

Ad-hoc announcement pursuant to article 53 Listing Rules, SIX Exchange

## Press release

12 November 2024

### Quarterly results as per 30 September 2024

**PSP Swiss Property achieved again good operating results and confirms the guidance of an ebitda of CHF 300 million for FY 2024. The vacancy rate is now expected to be 3.5% at year-end 2024.**

#### Real estate market

The portfolio of PSP Swiss Property covers a specific segment of the Swiss property market: commercial properties in central locations in the main economic centres. The demand for rental space remained stable in this segment, especially in the city centres of Zurich and Geneva.

The transaction market for attractive properties in good city-centre locations hardly changed in terms of prices and initial yields in the reporting period. Required yields for such investment opportunities remained low. The greatest demand is for properties with high cash flow visibility. On the sellers' side, however, there is hardly any pressure to sell in this segment. Consequently, there are only few buying opportunities. Observed yields for objects in peripheral regions and for properties with an insufficient sustainability profile rose slightly in the first half of 2024; they have now stabilised.

#### Real estate portfolio

At the end of Q3 2024, the value of the real estate portfolio was CHF 9.7 billion (end of 2023: CHF 9.6 billion) and the vacancy rate was 3.6% (end of H1 2024: 4.0%). The portfolio included 152 investment properties. In addition, there were nine development properties and one site.

As of 28 June 2024, a commercial property located in Geneva's "Quartier des Banques" district was bought for CHF 58.0 million. Already in H1 2024, six investment properties in various cities were sold for a total of CHF 82.5 million as part of the ongoing portfolio optimisation. The sales proceeds exceeded their last valuation by CHF 11.3 million (16.1%).

The last residential unit in the “Residenza Parco Lago” development project in Paradiso was sold in Q1 2024 for CHF 3.5 million. In Q3 2024, the last commercial unit from the “Salmenpark” site in Rheinfelden was sold for CHF 0.6 million.

In Q3 2024, the investment property Bollwerk 15 in Bern as well as the four investment properties in Wallisellen were reclassified as development properties.

Project “Bollwerk”, Bern: The listed property, built 100 years ago, is located directly opposite the main railway station, at the gateway to Bern's old town. The building will comprehensively be renovated and modernised. Renovation work will be completed in Q3 2025. The investment sum amounts to CHF 11 million.

Project “Richtipark”, Wallisellen: As part of the revision of the municipal building and zoning regulations of the city of Wallisellen, a rezoning of the Richtipark is expected. The municipal assembly - at which the decision on the rezoning from a complete commercial area to a mixed commercial and residential area will be made - is scheduled for spring 2025. If approved, the rezoning is expected to take effect in summer 2025. Various conversion options have been under evaluation for some time.

Due to property specific changes in value, two investment properties were valued by Wüest Partner as of the end of September 2024, in accordance with our accounting principles. Rental contracts for the properties at Seefeldstrasse 123 and Pfingstweidstrasse 60, 60b, both in Zurich, have been extended. This resulted in a total appreciation of CHF 16.7 million. For the reporting period Q1-Q3 2024, the portfolio appreciation thus totalled CHF 61.4 million (CHF 31.2 million was already recognised in Q1 2024 and CHF 13.5 million in Q2 2024). Of the total appreciation, CHF 50.0 million was attributable to the investment portfolio and CHF 11.3 million to sites and development properties. The weighted average discount rate for the entire portfolio did not change compared to the end of 2023 and mid-2024 and amounted to a nominal 3.85% at the end of Q3 2024.

Of the lease contracts maturing in 2024 (CHF 31.3 million), 3% were open at the end of Q3 2024. The wault (weighted average unexpired lease term) of the total portfolio was 4.8 years at the end of Q3 2024. The wault of the ten largest tenants, contributing 25% to the rental income, was 5.4 years.

### **Consolidated quarterly results**

The operating result, i.e. net income excluding gains/losses on real estate investments, decreased by CHF 40.4 million or 19.2% to CHF 170.3 million compared to the previous year's period (Q1-Q3 2023: CHF 210.8 million); the previous year's result for Q1-Q3 2023 was positively impacted by the release of deferred taxes of CHF 30.6 million (Q1-Q3 2024: CHF 3.4 million).

Compared to the previous year's period, rental income increased by CHF 14.4 million or 5.8% to CHF 262.0 million (Q1-Q3 2023: CHF 247.6 million). Like-for-like, rental income increased by CHF 7.7 million or 3.7% (of which 1.4 percentage points were attributable to turnover rents, 1.6% to indexation and 0.7% to other factors). Proceeds from the sale of investment properties rose by CHF 10.4 million. Lower income from the sale of development properties by CHF 12.9 million, lower capitalised own services by CHF 1.6 million and a CHF 9.8 million increase in net financing costs had a negative effect. The reason for the higher financing costs is the increase in market interest rates since autumn 2022. However, it should be noted that financing costs were still low in relative terms, with an average cost of debt of 0.98% over the last four quarters (end of 2023: 0.72%). Earnings per share excluding gains/losses on real estate investments, which form the basis for the dividend distribution, amounted to CHF 3.71 (Q1-Q3 2023: CHF 4.59).

Net profit reached CHF 225.9 million (Q1-Q3 2023: CHF 155.3 million). The increase by CHF 70.6 million or 45.4%, compared to the previous year's period, was due in particular to the portfolio appreciation of CHF 61.4 million (in the previous year's period Q1-Q3 2023, there was a devaluation of CHF 67.2 million). Earnings per share amounted to CHF 4.93 (Q1-Q3 2023: CHF 3.39).

Equity per share (net asset value; NAV) amounted to CHF 114.76 at the end of Q3 2024 (end of 2023: CHF 113.82). NAV before deduction of deferred taxes totalled CHF 135.89 (end of 2023: CHF 134.48). It should be noted that a dividend distribution of CHF 3.85 gross per outstanding share was made on 10 April 2024.

### **Capital structure**

With total equity of CHF 5.264 billion at the end of Q3 2024 – corresponding to an equity ratio of 53.8% – the equity base remains strong (end of 2023: CHF 5.221 billion or 53.3%). Interest-bearing debt capital amounted to CHF 3.415 billion or 34.9% of total assets (end of 2023: CHF 3.466 billion or 35.4%). At the end of Q3 2024, the passing average cost of debt was 1.06% (end of 2023: 0.91%). The average fixed interest rate was 4.2 years (end of 2023: 3.9 years).

At the time of publication, PSP Swiss Property had CHF 1.115 billion in open credit facilities, of which CHF 0.915 billion were committed.

PSP Swiss Property Ltd has a Long Term Issuer Rating A3 (outlook stable) from Moody's.

### **Outlook**

In the market segment relevant to PSP Swiss Property – high-quality properties in central locations, especially in the economic centres Zurich and Geneva – continuing solid demand for

office and retail space is expected. The Bern letting market remains stable, whereas the market in Basel is more difficult.

Rental income in the 2024 business year is expected to be higher than in 2023, mainly due to acquisitions done. Further reasons are the indexation of lease contracts to inflation, higher revenue-linked rents as well as additional rental income from completed development projects. Income from the sale of development projects and condominiums will decrease comparatively, while operating costs are expected to remain stable. Financial expenses will increase compared to 2023 for known reasons.

Starting with the 2025 financial year, parts of the to date share-based performance-related compensation of the Executive Board will now be paid out as Performance Share Units under a Long Term Incentive Plan with a three-year vesting period. The 2024 Compensation Report will provide further details.

Ebitda excluding gains/losses on real estate investments is still expected to be CHF 300 million for the 2024 financial year (2023: CHF 297.7 million). The vacancy rate is now expected to be 3.5% at year-end 2024 properties (previously: below 4%, end of Q3 2024: 3.6%); the reason for the expected lower vacancy rate is the aforementioned reclassification of four investment properties in Wallisellen as development.

## Key figures

| Key financial figures                               | Unit      | 2023              | Q1-3 2023 | Q1-3 2024 | +/- <sup>1</sup> |
|---|-----------|-------------------|-----------|-----------|------------------|
| Rental income                                       | CHF 1 000 | 331 905           | 247 553   | 261 975   | 5.8%             |
| EPRA like-for-like change                           | %         | 5.1               | 5.2       | 3.7       |                  |
| Net changes fair value real estate investments      | CHF 1 000 | -161 261          | -67 188   | 61 371    |                  |
| Income from property sales (inventories)            | CHF 1 000 | 14 012            | 13 896    | 1 021     |                  |
| Income from property sales (investment properties)  | CHF 1 000 | 910               | 910       | 11 288    |                  |
| Total other income                                  | CHF 1 000 | 7 000             | 6 297     | 5 644     |                  |
| Net income  | CHF 1 000 | 207 595           | 155 344   | 225 940   | 45.4%            |
| Net income excl. real estate gains <sup>2</sup>     | CHF 1 000 | 339 213           | 210 759   | 170 334   | -19.2%           |
| Ebitda excl. real estate gains                      | CHF 1 000 | 297 742           | 226 931   | 228 961   | 0.9%             |
| Ebitda margin                                       | %         | 84.4              | 84.7      | 84.9      |                  |
| Total assets  | CHF 1 000 | 9 786 900         |           | 9 778 183 | -0.1%            |
| Shareholders' equity                                | CHF 1 000 | 5 220 722         |           | 5 263 948 | 0.8%             |
| Equity ratio  | %         | 53.3              |           | 53.8      |                  |
| Return on equity                                    | %         | 4.0               | 4.0       | 5.7       |                  |
| Interest-bearing debt                               | CHF 1 000 | 3 465 833         |           | 3 414 839 | -1.5%            |
| Interest-bearing debt in % of total assets          | %         | 35.4 <sup>4</sup> |           | 34.9      |                  |
| <b>Portfolio key figures</b>                        |           |                   |           |           |                  |
| Number of investment properties                     | Number    | 162               |           | 152       |                  |
| Carrying value investment properties                | CHF 1 000 | 9 046 911         |           | 9 001 954 | -0.5%            |
| Implied yield, gross                                | %         | 3.6               | 3.7       | 3.8       |                  |
| Implied yield, net                                  | %         | 3.2               | 3.2       | 3.3       |                  |
| Vacancy rate (CHF)                                  | %         | 3.6               |           | 3.6       |                  |
| Number of sites and development properties          | Number    | 11                |           | 10        |                  |
| Carrying value sites and development properties     | CHF 1 000 | 560 582           |           | 710 347   | 26.7%            |
| <b>Headcount</b>                                    |           |                   |           |           |                  |
| Employees/FTE                                       | Number    | 101/90            |           | 96/86     |                  |
| <b>Per share figures</b>                            |           |                   |           |           |                  |
| Earnings per share (EPS) <sup>4</sup>               | CHF       | 4.53              | 3.39      | 4.93      | 45.4%            |
| EPS excl. real estate gains <sup>4</sup>            | CHF       | 7.40              | 4.59      | 3.71      | -19.2%           |
| EPRA EPS <sup>4</sup>                               | CHF       | 7.17              | 4.37      | 3.69      | -15.4%           |
| Distribution per share                              | CHF       | 3.85 <sup>6</sup> | n.a.      | n.a.      |                  |
| Net asset value per share (NAV) <sup>6</sup>        | CHF       | 113.82            |           | 114.76    | 0.8%             |
| NAV before deduction of deferred taxes <sup>6</sup> | CHF       | 134.48            |           | 135.89    | 1.0%             |
| EPRA NRV <sup>6</sup>                               | CHF       | 137.10            |           | 138.66    | 1.1%             |
| Share price end of period                           | CHF       | 117.60            |           | 123.90    | 5.4%             |

1 Change to previous year's period 1 January to 30 September 2023 or to carrying value as of 31 December 2023 as applicable.

2 "Net income excluding gains/losses on real estate investments" corresponds to the net income excluding net changes in fair value of the real estate investments, net income on sales of investment properties and all the related taxes. Income from the sale of properties which were developed by the Company itself is, however, included in the "net income excluding gains/losses on real estate investments".

3 Excluding debt capital invested as fixed-term deposit totalling CHF 100 million: 34.7%.

4 Based on average number of outstanding shares.

5 For the 2023 business year. Cash payment was made on 10 April 2024.

6 Based on number of outstanding shares.

### **Further information**

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### **Report and presentation are available on**

[www.psp.info/en/downloads](http://www.psp.info/en/downloads)

### **Today, 9:30am (CEST): Conference call**

Pre-registering (required) [here](#).

### **Agenda**

Publication FY 2024 · 25 February 2025

Annual General Meeting 2025 · 3 April 2025

Publication Q1 2025 · 13 May 2025

Publication H1 2025 · 19 August 2025

Publication Q1-Q3 2025 · 11 November 2025

Publication FY 2025 · 24 February 2026

### **PSP Swiss Property – leading Swiss real estate company**

PSP Swiss Property owns a real estate portfolio of CHF 9.7 billion in Switzerland's main economic areas; its market capitalisation amounts to CHF 5.7 billion. The 96 employees are based in Basel, Geneva, Zug and Zurich.

PSP Swiss Property has been listed on the SIX Swiss Exchange since March 2000 (symbol: PSPN, security number: 1829415, ISIN CH0018294154).

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