

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

Press release

7 May 2024

Quarterly results as per 31 March 2024

PSP Swiss Property achieves solid operating results and improves the ebitda guidance for the 2024 business year.

- At the end of Q1 2024, the real estate portfolio had a value of CHF 9.6 billion and a vacancy of 4.1% (end of 2023: CHF 9.6 billion; 3.6%).
- Equity was CHF 5.3 billion, corresponding to an equity ratio of 54.5% (end of 2023: CHF 5.2 billion; 53.3%).
- Rental income increased by 9.9% to CHF 89.2 million (Q1 2023: CHF 81.1 million).
- The operating result, i.e., net income excluding gains/losses on real estate investments, grew by 0.6% to CHF 56.6 million (Q1 2023: CHF 56.3 million).
- Improved guidance: ebitda excluding gains/losses on real estate investments for the 2024 financial year is now expected to be CHF 300 million (previous guidance: above CHF 295 million).

Real estate market

PSP Swiss Property's portfolio reflects a sub-segment of the commercial property market in Switzerland: quality properties in central locations in the main economic centres. The demand for attractive rental space remained intact in this segment, especially in the city centres of Zurich and Geneva. By contrast, the market for older office properties in B and C locations and non-food retail space in secondary locations remained challenging.

The transaction market for attractive properties in good city-centre locations also hardly changed in terms of prices and initial yields in the reporting period. The asking yields for such investment opportunities remain low despite the higher interest rates. However, investors are demanding higher returns than in the past for properties in peripheral locations and for properties with poor sustainability profiles.

Real estate portfolio

At the end of Q1 2024, the value of the real estate portfolio was CHF 9.6 billion (end of 2023: CHF 9.6 billion), the vacancy rate was 4.1% (end of 2023: 3.6%). The portfolio included 162 investment properties. In addition, there were two sites and eight development projects. No investment properties were bought or sold in the reporting period. The last residential unit in the “Residenza Parco Lago” development in Lugano/Paradiso was sold for CHF 3.5 million. No development projects were bought or sold.

An internal value analysis as at the end of March 2024 led to a revaluation by the independent external valuation expert totalling CHF 31.2 million. The revaluation was based on property-specific factors of the investment properties Bahnhofstrasse 28a / Waaggasse 6, Bahnhofstrasse 66 and Waisenhausstrasse 2, 4 / Bahnhofquai 7 (all in Zurich) and the development project at Hochstrasse 16 / Pfeffingerstrasse 5 in Basel.

Of the lease contracts maturing in 2024 (CHF 31.3 million), 14% were open at the end of Q1 2024. The wault (weighted average unexpired lease term) of the total portfolio was 4.8 years at the end of Q1 2024. The wault of the ten largest tenants, contributing 25% to the rental income, was 5.5 years.

Consolidated quarterly results

Rental income was up by CHF 8.0 million or 9.9% to CHF 89.2 million (Q1 2023: CHF 81.1 million). The following factors in particular had a positive impact on rental income compared to the previous year's period: the “Westpark” office property in Zurich-West purchased mid-2023 (CHF +2.2 million), turnover-linked rent of a single tenant (CHF +1.3 million), one-off effect (CHF +1.3 million), indexation (CHF +1.1 million). Like-for-like, rental income was up 6.6%; adjusted for two one-off effects mentioned above (turnover-linked rent of a single tenant and one-off effect), like-for-like growth amounted to 3.3%.

The operating result, i.e. net income excluding gains/losses on real estate investments, increased by CHF 0.3 million or 0.6% to CHF 56.6 million (Q1 2023: CHF 56.3 million). The above-mentioned increase in rental income had a positive impact on earnings. On the other hand, higher operating expenses (+ CHF 0.7 million) and higher financing costs (+ CHF 4.4 million) had a negative impact. However, it should be noted that financing costs were still low in relative terms, with an average cost of debt over the last four quarters of 0.85% (Q1 2023: 0.41%).

Earnings per share excluding gains/losses on real estate investments, which form the basis for the dividend distribution, amounted to CHF 1.23 (Q1 2023: CHF 1.23). Net profit reached CHF 81.0 million (Q1 2023: CHF 57.0 million). The increase by CHF 24.0 million or 42.0% was due to the portfolio appreciation of CHF 31.2 million mentioned above (Q1 2023: no appreciation or

devaluation). Earnings per share amounted to CHF 1.77 (Q1 2023: CHF 1.24). Equity per share (net asset value; NAV) amounted to CHF 115.60 at the end of Q1 2024 (end of 2023: CHF 113.82). NAV before deduction of deferred taxes totalled CHF 136.53 (end of 2023: CHF 134.48).

Capital structure

With total equity of CHF 5.302 billion at the end of March 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 capital amounted to CHF 3.316 billion or 34.1% of total assets (end of 2023: CHF 3.466 billion or 35.4%). At the end of March 2024, the passing average cost of debt was 1.01% (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 of this report, PSP Swiss Property had CHF 0.975 billion in open credit facilities, of which CHF 0.675 billion were committed.

PSP Swiss Property has an Issuer Rating A3 and a Senior Unsecured Rating A3 (outlook stable) from Moody's.

Sustainability – Green Bond Report

In November 2022, the Green Bond Framework was introduced and presented. Detailed information on its implementation can be found in the Green Bond Report (2nd edition) published on 7 May 2024 which is available at www.psp.info. The Green Bond Report is published annually as part of the Q1 publication.

Subsequent events

Based on the resolution of the Annual General Meeting on 4 April 2024, a payment of an ordinary dividend of CHF 3.85 gross per share (totalling CHF 176.6 million) was made on 10 April 2024 (previous year: CHF 3.80 gross per share totalling CHF 174.3 million).

On 10 April 2024, a 1.65% bond (green bond, all-in 1.691%, spread of 52 basis points) with a volume of CHF 100 million and a maturity in October 2032 was issued.

Outlook

In the market segment relevant to PSP Swiss Property, especially in the economic centres Zurich and Geneva, demand for office and retail space is expected to remain intact. The Berne 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. This is in part due to the indexation of rental agreements. There will also be additional income from turnover-linked leases which recovered after the corona pandemic. Furthermore, additional rental income

from new lettings in the development projects is expected. Income from the sale of development projects and condominiums is expected to decrease compared to last year, while operating costs will remain stable. Financial expenses will increase compared to 2023.

Ebitda excluding gains/losses on real estate investments is now expected to be CHF 300 million for the 2024 financial year (previous guidance: above CHF 295 million; 2023: CHF 297.7 million).

The vacancy rate is still expected to be below 4% at the end of 2024 (end of 2023: 3.6%).

Key figures

Key financial figures	Unit	2023	Q1 2023	Q1 2024	+/- ¹
Rental income	CHF 1 000	331 905	81 135	89 182	9.9%
EPRA like-for-like change	%	5.1	4.0	6.6 ²	
Net changes fair value real estate investments	CHF 1 000	-161 261	0	31 210	
Income from property sales (inventories)	CHF 1 000	14 012	938	568	
Income from property sales (investment properties)	CHF 1 000	910	910	0	
Total other income	CHF 1 000	7 000	628	555	
Net income	CHF 1 000	207 595	57 024	80 990	42.0%
Net income excl. real estate gains ³	CHF 1 000	339 213	56 283	56 615	0.6%
Ebitda excl. real estate gains	CHF 1 000	297 742	69 901	76 722	9.8%
Ebitda margin	%	84.4	84.5	85.0	
Total assets	CHF 1 000	9 786 900		9 726 094	-0.6%
Shareholders' equity	CHF 1 000	5 220 722		5 302 390	1.6%
Equity ratio	%	53.3		54.5	
Return on equity	%	4.0		6.2	
Interest-bearing debt	CHF 1 000	3 465 833		3 315 731	-4.3%
Interest-bearing debt in % of total assets	%	35.4 ⁴		34.1	

Portfolio key figures

Number of investment properties	Number	162		162	
Carrying value investment properties	CHF 1 000	9 046 911		9 081 137	0.4%
Implied yield, gross	%	3.6		3.9	
Implied yield, net	%	3.2		3.5	
Vacancy rate (CHF)	%	3.6		4.1	
Number of sites and development properties	Number	11		10	
Carrying value sites and development properties	CHF 1 000	560 582		566 194	1.0%

Headcount

Employees/FTE	Number	101/90		98/87	
---------------	--------	--------	--	-------	--

Per share figures

Earnings per share (EPS) ⁵	CHF	4.53	1.24	1.77	42.0%
EPS excl. real estate gains ⁵	CHF	7.40	1.23	1.23	0.6%
EPRA EPS ⁵	CHF	7.17	1.21	1.23	1.3%
Distribution per share	CHF	3.85 ⁶	n.a.	n.a.	
Net asset value per share (NAV) ⁷	CHF	113.82		115.60	1.6%
NAV before deduction of deferred taxes ⁷	CHF	134.48		136.53	1.5%
EPRA NAV ⁷	CHF	137.10		139.18	1.5%
Share price end of period	CHF	117.60		118.20	0.5%

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

2 Adjusted for two one-off effects: 3.3%.

3 "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 of 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".

4 Excluding debt capital of CHF 100 million invested as a short-term fixed-term deposit: 34.7%.

5 Based on average number of outstanding shares.

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

7 Based on number of outstanding shares.

Further information

Giacomo Balzarini, CEO · Phone +41 (0)44 625 59 59 · Mobile +41 (0)79 207 32 40

Vasco Cecchini, CCO & Head IR · Phone +41 (0)44 625 57 23 · Mobile +41 (0)79 650 84 32

Report and presentation are available on

www.psp.info/en/downloads

Today, 9:30am (CET): Conference call

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

Agenda

Publication H1 2024 · 20 August 2024

Publication Q1-Q3 2024 · 12 November 2024

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

PSP Swiss Property – leading Swiss real estate company

PSP Swiss Property owns a real estate portfolio of CHF 9.6 billion in Switzerland's main economic areas; its market capitalisation amounts to CHF 5.3 billion. The 98 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).

[Join us on LinkedIn](#)

None of the information in this press release constitutes an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. None of the securities of the Company referred to in this press release have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the applicable securities laws of any state or other jurisdiction of the United States.