

HIAG Immobilien Holding AG

Business Year 2018

18 March 2019

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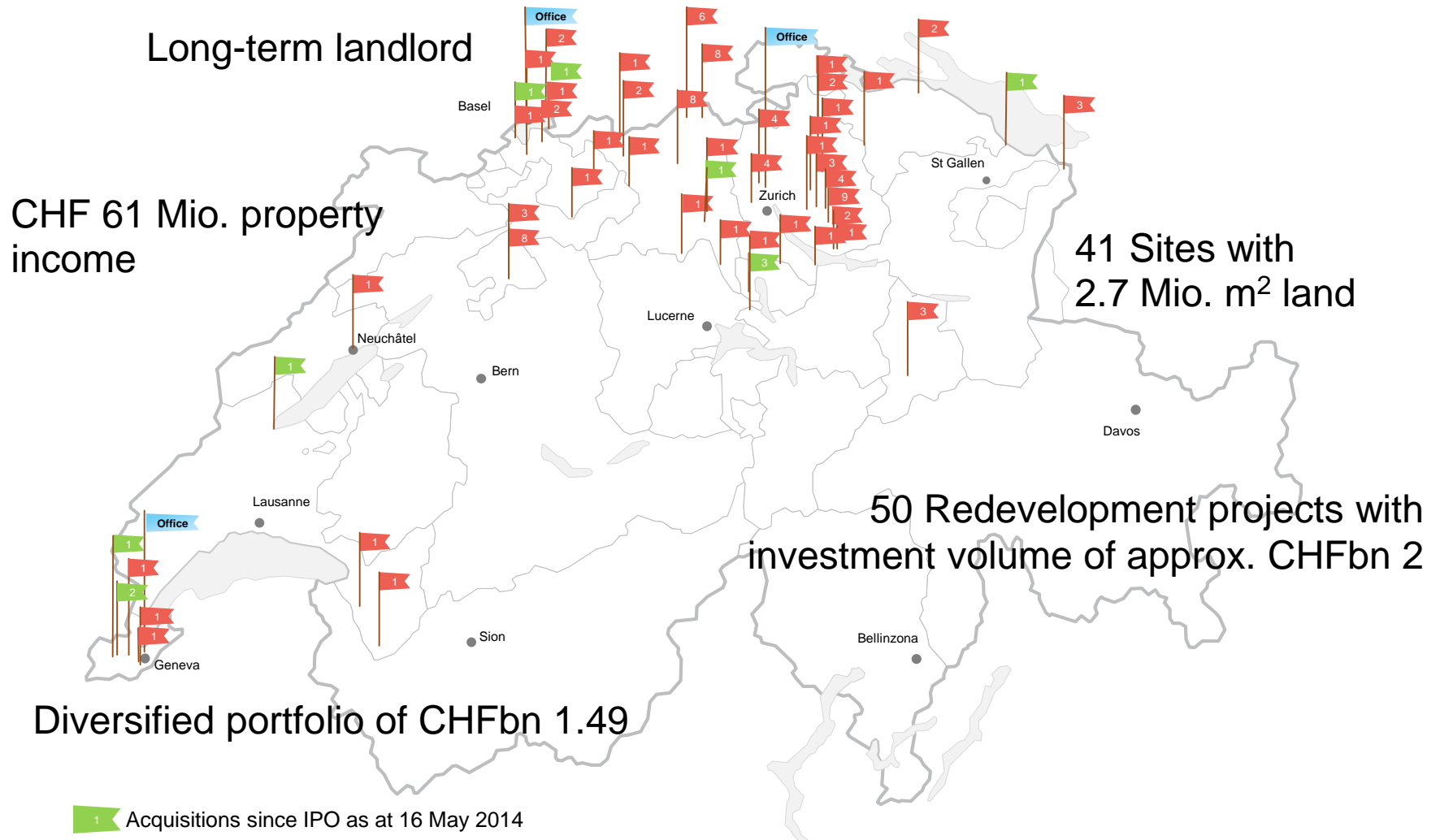
Agenda

- 1. Highlights**
2. Financial results year end 2018
3. Major developments
4. Market and outlook
5. Financial calendar

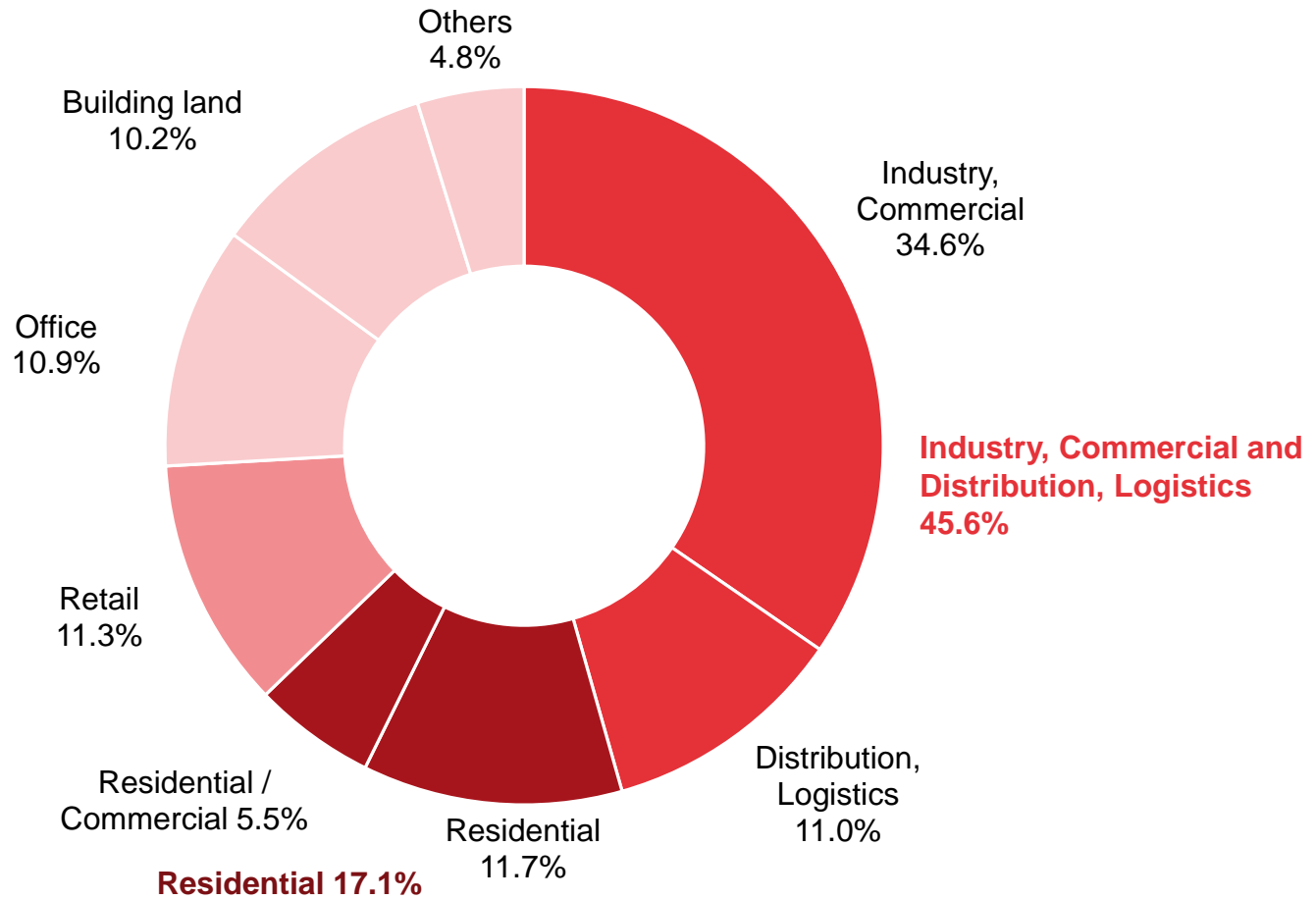
Highlights

- Annualised property income increased by 8.6% to CHFm 60.9
- WALT increased to 9.7 years after successful rental agreement renewals and new signings
- Revaluation gains of CHFm 76.4 driven by redevelopment projects and acquisitions
- Growth of portfolio to CHFm 1,488
- Net income increased by 5.9% to CHFm 60.9
- Negative contribution of HIAG Data CHFm 39.1
- CHFm 125 bond issued in October 2018
- Proposed dividend increased by 2.6% to CHF 3.9

Long-term site development in Switzerland



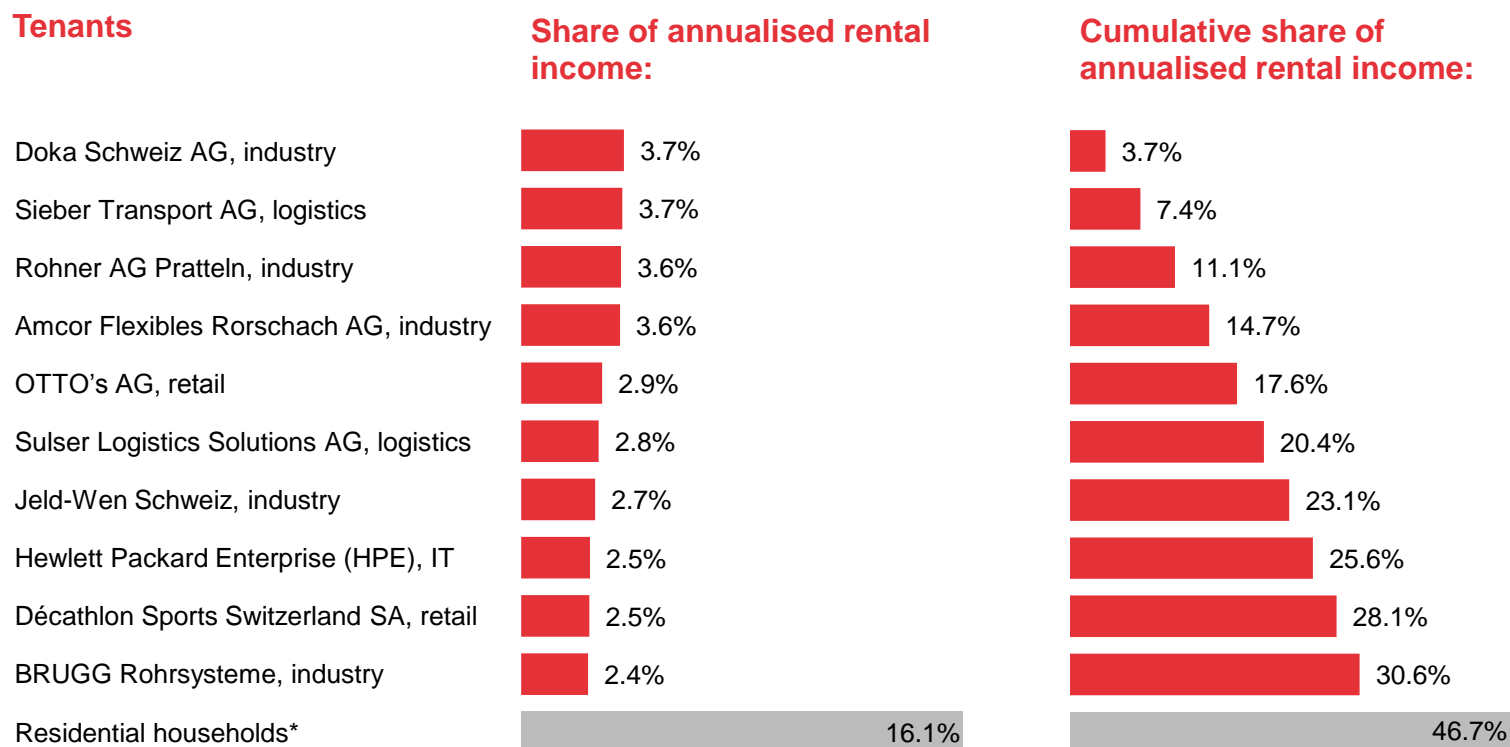
Attractive user mix with increase in industry due to acquisitions



Based on GAV as of 31.12.2018

Strong and diversified tenant base underpinned by acquisitions

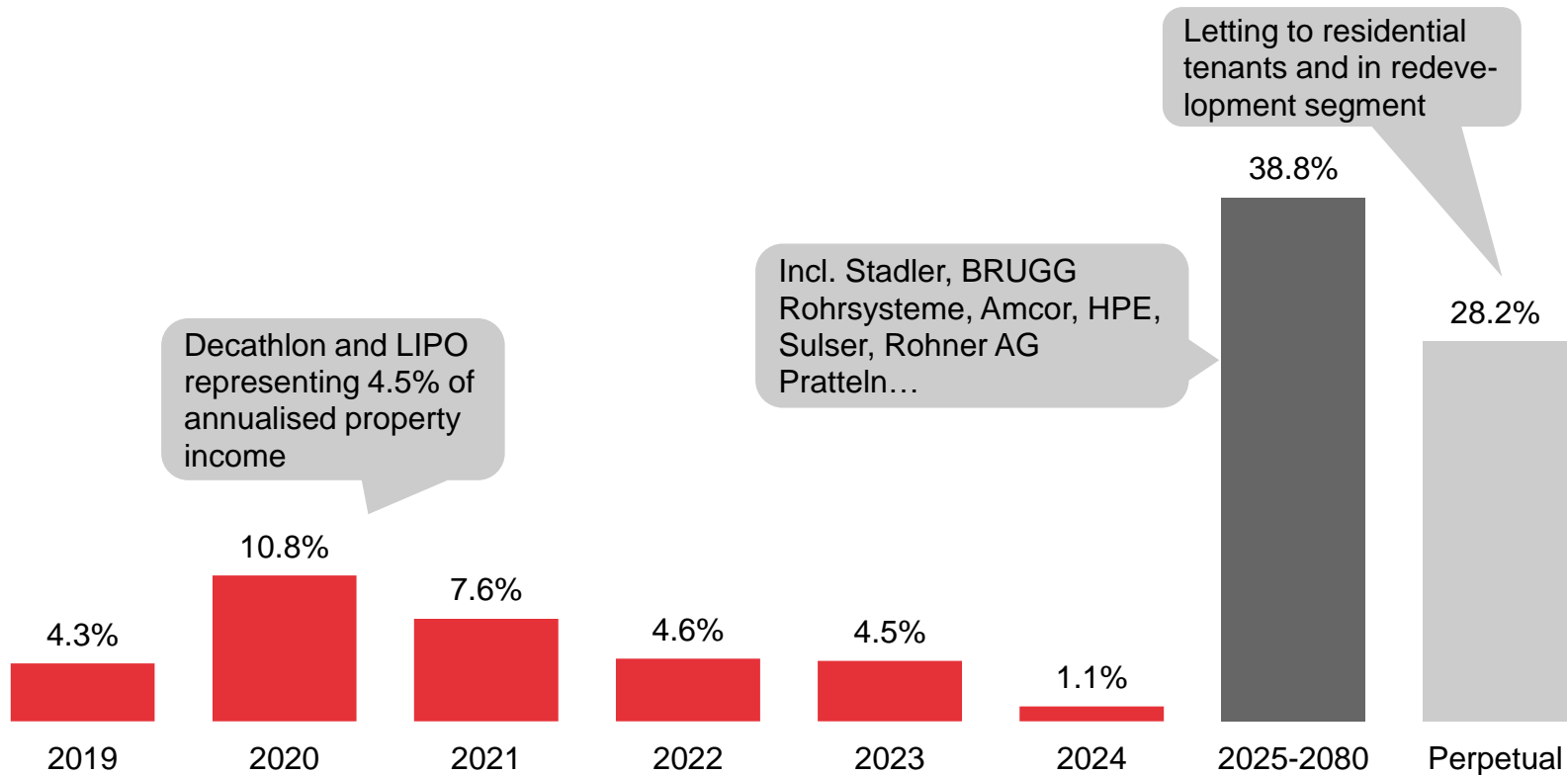
Top 10 tenants (Group) based on annualised property income as of 31.12.2018



* includes residential/commercial properties

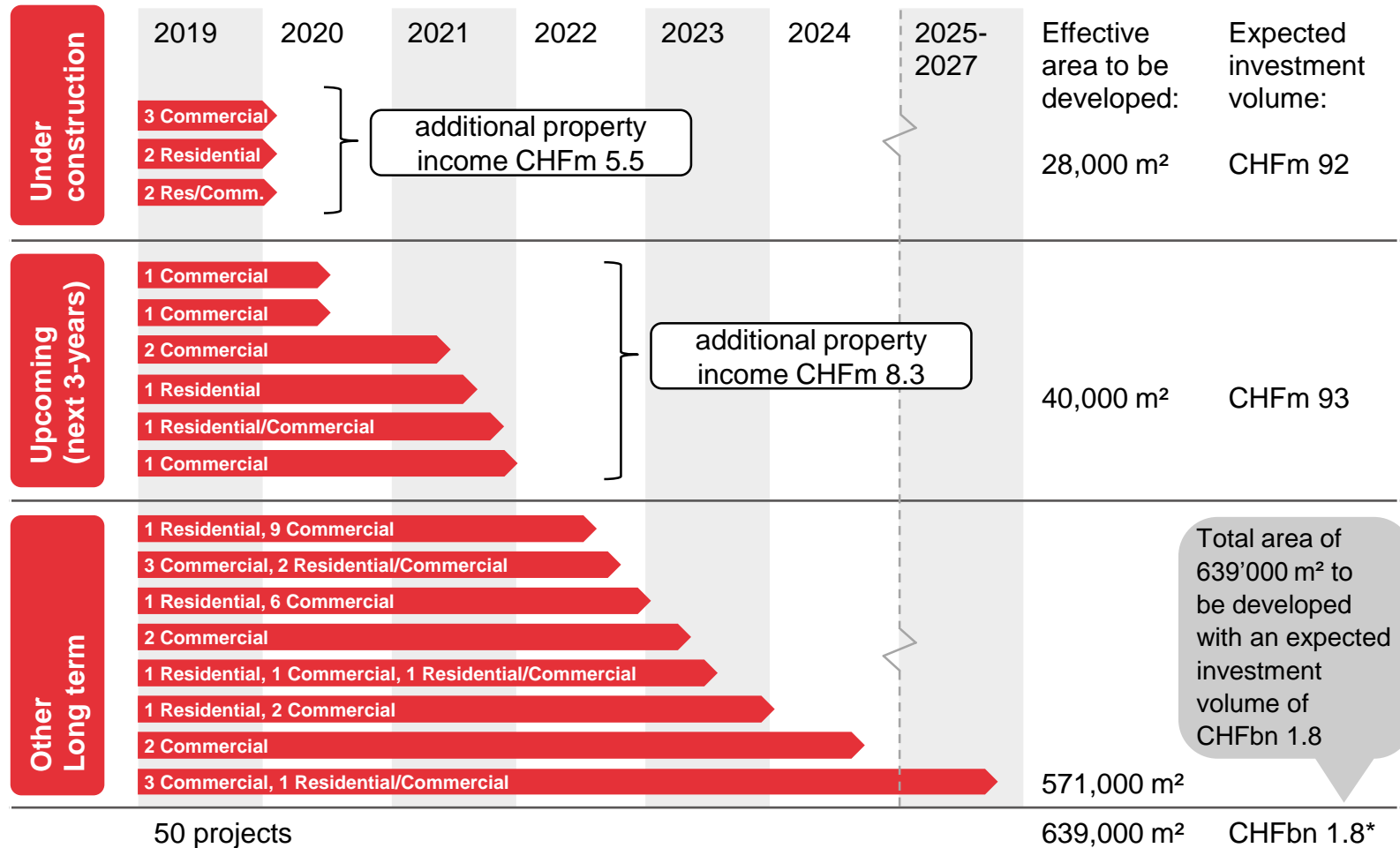
Weighted average lease term increased to 9.7 years

Expiry profile



Expiry profile based on annualised property income as of 31.12.2018

Robust project pipeline – upcoming projects with expected investment of CHFm 93



Timelines based on currently expected project timelines. Investment volume subject to assumptions on future developments

Agenda

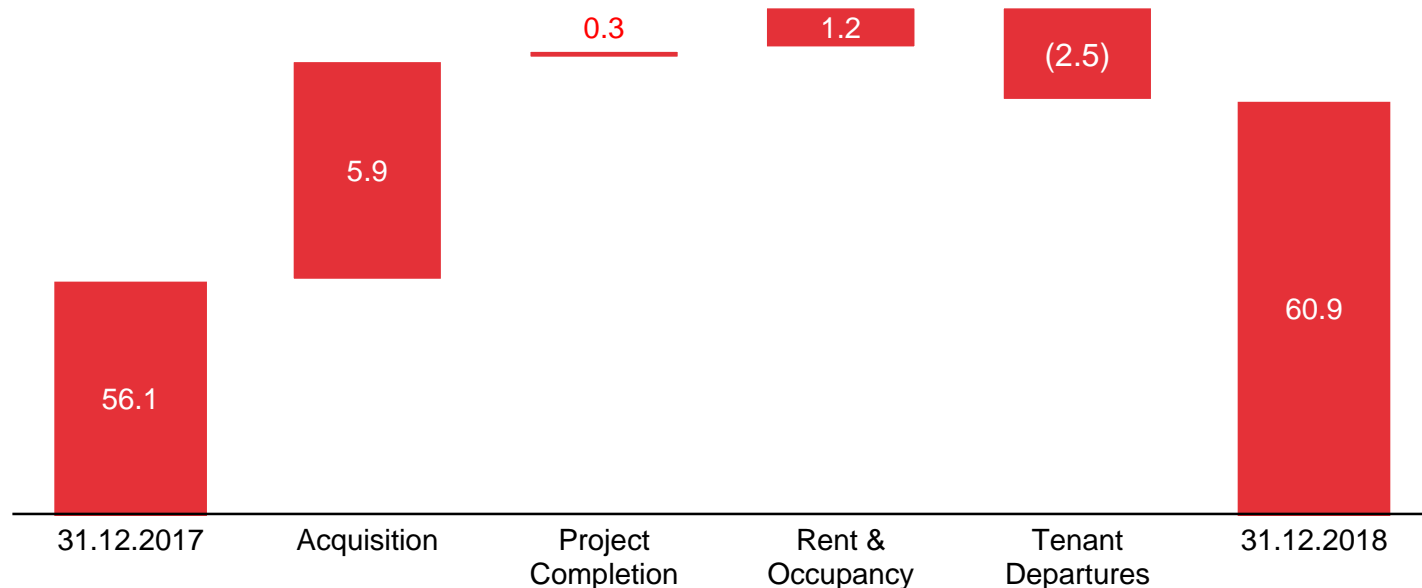
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Income statement fiscal year 2018

in CHFm	YE 2018	YE 2017	Δ CHFm	Δ %
Property income	58.2	55.8	2.4	4.3%
Revaluation of properties	76.4	33.3	43.2	
Other Income	8.0	11.1	-3.1	
Total operating income	142.7	100.3	42.4	42.3%
Total operating expenses	-38.3	-27.1	-11.2	41.4%
EBITDA	104.3	73.1	31.2	42.6%
EBT	70.3	66.6	3.7	5.6%
EBT HIAG Immobilien	109.6	70.9	13.4	42.8%
EBT HIAG Immobilien without revaluation of properties	33.2	37.6	-4.5	-11.8%
EBT Segment Cloud Services (HIAG Data)	-39.3	-4.3	-35.0	
Net income	60.9	57.5	3.5	6.1%
Adj. EPRA Earnings	34.1	37.3	-3.2	-8.6%

Increase of annualised property income by CHFm 4.8 (+8.6%)

in CHFm	31.12.2017	31.12.2018	Δ CHFm	Δ %
Target annualised property income	65.4	70.9	+5.5	+8.5%
Actual annualised property income	56.1	60.9	+4.8	+8.6%
Actual property income	55.8	58.2	+2.4	+4.3%



- Like-for-Like decrease in annualised property income in FY 2018 by CHFm 1.1 (-2.0%)

Stable vacancy rate of 14.3% supported by letting successes of HY2

in %	31.12.2018	30.06.2018	31.12.2017
Yielding properties	12.1%	14.3%	12.3%
Yielding properties undergoing repositioning*	39.7%	36.9%	36.8%
Redevelopment properties	13.6%	14.4%	13.1%
Total Portfolio	14.3%	16.1%	14.3%

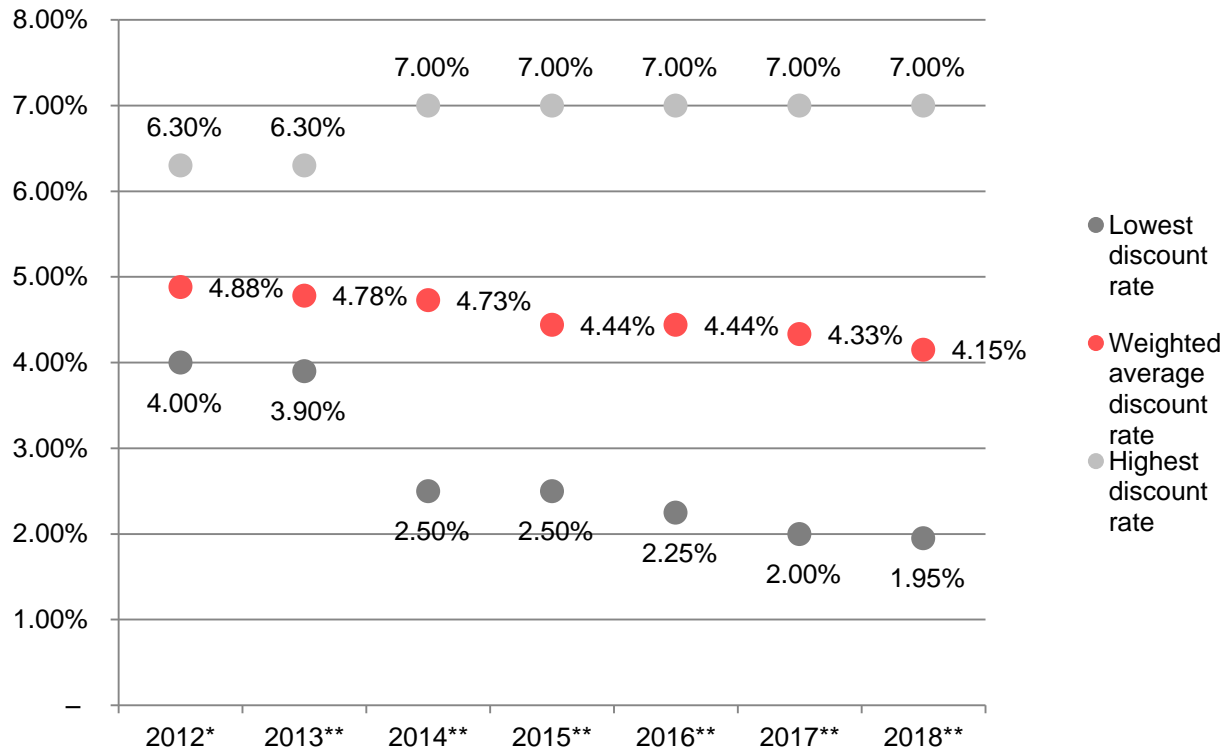
* Mandachstrasse 50-56 (Niederhasli), Sternenfeldpark 14 (Birsfelden) as of 31.12.2018

Substantially increased revaluations ...

in CHFm	31.12.2018	31.12.2017
Revaluations of properties	76.4	33.3
Thereof positive contributions	+100.9	+58.0
Thereof negative contributions	-24.5	-24.7

- Revaluations mainly driven by projects and acquisitions
- Positive contributions: Cham, Goldach, Lancy, Pratteln, Meyrin, Wetzikon, Dietikon, Neuchâtel
- Negative contributions: Klingnau and Füllinsdorf

... with a slightly lower discount rate



- Decrease in yielding portfolio driven by new rental agreements

	31.12.2018	31.12.2017
Weighted average real discount rate yielding portfolio**	4.08%	4.31%
Weighted average real discount rate redevelopment portfolio**	4.27%	4.41%
Weighted average real discount rate total portfolio**	4.15%	4.33%

* except land and building rights incl. power plant

** except land, building rights and power plant

Increase in overall operating expenses mainly due to segment Cloud Services

in CHFm	31.12.2018	31.12.2017	Δ CHFm	Δ %
Personnel expenses	13.3	9.3	4.0	43.1%
Maintenance and repairs	8.6	5.9	2.7	46.4%
Insurance and fees	1.1	1.0	0.1	8.8%
Energy costs and building maintenance	2.4	2.1	0.3	12.2%
Rent and leases	1.7	1.6	0.1	8.9%
Other expenses	11.2	7.2	4.0	54.9%
Total operating expenses	38.3	27.1	11.2	41.3%
from which segment Cloud Services	12.0	4.1	7.9	
from which external services related to asset sales	0.1	0.7	-0.6	
Total operating expenses excl. segment Cloud Services & asset sales	26.2	22.3	3.9	17.5%

Real estate segment operating expenses impacted by LTIP 14-18 settlement

in CHFm	31.12.2018	31.12.2017	Δ CHFm	Δ %
Personnel expenses	10.1	8.0	+2.2	27.3%
Maintenance and repairs	4.7	4.2	+0.5	12.6%
Insurance and fees	1.0	1.0	+0.0	4.5%
Energy costs and building maintenance	2.4	2.1	+0.3	12.8%
Rent and leases	1.4	1.4	+0.0	1.7%
Other expenses	6.6	6.3	+0.3	4.6%
Total operating expenses	26.4	23.0	+3.3	14.5%
from which external services related to asset sales	0.1	0.7	-0.6	
Total operating expenses excl. external services related to asset sales	26.3	22.3	+3.9	17.6%

Key financial figures per share

in CHF (expect numbers and ratios)	31.12.2018	31.12.2017
Earnings per share	7.6	7.2
Earnings per share without revaluation and segment Cloud Services	2.7	3.5
Adj. EPRA Earnings per share (without segment Cloud Services)	4.3	4.7
Time-weighted average number of shares	8,023,893	8,035,289
Swiss GAAP FER NAV per share	98.2	94.5
EPRA NAV per share	108.5	103.7
Number of outstanding shares	7,994,062	8,047,629
Planned dividend payout *	3.9	3.8
Payout ratio in %**	102%	82%
Cash yield in %***	3.3%	3.1%

* Proposition to the Annual General Meeting on 11 April 2019 for the business year 2018: cash distribution out of capital contribution reserves (CHF1.7 per outstanding share) and retained earnings (CHF 2.2 per outstanding share)

** Distribution per share in relation to earnings without revaluation, non cash taxes and segment Cloud Services

*** Distribution per share in relation to share price at end of period

Balance sheet as of 31 December 2018

in CHFm	31.12.2018	31.12.2017	Δ CHFm	Δ %
Properties	1,476.4	1,251.6		
Properties held for sale	11.8	31.1		
GAV	1,488.2	1,282.7	+205.5	+16.0%
LTV Ratio	43.4%	37.0%		
Swiss GAAP FER NAV	784.8	760.7		
Swiss GAAP FER NAV per share*	98.2	94.5		
Capital contribution reserves	17.1	47.7	-30.6	
Equity ratio	49.1%	54.4%		
Return on Equity	7.8%	7.9%		
EPRA NAV	867.0	834.1		
EPRA NAV per share*	108.5	103.7		

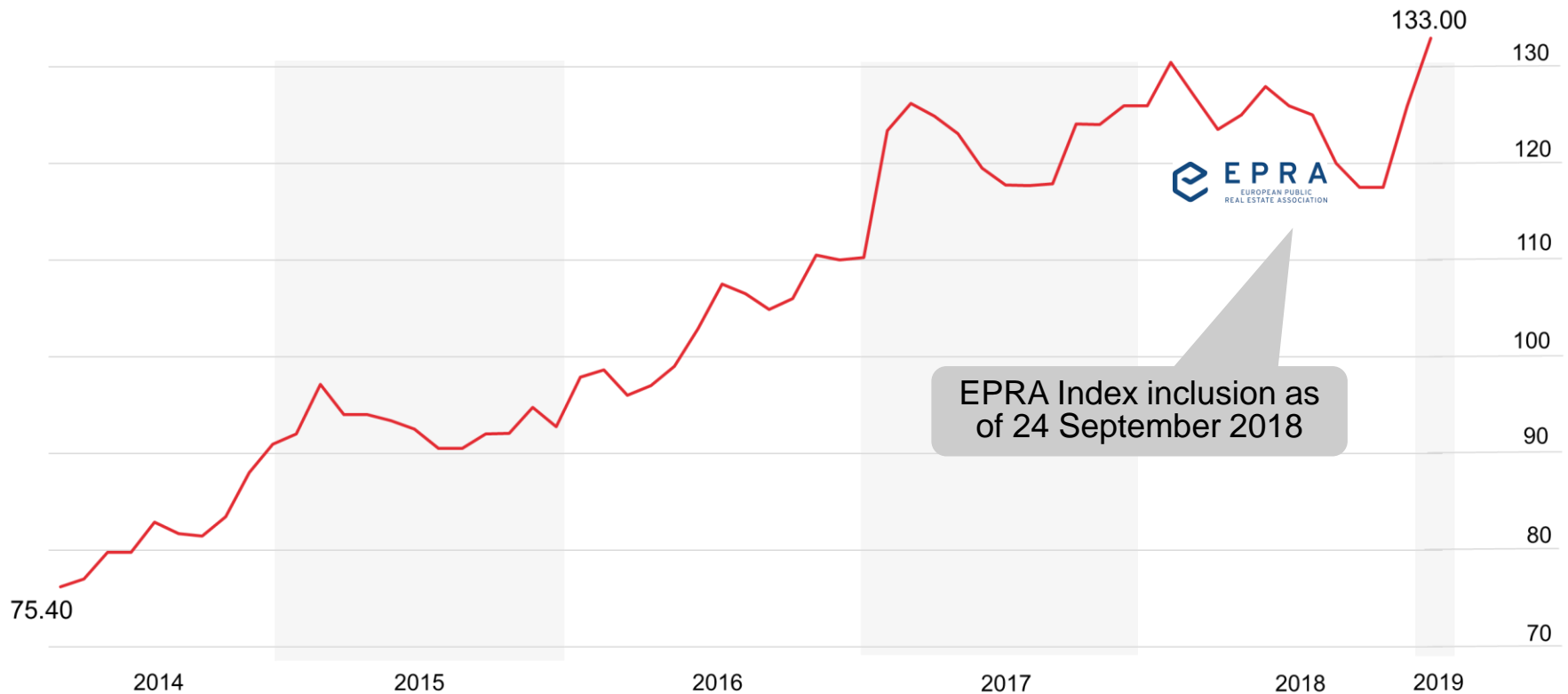
* Number of outstanding shares 7,994,062 as of 31.12.2018 and 8,047,629 as of 31.12.2017

Average cost of debt slightly reduced

in CHFm	31.12.2018	31.12.2017
Bank financing	196.9	155.7
Bonds (CS rating: Low BBB stable / Vontobel rating: BBB stable)	490.0	365.0
Leasing financing	15.0	8.4
Total	701.9	529.1

- Bonds represent 70% of financing structure (69% as of 31.12.2017)
- Leasing financing related to Cloud Services equipment
- Current LTV ratio of 43.4% (37.0% as of 31.12.2017)
- Target LTV ratio unchanged of below 50%
- Decrease of the duration (from 3.6 years to 2.8 years)
- Interest coverage ratio of 4.9x (8.3x as of 31.12.2017)
- Average cost of debt of 0.9% (1.0% as of 31.12.2017)
- Bond of CHFm 125 with a coupon of 1.0% and a maturity of 4 years issued in October 2018. The proceeds were primarily used for the repayment of bank financing.

Steady increase of NAV, dividend and share price since IPO



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Goldach

HIAG strengthens income and pipeline

Acquisition/development

- Sale & leaseback with 15 years lease term
- Amcor Flexibles Rorschach AG among top five tenants
- Site comprising 63,000 m² with development of a new facility ongoing



Biberist «Papierei»

The new destination for startups

Yielding/under construction/under redevelopment

- Removal of the last paper machine to be completed by mid 2019
- Creation of infrastructure for business models of 4th industrial revolution
- Establish Biberist as a key Swiss eSports hub



Diesbach

Corporate retreats meet digital nomads

Refurbishment starting

- Transformation into a corporate retreat destination
- Long-term partnership with Alpine Co-Working for the development and operation including hospitality concept



Meyrin «Hive»

Continuous expansion of campus

Yielding/under refurbishment/under redevelopment

- Office space provider Regus new anchor tenant in addition to HPE and HPI
- The restaurant «Luigia» forms attractive meeting point in the heart of the campus and will attract visitors from neighbourhood and CERN
- Two further projects on campus advancing in planning



Frauenfeld «Walzmühle» Bringing a new community to life

Completion of the first two projects

- Toppingout ceremony took place in February
- Most of the commercial space already let
- First residential units let nine months before completion

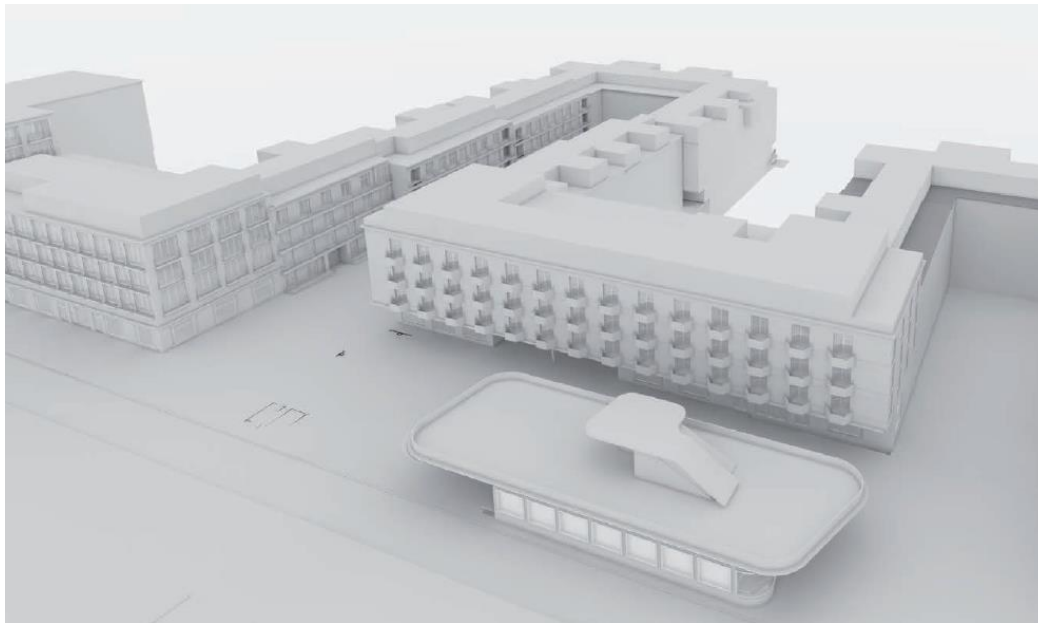


Cham

OYM to push development potential

Under construction/in preparation

- Ongoing construction of On-Your-Marks-Campus triggers auxiliary uses increasing attractiveness of the site, that will host more than 1'000 people living and working
- Hospitality and related services extend planning timeline but will create intangible value and increase overall potential



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Market and outlook

- Switzerland offers attractive environment for innovative and dynamic new business models
- HIAG is well positioned to actively participate in this development
- Economic outlook tightly related to interest rate policy expected to flatten out
- Acquisitions and project completion improving property income 2019 and following years
- HIAG Data initiatives start impacting positioning of sites
- Unchanged dividend payout policy at 4% of NAV

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Financial calendar

11 April 2019 Annual General Meeting

2 September 2019 Publication half-year results 2019

investor.relations@hiag.com

www.hiag.com

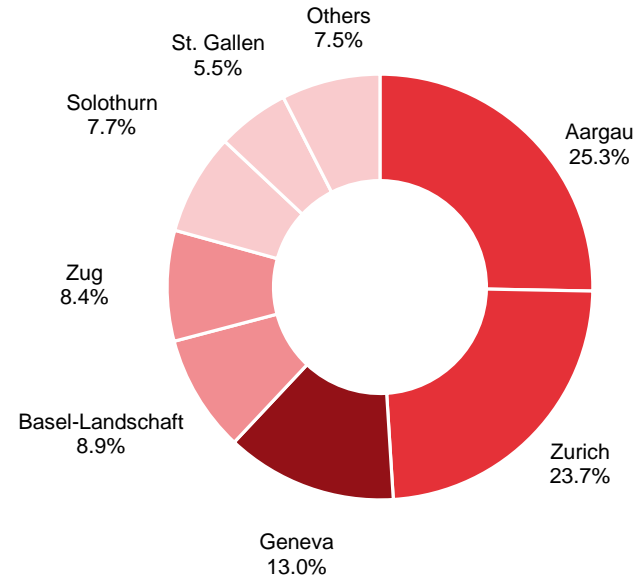
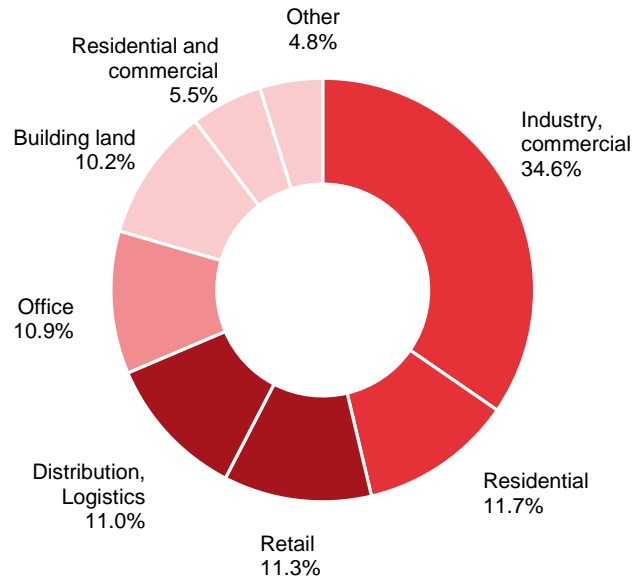
Achieving long term success by
honouring and increasing the value of
industrial properties across Switzerland

Appendix

Portfolio key figures

in CHFm	31.12.2018	31.12.2017
Portfolio	1,488	1,283
Yielding Portfolio	1,028	901
Redevelopment Portfolio	460	381
Annualised property income	60.9	56.1
Number of properties	114	111
Number of redevelopment properties	45	44
Number of projects	50	48
Vacancy rate	14.3%	14.3%

Portfolio split by type of use and region



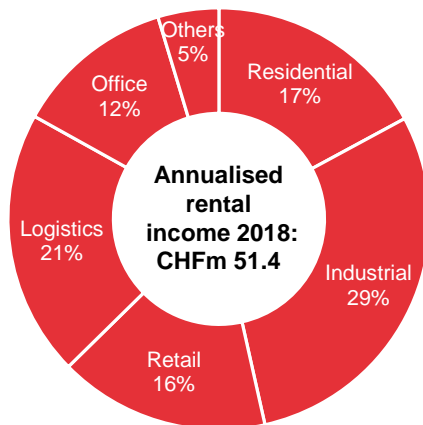
GAV as of 31.12.2018

Yielding portfolio – Overview

Description

- HIAG's yielding portfolio includes the properties for which currently no redevelopment is planned and which are intended to generate a stable and predictable income
- HIAG's yielding portfolio includes 69 properties located on 28 sites accounting for a GAV of CHFm 1,028, 69% of total GAV
- The annualised rental income of the yielding portfolio amounted to CHFm 51.4 as of 31 December 2018

Rental income by main use



Top 5 yielding sites

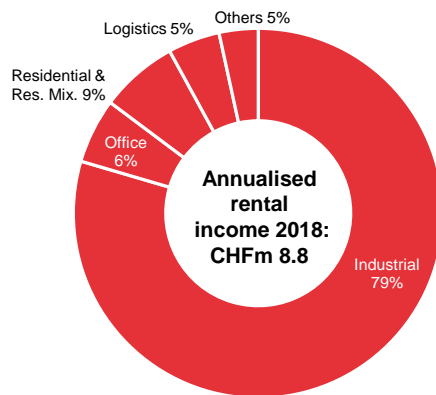
(in CHFm)	Dietikon	Klein-döttingen	Meyrin	Klingnau	Niederhasli
Value	129.8	90.9	77.6	77.4	60.4
42% of total Yielding Portfolio					
Net yield	4.8%	4.5%	4.5%	3.9%	5.8%
Lettable area in m²	38,097	64,714	17,679	45,844	27,070
Annualised property rent in CHFm	6.2	4.1	3.5	3.0	3.5
Occupancy rate	91.5%	70.0%	96.4%	63.8%	74.2%

Redevelopment portfolio – Overview

Portfolio segmentation

	Marketing	Under construction	Mid-term	Long-term
Expected main redevelopment steps	On-going	On-going	3-5 years	5-10 years
m ² to be redeveloped	-	c. 27,700	c. 40,100	c. 571,365
Number of properties	1	6	8	22
Number of projects	1	7	9	36

Rental income by main use



Selected redevelopment sites

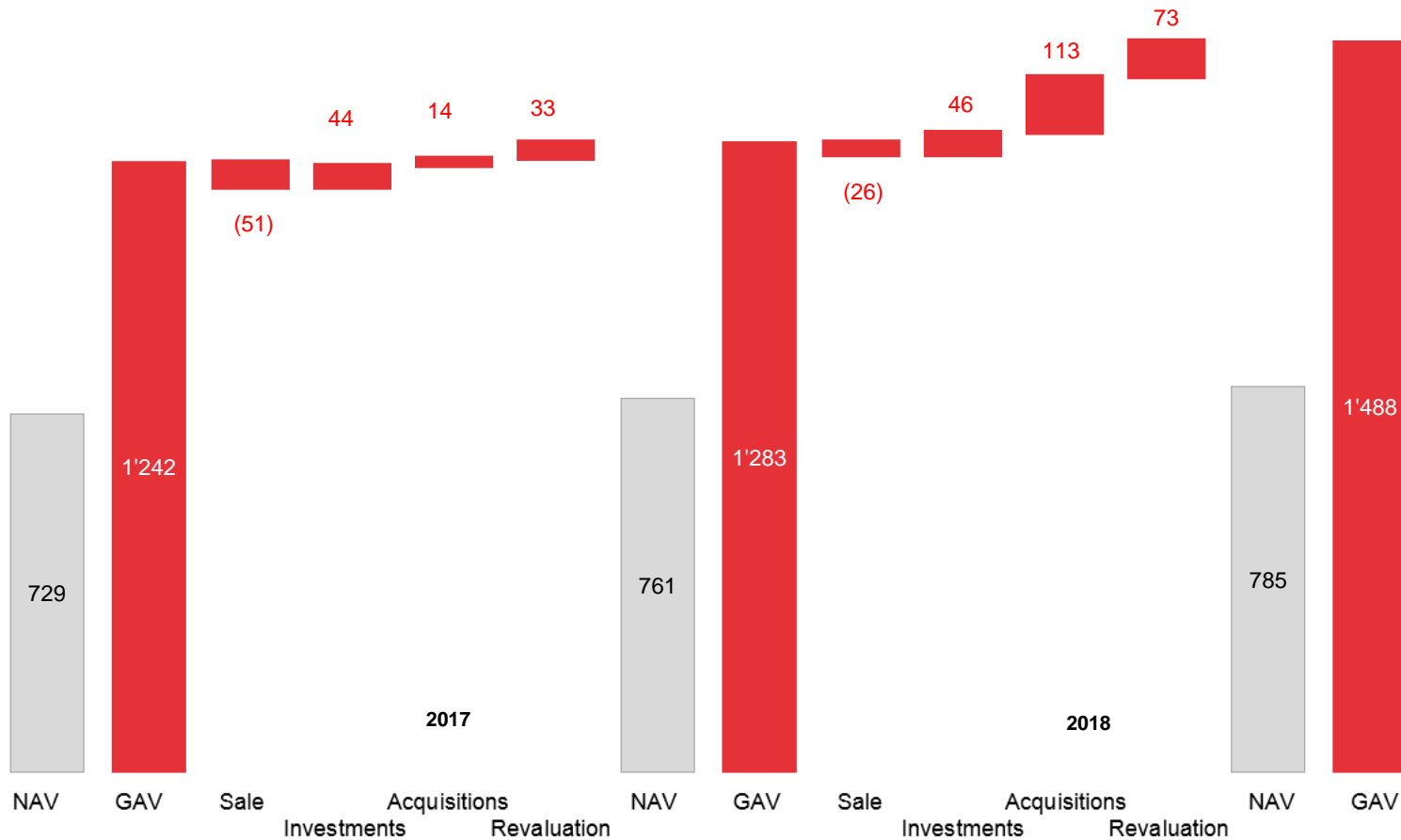
With partial use of existing substance:

(in CHFm)	Biberist	Brugg	Neuchâtel
Value	48.7	21.9	24.8
Net site area (m ²)	265,069	44,585	11,397
Annualised property rent	1.1	1.7	0.8
Net yield	2.4%	7.6%	3.2%

Without use of existing substance:

(in CHFm)	Cham	Dornach	Wetzikon (Schönau)	Lancy	Hausen-Lupfig	Meyrin
Value	60.1	34.9	43.1	33.6	17.1	57.1
Net site area (m ²)	26,231	136,685	42,419	8,783	62,168	36,145
CHF / m ²	2,292	255	1,017	3,830	275	1,580
Annualised property rent (CHFm)	-	1.1	0.6	0.6	-	-
Net yield	-	3.3%	1.3%	1.7%	-	-

Continuous portfolio growth



in CHFm
 NAV defined as shareholders' equity per Swiss GAAP FER

Solid credit metrics and capital structure

in CHFm	31.12.2018	31.12.2017
GAV	1,488.2	1,282.7
Cash & cash equivalents	34.5	38.9
Gross financial debt	701.9	529.1
Thereof bonds	490.0	365.0
EBITDA before revaluation of properties	27.9	39.9
Net financial result*	-5.7	-4.8
LTV ratio	43.4%	37.0%
Interest coverage ratio**	4.9x	8.3x
Duration (in years)***	2.8	3.6
Average interest rate	0.9%	1.0%
Fixed interest rate over 1 year****	76%	82%

* Without the impairment of a loan for CHFm -3.9 (one-time effect)

** EBITDA before revaluation of properties / net financial result

*** Weighted average duration

**** Excl. building credit and short term bank debt

Cash flow

in CHFm	31.12.2018	31.12.2017
Cash flow from operating activities incl. sales promotion	+40.1	+62.6
Cash flow from Investments	-165.7	-65.3
Cash flow from Financing	121.1	-21.1

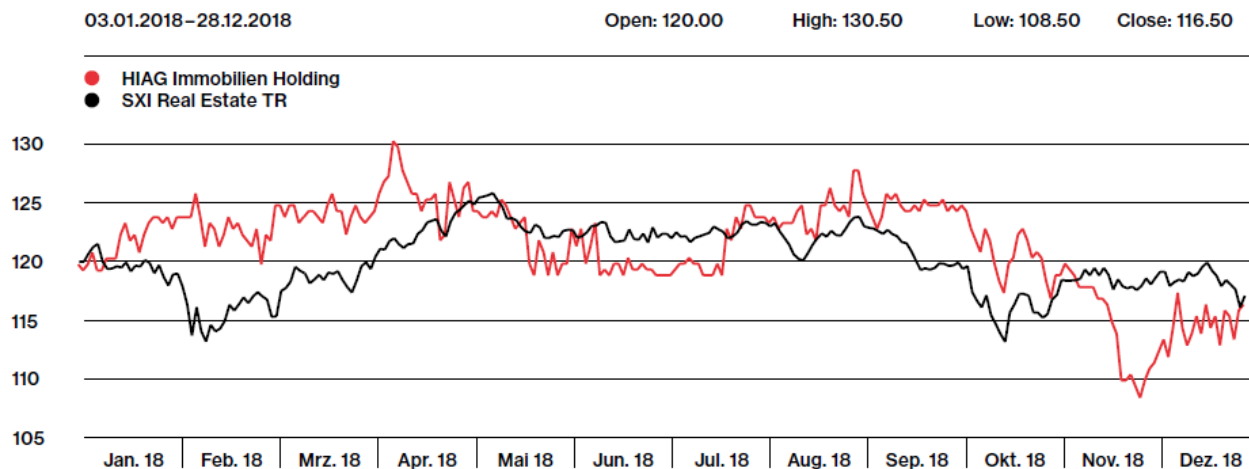
EPRA key financial figures

in CHFm (expect numbers and ratios)	31.12.2018	31.12.2017
EPRA Earnings	-5.0	33.1
EPRA Earnings per share (CHF)	-0.6	4.1
Adjusted EPRA Earnings (without HIAG Data contribution)	34.2	37.4
Adjusted EPRA Earnings per Share (CHF)	4.3	4.7
Average number of shares	8,023,893	8,035,289
EPRA NAV	867.1	833.9
EPRA NNAV	784.2	760.4
EPRA NAV per share (CHF)	108.5	103.6
Number of outstanding shares	7,994,062	8,047,629
EPRA vacancy rate (yielding portfolio)	14.4%	14.5%
Adjusted EPRA vacancy rate (yielding portfolio excl. properties in repositioning)	12.1%	12.3%

Reconciliation Swiss GAAP FER - EPRA

in CHFm	31.12.2018	31.12.2017
Swiss GAAP FER NAV	784.9	760.5
Effect Incentive Plan / Treasury shares	-0.7	-0.4
Deferred Tax Liabilities	+82.9	+73.8
EPRA NAV	867.1	833.9
Swiss GAAP FER Earnings	58.9	57.5
Revaluation of properties	-76.4	-33.3
Deferred Tax / Tax losses carry forward	+10.5	+8.9
Minority interests	+2.0	+0.0
EPRA Earnings	-5.0	33.1
HIAG Data contribution	+39.1	+4.3
Adjusted EPRA Earnings	+34.2	37.4

2018 Share price performance



Share price in CHF

2018

High

130.5

Low

108.5

End of period

116.5

Market capitalisation in CHFm

2017

End of period

937.8

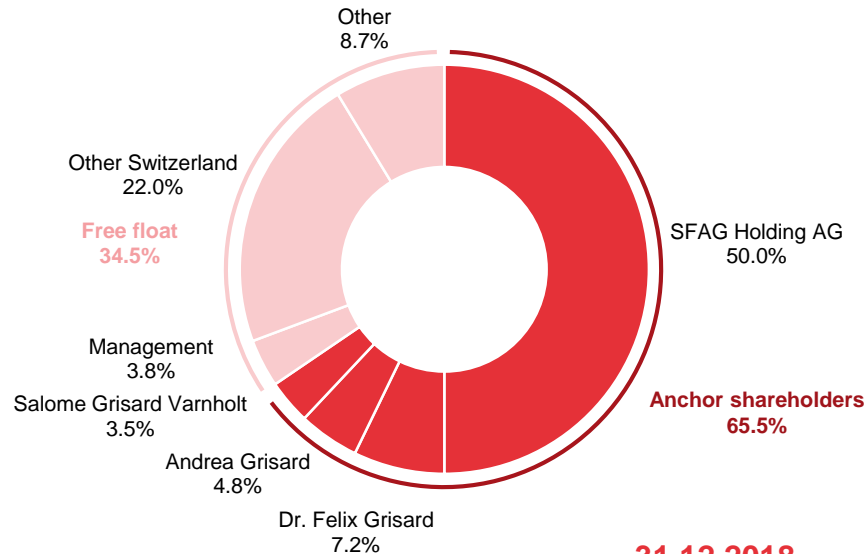
Issued shares

2017

End of period

8,050,000

Shareholder structure as of 31.12.2018



Major shareholders

31.12.2018

SFAG Holding AG*	50.0%	Anchor shareholders: 65.5%
Dr. Felix Grisard	7.2%	
Andrea Grisard	4.8%	
Salome Grisard Varnholt	3.5%	
Management	3.8%	Free Float: 34.5%
Other Switzerland	22.0%	
Other	8.7%	
Total	100.0%	

* Owned by Salome Grisard Varnholt, Dr. Felix Grisard and Andrea Grisard