

# **ZKB Swiss Real Estate Conference**

Zug Estates Holding AG

Patrik Stillhart, CEO

6 November 2024



Agenda

Business model Key figures half-year result and portfolio Development projects -LUQEState

Outlook

# Business model Zug Estates at a glance



Geographically focused portfolio in prime locations



Development for own portfolio



Broad diversified use and tenant structure



Hotel and catering business



Leader for green real estate in Switzerland



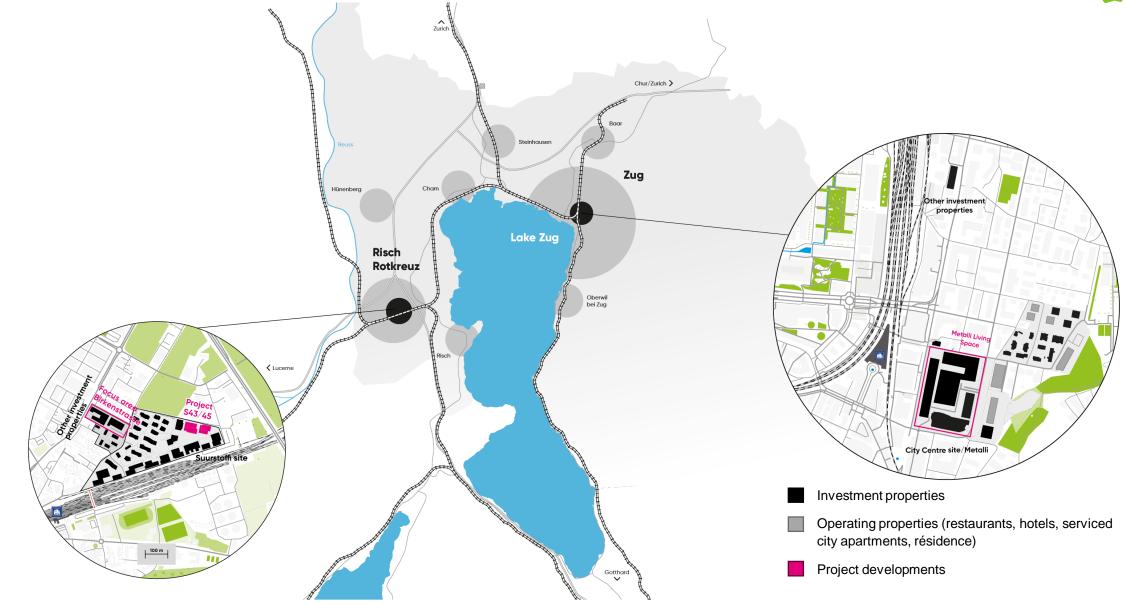
Stable and reliable value

#### **Business model**

# **Geographically focused portfolio in prime locations**



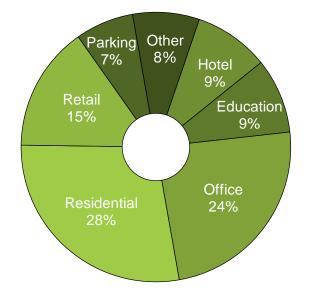
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# Business model Broadly diversified portfolio











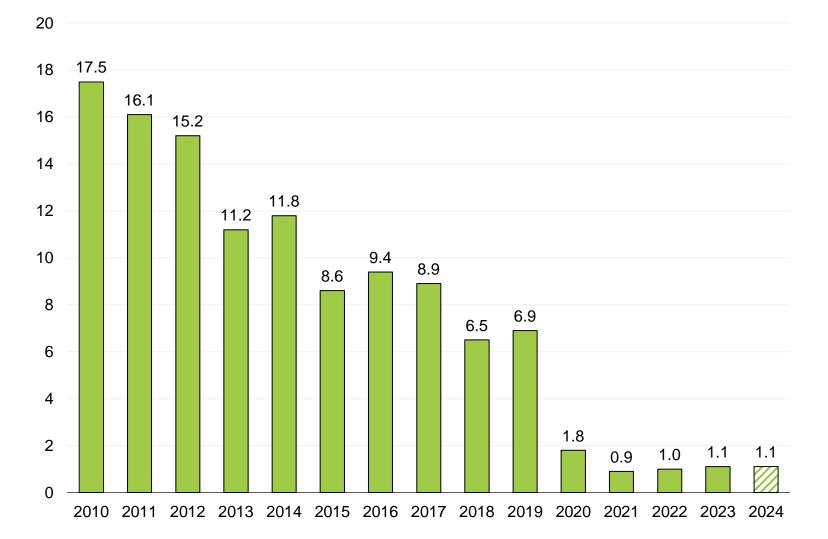




#### **Business model**

## Leader for green real estate

Reduction path for Scopes 1+2, market-based, incl. out-of-scope emissions (biogas) Greenhouse gas emissions [kg  $CO_2e$  / m<sup>2</sup> ERA]









# Business model Development for own portfolio





# Business model Hotel and catering business

Members of Garden Park Zug AG - the place-to-be in Zug.







Hotel & Apartments









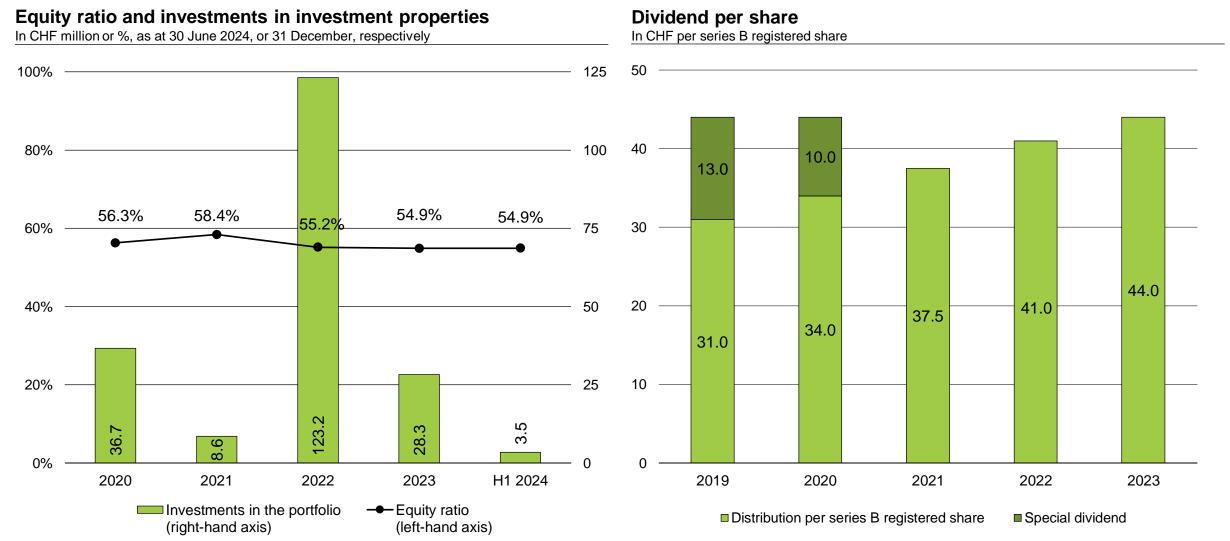




#### **Business model**

# Stable and reliable value with solid equity ratio

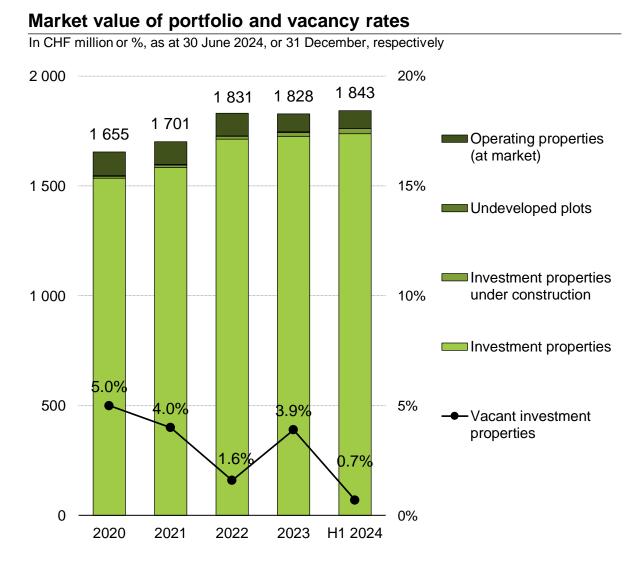




Presentation Zug Estates Holding AG Key figures half-year result and portfolio

#### Key figures half-year result and portfolio

## Strong half-year result driven by increased rental income

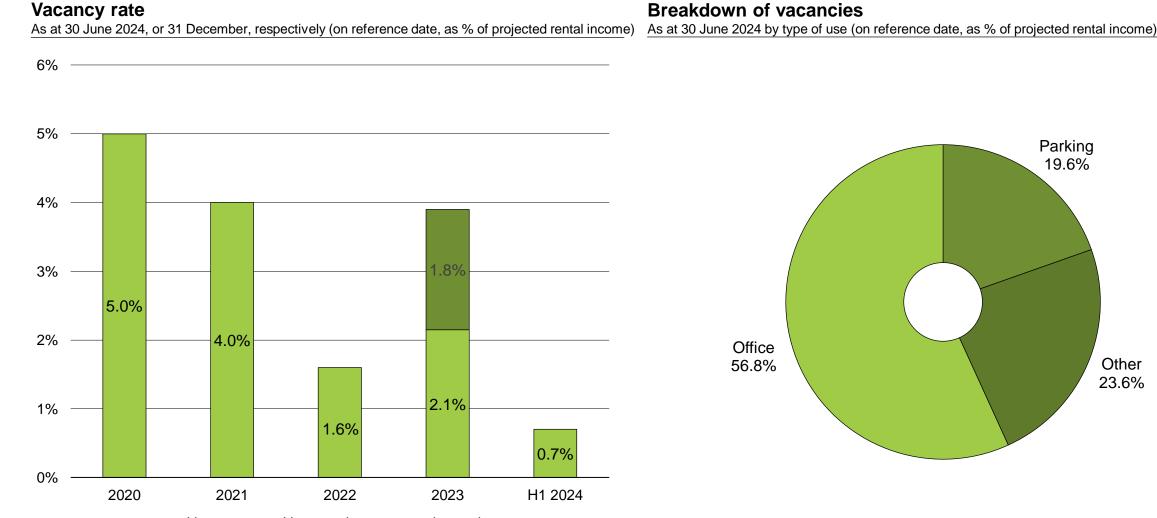


#### 40 + 3.1% 33.8 30 32.8 20 10 H1 2023 H1 2024 **Net income** (CHF million) ■H1 2023 ■H1 2024 40 30 28.2 + 0.4% 20 18.0 18.1 10 1.9

#### **Rental income** (CHF million)

Including revaluation gain and special effects Excluding revaluation gain and special effects

### Key figures half-year result and portfolio Almost fully let portfolio thanks to numerous letting successes



<sup>■</sup> Vacancy rate ■ Vacancy due to conversion work

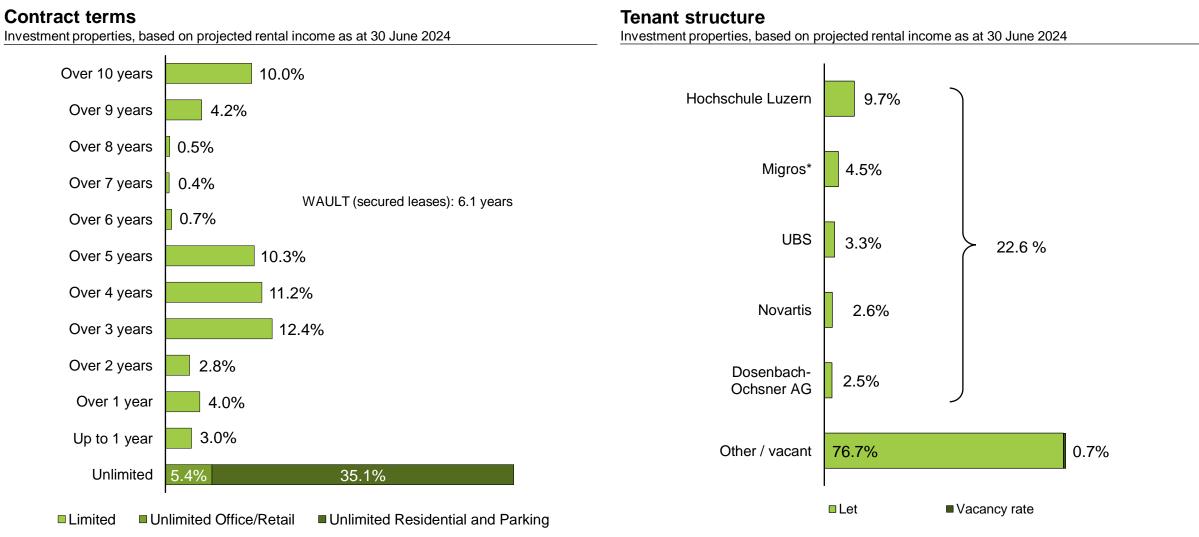
Parking 19.6%

Other

23.6%

### Key figures half-year result and portfolio

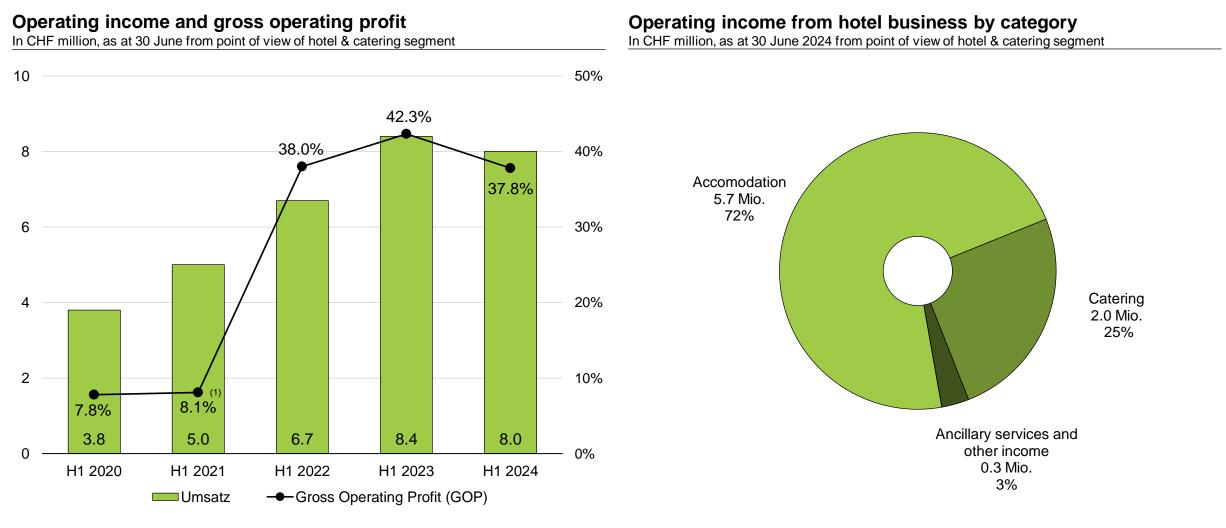
# Structure of lease terms leads to high cash flow security



\* Various companies of the Migros Group

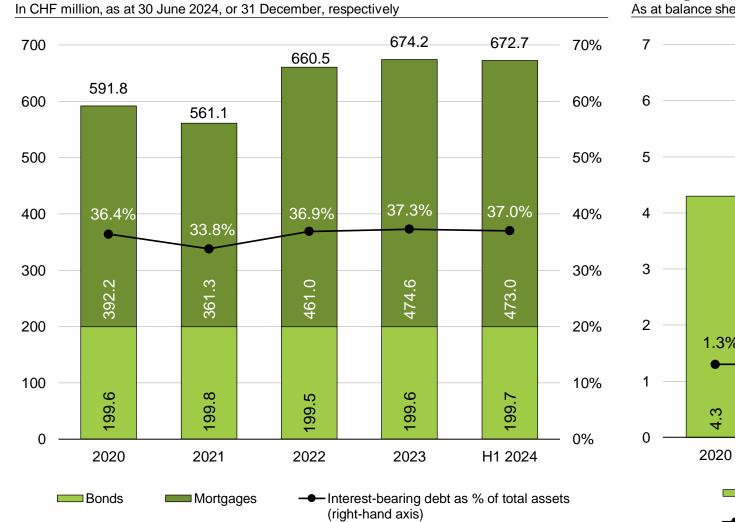
### Key figures half-year result and portfolio

# Slight decline in operating income from the hotel business

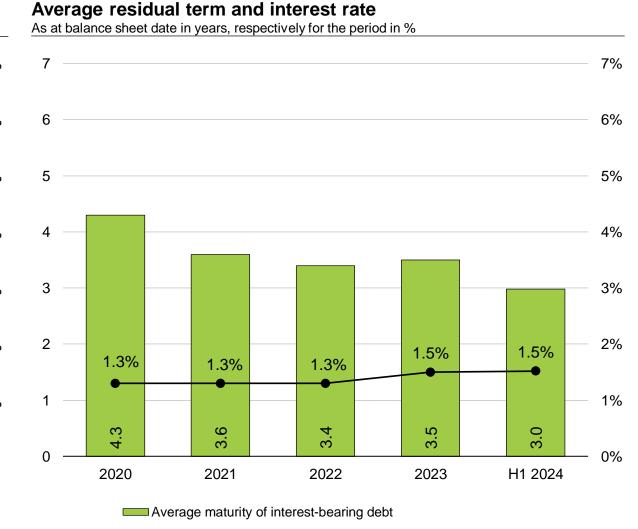


<sup>&</sup>lt;sup>1</sup> GOP excluding state hardship compensation of CHF 2.1 million in financial year 2021

# Key figures half-year result and portfolio **Stable financing situation**



#### Interest-bearing financial liabilities



--- Average rate of interest on interest-bearing debt (right-hand axis)

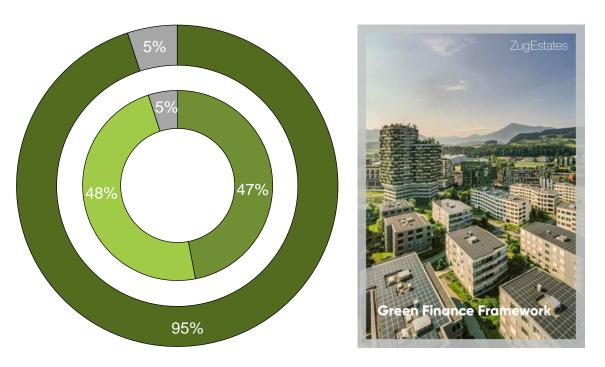
### Key figures half-year result and portfolio

## 3rd green bond issued in Sept. 2024 based on new Green Finance Framework

- In order to take account of the growing demand for sustainable financing and to expand the range of possible green financial instruments, Zug Estates has decided to convert its current Green Bond Framework into a Green Finance Framework.
- Under the new Green Finance Framework, sites and buildings of Zug Estates are classified as green if:
  - their greenhouse gas emissions are lower than 1 kg pro m<sup>2</sup> energy reference area in operation (<1 kg  $CO_2e$  / ERA p.a.) or
  - they are certified (Gold or higher) from BREEAM, DGNB/SGNI, Minergie or SNBS.
- ISS Corporate Solutions confirmed the new Green Finance
   Framework with a Second Party Opinion.

#### 95% of the portfolio classified as green buildings

Classification according to Green Finance Framework



Green buildings (<1 kg CO<sub>2</sub>e)
Certified green buildings
Non-certified green buildings (<1 kg CO<sub>2</sub>e)
No green buildings (>1 kg CO<sub>2</sub>e and no certificate)



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### Development projects S43/45 - Start of construction in December 2024



- The construction of the two buildings completes the development of the Suurstoffi site.
- The residential space (student accommodation) will be leased and operated by Lucerne University of Applied Sciences and Arts (HSLU).
- For the office and education space in the building S43 (6'000 m<sup>2</sup>), a 30-year rental agreement with XUND, the training centre of Gesundheit Zentralschweiz, has been signed in September 2024.

**XUND** BILDUNG GESUNDHEIT ZENTRALSCHWEIZ

Investment volume: approx. CHF 85 million

**Target rental income p.a.:** approx. CHF 4.5 million

#### Timetable:

Start of construction: December 2024 Handing over to future tenants: mid 2027

#### Usage mix:

Office and education: 14'400 m<sup>2</sup> Residential (student accommodation): 1'100 m<sup>2</sup>

# Development projects Metalli Living Space - Adaptation of the development plan

- Adaptation of the development plan (Bebauungsplan) ongoing to comply with the "2000 homes for Zug's middle classes" initiative, which requires that at least 40% of newly built residential space in all high-density areas be "affordable".
- The goal is to finalize the adapted development plan until end of 2024 / Q1 2025.
- In the event of a decision to continue with the project, it is planned to launch the political process for implementation of the Metalli development plan in the first half of 2025.

Investment volume:

approx. CHF 200 million

#### Timetable:

Adaptation of development plan: end of 2024 / Q1 2025 Launch political process: first half of 2025

#### Usage mix:

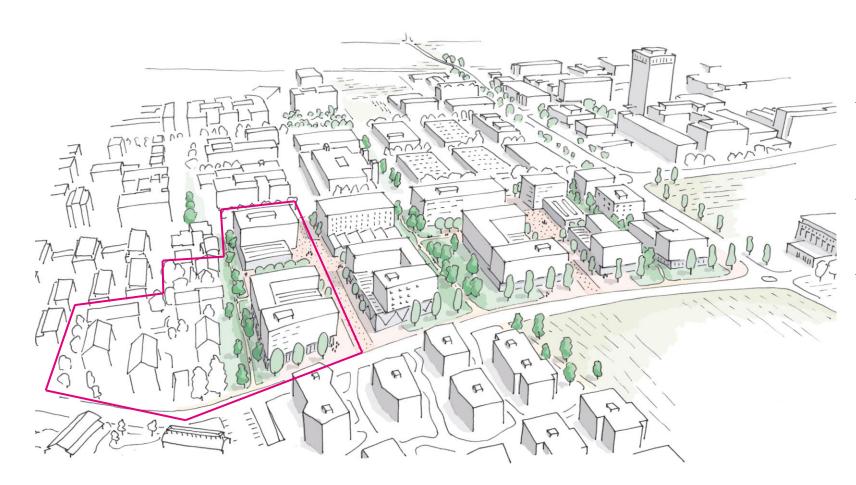
Residential, retail and office space

Website: www.lebensraum-metalli.ch



#### **Development projects**

## Focus area Birkenstrasse - Ortsplanungsrevision ongoing



- Zug Estates has acquired Renggli Holding AG in November 2022, which owns a landplot of 19,000 m<sup>2</sup> with residential and commercial properties in Rotkreuz, directly adjacent to the Suurstoffi site.
- The commercial properties (approx. half of the site) are part of the focus area Birkenstrasse, which shall be transferred to a mixed usage and densified.
- The referendum on the local planning revision (Ortsplanungsrevision) is planned to take place until end of 2025.
- A development plan will then be drawn up for the entire area together with the other landowners.

#### Timetable:

Referendum on the local planning revision: end of 2025

Usage mix: Residential and office/commercial

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Outlook

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# Outlook Outlook for 2024 and Agenda

Area	Outlook/expectations for 2024
Real estate segment	<ul> <li>Higher property income and improved operating result thanks to successful rental activity in the 2023 financial year and the first half of 2024, as well as rent increases due to index and reference interest rate adjustments</li> <li>Significantly lower vacancy rate than in previous year</li> </ul>
Hotel & catering segment	<ul> <li>Total income roughly on a par with the previous year's level</li> <li>GOP margin in line with the previous year</li> </ul>
Net income	<ul> <li>Net income excluding revaluation and special effects of over CHF 35.0 million</li> </ul>

#### Agenda

- 20.02.2025 Publication of Annual Report and Sustainability Report 2024
- 10.04.2025 General meeting of shareholders
- 20.08.2025 Publication of Half-Year Report 2025

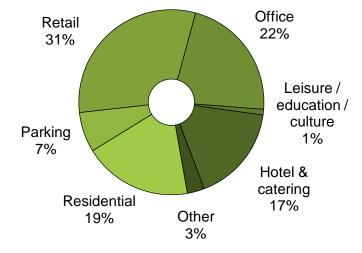


## Appendix City Centre site/Metalli



Key data as at 30 June 2024	H1 2024 <sup>1</sup>
Site area	61 122 m²
Market value <sup>2</sup>	CHF 886.1 million
Book value	CHF 829.4 million
Projected rental income <sup>2</sup>	CHF 37.6 million

Based on projected rental income<sup>2</sup> as at 30 June 2024



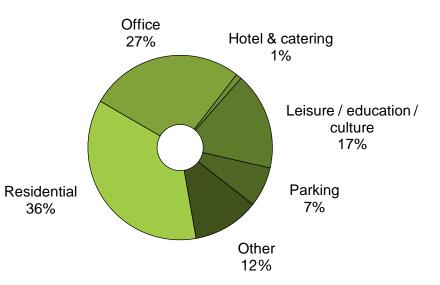
<sup>1</sup> From point of view of real estate business unit, incl. operating properties
 <sup>2</sup> Market value and projected rental incom of the property at Zug,Baarerstr. 20-22 (co-owned) included pro rata

## Appendix Suurstoffi site



Key data as at 30 June 2024	H1 2024
Site area	105 342 m²
Market value	CHF 860.4 million
Book value	CHF 860.4 million
Projected rental income	CHF 36.3 million

Based on projected rental income as at 30 June 2024

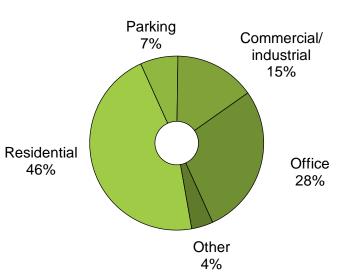


## Appendix Other investment properties



Key data as at 30 June 2024	H1 2024
Site area	20 864 m²
Market value	CHF 96.1 million
Book value	CHF 96.1 million
Projected rental income	CHF 2.7 million

Based on projected rental income as at 30 June 2024





#### Appendix

# **Selected key financial figures**

#### Selected key financial figures

As at 30 June 2024 or 31 December, respectively

in CHF Mio.	2020	2021	2022	2023	H1 2024
Total portfolio value	1'655	1'701	1'831	1'828	1'843
Interest-bearing debt	591.8	561.1	660.5	674.2	672.7
– as % of total assets	36.4%	33.8%	36.9%	37.3%	37.0%
– LTV	35.8%	33.0%	36.1%	36.9%	36.5%
– % unsecured liabilities	33.7%	35.6%	30.2%	29.6%	29.7%
– average interest rate	1.3%	1.3%	1.3%	1.5%	1.5%
– average residual term	4.3 Y	3.6 Y	3.4 Y	3.5 Y	3.0 Y
– net debt/EBITDA <sup>1,2</sup>	11.6x	10.0x	12.9x	12.5x	12.0x
– interest cover <sup>1,2</sup>	6.9	7.2	6.4	5.1	5.4

<sup>1</sup> EBITDA excluding revaluation but including result from disposal of investment properties

<sup>2</sup> Half-year figure extrapolated linearly to full year

<sup>3</sup> Based on average equity

<sup>4</sup> Based on number of shares outstanding (series A registered shares converted)

As at 30 June 2024 or 31 December, respectively

in CHF Mio.	2020	2021	2022	2023	H1 2024
Equity	915.5	968.6	989.3	992.5	998.2
– as % of total assets	56.3%	58.4%	55.2%	54.9%	54.9%
– return on equity <sup>2,3</sup> in %	3.5%	8.0%	4.1%	2.4%	5.7%
Closing share price (CHF)	2'030	1'980	1'770	1'605	1'725
Market capitalisation <sup>4</sup>	1'035.3	1'009.8	902.7	818.6	879.8
Earnings per registered B share (CHF) <sup>5</sup>	63.3	148.2	78.0	47.4	55.2
Earnings per registered B share excluding revaluation and special effects (CHF) <sup>5</sup>	50.7	62.4	66.3	66.4	35.4
NAV at market value per registered B share (CHF) <sup>4,6</sup>	1'926	2'025	2'065	2'042	2'055
Distribution per registered B share (CHF) <sup>7</sup>	34.0	37.5	41.0	44.0	-

<sup>5</sup> Based on average number of shares outstanding (series A registered shares converted)

<sup>6</sup> NAV includes operating properties at market value (including deferred taxes)

<sup>7</sup> Not yet defined for the current financial year 2024

### Appendix

## **Income statement: five-year comparison**

CHF million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Property income	28.2	29.8	30.4	32.8	33.8
Income from the sale of promotional properties	72.5	-	-	-	-
Hotel & catering income	3.6	2.6	6.4	8.1	7.7
Other income	1.1	3.7	1.7	2.0	1.9
Total operating income	105.4	36.1	38.5	42.9	43.4
Total operating expenses	-77.1	-13.3	-14.0	-15.7	-15.9
Revaluation of investment properties (net)	-13.6	12.3	12.7	-18.3	11.5
Result from sale of investment properties	-	7.3	-	-	-
EBITDA	14.7	42.4	37.2	8.9	39.0
Depreciation and amortisation	-1.8	-1.8	-1.8	-1.7	-2.0
EBIT	12.9	40.6	35.4	7.2	37.0
Financial result	-3.5	-3.7	-3.7	-4.8	-5.0
Tax expenditure	-1.1	-4.2	-3.8	-0.5	-3.8
Net income	8.3	32.7	27.9	1.9	28.2
Net income excluding revaluation and special effects	11.9	15.4	16.8	18.0	18.1

### Appendix

# **Balance sheet: five-year comparison**

2020	2021	2022	2023	H1 2024
17.2	18.7	17.3	20.1	13.8
10.2	-	-	-	-
13.0	5.7	11.4	6.9	11.2
40.4	24.4	28.7	27.0	25.0
1'534.4	1'584.0	1'713.5	1'725.6	1'736.8
9.8	11.3	11.8	18.2	24.5
34.5	32.9	32.6	28.2	24.6
7.1	5.7	5.5	7.8	6.8
1'585.8	1'633.9	1'763.4	1'779.8	1'792.7
1'626.2	1'658.3	1'792.1	1'806.8	1'817.7
55.8	125.8	164.8	119.8	117.4
16.6	18.8	21.9	18.2	22.0
72.4	144.6	186.7	138.0	139.4
536.0	435.3	495.7	554.5	555.3
102.3	109.8	120.4	121.8	124.7
638.3	545.1	616.1	676.3	680.0
915.5	968.6	989.3	992.5	998.3
1'626.2	1'658.3	1'792.1	1'806.8	1'817.7
	17.2 10.2 13.0 40.4 1'534.4 9.8 34.5 7.1 1'585.8 1'626.2 55.8 16.6 55.8 16.6 72.4 536.0 102.3 638.3 915.5	17.218.710.2-13.05.740.424.41'534.41'584.09.811.334.532.97.15.71'585.81'633.91'626.21'658.355.8125.816.618.872.4144.6536.0435.3102.3109.8638.3545.1915.5968.6	17.218.717.310.213.05.711.440.424.428.71'534.41'584.01'713.59.811.311.834.532.932.67.15.75.51'585.81'633.91'763.41'626.21'658.31'792.155.8125.8164.816.618.821.972.4144.6186.7536.0435.3495.7102.3109.8120.4638.3545.1616.1915.5968.6989.3	17.218.717.320.110.213.05.711.46.940.424.428.727.01'534.41'584.01'713.51'725.69.811.311.818.234.532.932.628.27.15.75.57.81'585.81'633.91'763.41'779.81'5251'658.31'792.11'806.855.8125.8164.8119.816.618.821.918.272.4144.6186.7138.0536.0435.3495.7554.5102.3109.8120.4121.8638.3545.1616.1676.3915.5968.6989.3992.5

## Appendix Disclaimer

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