. In addition, the purchase of a development property in a residential zone near the airport is under exclusivity.

Ad hoc announcement pursuant to Art. 53 LR dated 27 August 2024

The Board of Directors has decided to change the independent property appraiser and to entrust CBRE Zurich Ltd with the valuation of the properties from the beginning of 2025. The previous elected appraiser has valued the portfolio since 2011.

The development of property rental and purchase prices will also influence the valuation of the portfolio. Intershop expects the positive trend to continue.

The Board of Directors together with the Executive Board has revised the ESG topics of focus. Implementation measures are being compiled in line with the economic objectives of the Intershop Group.

Excluding changes in market value, Intershop once again anticipates a pleasing result, meaning that the attractive dividend policy can be maintained.

Appendix

Key figures Intershop Group

Contact us

Simon Haus, CEO
Florian Balschun, CFO

Company portrait

Intershop is the oldest real estate company listed at SIX Swiss Exchange and invests primarily in commercial properties in Switzerland. As at 30 June 2024, the portfolio comprised 44 properties with a rentable area of around 524,000 m² and a market value of around 1.4 billion Swiss francs. Intershop invests primarily in the Zurich economic area, the Lake Geneva region and along the main transport axes. The portfolio combines high earning power and security thanks to diversification of use and geography with considerable value-added potential in the developable properties.

Agenda

27.02.2025	Publication of Annual Report 2024 with media and financial analyst conference
01.04.2025	62nd Annual General Meeting
26.08.2025	Publication of the Half-Year Report 2025 with online presentation for media representatives and Financial Analysts

Download/Link

Half-year report 2024 (download as PDF file)

Intershop Investors/Half-year report 2024

Further information about Intershop can be found on the website.

Key figures Intershop Group

		1st Sem. 2024	1st Sem. 2023
FINANCES			
Net rental income	CHF m	36.8	36.3
Net gains from property disposal[7]	CHF m	0.0	20.2
Changes in fair value of properties	CHF m	22.4	14.9
Operating result (EBIT)	CHF m	53.8	66.4
Earnings before taxes (EBT)	CHF m	50.5	63.6
Net profit	CHF m	52.7	52.8
Cash flow from operating activities	CHF m	17.4	56.5
Investments in property	CHF m	41.6	35.1
Balance sheet total[2]	CHF m	1,469.3	1,400.0
Real estate[2]	CHF m	1,438.6	1,375.3
Financial liabilities[2]	CHF m	459.0	381.3
Equity capital[2]	CHF m	869.0	867.3
Return on equity[1]		12.2%	12.2%
Return on equity excl. valuation changes[1] [6]		8.4%	9.6%
PORTFOLIO			
Number of investment properties [2]		27	27
Number of development properties [2] [7]		17	16
Rentable space[2]	in m^2	524,155	502,181
Gross yield[2] [3] [4]		5.7%	5.6%
Net yield[2] [3] [5]		4.8%	4.9%
Vacancy rate investment properties[2]		6.9%	7.4%
Vacancy rate development properties[2]		28.6%	18.4%
Vacancy rate overall portfolio[2]		14.0%	10.7%
PERSONNEL			
Number of employees[2]		68	70
SHARE[10]			
Net profit per share[6]	CHF	5.72	5.72
Net earnings per share excl. valuation changes[6]	CHF	3.91	4.51
Equity per share (net asset value, NAV)[2] [8]	CHF	94.28	94.09
Market price on the balance sheet date[2]	CHF	118.20	123.00
Dividend per share[9]	CHF	5.50	10.00

1) Based on average equity for the year under review, see "Alternative performance measures", Annual Report 2023, page 138
2) Value as at the 30.06.2024 and as at 31.12.2024
3) Figures relate to investment properties as at the balance sheet date.
4) Effective annual gross rental income in relation to market value on the balance sheet date, see "Alternative performance indicators", Annual Report 2023, page 138
5) Effective annual gross rental income less all directly attributable property expenses (excl. interest) in relation to the market value on the balance sheet date, see "Alternative performance measures", Annual Report 2023, page 138
6) See "Net earnings per share", Half-year Report 2024, page 30
7) Including promotional properties
8) See "Equity per share", Half-year Report 2024, page 26
9) Dividend paid in the first half of the year for the 2023 and 2022 financial years, 2022 including a special dividend of CHF 5 per share
10) Previous year's figures adjusted for share split