

HIAG

HIAG Immobilien Holding AG Business Year 2016

20 March 2017

Disclaimer

The financial data as well as the other information presented herein constitute selected information.

The information in this presentation does not constitute an offer or invitation and may not be construed as a recommendation by us to purchase, hold or sell shares of HIAG Immobilien Holding AG. This information or any copy thereof may not be sent or taken to or distributed in any jurisdiction in which such transmission or distribution is unlawful. This document may contain certain “forward-looking” statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

Agenda

- 1. Highlights & update on strategy implementation**
2. Financial results Year-End 2016
3. Major developments
4. Market and outlook
5. Financial calendar

Highlights

- Collected property income raised by 2.4% to CHFm 52.4
- Increase in annualised property income by 5.4%
- Increase in EPRA-earnings by 8.6% to CHFm 30,5
- Net cash effect from capital recycling of CHFm 46.8
- Growth of portfolio to CHFm 1'242
- Increase of the duration to 3.1 years after the successful second bond issuance of CHFm 115 in July 2016
- Promising response to HIAG Data pre-marketing
- Increase of dividend by 2.9% to CHF 3.60

HIAG Data – an IaaS one-stop shop for cloud service provider

HIAG Data Cloud 4.0 Hybrid Portal

Swiss Open
Cloud

Swiss S3
Object Store

Swiss Hybrid
Cloud Direct
&
Secure Private
Network

Swiss Hybrid
AZURE Cloud

CRM
Certification

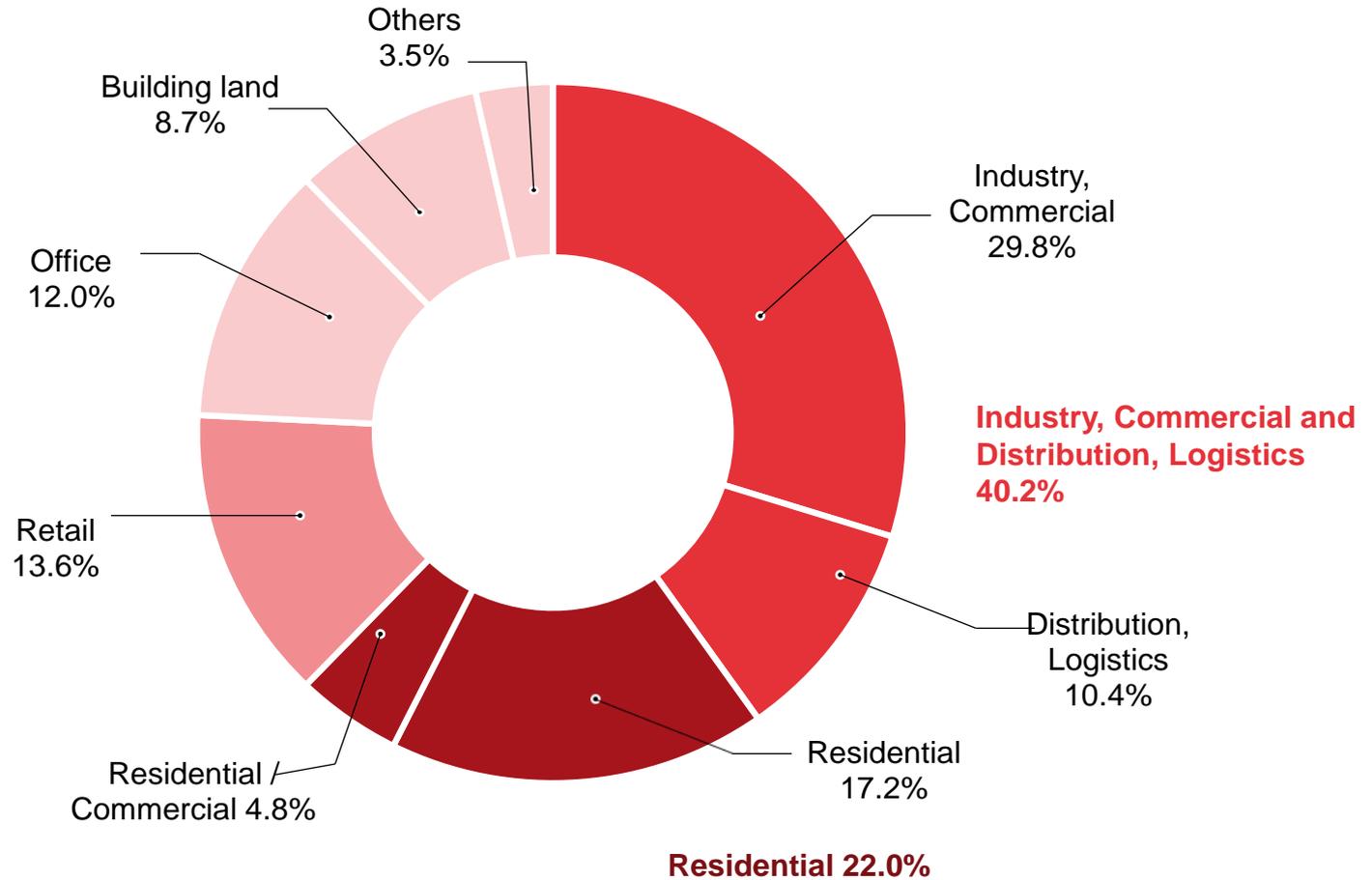
HIAG Data's broad partner framework enables scalability



HIAG Data's customer base is growing as business models transfer to the Cloud



Stable and attractive mix of uses with little exposure to office markets



Based on GAV as of 31.12.2016

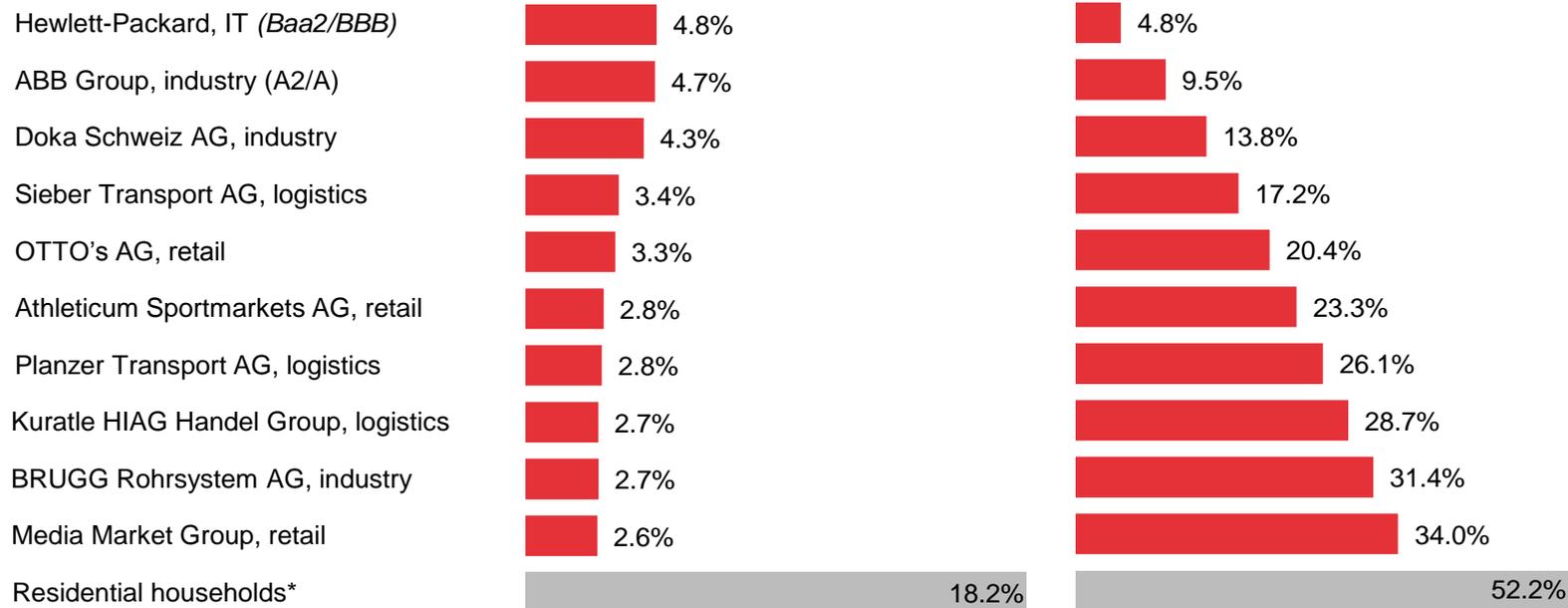
A strong, stable and diversified tenant base

Top 10 tenants (Group) based on annualised property income

Tenants and credit rating (Moody's, S&P)

Share of annualised rental income:

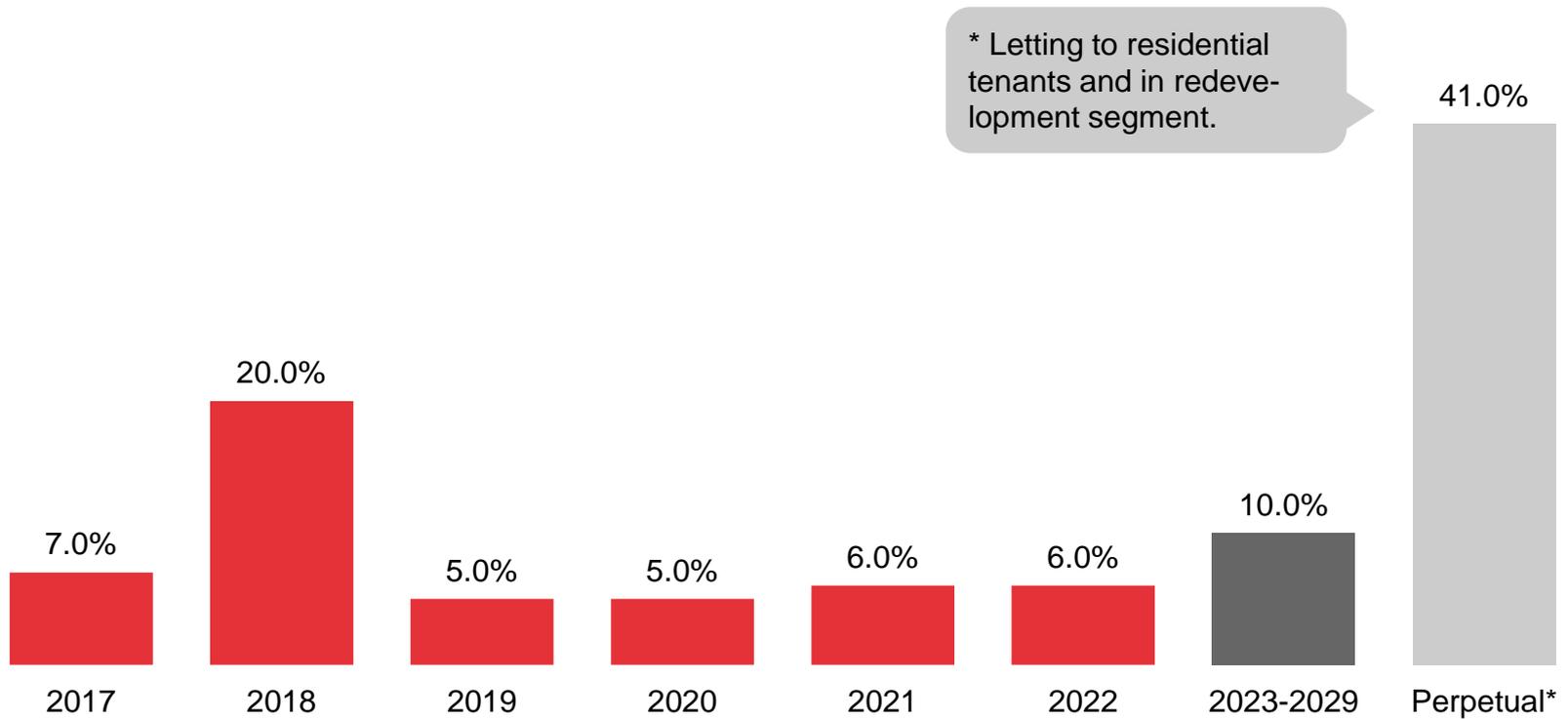
Cumulative share of annualised rental income:



Tenant base as of 01.01.2017

* Includes residential/commercial properties

Expiry profile: increase in weighted average lease term to 5.2 years



Expiry profile based on property income as of 01.01.2017

Agenda

1. Highlights & update on strategy implementation
- 2. Financial results Year-End 2016**
3. Major developments
4. Market and outlook
5. Financial calendar

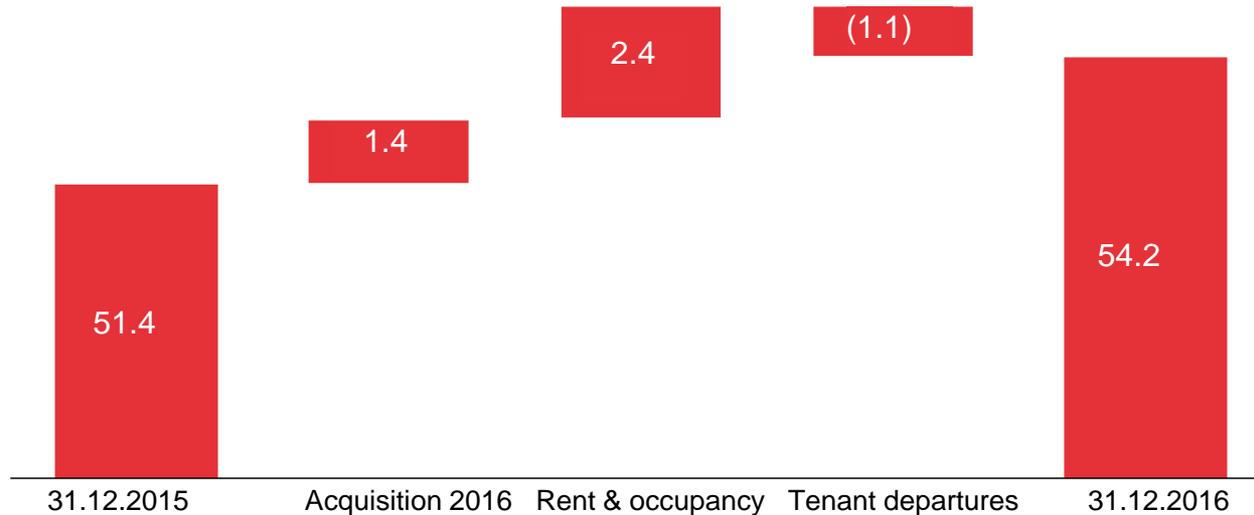
Income statement as of 31 December 2016

in CHFm	31.12.2016	31.12.2015	Δ CHFm	Δ %
Property income	52.4	51.2	+1.2	+2.4%
Revaluations of properties	20.0	31.5	-11.5	-36.6%
Total operating income without revaluations	53.8	54.1	-0.2	-0.4%
Total operating expenses	-17.8	-20.5	+2.8	-13.5%
EBITDA	56.0	65.0	-9.0	-13.8%
Adj. EBITDA*	38.4	40.2	-1.8	-4.4%
EBT	50.7	59.8	-9.1	-15.2%
EBT without revaluations	30.7	28.3	+2.4	+8.6%
Net income	46.4	59.5	-13.1	-22.0%
EPRA Earnings	30.5	28.3	+2.2	+8.0%
Funds from operations incl. capital recycling	72.3	44.6	+27.7	+62.1%

* EBITDA - revaluation of properties + revaluation promotion

Increase of annualised property income by CHFm 2.8 (+5.4%)

in CHFm	31.12.2014	31.12.2015	31.12.2016	Δ CHFm	Δ %
Target annualised property income	60.4	61.0	63.9	+2.9	+4.8%
Actual annualised property income	49.8	51.4	54.2	+2.8	+5.4%
Actual property income	48.7	51.2	52.4	+1.2	+2.4%



- Like-for-Like increase in annualised property income by CHFm 1.3 (2.5%)

Further decrease of vacancy rate to 15.3%

in %	31.12.2016	31.12.2015
Yielding properties	11.7%	11.1%
Yielding properties undergoing repositioning*	32.5%	32.4%
Redevelopment properties	15.2%	19.3%
Total Portfolio	15.3%	16.0%

- Like for like vacancy rate (without acquisition of Yverdon site)
 - Yielding Portfolio 11.4%
 - Total Portfolio 15.2%

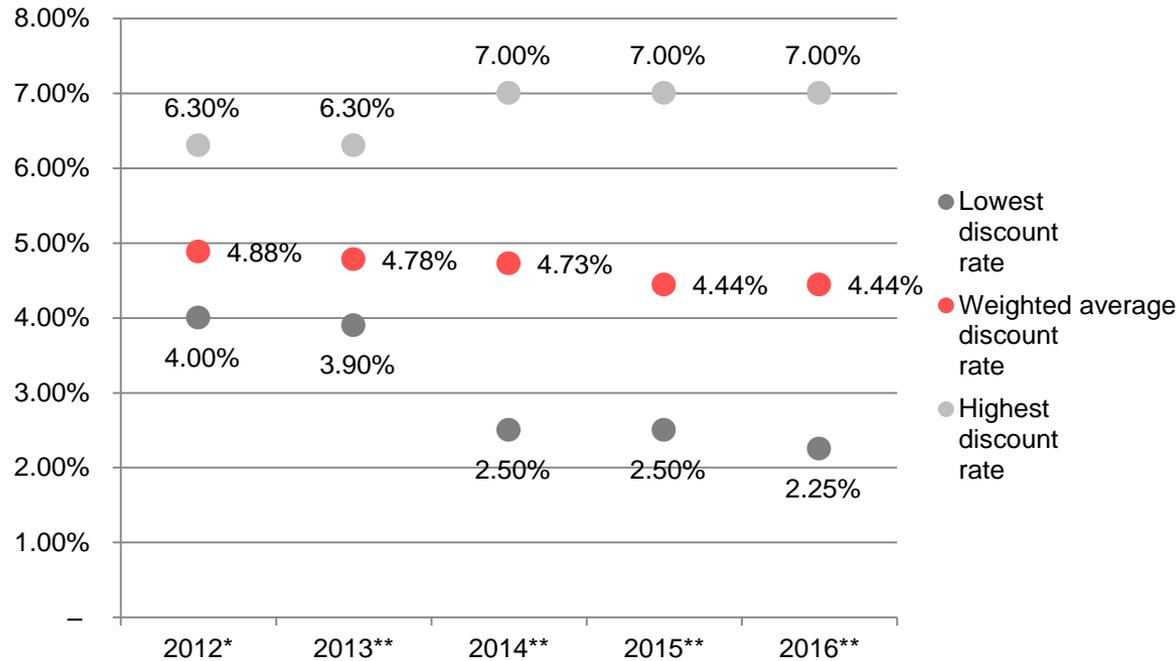
* Mandachstrasse 50-56 (Niederhasli), Lorzenparkstrasse 2-16 (Cham) and Sternenfeldstrasse 14 (Birsfelden)

Revaluation of properties in line with expectations and....

in CHFm	31.12.2016	31.12.2015
Revaluations of properties	+20.0	+31.5
Thereof revaluation promotion	+2.4	+6.7
Thereof adjustment costs for environmental risks	-0.0	+0.2

- Positive contributions: Biberist, Meyrin, St. Margrethen and Yverdon
- Negative contributions: Dietikon, Kleindöttingen, Klingnau

...not mainly driven by a stable discount rate



- Promotion projects discounted at 2.25%, «promotion» effect will disappear after units are sold
- Reduction in yielding portfolio: 11 bps mainly related to the residential use (-19 bps)

	31.12.2016	31.12.2015
Weighted average real discount rate yielding portfolio**	4.55%	4.66%
Weighted average real discount rate redevelopment portfolio**	4.14%	4.12%
Weighted average real discount rate total portfolio**	4.44%	4.44%

* except land and building rights incl. power plant

** except land, building rights and power plant

Lower operating expenses due to one time effects

in CHFm	31.12.2016	31.12.2015	Δ CHFm	Δ %
Personnel expenses	5.6	7.6	-2.0	-26.4%
Maintenance and repairs <i>in % of GAV</i>	3.6 <i>0.29%</i>	3.5 <i>0.29%</i>	+0.1	+3.1%
Insurance and fees	0.9	0.8	+0.1	+15.5%
Energy costs and building maintenance	2.4	2.4	-	-
Rent and leases	1.4	1.3	+0.1	+6.9%
Other expenses	3.8	4.9	-1.1	-22.6%
Total operating expenses	17.8	20.5	-2.8	-13.5%

Key financial figures per share

in CHF	31.12.2016	31.12.2015
Earnings per share	5.8	7.4
Earnings per share without revaluation	3.3	3.5
Earnings per share without revaluation including revaluation of promotion	3.6	4.3
EBT per share without revaluation and non cash taxes	4.3	3.6
EPRA Earnings per share	3.8	3.5
Time-weighted average number of shares	8'000'787	8'000'000
Swiss GAAP FER NAV per share	90.7	88.6
EPRA NAV per share	99.2	96.5
Number of shares as of 31 December 2016	8'035'885	8'000'000
Planned dividend payout (cash distribution out of capital contribution)*	3.6	3.5
Payout ratio in %**	84%	97%
Cash yield in %***	3.4%	3.9%

* Proposition to the annual General Meeting on 20 April 2017 for the business year 2016: cash distribution out of capital contribution reserves

** Distribution per share in relation to EBT without revaluation and non cash taxes per share

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

Balance sheet as of 31 December 2016

in CHFm	31.12.2016	31.12.2015	Δ CHFm	Δ %
Properties	1'176.3	1'105.3		
Properties held for sale	66.0	118.7		
GAV	1'242.3	1'224.0	+18.2	+1.5%
LTV Ratio	36.2%	36.8%		
Swiss GAAP FER NAV	729.1	708.7		
Swiss GAAP FER NAV per share*	90.7	88.6		
Capital contribution reserves	75.5	101.0	-25.5	
Equity ratio	54.7%	54.4%		
Return on Equity	6.6%	8.8%		
EPRA NAV	796.2	771.9		
EPRA NAV per share*	99.2	96.5		

* Number of shares 8'035'885 as of 31.12.2016 and 8'000'000 as of 31.12.2015

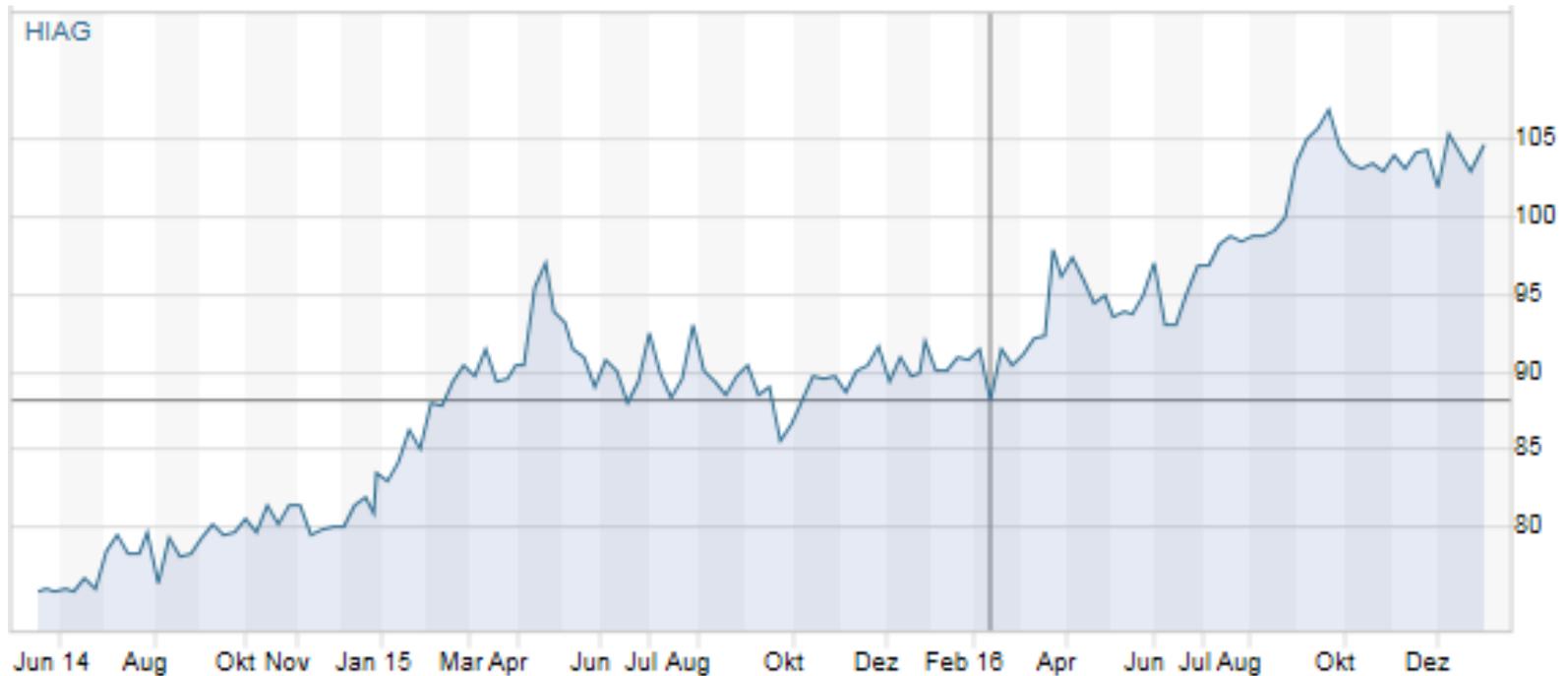
Further increase in the financing duration

in CHFm	31.12.2016	31.12.2015
Bank financing	297.7	402.3
Bonds (CS rating: Low BBB stable / Vontobel rating: BBB stable)	215.0	100.0
Total	512.7	502.3

- Bonds represent 41.9% of financing structure (20.0% as of 31.12.2015)
- Current LTV ratio of 36.2% (36.8% as of 31.12.2015)
- Target LTV ratio unchanged of below 50%
- Increase of the duration (from 1.9 years to 3.1 years)
- Interest coverage ratio of 7.4x (7.2x as of 31.12.2015)
- Average cost of debt of 1.1% (1.0% as of 31.12.2016)
- No interest rate hedging

- Bond of CHFm 115.0 with a coupon of 1.00% and a maturity of 7 years issued in July 2016. The proceeds primarily used for the repayment of bank financing (CHFm 85.4) and the acquisition of the Yverdon site

Steady increase of NAV, dividend and share price since IPO



Agenda

1. Highlights & update on strategy implementation
2. Financial results Year-End 2016
- 3. Major developments**
4. Market and outlook
5. Financial calendar

Frauenfeld «Walzmühle»

Construction planned to start in 2017

In planning

- Three building permits granted, comprising 8 Lofts, 21 apartments and 2'300 m² of office and commercial area
- Total expected investment volume of approximately CHFm 23



Windisch «Feinspinnerei» and «Kunzwerk»

Under construction/commercialisation

- Commercialisation of «Feinspinnerei» at 55% end of February 2017
- Co-working initiative «Kunzwerk» in cooperation with the Village office started in October 2016
- Further development potential of 2'000 m² residential



Baar «The Cloud»

Commercialisation

- 86% of condominiums sold or reserved end of February 2017
- Focus on commercialisation of roof tops designed by Naomi Hajnos
- Negotiations with former general planner HSSP ongoing



Meyrin

«The Hive»

Under construction

- Site positioned as «The Hive» (www.thehive-gva.ch) and IT cluster
- Delivery of new building «Hive 2» planned in Q2 2017
- «Hive 1» in preparation to be refurbished after move of HP Inc. and HPE to «Hive 2»



Bremgarten

Partial site redevelopment

Under construction

- Office building completed and handed over
- Completion of phase 2 expected by 1st July 2017
- Total annual rent after completion at CHFm 1.5 up from CHFm 0.8



Biberist «Papieri» HIAG Data DC infrastructure in realisation

Yielding/under construction

- Rental agreement for the high bay storage generating CHFm 1 annual rent
- Phase 1 DC infrastructure for HIAG Data operative in Q2 2017 (in Office Building)
- Phase 2 will be delivered end of 2018 (1 MW IT load)



Niederhasli

Doka Schweiz commits to the site

Under redevelopment

- Agreement with Doka Schweiz on the framework for a long-term development
- Office building of 2'600 m² and commercial halls of 4'200 m² to be developed
- Building permit process delayed due to planning zone



Yverdon «Village 52»

New acquisition at attractive location

Yielding

- Annualised property income at CHFm 1.4, gross yield 6.7%
- Optimisation of tenant structure and site marketing



Agenda

1. Highlights & update on strategy implementation
2. Financial results Year-End 2016
3. Major developments
- 4. Market and outlook**
5. Financial calendar

Market

- Interest rate environment not expected to change fundamentally despite expected FED increases
- Relatively high real estate yields still attracting additional capital inflow in area acquisition
- Increasing negotiation power of office and retail tenants
- Production in residential staying above current absorption will eventually lead to sustainable vacancy rates
- IaaS: Shakeout in colocation coexisting with strong dynamic in new cloud based business models

Outlook

- Property income expected to increase at around 4%
- Capital recycling expected to be around CHFm 50+
- HIAG is continuously evaluating opportunities but closely looking at sustainability of rental income
- HIAG Data expects to have annualised revenue of around CHFm 5 by end of 2017
- Combined offer for rental space and IaaS in preparation
- Dividend payout policy of 4% of NAV

Agenda

1. Highlights & update on strategy implementation
2. Financial results Year-End 2016
3. Major developments
4. Market and outlook
- 5. Financial calendar**

Financial calendar

20 April 2017 General Meeting in Frauenfeld (TG)

4 September 2017 Publication half-year results 2017

investor.relations@hiag.com

www.hiag.com