

HIAG

HIAG Immobilien Holding AG 2017 Half-year results 4 September 2017

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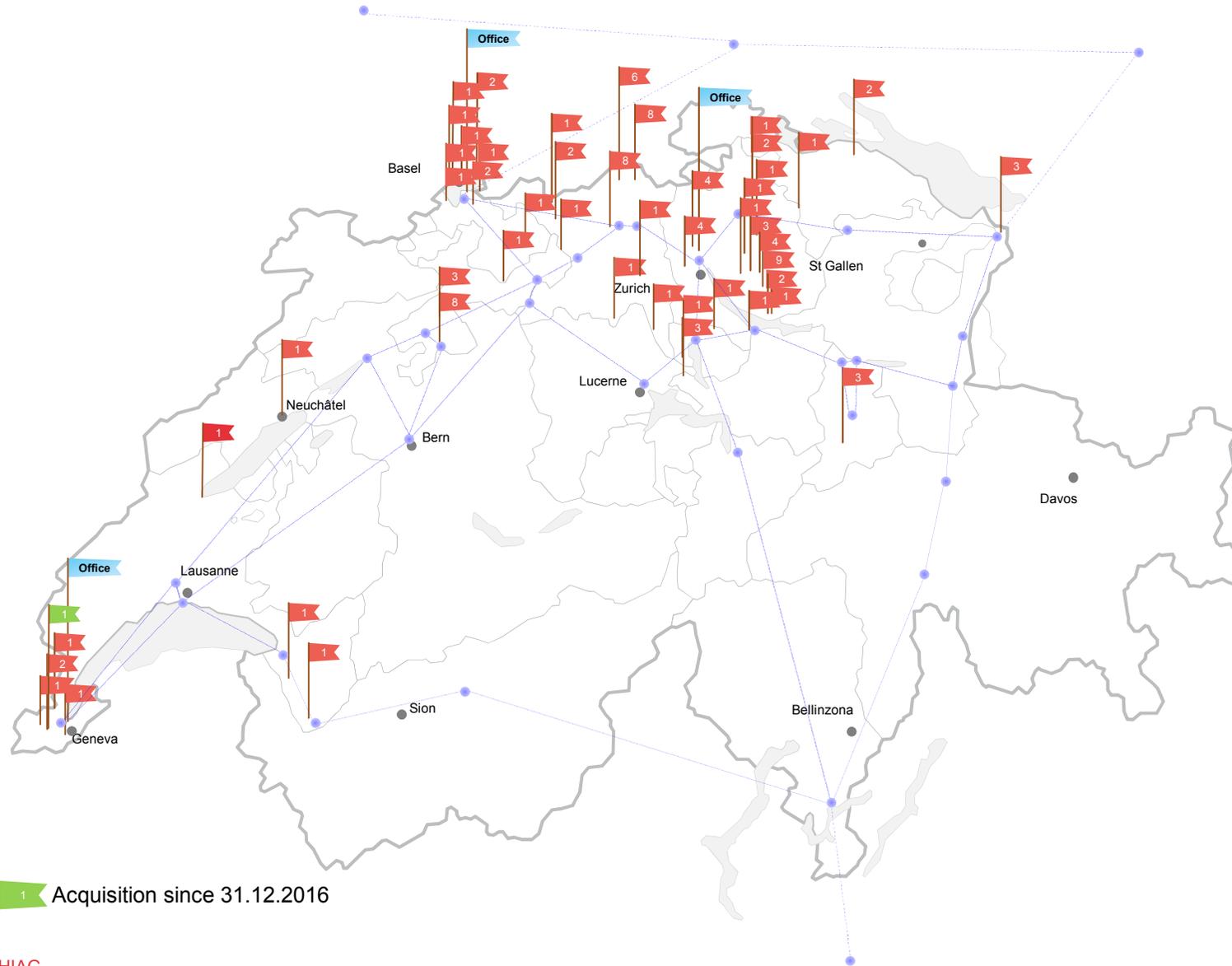
Agenda

- 1. Highlights**
2. Financial results Half-year 2017
3. Major developments
4. Market and outlook
5. Financial calendar

Highlights

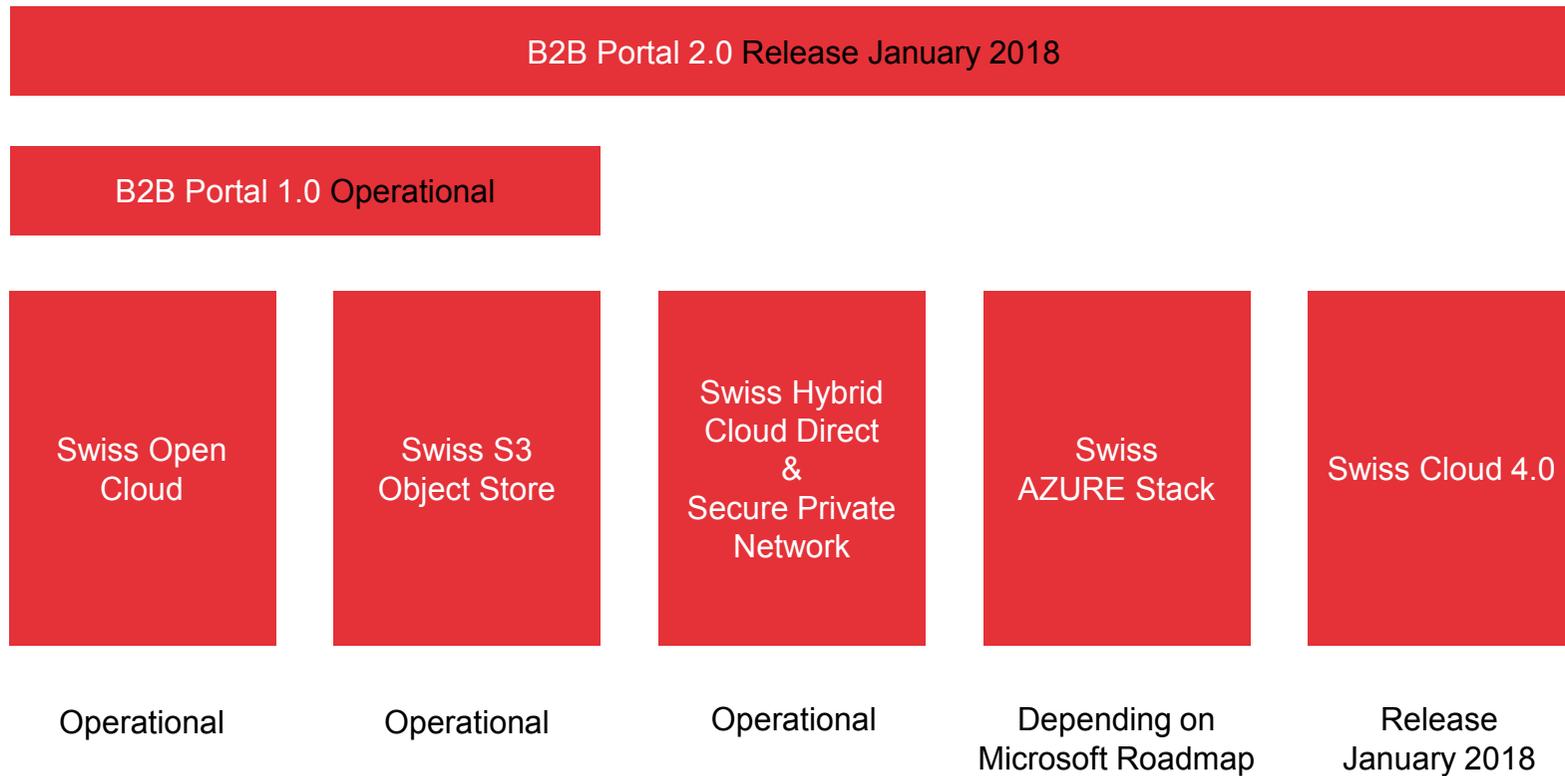
- Collected property income raised by 5.0% to CHFm 27.4
- Increase in net income by 12.2% to CHFm 24.4
- Strong EPRA NAV of 58.8%
- Asset sales in Biberist of CHFm 6.5 net
- Increase of the duration to 4.0 years after the successful third bond issuance of CHFm 150 in May 2017
- Growth of portfolio to CHFm 1'248
- WALT increase to 5.5 years
- HIAG Data is progressing successfully

New acquisition in line with strategy



1 Acquisition since 31.12.2016

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

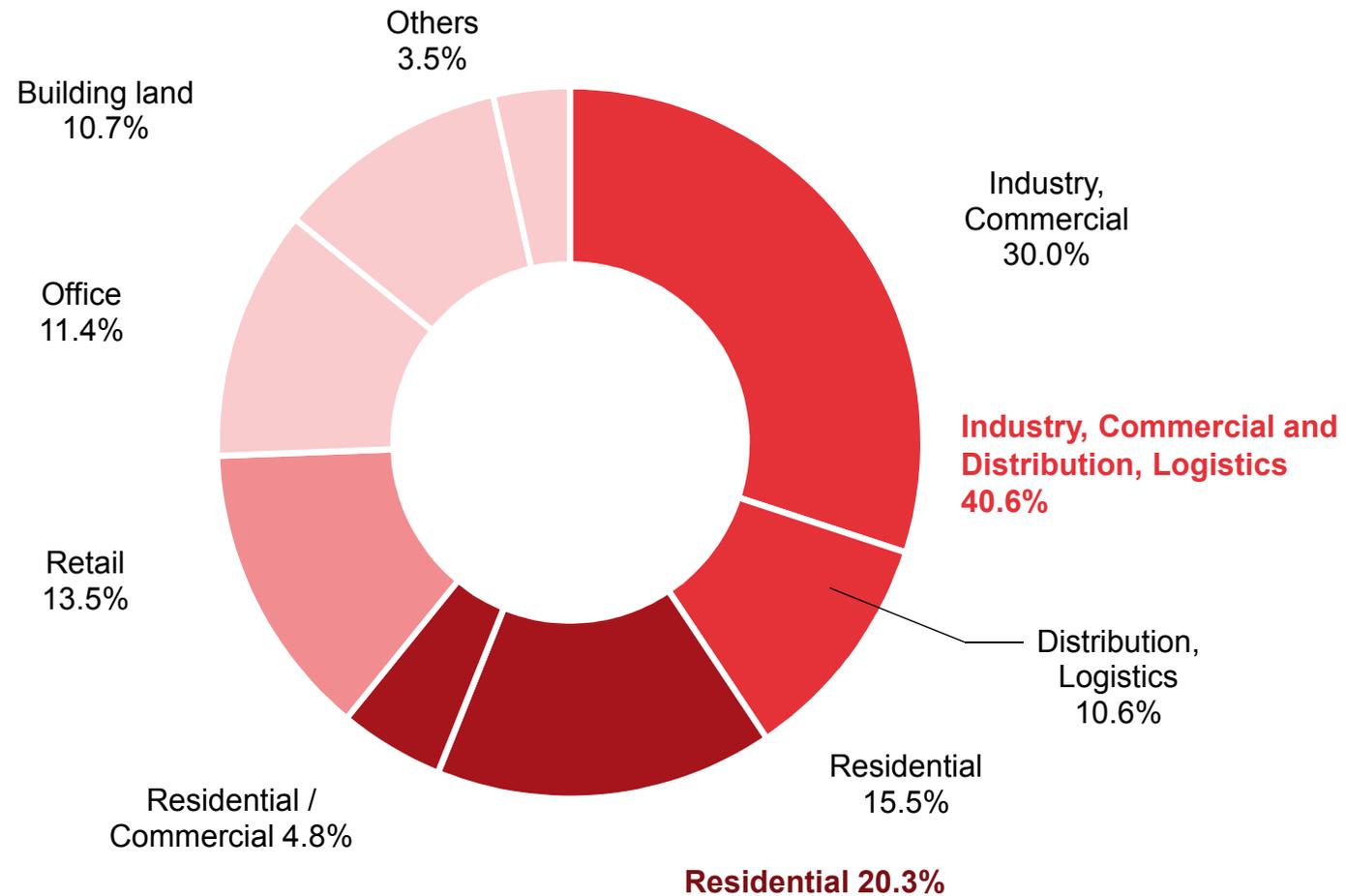


HIAG Data's ecosystem



* Including prospects

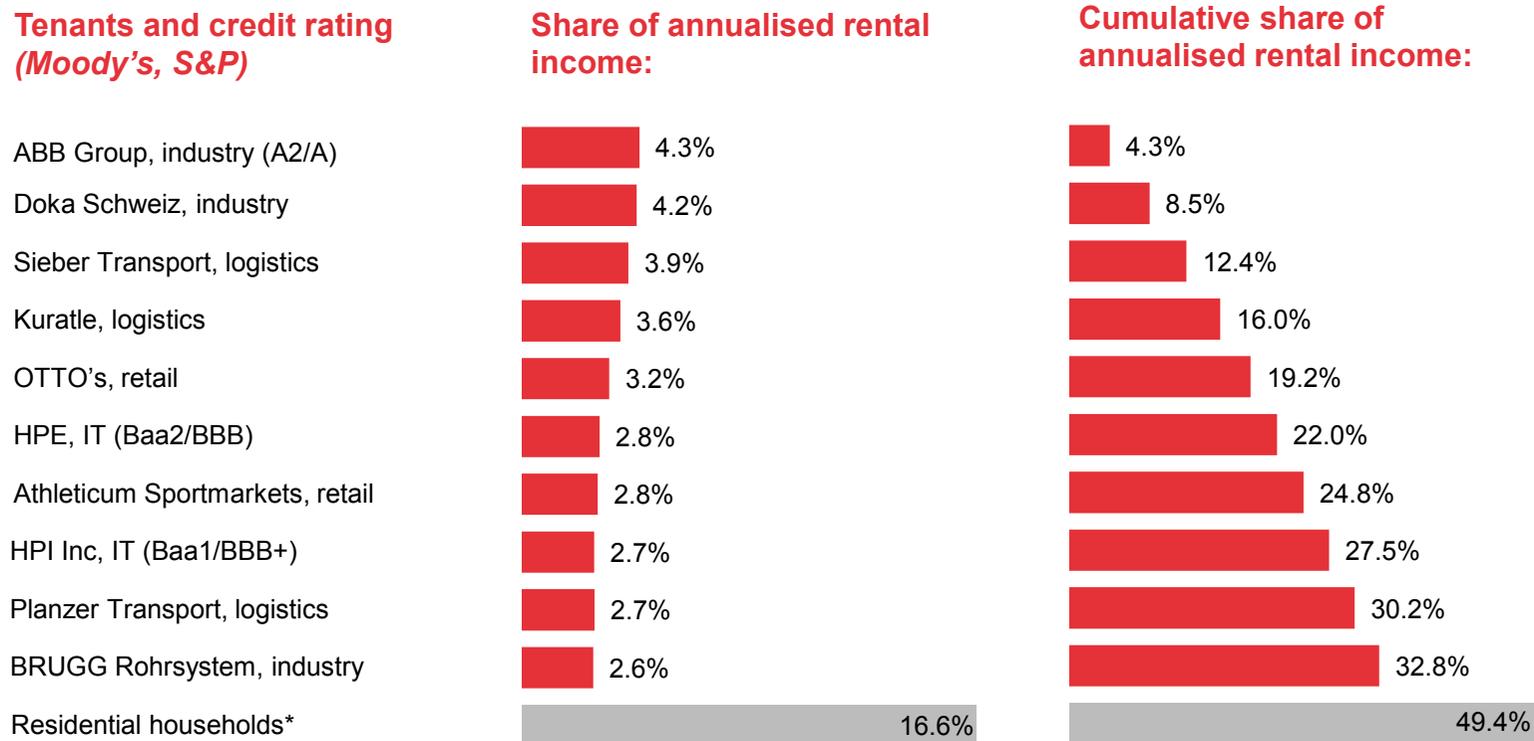
Stable and attractive mix of uses with only little exposure to office markets



Based on GAV as of 30.06.2017

Strong, stable and diversified tenant base

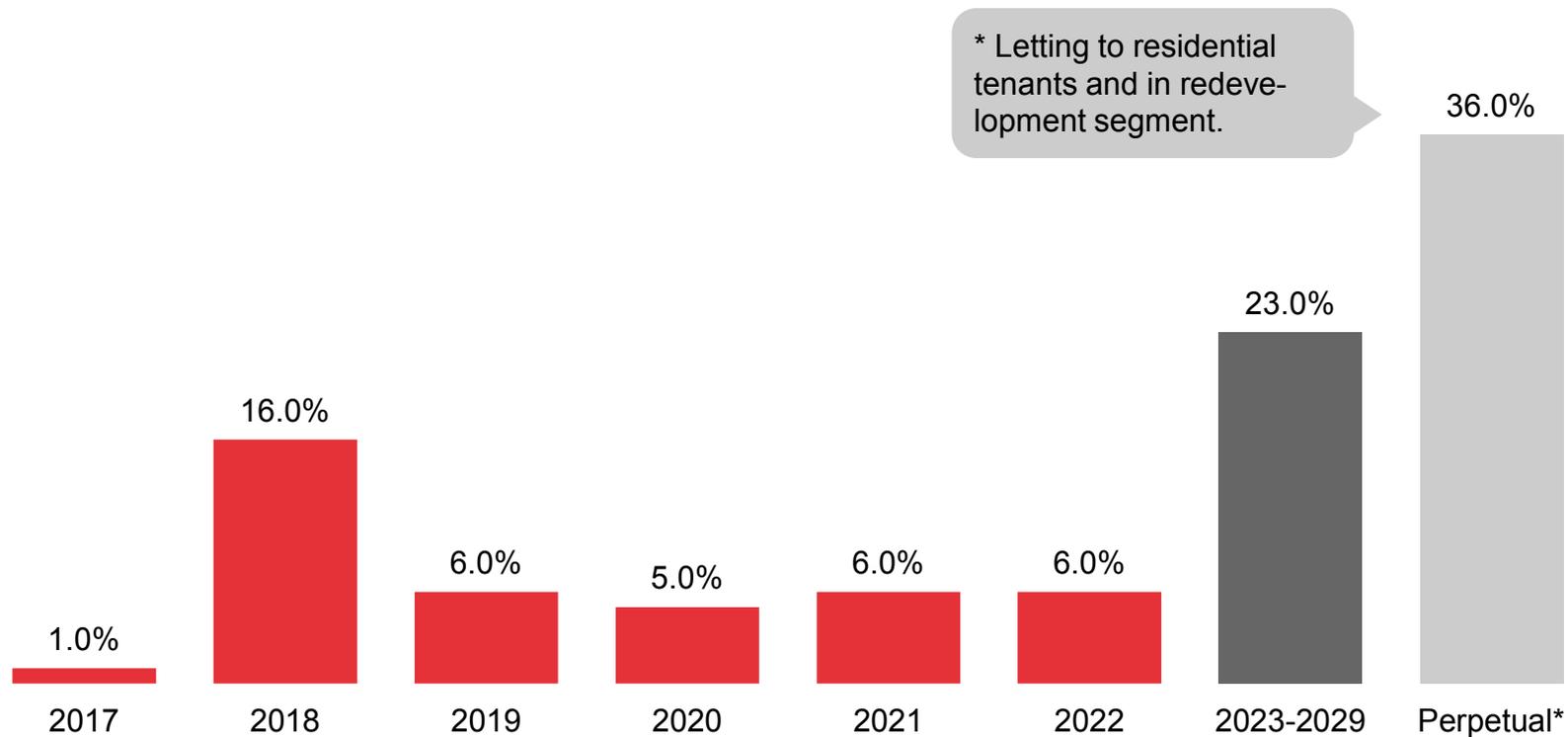
Top 10 tenants (Group) based on annualised property income



Tenant base as of 30.06.2017

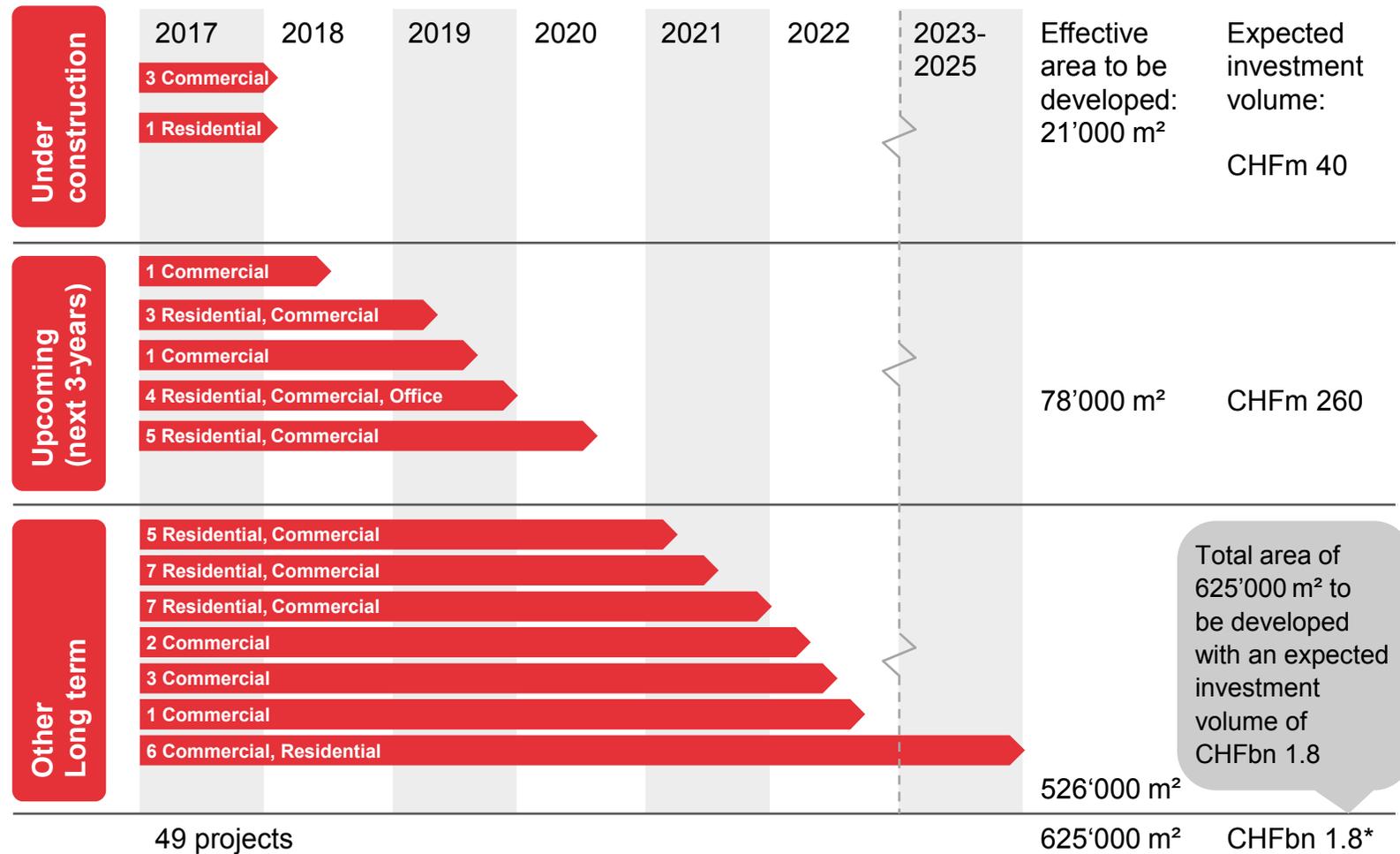
* Includes residential/commercial properties

Expiry profile: increase in weighted average lease term to 5.5 years



Expiry profile based on property income as of 30.06.2017

Robust project pipeline – upcoming projects with expected investment of CHFm 260



* Timelines based on currently expected project timelines. The investment volume is subject to assumptions and future developments

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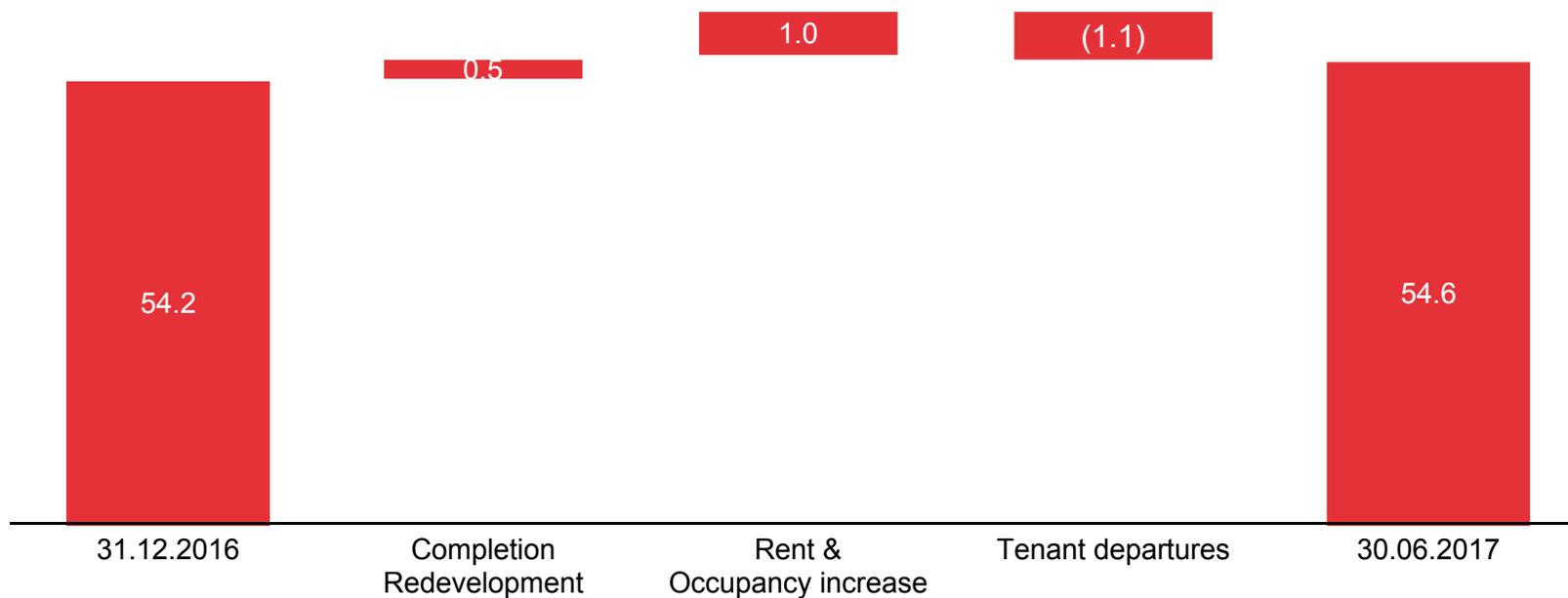
Income statement as of 30 June 2017

in CHFm	30.06.2017	30.06.2016	Δ CHFm	Δ %
Property income	27.4	26.1	+1.3	+5.0%
Revaluations of properties	10.8	7.4	+3.4	+45.7%
Total operating income without revaluations	35.8	26.7	+9.1	+34.3%
Total operating expenses	-13.7	-10.0	-3.7	+37.2%
EBITDA	32.8	24.0	+8.8	+36.6%
Adj. EBITDA*	20.5	18.4	+2.1	+11.6%
EBT	29.5	21.6	+7.9	+36.5%
EBT without revaluations	18.7	14.2	+4.5	+31.7%
Net income	24.4	21.6	+2.7	+12.7%
EPRA Earnings	18.7	14.4	+4.2	+29.1%
Funds from operations incl. capital recycling	41.0	22.2	+18.8	+84.8%

* EBITDA - revaluation of properties + revaluation promotion

Slight increase of annualised property income by CHFm (+0.7%)

in CHFm	30.06.2016	31.12.2016	30.06.2017	Δ CHFm	Δ %
Target annualised property income	61.1	63.9	64.1	+0.2	+0.3%
Actual annualised property income	51.5	54.2	54.6	+0.4	+0.7%
Actual property income	26.1	52.4	27.3	+1.3	+4.9%



- Like-for-Like increase by actual property income +2.1%

Slight decrease of vacancy rate to 15.1%

in %	30.06.2017	31.12.2016
Yielding properties	12.5%	11.7%
Yielding properties undergoing repositioning*	32.4%	32.5%
Redevelopment properties	12.3%	15.2%
Total Portfolio	15.1%	15.3%

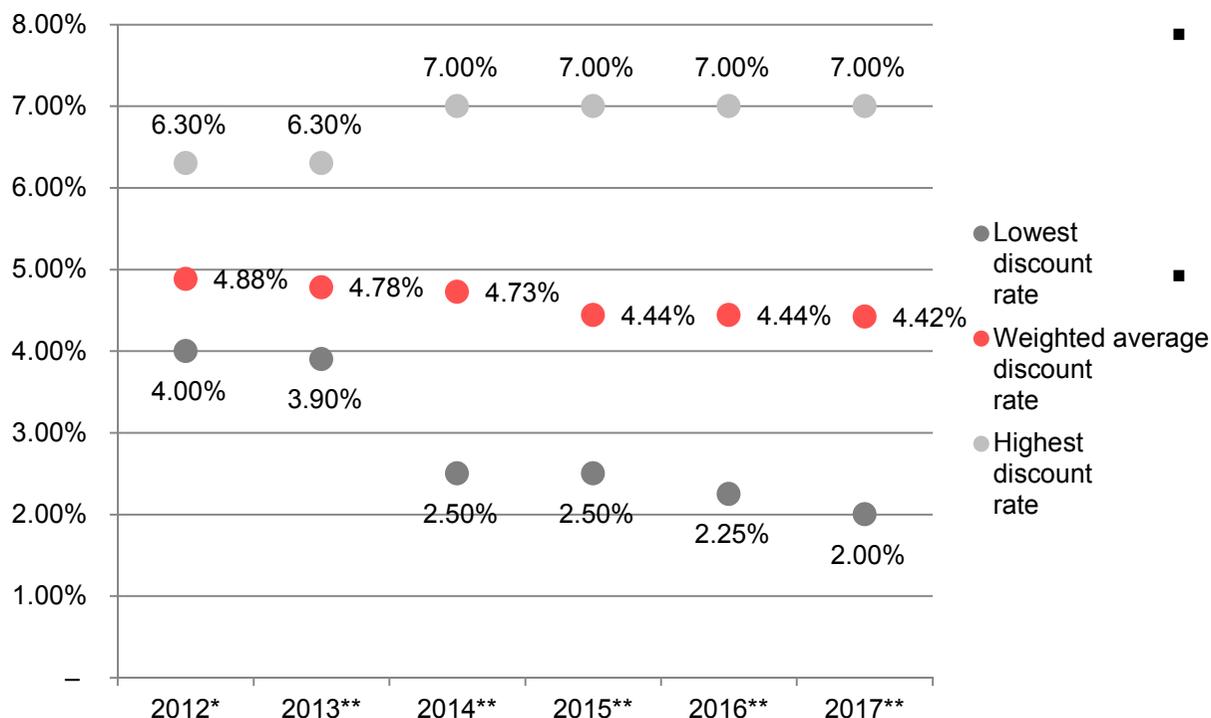
* Mandachstrasse 50-56 (Niederhasli), Lorzenparkstrasse 2-16 (Cham) and Sternenfeldstrasse 14 (Birsfelden)

Higher revaluation of properties with...

in CHFm	30.06.2017	30.06.2016
Revaluations of properties	+10.8	+7.4
Thereof revaluation promotion	-1.6	+1.7
Thereof adjustment costs for environmental risks	-0.8	+0.5

- Positive contributions: Meyrin, Wetzikon
- Negative contributions: Baar

...slightly lower discount rate



- Promotion projects discounted at 2.0%, «promotion» effect will disappear after units are sold
- Reduction in yielding portfolio: 7 bps mainly related to the residential use (-10 bps)

	30.06.2017	31.12.2016
Weighted average real discount rate yielding portfolio**	4.48%	4.55%
Weighted average real discount rate redevelopment portfolio**	4.15%	4.14%
Weighted average real discount rate total portfolio**	4.42%	4.44%

* except land and building rights incl. power plant

** except land, building rights and power plant

Increase in operating expenses due to segment laaS and one time effects

in CHFm	30.06.2017	30.06.2016	Δ CHFm	Δ %
Personnel expenses	4.3	4.1	+0.2	+5.6%
Maintenance and repairs	3.0	1.8	+1.2	+66.5%
Insurance and fees	0.5	0.5	-	-
Energy costs and building maintenance	1.3	1.2	-	-
Rent and leases	0.8	0.7	+0.1	+13.5%
Other expenses	3.8	1.7	+2.1	+123.5%
Total operating expenses	13.7	10.0	+3.7	+37.2%
from which segment laaS	1.7	0.4	+1.4	+375.3%
from which external services related to asset sales	0.8	-	+0.8	-
Total operating expenses excl. segment laaS & asset sales	11.2	9.7	+1.6	+16.3%

Key financial figures per share

in CHF	30.06.2017	30.06.2016
Earnings per share (EPS)	3.0	2.7
Earnings per share without revaluation	1.7	1.8
Earnings per share without revaluation including revaluation of promotion	1.5	2.0
EPRA Earnings per share	2.3	1.8
Time-weighted average number of shares	8'035'885	8'000'000

in CHF	30.06.2017	31.12.2016
Swiss GAAP FER NAV per share	90.2	90.7
EPRA NAV per share	99.0	99.2
Number of shares	8'035'885	8'035'885

Balance sheet as of 30 June 2017

in CHFm	30.06.2017	31.12.2016	Δ CHFm	Δ %
Properties	1'206.0	1'176.3		
Properties held for sale	42.2	66.0		
GAV	1'248.3	1'242.3	+6.0	+0.5%
LTV Ratio	36.8%	36.2%		
Swiss GAAP FER NAV	724.7	729.1		
Swiss GAAP FER NAV per share*	90.2	90.7		
Capital contribution reserves	46.6	75.5	-28.9	
Equity ratio	53.5%	54.7%		
Return on Equity	6.8%	6.6%		
EPRA NAV	795.7	796.2		
EPRA NAV per share*	99.0	99.1		

* Number of shares 8'035'885 as of 30.06.2017 and 8'035'885 as of 31.12.2016

Further increase in the financing duration

in CHFm	30.06.2017	31.12.2016
Bank financing	160.7	297.7
Bonds (CS rating: Low BBB stable / Vontobel rating: BBB stable)	365.0	215.0
Total	525.7	512.7

- Bonds represent 69.4% of financing structure (41.9% as of 31.12.2016)
- Current LTV ratio of 36.8% (36.2% as of 31.12.2016)
- Target LTV ratio unchanged of below 50%
- Increase of the duration (from 3.1 years to 4.0 years)
- Interest coverage ratio of 8.4x (7.3x as of 30.06.2016)
- Average cost of debt of 0.96% (1.03% as of 30.06.2016)
- No interest rate hedging

- Bond of CHFm 150.0 with a coupon of 0.8% and a maturity of 5 years issued in May 2017. The proceeds were primarily used for the repayment of bank financing.

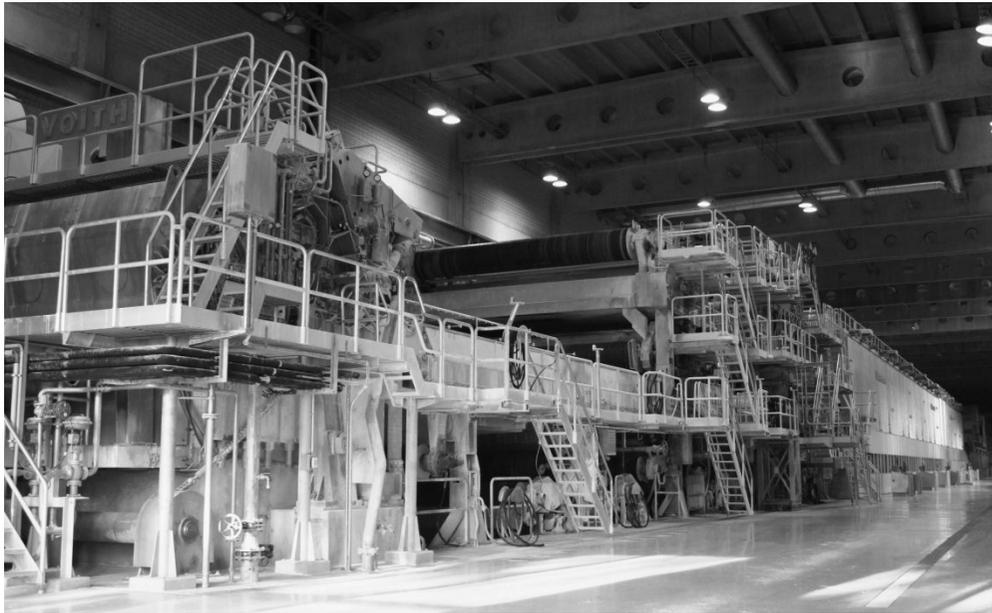
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Biberist «Papieri» Creating space for new uses

Development

- Sale of Paper Machine No. 9 and finishing machines in April 2017 with dismantling process expected to end in mid 2018
- “Verwaltungsgebäude” as operations center for HIAG Data ready for use
- Data Center “Walzenhalle” construction expected to start in Q1 2018



Cham

«On your marks», get set, ready!

Under construction / in preparation

- Building permission for center of excellence OYM (On your marks) for high performance athletics obtained and groundbreaking took place on 28 August 2017
- Preliminary design study and general building permit application for approx. 300 rental units to be completed until Q1 2018



Frauenfeld «Walzmühle»

A new village is unfolding

Under construction

- Three building permits granted, comprising 8 Lofts, 31 apartments (all rental units) and 2'300 m² of office and commercial area
- Groundbreaking took place on 4 July 2017
- First construction phase of 8 Lofts and 10 condominiums until Q1 2019



Meyrin

«The Hive»

Under construction / development

- Official inauguration of new building «Hive 2» on 10 October 2017 as the headquarter of HP Inc. and HPE
- Permission for refurbishment of «Hive 1» expected for October 2017
- «Hive 1» 10-year rental contract for floor space signed with HPE (40% of total space)



Meyrin «Uhlmann-Eyraud Site»

New acquisition at attractive location

Yielding

- 10'400 m² with a usable area of around 9'700 m², effective since 31 July 2017
- Located directly opposite from the Meyrin train station, which will be further enhanced
- Annualised property income at CHFm 0.7, occupancy rate 95%



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Market

- Interest rate environment not expected to change fundamentally
- Relatively high real estate yields still attracting additional capital inflow in area acquisition
- Residential production staying above current absorption is leading to sustainable vacancy rates
- Shifts in business strategies result in a more dynamic environment in retail and commercial real estate
- Cyber security and business continuity concerns are speeding up cloud migration strategies

Outlook

- Confirmation of the expected property income increase at around 4%
- Capital recycling expected to be around CHFm 40+
- Break-even HIAG Data based on annualised revenues and expenses expected by end of 2018
- HIAG continues to evaluate opportunities but will not compromise on yield expectations
- Dividend payout policy of 4% of NAV

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Financial calendar

19 March 2018	Publication of 2017 year-end results
19 April 2018	Annual General Meeting 2018
03 September 2018	Publication of 2018 half-year results 2017

investor.relations@hiag.com

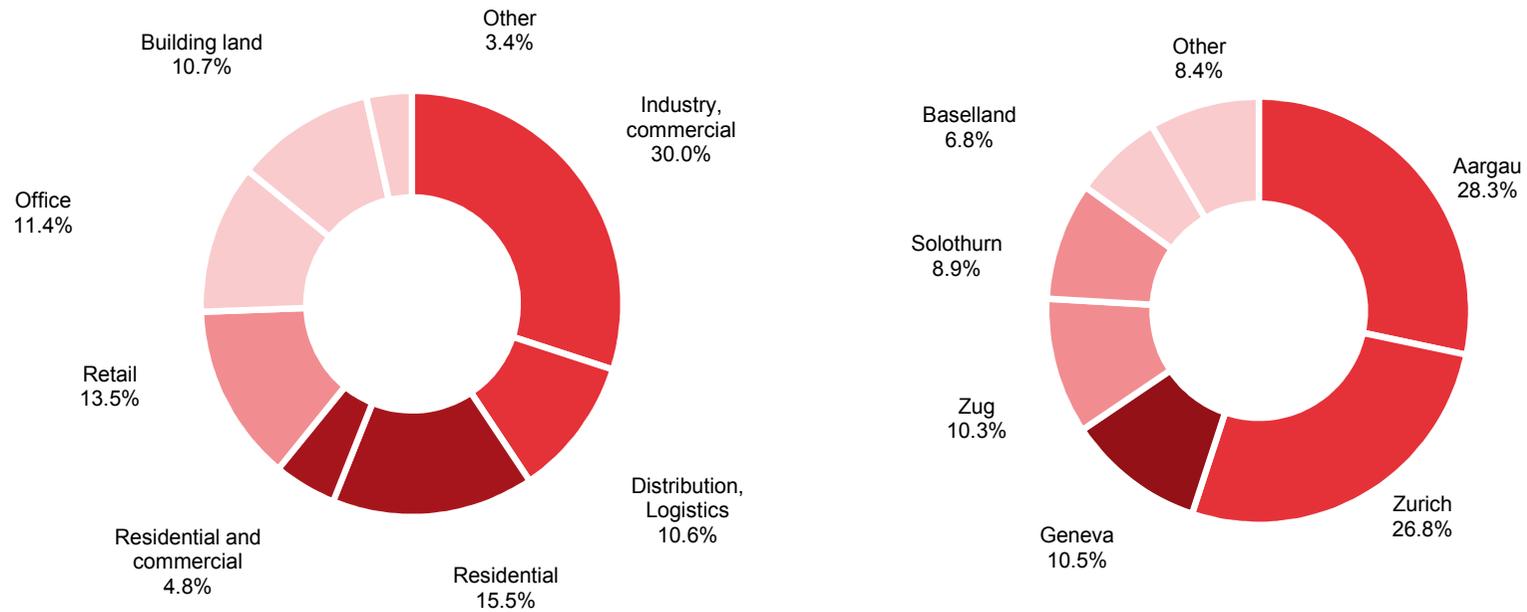
www.hiag.com

Appendix

Portfolio key figures

in CHFm	30.06.2017	31.12.2016
Portfolio	1'248	1'242
Yielding Portfolio	810	756
Redevelopment Portfolio	438	487
Annualised property income	54.6	54.2
Number of properties	113	112
Number of redevelopment properties	50	50
Number of projects	49	50
Vacancy rate	15.1%	15.3%

Portfolio split by type of use and region



GAV as of 30.06.2017

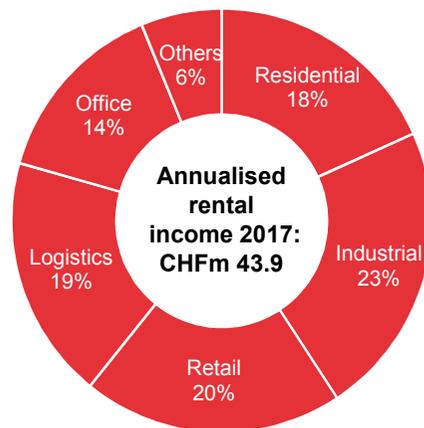
HIAG

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 63 properties located on 25 sites accounting for a GAV of CHFm 810, 65% of total GAV
- The annualised rental income of the Yielding Portfolio amounted to CHFm 43.9 as of 30 June 2017

Rental income by main use



Top 5 yielding sites

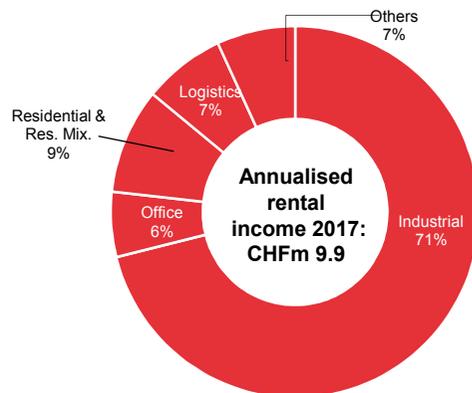
(in CHFm)	Dietikon	Klein-döttingen	Klingnau	Niederhasli	Windisch
Value	127.0	89.2	80.2	71.6	58.6
53% of total Yielding Portfolio					
Net yield	5.1%	4.8%	4.9%	6.1%	4.7%
Lettable area in m²	38'097	64'714	45'844	31'678	16'844
Annualised property rent in CHFm	6.5	4.3	3.9	4.3	2.7
Occupancy rate	95.7%	72.0%	79.1%	80.3%	80.7%

Redevelopment Portfolio – Overview

Portfolio segmentation

Expected main redevelopment steps	Under			
	Marketing	construction	Mid-term	Long-term
	On-going	On-going	3-5 years	5-10 years
GAV (CHFm)	30.9	43.3	86.3	277.8
m ² to be redeveloped	-	rd. 21'000	rd. 78'000	rd. 530'000
Number of properties	2	4	14	30
Number of projects	2	4	14	31
Annualised intermediary rental income (CHFm)	-	1.2	2.3	6.4

Rental income by main use



Selected redevelopment sites

With partial use of existing substance:

(in CHFm)	Biberist	Meyrin*	Brugg	Bremgarten	Neuchâtel
Value	47.7	13.9	24.2	25.0	15.7
Net site area (m ²)	265'069	7'681	44'585	20'613	11'397
Annualised property rent (CHFm)	1.4	-	1.9	1.0	0.8
Net yield	2.9%	-	7.9%	4.2%	5.2%

Without use of existing substance:

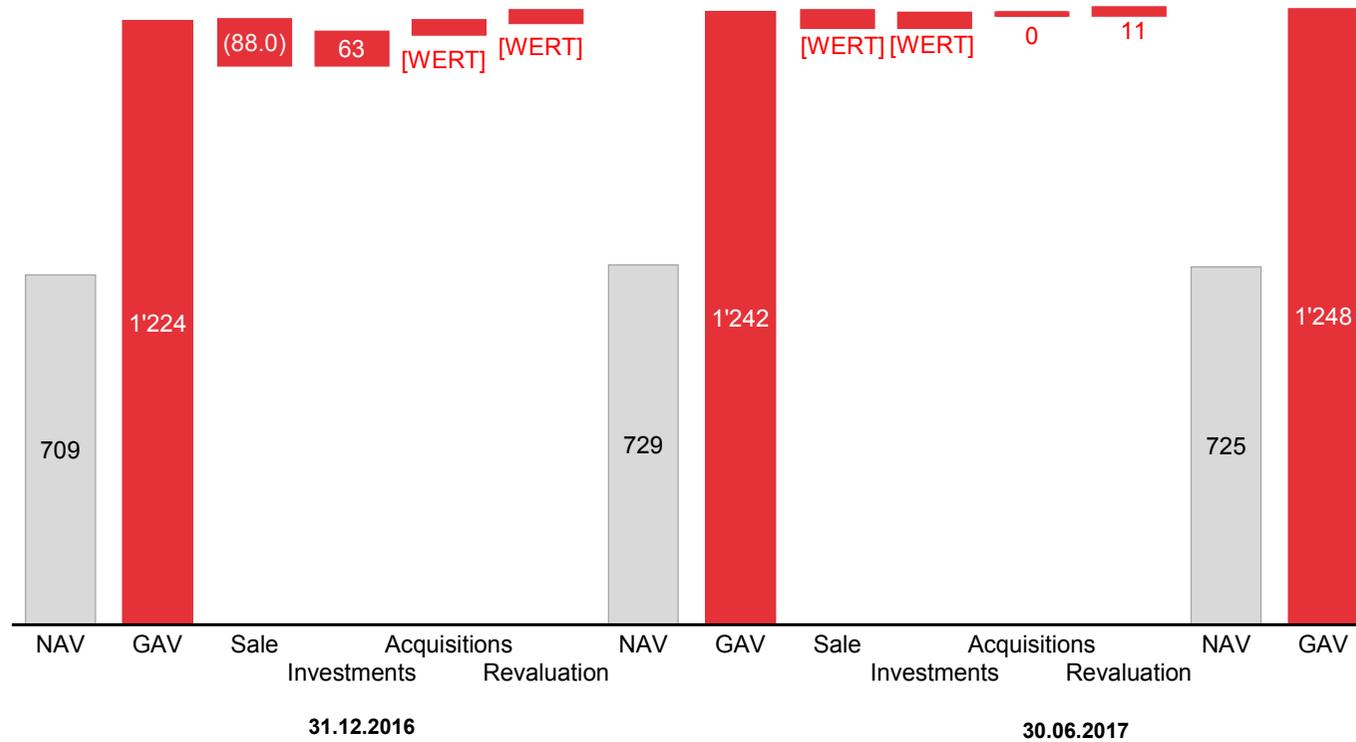
(in CHFm)	Cham	Dornach	Wetzikon (Schönau)	Lancy	Hausen / Lupfigen	St. Maurice
Value	48.7	31.4	28.5	18.1	16.6	1.8
Net site area (m ²)	32'745	136'685	25'322	8'783	62'168	33'281
CHF / m ²	1'488	230	1'126	2'058	560	54
Annualised property rent (CHFm)	-	0.8	0.2	0.5	-	0.3
Net yield	-	2.7%	0.8%	2.5%	-	18.6%

* Hive 1

Condominium sales

Project	Spinnerei III, Windisch	The Cloud, Feinspinnerei, Baar	Windisch
Status	Marketing	Marketing	Under construction
Targeted completion of construction	Completed	Completed	2017
# of condominiums	50	100	29
% of units sold as of 31.07.2017	98%	89%	59%
% of units sold and signed reservations as of 31.07.2017	98%	92%	76%
% of units sold as of 31.12.2016	94%	81%	45%
% of units sold and signed reservations as of 31.12.2016	98%	83%	52%

Continuous portfolio growth



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

Strong credit metrics and solid capital structure – LTV ratio of 36.8%

in CHFm	30.06.2017	31.12.2016
GAV	1'248.3	1'242.3
Cash & cash equivalents	66.3	62.7
Gross financial debt	525.7	512.7
Thereof bonds	365.0	215.0
EBITDA before revaluation of properties	22.0	36.1
Net financial result	-2.6	-4.9
LTV ratio	36.8%	36.2%
Interest coverage ratio*	8.4x	7.4x
Duration (in years)**	4.0	3.1
Average interest rate	0.96%	1.1%
Fixed interest rate over 1 year***	84.0%	59.6%

* EBITDA before revaluation of properties / net financial result

** Weighted average duration

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

Cash flow

in CHFm	30.06.2017	31.12.2016
Funds from operations incl. capital recycling and asset sales	+49.3	+72.3
Cash Flow from Investments	-29.7	-38.5
Cash Flow from Financing	-16.1	-23.4

EPRA key financial figures

in CHFm except figures per share in CHF	30.06.2017	30.06.2016
EPRA Earnings	18.7	14.5
EPRA Earnings per share (CHF)	2.3	1.8
Average number of shares	8'053'885	8'000'000

in CHFm except figures per share in CHF	30.06.2017	31.12.2016
EPRA NAV	795.7	797.3
EPRA NNAV	724.6	729.7
EPRA NAV per share (CHF)	99.0	99.2
Number of shares (diluted)	8'035'885	8'035'885

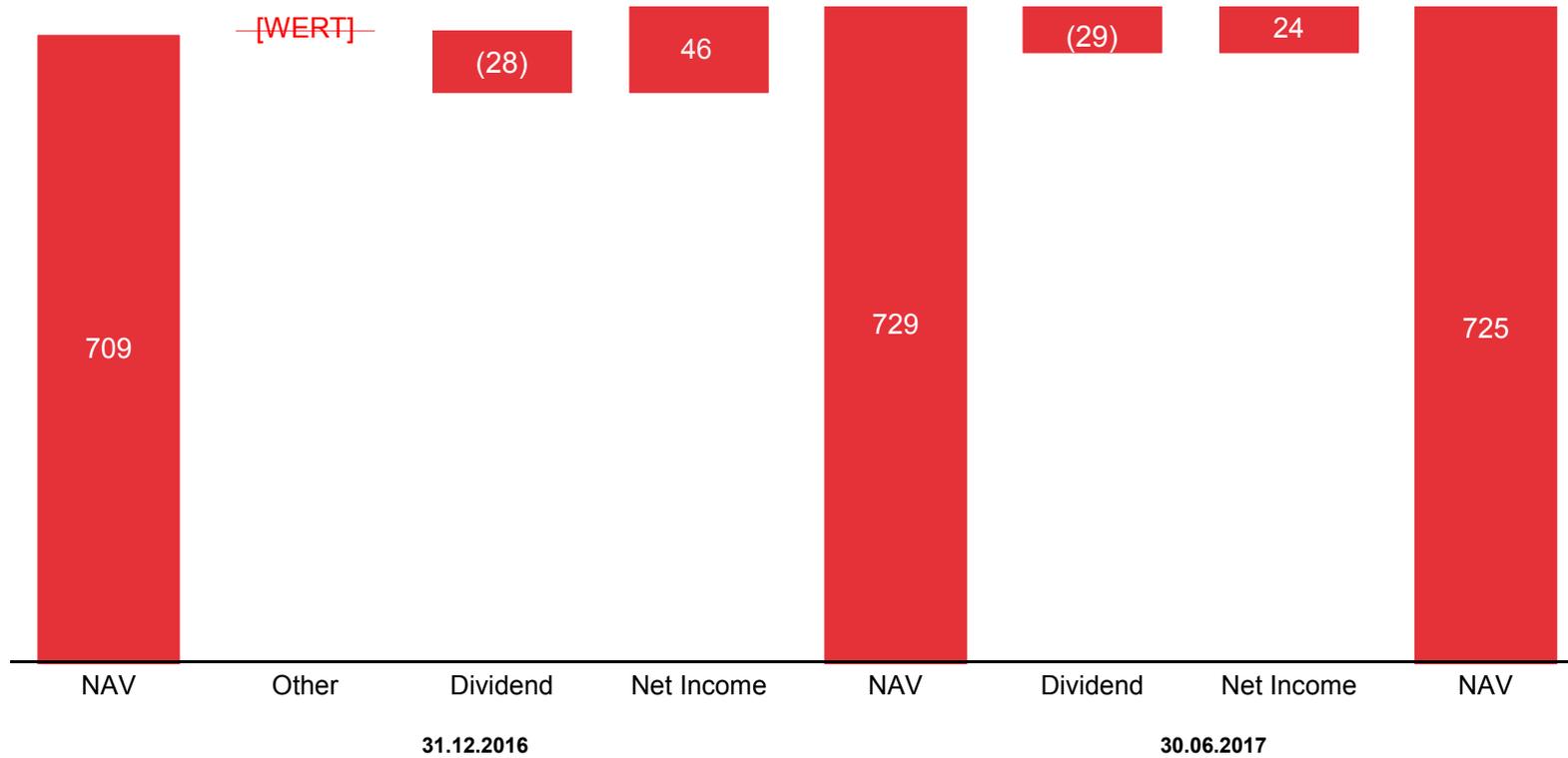
in CHFm except figures per share in CHF	30.06.2017	31.12.2016
EPRA vacancy rate (yielding portfolio)	15.1%	15.3%
Adjusted EPRA vacancy rate (yielding portfolio excl. properties in repositioning)	12.5%	11.7%

Reconciliation Swiss GAAP FER - EPRA

in CHFm	30.06.2017	31.12.2016
Swiss GAAP FER NAV	724.7	729.1
Effect Incentive Plan / Treasury shares	-0.1	+0.5
Deferred Tax Liabilities	+71.1	+67.6
EPRA NAV	795.7	797.3

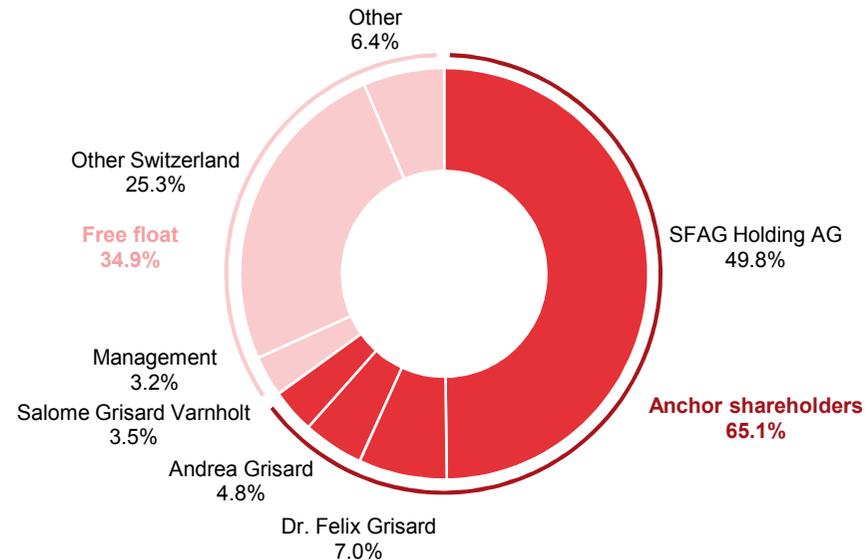
in CHFm	30.06.2017	30.06.2016
Swiss GAAP FER Earnings	24.4	21.6
Revaluation of properties	-10.7	-7.4
Deferred Tax / Tax losses carry forward	+5.0	+0.3
EPRA Earnings	18.7	14.5

Strong NAV growth



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

Shareholder structure as of 30.06.2017



Major shareholders

30.06.2017

SFAG Holding AG*	49.8%	Anchor shareholders: 65.1%
Dr. Felix Grisard	7.0%	
Andrea Grisard	4.8%	
Salome Grisard Varnholt	3.5%	
Management	3.2%	
Other Switzerland	25.3%	Free Float: 34.9%
Other	6.4%	
Total	100.0%	

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