

Corporate News

Zurich, 31 August 2022 – 7.00 a.m. | Ad hoc announcement pursuant to Art. 53 LR

Investis posts strong results for 1st half of 2022

- **Revenue increased by 10%**
- **Like-for-like rental income up 2.5%**
- **Improved EBIT margin by 0.9% to 9.7% in the Real Estate Services segment**
- **Successful sale of 10 properties at 23% above valuation**
- **NAV per share of CHF 93.38** excluding deferred taxes with regard to properties

Stéphane Bonvin, CEO of the Investis Group said: “In the first six months of the 2022 financial year, we set strong accents in both segments: continuation of our solid growth trajectory in the Real Estate Service segment along with an improvement of the EBIT margin to a solid 9.7%. In the Properties segment operating cash flows were further improved, while a portfolio of ten properties was sold very successfully at a profit of 23% above their balance sheet value. This successful sale and further significant revaluation effects underline the quality of our portfolio. A consistently strong performance of the group.”

Strong Group results

The Group increased its revenue by 10% to CHF 112 million (prior year: CHF 102 million). Both segments contributed to this growth. Group EBITDA before revaluations and disposal gains was CHF 27 million (CHF 25 million).

Continued higher cash flows from investment properties and a decline in the average real-term discount rate to 2.75% (2.84% as at 31.12.2021) for the entire portfolio led to further increases in value of CHF 64 million. Together with the profit from the disposals of CHF 58 million, this resulted in another impressive operating result (EBIT) of CHF 148 million (CHF 155 million). The prior year was characterised by particularly high revaluation gains of CHF 131 million.

Excellent operating performance by both segments

The **Properties** segment achieved revenue of CHF 31 million (+4.8%). There was an excellent 2.5% rise in like-for-like rental income. This increase is also due to various renovation projects, some of which generated lower rental income in the previous period. The vacancy rate was further decreased to 1.4% (2.2% as at 31.12.2021). Gross rental income as at 30.6.2022 stood at CHF 55.8 million (CHF 64.2 million as at 31.12.2021). The segment achieved a noteworthy EBIT of CHF 142 million (CHF 151 million). This includes the previously mentioned revaluation effects as well as the disposal gains.

The **Real Estate Services** segment saw revenue amounting to CHF 83 million (CHF 74 million). In the Property Management business revenue grew by 4.8% to CHF 31 million. Rents under management were successfully increased again to reach CHF 1.58 billion (CHF 1.51 billion as at 31.12.2021). Facility

Services achieved revenue of CHF 52 million (CHF 45 million). The excellent EBIT margin in this segment of 9.7% (8.8%) underlines the continuous effort to increase quality and cost efficiency.

Financial result

Financial expenses amounted to CHF 1.1 million; considerably lower than the year-back (CHF 2.1 million). The average interest rate in the 1st half of 2022 was reduced again by 9 basis points to 0.35%. Last year's **financial income** of CHF 2.7 million (CHF 0.3 million as at 30.6.2022) included a positive effect from the sale of a minority interest of CHF 2.6 million.

Income taxes

With a tax rate of 14.3%, income taxes amounted to CHF 21.0 million.

Net profit

Net profit reached an excellent CHF 126 million (CHF 132 million) and earnings per share CHF 9.86 (previous year: CHF 10.39). Net profit excluding revaluation effects came to CHF 70.5 million (CHF 19.6 million).

Very sound balance sheet

Total assets came to CHF 1.8 billion as at 30 June 2022, with the equity ratio rising to a very comfortable 60% (31.12.2021: 53%). The property portfolio was valued at CHF 1,551 million. On the balance sheet date, it comprised 151 buildings with 2,563 residential units. In relation to the value of the property portfolio, the loan-to-value (LTV) is very conservative at 31.7% (interest-bearing financial liabilities of CHF 491 million). The LTV will be reduced even further in the second half of the year, from today's perspective to around 25%. As a result of the disposals, deferred tax liabilities also decreased to CHF 147 million (CHF 165 million).

Net asset value (NAV) per share excluding deferred taxes with regard to properties increased further and stood at CHF 93.38 (31.12.2021: CHF 88.73).

Market environment and outlook for 2022

The current uncertain situation and its consequences are also affecting the Swiss economy. In order to combat rising inflation, the Swiss National Bank (SNB) raised its key interest rate on 17 June 2022 for the first time in 15 years, by 0.5 percentage points to -0.25%. Inflation had already made itself felt last year, mainly as a result of pent-up demand among consumers after pandemic lockdowns. A sharp increase in the money supply over recent years is making it difficult for many countries, including Switzerland, to fight inflation.

Between May 2021 and May 2022, rents for all non-new homes offered on the free market in the canton of Geneva rose by +1.0% (OCSTAT Office Cantonal de la de statistique de Genève). This increase is higher than in recent years (+0.6% in 2019 and +0.8% in 2020 and 2021). Rents for small apartments (the core market for Investis) are rising faster than those for large ones: the change over the same period is +1.7% for studios, +1.3% for two-room apartments and +1.2% for three-room apartments, while rents for five- and six-room apartments are more modest (<1%). This is partly because smaller

apartments tend to see more frequent changes of tenants. In the city of Geneva, rents are going up by +1.1% overall, while the population of the canton of Geneva is growing more strongly than before (+0.8% or 3,965 people in the last twelve months according to OCSTAT). Immigration to Switzerland as a whole, and to the cantons of Geneva and Vaud, remains positive and is rising again more strongly after a period of slower growth during the pandemic. The real estate market in the cantons of Geneva and Vaud has continued to benefit disproportionately. Increased immigration remains an important driver of demand and of changes in vacancy rates. In Switzerland overall the vacancy rate is likely to fall from the current 1.5% to 1.2%. As at the end of June 2022, the vacancy rate in the canton of Geneva has fallen to 0.37% from an already low 0.51% as at June 2021, the lowest level since 2013.

93% of the Investis investment portfolio is made up of residential property containing mid-priced apartments in central locations in the Lake Geneva region. Its concentration in this region is the Investis Group's USP. Thanks to the low LTV, there is scope to optimise the existing portfolio in the Properties segment by means of targeted purchases. If no attractive acquisitions are available, funds are instead used to reduce debt.

At the beginning of the year, a new organisational structure was introduced in the Real Estate Services segment in order to align the brands more closely with customer needs. Further positive effects are expected in the second half of 2022. The segment continues to focus on providing high quality services.

For the 2022 financial year as a whole, Investis expects both segments to continue performing very well. Given the profits achieved on disposals in the 1st half and despite the related lower rental income in the second half of the year, Investis expects a doubling of net profit excluding revaluation effects for the entire group compared to the previous year.

Agenda

23 March 2023	Publication of 2022 annual results
3 May 2023	2023 Annual General Meeting
29 August 2023	Publication of 2023 half-year results

Reporting

The 2022 Half-Year Report is available at <https://reports.investisgroup.com/22/hyr> and on our website <https://www.investisgroup.com/en/investors/reporting>.

There will be a conference call on the half-year results for the media and analysts (in English) today at 10 a.m. Following the presentation of the results, Stéphane Bonvin (CEO) and René Häsler (CFO) will be available to answer questions.

The dial-in numbers are as follows:

+41 (0)58 310 50 00 (Europe)

+44 (0)207 107 06 13 (UK)

+1 (1)631 570 56 13 (USA)

Please dial in 5 – 10 minutes prior to the start of the conference call. The accompanying presentation will be available on our website as at 7 a.m. Interested parties are also invited to follow the webcast. Please make sure to register 90 minutes before the start of the event on our website <https://www.investisgroup.com/en/investors/reporting>. A replay of the webcast will be made available in the afternoon.

Investor Relations/Media

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About Investis Group

Founded in 1994, Investis Group is a leading real estate company in the Lake Geneva region and a national real estate services provider active in the two segments of Properties and Real Estate Services.

The portfolio of Investis consists almost exclusively of residential properties with apartments in the mid-price segment in the Lake Geneva region and was valued at CHF 1,551 million as at 30 June 2022. Investis Real Estate Services is active throughout Switzerland with well-known brands.

INVESTIS has been listed on the SIX Swiss Exchange since June 2016 (symbol: IREN, security number: 32509429, ISIN CH0325094297). For further information: www.investisgroup.com

SELECTED KEY FIGURES

INVESTIS FINANCIAL KEY FIGURES			
CHF 1,000	30.06.2022	31.12.2021	30.06.2021
Revenue	111,667	215,997	101,686
EBITDA before revaluations/disposals ¹⁾	27,151	53,673	25,058
EBIT	147,674	235,081	154,643
Net profit	125,768	200,680	132,427
Net profit excluding revaluation effect ¹⁾	70,459	41,303	19,630
Funds from operations (FFO) ¹⁾	11,241	34,349	7,121
Total assets	1,758,275	1,820,537	1,747,479
Total property portfolio	1,550,894	1,734,932	1,667,962
Interest-bearing financial liabilities	491,000	648,500	650,000
Gross LTV ¹⁾	31.7%	37.4%	39.0%
Deferred tax liabilities	147,139	164,634	158,516
Shareholders' equity	1,046,533	967,978	899,827
Equity ratio	59.5%	53.2%	51.5%
Number of employees			
Headcount (as at period end)	2,355	2,299	2,343
FTE (full-time equivalent, average over the period)	1,421	1,440	1,345
DATA PER SHARE			
CHF	30.06.2022	31.12.2021	30.06.2021
Share capital	1,280,000	1,280,000	1,280,000
Number of registered shares issued	12,800,000	12,800,000	12,800,000
Nominal value per share	0.10	0.10	0.10
NAV per share ¹⁾	81.95	75.89	70.52
NAV per share excluding deferred taxes with regard to properties ¹⁾	93.38	88.73	82.85
Earnings per share (basic/diluted)	9.86	15.74	10.39
Share price – high	115.00	109.00	109.00
Share price – low	95.20	86.00	86.00
Share price at end of period	102.50	104.50	102.50
Average number of shares traded per day	3,361	2,981	3,798
Market capitalisation at end of period (CHF million)	1,312	1,338	1,312

PROPERTIES KEY FIGURES			
CHF 1,000	30.06.2022	31.12.2021	30.06.2021
Residential investment properties	1,425,879	1,605,772	1,531,306
Commercial investment properties	108,466	111,993	116,785
Investment properties under construction	263	263	263
Properties held for sale	16,287	16,904	19,608
Total property portfolio	1,550,894	1,734,932	1,667,962
Total buildings	151	171	170
Total residential units	2,563	3,073	3,059
Average discount rate	2.75%	2.84%	2.94%
Revenue	30,588	60,022	29,173
Like-for-like rental growth ¹⁾	2.5%	1.3%	1.6%
EBITDA before revaluations/disposals ¹⁾	20,137	39,978	19,337
EBIT	142,441	225,117	150,715
Gross rental income (CHF million)	55.8	64.2	63.0
Net rental income (CHF million)	55.0	62.8	61.3
Vacancy rate	1.4%	2.2%	2.7%
REAL ESTATE SERVICES KEY FIGURES			
CHF 1,000	30.06.2022	31.12.2021	30.06.2021
Revenue	83,066	159,850	74,401
of which property management	37%	38%	40%
of which facility services	63%	62%	60%
EBIT	8,041	14,895	6,532
EBIT margin	9.7%	9.3%	8.8%
Rents under management (CHF billion)	1.58	1.51	1.49

1) The section "Alternative Performance Measures" includes definitions of performance measures that are not defined under Swiss GAAP FER.