

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

Press release

25 February 2025

Annual results as per 31 December 2024

PSP Swiss Property achieves very good operating results and increases the dividend to CHF 3.90 per share.

Real estate market

In the letting market, the demand for high-quality office and retail space in central locations in Zurich and Geneva remained robust in 2024. The demand in Bern is stable, while there is still an oversupply of rental space in Basel.

The transaction market for attractive properties in good city-centre locations further improved in the reporting period. Following the interest rate cuts by the Swiss National Bank and the increased liquidity in the market, very low yields were again observed for prime assets in good locations in Q4 2024, although there were only few transactions.

Real estate portfolio

At the end of 2024, the value of the real estate portfolio was CHF 9.8 billion (end of 2023: CHF 9.6 billion) and the vacancy rate was 3.2% (end 2023: 3.6%). The portfolio included 154 investment properties and seven development properties.

As of 28 June 2024, a commercial property located in Geneva's "Quartier des Banques" district was bought for CHF 58.0 million. During the reporting period, seven investment properties in various cities were sold for a total of CHF 113.4 million as part of the ongoing portfolio optimisation. The sales proceeds exceeded their last valuations in total by CHF 14.1 million (14.3%).

Renovation work at the properties Füsslistrasse 6 and Theaterstrasse 12, both in Zurich, and Hochstrasse 16 / Pfeffingerstrasse 5 in Basel were successfully completed. Most of the space is let.

Reclassified as development properties were the property Bollwerk 15 in Bern as well as four properties at Richtistrasse 5 to 11 in Wallisellen.

Project “Bollwerk”, Bern: The property 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 around 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 properties at Richtistrasse is expected, whereby the residential share is to be increased. The municipal assembly is scheduled for spring 2025. Various conversion options for the office buildings are under evaluation.

In the reporting period, the portfolio appreciated in value by CHF 171.0 million (2023: depreciation of CHF -161.3 million). Of the total appreciation, CHF 155.2 million was attributable to the investment portfolio; this includes the initial valuation gain of the property purchased at the end of June 2024 for CHF 7.5 million (Rue de Hesse 18, Rue Henriette-et-Jeanne-Rath 13 in Geneva). Development properties accounted for CHF 15.7 million. The appreciation was based in particular on successful lettings and property-specific factors such as expected higher market rents (especially for properties in prime locations). The weighted average discount rate for the entire portfolio at year-end 2024 decreased by 3 basis points and was 3.82% (nominal), including an inflation rate of 1.25% (end of 2023: 3.85%, inflation rate 1.25%).

Of the rental agreements expiring in 2025 (CHF 28.3 million), 22% were still open at the end of 2024. The WAULT (weighted average unexpired lease term) of the total portfolio was 4.8 years at the end of 2024. The WAULT of the ten largest tenants, contributing 25% to the rental income, was 5.2 years.

Consolidated annual results

Rental income increased by CHF 18.1 million or 5.4% to CHF 350.0 million in the reporting period (2023: CHF 331.9 million). Like-for-like, rental income increased by CHF 10.0 million, or 3.6% (thereof CHF 3.5 million was attributable to turnover rents, CHF 4.3 million to indexation and CHF 2.2 million to other factors). Proceeds from the sale of investment properties rose by CHF 13.2 million. A positive effect resulted from the CHF 0.9 million increase in other income, the CHF 1.1 million decrease in maintenance and renovation of properties and the CHF 1.6 million decline in personnel expenses. Lower income from the sale of development properties by CHF 13.0 million, lower capitalised own services by CHF 1.6 million, higher general and administrative expenses of CHF 1.0 million and a CHF 11.4 million increase in net financial expenses had a negative effect. However, it should be noted that financing costs were still low in relative terms, with an average cost of debt of 1.03% over the last four quarters (end of 2023: 0.72%).

The operating result, i.e. net income excluding gains/losses on real estate investments, decreased by CHF 107.4 million or, 31.7% to CHF 231.8 million compared to the previous year's period (2023: CHF 339.2 million). The previous year's result for 2023 was inflated by the release of deferred taxes of CHF 106.9 million (2024: CHF 10.9 million). Earnings per share (EPS) excluding gains/losses on real estate investments, which form the basis for the dividend distribution, amounted to CHF 5.05 (2023: CHF 7.40).

Net profit reached CHF 374.9 million (2023: CHF 207.6 million). The increase by CHF 167.4 million or 80.6%, compared to the previous year's period, was due in particular to the portfolio appreciation of CHF 171.0 million (in 2023, there was a devaluation of CHF -161.3 million). EPS amounted to CHF 8.17 (2023: CHF 4.53).

Net asset value per share (NAV) amounted to CHF 117.96 at the end of 2024 (end of 2023: CHF 113.82). NAV before deduction of deferred taxes totalled CHF 139.51 (end of 2023: CHF 134.48).

Capital structure

With total equity of CHF 5.411 billion at the end of 2024 – corresponding to an equity ratio of 54.5% – the equity base remains strong (end of 2023: CHF 5.221 billion, or 53.3%). Interest-bearing debt amounted to CHF 3.385 billion, or 34.1% of total assets (end of 2023: CHF 3.466 billion, or 35.4%). At the end of 2024, the passing average cost of debt was 1.05% (end of 2023: 0.91%). The average fixed interest rate was 4.0 years (end of 2023: 3.9 years).

At the time of publication, PSP Swiss Property had CHF 0.9 billion in committed, open credit facilities.

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

Sustainability

PSP Swiss Property has been reporting transparently on the activities and successes in the areas of environment, society and corporate governance for more than ten years. For the first time, the sustainability report is based on the GRI standard (Global Reporting Initiative). This further increases the transparency in the context of non-financial disclosures.

The core of the sustainability efforts is the ongoing reduction of CO₂ emissions along the reduction path in order to achieve the "net zero" by 2050.

Compensation Policy and Long-Term Incentive Plan

The business model of PSP Swiss Property is simple, understandable and geared towards the long term. The growth strategy is prudent and thoughtful, with a clear focus on the quality of the portfolio and success in the operating business. Size is of secondary importance.

The compensation policy and principles are in line with the business model. They, too, are simple and understandable and have always focused on sustainable, economic targets. In the reporting year, an ESG factor already decided on in 2023, applied to the variable, performance-based compensation of the Executive Board. In addition, a Long-Term Incentive Plan (LTIP) is added to the variable, performance-based compensation from the 2025 financial year onwards. This is intended to help maintain the ability to pay dividends in the long term. Essentially, the LTIP only implements what has always been part of our conscientious business and dividend policy.

Material proposals to the Annual General Meeting on 3 April 2025

The main proposals will include:

- Distribution of a gross dividend of CHF 3.90 per share (previous year: CHF 3.85).
- Re-election of the current Chairman of the Board of Directors and all current members of the Board of Directors and Compensation Committee.
- Re-election of Ernst & Young AG, Zurich, as Auditors and of Proxy Voting Services GmbH, Zurich, as Independent Shareholder Representative.

The composition and chairmanship of the committees are to remain unchanged.

Outlook

Moderate economic growth is forecast for 2025 with a strong labour market. At the same time, office and retail space in good locations continues to attract strong demand, in particular in the city of Zurich. Consequently, we expect continued robust demand in our market segments – high-quality properties in central locations, especially in Zurich, but in Geneva as well. The transaction market is expected to further improve.

We estimate ebitda excluding gains/losses on real estate investments to reach around CHF 300 million in the 2025 financial year (2024: CHF 304.9 million). We expect a vacancy rate of 3.5% at the end of 2025 (end of 2024: 3.2%).

Key figures

Key financial figures	Unit	2023	2024	+/-¹
Rental income	CHF 1 000	331 905	349 978	5.4%
EPRA like-for-like change	%	5.1	3.6	
Net changes fair value real estate investments	CHF 1 000	-161 261	170 971	
Income from property sales (inventories)	CHF 1 000	14 012	1 021	
Income from property sales (investment properties)	CHF 1 000	910	14 089	
Total other income	CHF 1 000	7 000	6 290	
Net income	CHF 1 000	207 595	374 949	80.6%
Net income excl. real estate gains ²	CHF 1 000	339 213	231 779	-31.7%
Ebitda excl. real estate gains	CHF 1 000	297 742	304 923	2.4%
Ebitda margin	%	84.4	85.0	
Total assets	CHF 1 000	9 786 900	9 923 841	1.4%
Shareholders' equity	CHF 1 000	5 220 722	5 410 719	3.6%
Equity ratio	%	53.3	54.5	
Return on equity	%	4.0	7.1	
Interest-bearing debt	CHF 1 000	3 465 833	3 384 828	-2.3%
Interest-bearing debt in % of total assets	%	35.4 ³	34.1	
Portfolio key figures				
Number of investment properties	Number	162	154	
Carrying value investment properties	CHF 1 000	9 046 911	9 528 575	5.3%
Implied yield, gross	%	3.6	3.6	
Implied yield, net	%	3.2	3.2	
Vacancy rate (CHF)	%	3.6	3.2	
Number of development properties	Number	11	7	
Carrying value development properties	CHF 1 000	560 582	304 192	-45.7%
Headcount				
Employees/FTE	Number	101/90	93/83	
Per share figures				
Earnings per share (EPS) ⁴	CHF	4.53	8.17	80.6%
EPS excl. real estate gains ⁴	CHF	7.40	5.05	-31.7%
EPRA EPS ⁴	CHF	7.17	5.03	-29.9%
Distribution per share	CHF	3.85	3.90 ⁵	1.3%
Net asset value per share (NAV) ⁶	CHF	113.82	117.96	3.6%
NAV before deduction of deferred taxes ⁶	CHF	134.48	139.51	3.7%
EPRA NRV ⁶	CHF	137.10	142.39	3.9%
Share price end of period	CHF	117.60	128.90	9.6%

1 Change to previous year's period 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 Proposal to the Annual General Meeting on 3 April 2025 for the business year 2024: dividend payment.

6 Based on number of outstanding shares.

Further information

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Report and presentation are available on

www.psp.info/en/downloads

Today, 9am (CET): Conference call

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

Today, 11am (CET): Media conference (in German)

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

Agenda

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

Annual General Meeting 2026 · 1 April 2026

PSP Swiss Property – leading Swiss real estate company

PSP Swiss Property owns a real estate portfolio of CHF 9.8 billion in Switzerland's main economic areas; its market capitalisation amounts to CHF 6.3 billion. The 93 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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