

HIAG Immobilien Holding AG

First-half results 2019

2 September 2019

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Agenda

- 1. Highlights**
2. Portfolio overview
3. Financial results first-half 2019
4. Major developments
5. Outlook
6. Financial calendar

Highlights

- Half-year loss of CHFm 43.4
- Real estate segment negatively impacted by CHF 45.6 million from the bankruptcy of Rohner AG, Pratteln
- Negative contribution of HIAG Data of CHFm 22.4
- Focusing on real estate business with its attractive redevelopment pipeline
- Property income increased by 7.7% to CHFm 30.4
- Strong WALT of 9.5 years
- Growth of portfolio to CHFm 1,512
- Appointment of Marco Feusi as new CEO
- Due to the major challenges of recent months, no dividend will be proposed to the AGM 2020

Highlights HIAG Data

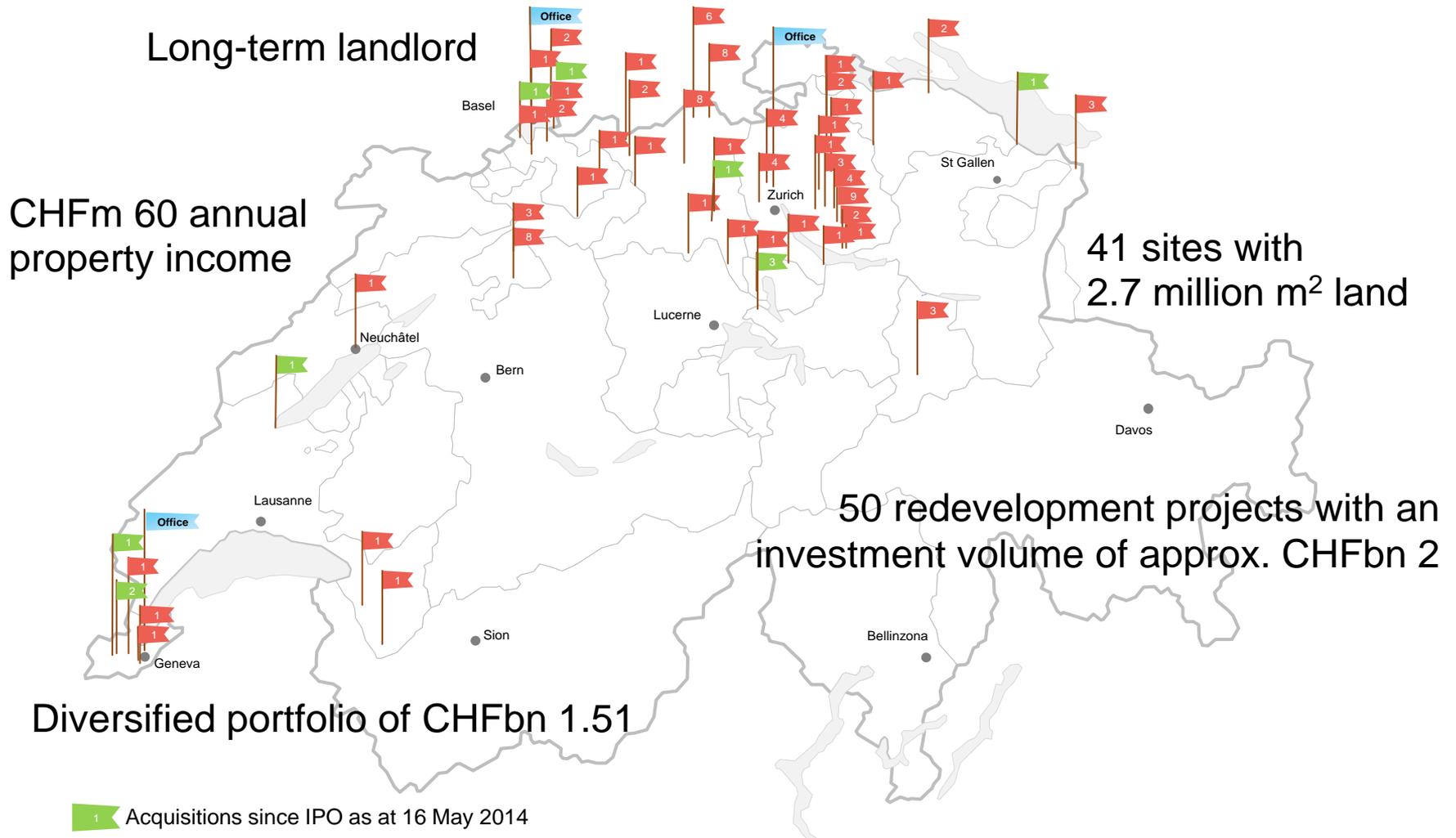
HIAG stops multicloud platform development

- End of evaluation of a partnership with SIX in June 2019
- No qualified partners found within the timeframe set by the Board of Directors as of mid-August 2019
- Business will be restructured and an action plan to reduce run-downs costs is implemented
- A maximum impairment of assets by CHFm 42 is expected in fiscal year 2019 and further operating costs of approx. CHFm 10 are expected in the second half-year

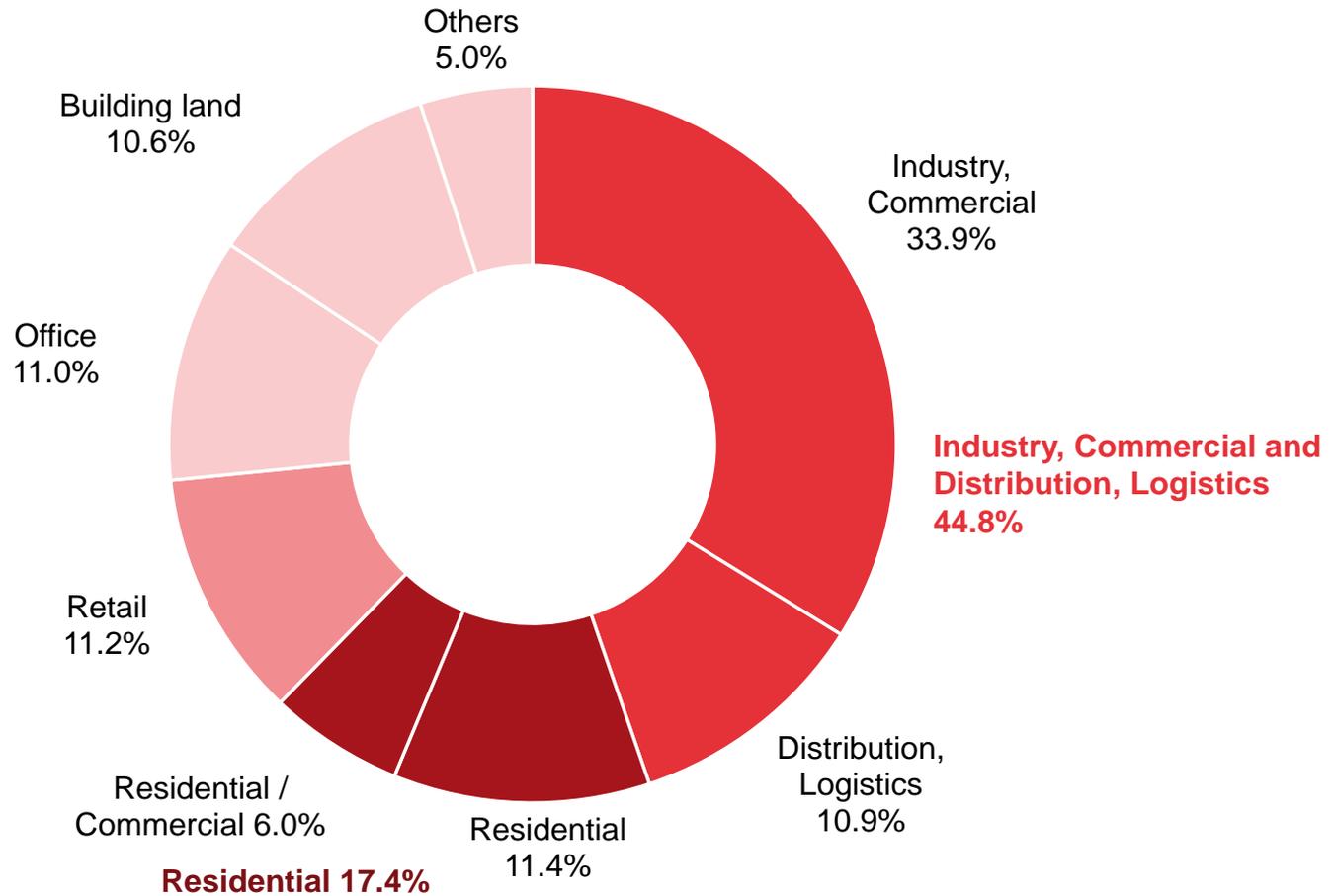
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Long-term site development in Switzerland



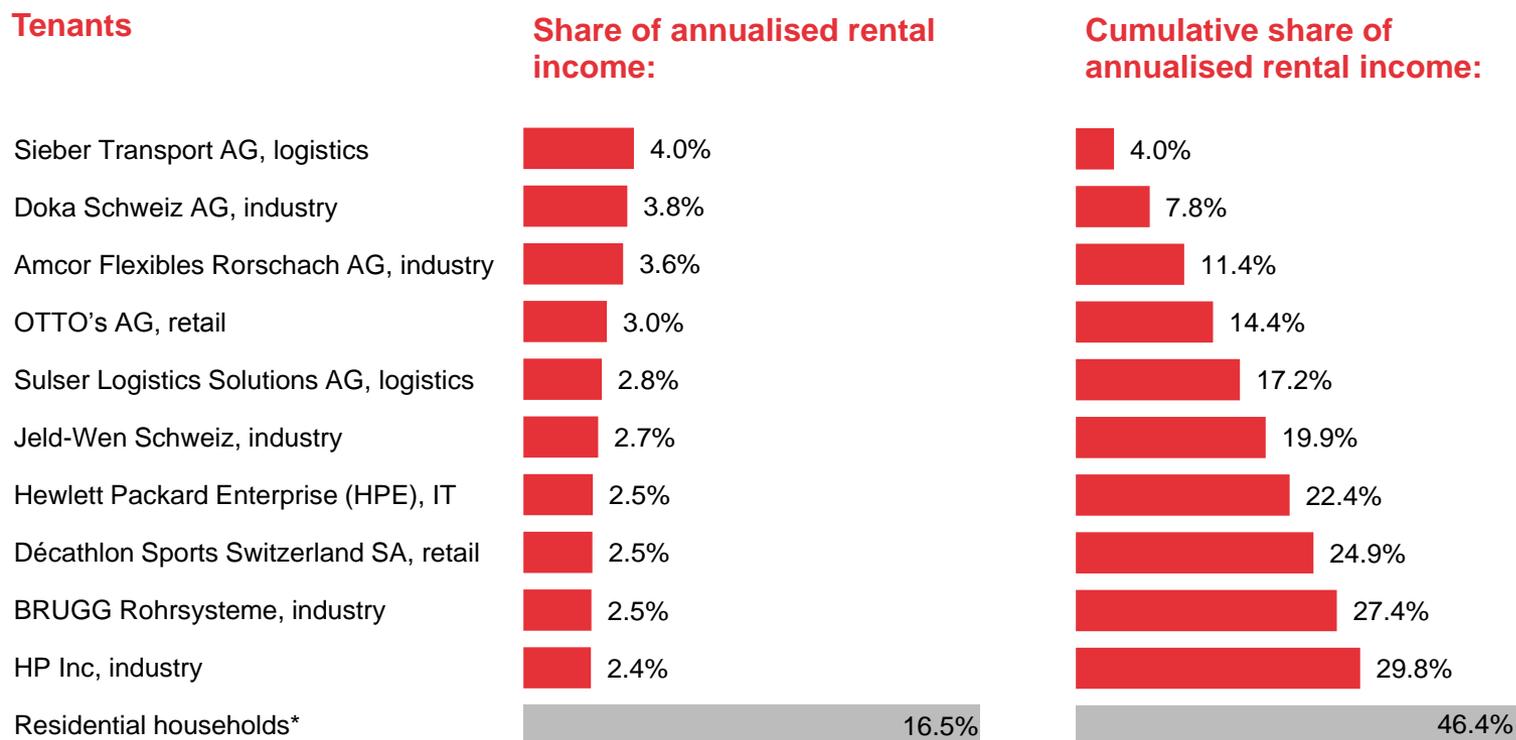
Attractive diversified user mix



Based on GAV as of 30.06.2019

Diversified tenant mix impacted by bankruptcy of Rohner AG Pratteln

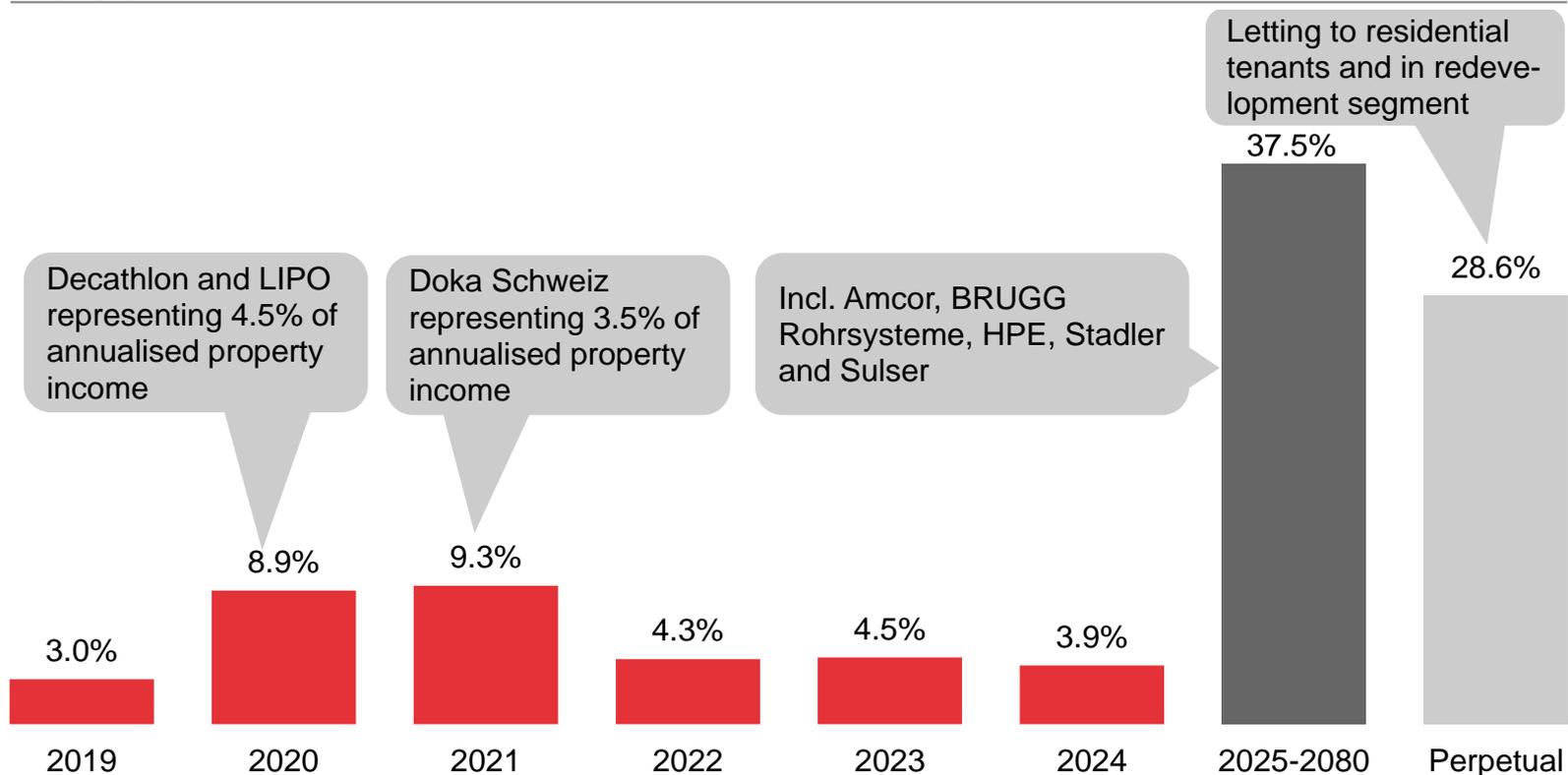
Top 10 tenants (Group) based on annualised property income as of 30.06.2019



* includes residential/commercial properties

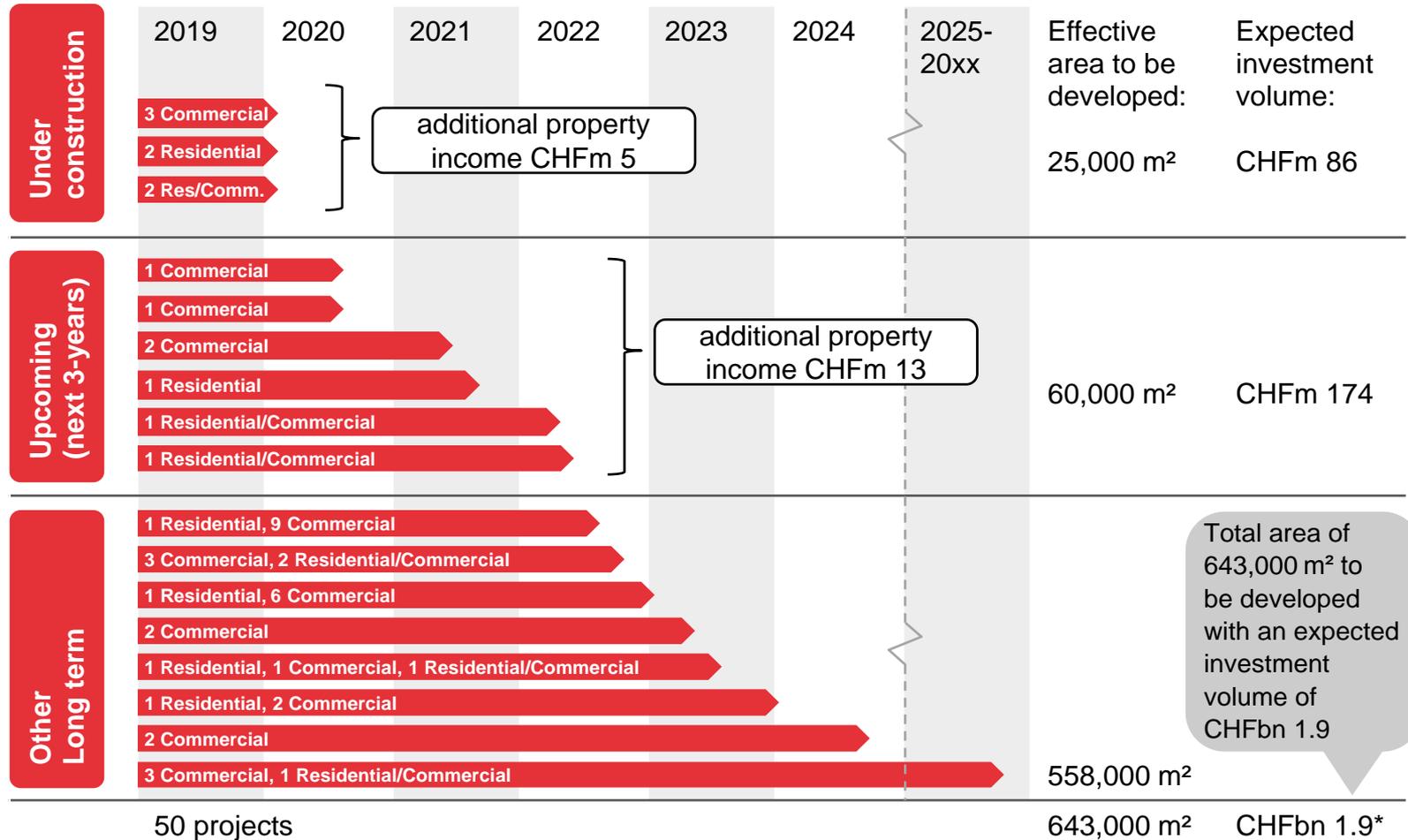
Durable weighted average lease term of 9.5 years

Expiry profile



Expiry profile based on annualised property income as of 30.06.2019

Robust project pipeline – upcoming projects with expected investment of CHFm 174



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

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Financial results first-half 2019

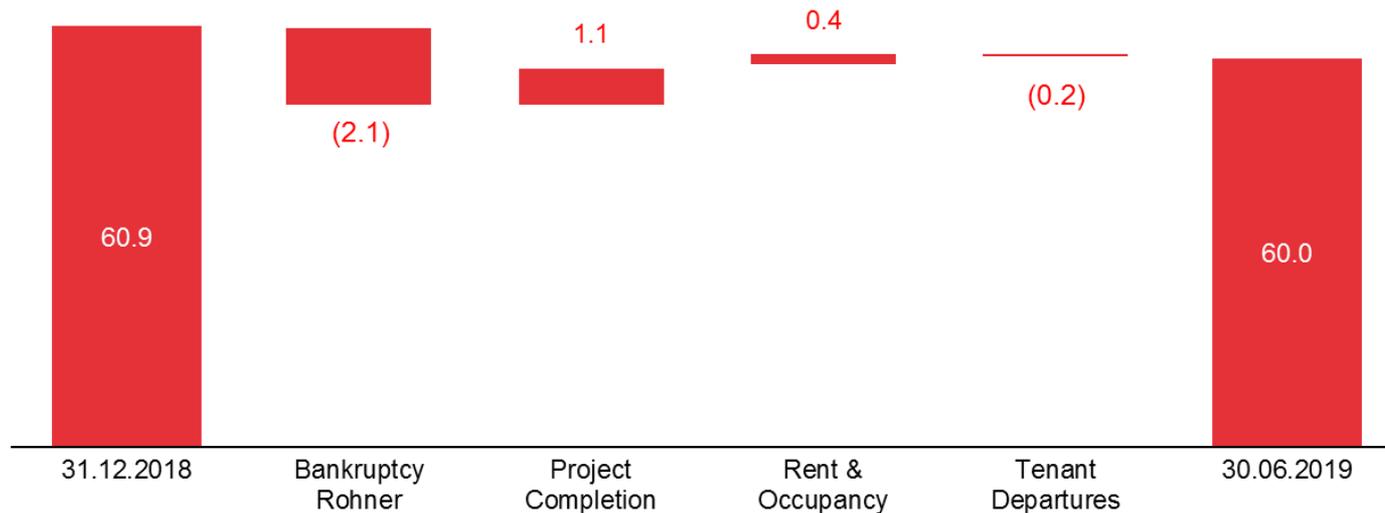
- Two main incidents impacted first half 2019:
 1. **Bankruptcy of Rohner AG in Pratteln**
 - Revaluation loss of CHFm 27.8 and provision for dismantling of the production infrastructure of CHFm 21
 1. **End of the development of the HIAG Data multicloud platform**
 - No impact on balance sheet sheet as of 30.06.2019
 - Overall impairment of assets may amount to a maximum of CHFm 42.3
 - Total financial impact on the income statement, consisting of long-term contractual commitments and operational measures to fulfill existing customer contracts until 2028, could amount to a maximum of CHFm 38.4

Income statement for first-half 2019

in CHFm	HY 2019	HY 2018	Δ CHFm
Property income	30.4	28.2	+2.2
Revaluations of properties	-26.0	26.7	-52.7
Other Income	1.8	5.3	-3.5
Total operating income	6.2	60.2	-54.0
Total operating expenses	-51.3	-16.9	-34.4
EBITDA	-45.1	43.3	-88.4
EBT	-54.9	36.4	-91.3
EBT HIAG Immobilien	-32.4	44.9	-77.3
EBT HIAG Immobilien without revaluations of properties	-6.4	18.2	-24.6
EBT HIAG Data	-23.0	-8.5	-14.5
Net income	-43.4	33.3	-76.7
Adjusted EPRA Earnings	-5.3	18.3	-23.6

Annualised property income impacted by bankruptcy of Rohner AG Pratteln

in CHFm	30.06.2018	31.12.2018	30.06.2019	Δ CHFm	Δ %
Target annualised property income	66.8	70.9	70.1	-0.8	-1.3%
Actual annualised property income	56.8	60.9	60.0	-0.9	-1.4%
Actual property income	28.2		30.4	+2.2	+7.7%



- Like-for-Like decrease of annualised property income of 1.5% in H1 2019

Stable vacancy rate of 14.4%

in %	30.06.2019	31.12.2018	30.06.2018
Yielding properties	12.2%	12.1%	14.3%
Yielding properties undergoing repositioning*	37.0%	39.7%	36.9%
Redevelopment properties	15.2%	13.6%	14.4%
Total Portfolio	14.4%	14.3%	16.1%

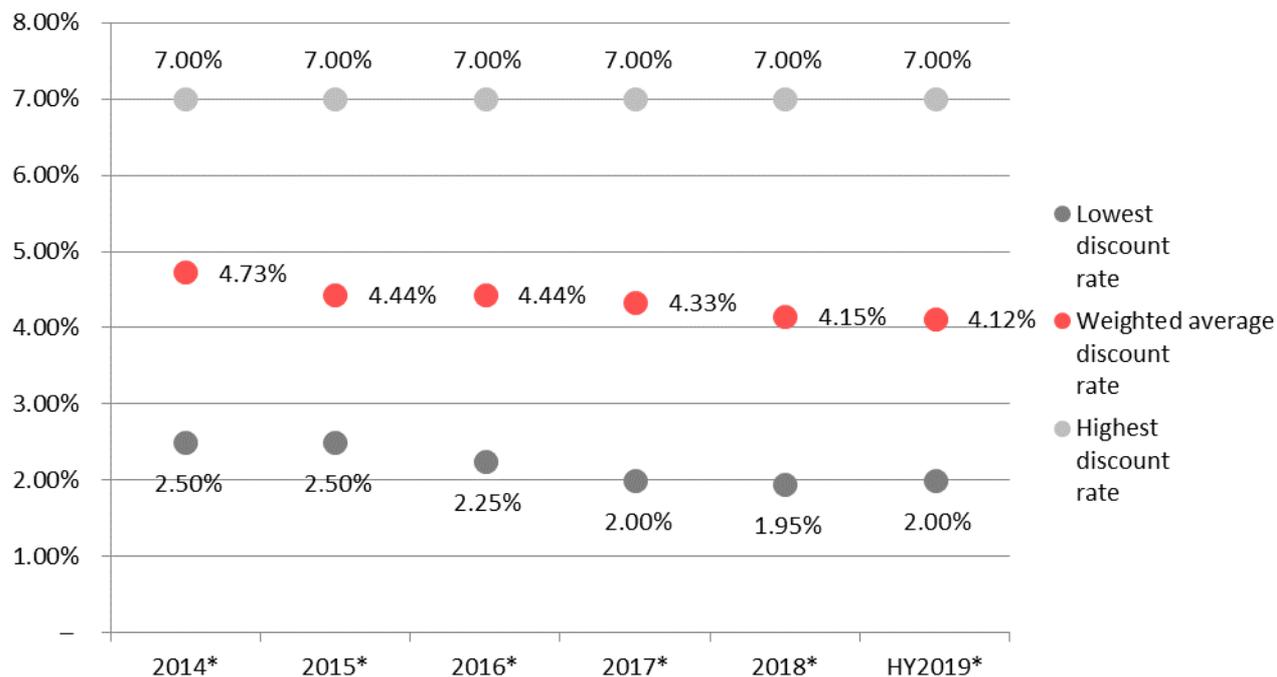
* Mandachstrasse 50-56 (Niederhasli), Sternefeldpark 14 (Birsfelden) as of 30.06.2019

Revaluation of properties negatively affected by bankruptcy of Rohner AG Pratteln

in CHFm	HY 2019	HY 2018
Revaluations of properties	-26.0	+26.7
Thereof adjustment costs for environmental risks	-1.8	-9.3

- Positive contributions: Meyrin, Lancy
- Negative contributions: Pratteln (CHFm -27.8), Klingnau

Stable Discount rate of 4.12%



	30.06.2019	31.12.2018
Weighted average real discount rate yielding portfolio*	4.07%	4.08%
Weighted average real discount rate redevelopment portfolio*	4.27%	4.27%
Weighted average real discount rate total portfolio*	4.12%	4.15%

* except land, building rights and power plant

Increase in real estate operating expenses due to bankruptcy of Rohner

in CHFm	HY 2019	HY 2018	Δ CHFm
Personnel expenses	5.3	4.6	+0.7
Maintenance and repairs	23.5	2.1	+21.4
Insurance and fees	0.6	0.6	-
Energy costs	1.2	1.2	-
Rent and leases	0.7	0.7	-
Other expenses	3.1	3.1	-
Total operating expenses	34.3	12.2	+22.1

- Maintenance and repairs impacted by a provision amounting CHFm 21 for dismantling the production infrastructure related to the bankruptcy of Rohner AG Pratteln

Increase in HIAG Data operating expenses due to development costs

in CHFm	HY 2019	HY 2018	Δ CHFm
Personnel expenses	2.0	1.4	+0.6
Maintenance and repairs	2.0	1.9	+0.1
Office, administrative and development expenses	12.3	0.8	+11.4
Rent and leases	0.3	0.1	+0.2
Other expenses	0.1	0.3	-0.2
Total operating expenses	16.6	4.6	+12.0

- Maintenance and repairs mainly contain network operating expenses
- Office, administrative and development expenses include the development costs of the multicloud platform and the operating expenses of cloud services

Key financial figures per share

in CHF	HY 2019	HY 2018
Earnings per share	-5.4	4.1
EPRA Earnings per share	-3.5	1.2
Time-weighted average number of shares	7'993'541	8'037'047

in CHF	30.06.2019	31.12.2018
Swiss GAAP FER NAV per share	87.4	98.2
EPRA NAV per share	96.7	108.5
Number of outstanding shares	8'000'085	7,994,062

Balance sheet as of 30 June 2019

in CHFm	30.06.2019	31.12.2018	Δ CHFm	Δ %
Properties	1,502.9	1,476.4		
Properties held for sale	8.8	11.8		
GAV	1,511.7	1,488.2	+23.5	+1.6%
HIAG Data Assets	42.3			
Total Balance Sheet	1,619.9	1,598.9		
LTV Ratio	48.8%	43.4%		
Swiss GAAP FER NAV	699.5	784.8		
Swiss GAAP FER NAV per share*	87.4	98.2		
Equity ratio	43.2%	49.1%		
EPRA NAV	773.9	867.0		
EPRA NAV per share*	96.7	108.5		

* Number of outstanding shares 8,000,085 as of 30.06.2019 and 7,994,062 as of 31.12.2018

Average cost of debt below 1%

in CHFm	30.06.2019	31.12.2018
Bank financing	136.7	192.5
Bonds (CS rating: Low BBB stable / Vontobel rating: BBB stable)	640.0	490.0
Leasing financing	12.5	15.0
Total	789.2	697.5

- Bonds represent 81% of financing structure (70% as of 31.12.2018)
- Leasing financing relates mainly to cloud services equipment
- Current LTV ratio of 48.8% (43.4% as of 31.12.2018)
- Increase of the duration (from 2.8 years to 3.1 years)
- Average cost of debt of 0.9% (0.9% as of 31.12.2018)
- Bond of CHFm 150 with a coupon of 0.875% and a maturity of 5 years issued in May 2019. The proceeds were primarily used for the repayment of bank financing and the acquisition within the first semester.

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Lancy «Porte Sud»

Acquisition completes development site

Acquisition

- Acquisition of Jaeger et Bosshard SA that owns 4,457 m² land under building right
- HIAG is the sole private owner of the «Porte Sud» site
- The company will continue its activity of metal recycling in the short term



Neuchâtel

New commercial centre «Les Cadolles»

Completion of refurbishment

- Opening of Migros and Denner stores took place in May
- Followed by a pharmacy in June
- Furthermore a café restaurant with an outdoor terrace is planned



Frauenfeld «Walzmühle» Bringing a new community to life

Completion of the first two projects

- Most of the commercial space already let
- Open day for the residential units took place end of August
- Connection to public transport with a new bus stop scheduled by end of the year



Niederhasli

Construction of new Doka facilities on track

Yielding/under redevelopment

- Move into commercial halls and outdoor areas of Doka Schweiz by the end of 2019
- Start of the construction of the new office building in September
- Start of centre development planned until end of the year



Goldach

Construction of new facility

Yielding/development

- Amcor Flexibles Rorschach AG, subsidiary of the listed Australian Amcor Group, among top five tenants
- Site comprising 63,000 m² with development of a new facility (approx. 6,000 m²)
- Start of construction expected for December with delivery planned in April 2021



Meyrin «The Hive»

Continuous expansion of campus

Yielding/under refurbishment/under redevelopment

- LEM becomes a further anchor tenant with a new building of around 7,000 m²
- Start of the construction of the restaurant and training school «Luigia»
- Opening of office space provider Regus planned for September



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Outlook

- Focusing on real estate business with its attractive redevelopment pipeline
- Annual results 2019 strongly negatively impacted by the restructuring of HIAG Data and the bankruptcy of Rohner AG
- Action plan launched in the second half of 2019 to reduce the rundown costs of HIAG Data
- Governance strengthened with newly established Investment Committee
- Due to the major challenges of recent months, no dividend will be proposed to the AGM 2020

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Financial calendar

16 March 2020	Publication full-year results 2019
23 April 2020	Annual General Meeting
31 August 2012	Publication half-year results 2020

investor.relations@hiag.com

www.hiag.com

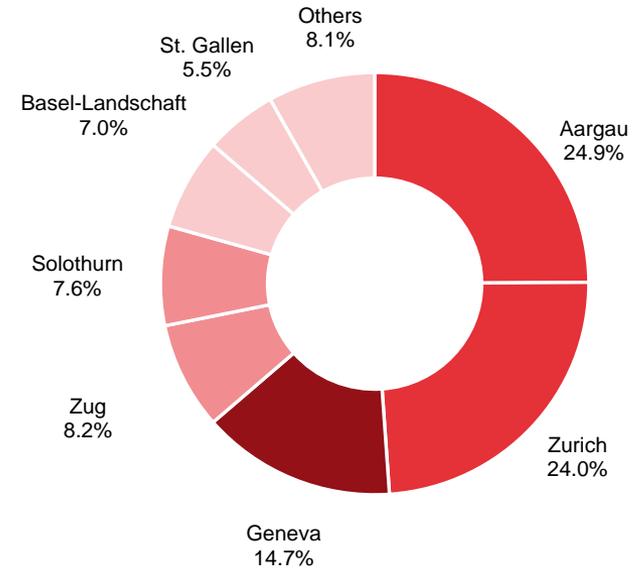
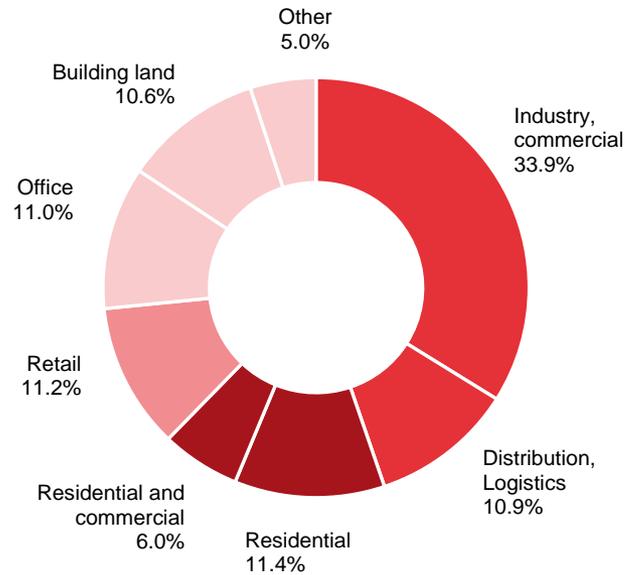
Achieving long term success by
honouring and increasing the value of
industrial properties across Switzerland

Appendix

Portfolio key figures

in CHFm	30.06.2018	31.12.2018
Portfolio	1,512	1,488
Yielding Portfolio	1,008	1,028
Redevelopment Portfolio	503	460
Annualised property income	60.0	60,9
Number of properties	115	114
Number of redevelopment properties	48	45
Number of projects	50	50
Vacancy rate	14.4%	14.3%

Portfolio split by type of use and region



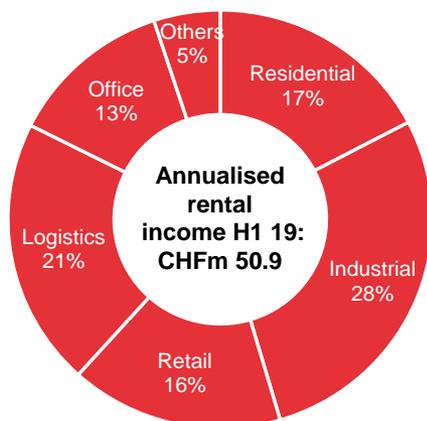
GAV as of 30.06.2019

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 30 sites accounting for a GAV of CHFm 1,008, 67% of total GAV
- The annualised rental income of the yielding portfolio amounted to CHFm 50.9 as of 30 June 2019

Rental income by main use



Top 5 yielding sites

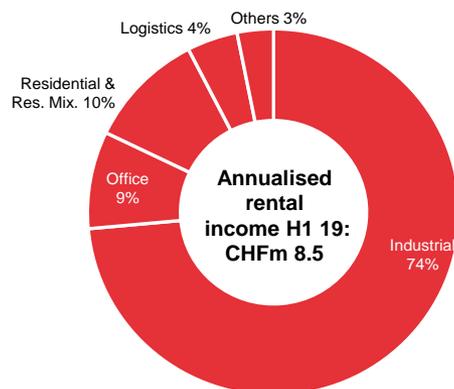
(in CHFm)	Dietikon	Klein-döttingen	Klingnau	Windisch	Meyrin
Value	129.8	90.2	73.7	67.0	60.9
42% of total Yielding Portfolio					
Net yield	4.8%	4.7%	4.0%	4.0%	4.6%
Lettable area in m²	38,097	64,714	45,884	16,844	8,015
Annualised property rent in CHFm	6.2	4.2	3.0	2.7	2.8
Occupancy rate	92.2%	71.7%	62.5%	84.0%	97.2%

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	-	25,300	60,000	557,800
Number of properties	1	7	7	29
Number of projects	1	7	7	36

Rental income by main use



Selected redevelopment sites

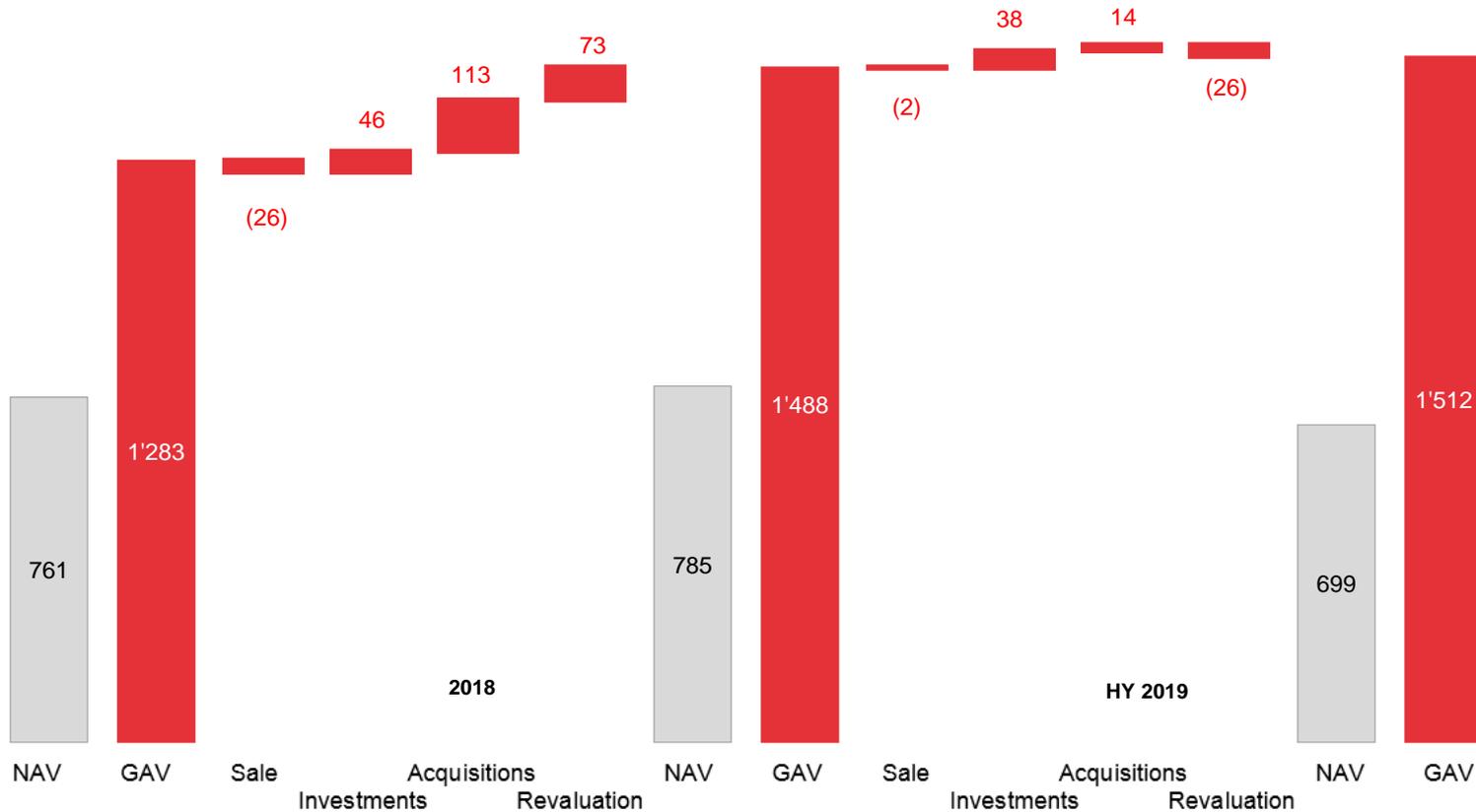
With partial use of existing substance:

(in CHFm)	Biberist	Brugg
Value	49.0	21.7
Net site area (m ²)	265,069	44,585
Annualised property rent	1.4	1.7
Net yield	2.9%	7.7%

Without use of existing substance:

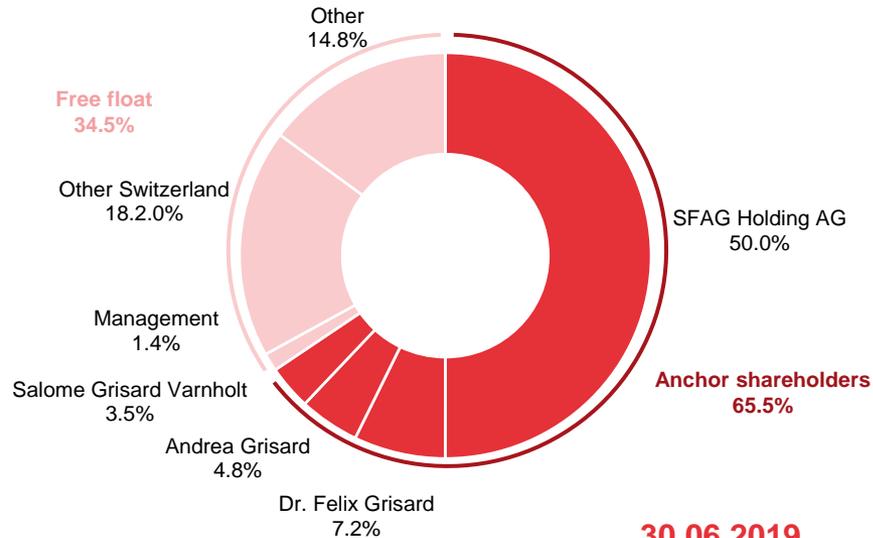
(in CHFm)	Cham	Dornach	Wetzikon (Schönau)	Lancy	Hausen-Lupfig	Meyrin
Value	60.7	34.6	31.8	48.8	18.0	69.9
Net site area (m ²)	26,231	136,685	25,322	13,362	62,168	36,145
CHF / m ²	2,315	253	1,257	3,654	289	1,933
Annualised property rent (CHFm)	-	0.8	0.2	0.6	-	-
Net yield	-	2.3%	0.7%	1.3%	-	-

Continuous portfolio growth



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

Shareholder structure as of 30.06.2019



Major shareholders

30.06.2019

SFAG Holding AG*	50.0%	Anchor shareholders: 65.5%
Dr. Felix Grisard	7.2%	
Andrea Grisard	4.8%	
Salome Grisard Varnholt	3.5%	
Management	1.4%	Free Float: 34.5%
Other Switzerland	18.2%	
Other	14.8%	
Total	100.0%	

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