

ZugEstates

2022

Half-Year Report

Selected key figures

Income statement		H1 2022	H1 2021	
Property income	TCHF	30 443	29 765	2.3%
Operating revenue ¹	TCHF	38 499	36 140	6.5%
Operating expenses	TCHF	14 015	13 322	5.2%
Operating income before depreciation and revaluation	TCHF	24 484	22 818	7.3%
Revaluation of investment properties (net)	TCHF	12 662	12 269	3.2%
Income from the sale of investment properties	TCHF	0	7 317	n/a
Operating income (EBIT)	TCHF	35 402	40 639	-12.9%
Net income	TCHF	27 900	32 663	-14.6%
Net income excluding revaluation and special effects ²	TCHF	16 757	15 427	8.6%
Balance Sheet		30.06.2022	31.12.2021	
Total assets	TCHF	1 667 699	1 658 283	0.6%
Interest-bearing debt	TCHF	559 572	561 097	-0.3%
– Interest-bearing debt in % of total assets		33.6%	33.8%	
– Average rate of interest of the interest-bearing debt (period)		1.3%	1.3%	
– Average maturity of the interest-bearing debt	YEARS	4.4	3.6	
Shareholders' equity	TCHF	977 353	968 578	0.9%
– Equity ratio		58.6%	58.4%	
Employees		30.06.2022	31.12.2021	
Headcount	FTE	130.5	119.4	9.3%
Share		H1 2022	H1 2021	
Closing price	CHF	1 990	1 990	0.0%
Market capitalization ³	TCHF	1 014 900	1 014 900	0.0%
Earnings per series B registered share ⁴	CHF	54.7	64.0	-14.6%
Earnings per series B registered share excl. revaluation and special effects ^{2,4}	CHF	32.9	30.2	8.6%
NAV at market value per series B registered share ^{3,5}	CHF	2 042.9	1 947.9	4.9%
Portfolio		30.06.2022	31.12.2021	
Investment properties	TCHF	1 597 030	1 583 985	0.8%
Investment properties under construction	TCHF	11 547	11 274	2.4%
Undeveloped plots	TCHF	2 524	2 524	0.0%
Total real estate portfolio	TCHF	1 611 101	1 597 783	0.8%
Operating properties (market value) ⁶	TCHF	103 230	103 230	0.0%
Total portfolio	TCHF	1 714 331	1 701 013	0.8%
Vacancy rate investment properties ⁷		3.8%	4.0%	
Gross return investment properties ⁸		3.9%	4.0%	
Weighted average unexpired lease term of rental contracts in portfolio (WAULT)	YEARS	6.0	6.5	
Average discount rate (nominal)		3.8%	3.3%	

¹ Excluding income from revaluation of investment properties and gains on the sale of investment properties.

² Corresponds to net income excluding income from revaluation of investment properties (net), excluding income from the sale of investment properties and corresponding deferred taxes (see page 16).

³ In relation to number of shares outstanding on cut-off date (series A registered shares converted).

⁴ In relation to number of shares on average outstanding (series A registered shares converted).

⁵ NAV at market value per share includes properties used for operational purposes at market value and corresponding deferred taxes.

⁶ Operating properties are revalued once a year at year-end.

⁷ As at the balance sheet date, as a percentage of projected rental income.

⁸ Projected rental income (annualized) as a percentage of the market value on the balance sheet date.

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Report to shareholders

Increase in net profit excluding revaluation and special effects thanks to successes in both operating segments

CHF 16.8 million

Net income excluding income from revaluation and special effects

Dear shareholders, Ladies and gentlemen,

The first half of 2022 was shaped by the Ukraine crisis and its impact on the economic environment: sharply increasing commodity and energy prices, as well as rising inflation and interest rates. At the same time, many sectors experienced a strong recovery once coronavirus restrictions were lifted, leading to robust demand – particularly for office and commercial space – as well as rising sales in the hotel & catering segment.

Rental income went up in the first half of 2022 and the vacancy rate fell further. In the hotel & catering segment, sales increased noticeably from April 2022 onwards, reaching a level in May and June that was comparable with sales before the COVID-19 pandemic.

At CHF 279 million, net income was CHF 4.8 million – or 14.6% – below the previous year's level of CHF 32.7 million, which included a gain on sale before tax of CHF 7.3 million resulting from the sale of the property at Hofstrasse 1a/b in Zug. After adjustment for revaluation and special effects, net profit rose by CHF 1.4 million, or 8.6%, from CHF 15.4 million to CHF 16.8 million. The main reasons for this strong performance were the higher property income, increased income from the hotel & catering segment, and lower property expenses.

Increase in operating profit thanks to successes in both segments

Property income went up by CHF 0.6 million, or 2.3%, from CHF 29.8 million to CHF 30.4 million. Income from new rental agreements concluded in the previous year was incorporated into the result throughout the period. Unlike in the corresponding period of the previous year, there were no COVID-19-related lockdowns. As a result, income from parking at the Metalli Living Space complex also improved in line with the increase in retail customers.

+2.3%

Increase in property income in the first half of 2022

Income generated by the hotel & catering segment went up considerably – by CHF 3.8 million, or 142.0%, from CHF 2.6 million to CHF 6.4 million. While the negative effects of the COVID-19 pandemic had an impact on the whole of the corresponding period in the previous year, an encouraging recovery began in 2022 following a mixed first quarter. As a result, gross operating profit (GOP) also increased – from 8.1% to 38.0%. In addition, the economic losses sustained during the pandemic were mitigated somewhat in the first half of the 2021 by the one-off payment of a non-returnable COVID-19 grant in the amount of CHF 2.1 million.

In all, operating revenue rose by CHF 2.4 million, or 6.5%, from CHF 36.1 million to CHF 38.5 million.

At CHF 3.2 million, property expenses were down CHF 0.8 million, or 19.9%, on the prior-year figure of CHF 4.0 million. For individual, larger maintenance measures that are planned – such as the partial renovation of the facade at the Metalli Living Space complex – the more expensive work will not be carried out until the second half of the year.

Staff costs went up by CHF 1.0 million, or 16.1%, from CHF 6.0 million to CHF 7.0 million. This was because of increasing activities in the hotel & catering segment, as well as lower short-time working compensation.

Portfolio value slightly up

The market value of the portfolio as a whole increased slightly – by CHF 13.3 million, or 0.8%, from CHF 1701.0 million as at 31 December 2021 to CHF 1714.3 million as at 30 June 2022. This was primarily due to revaluation effects. Revaluation gains of CHF 12.7 million can be attributed on the one hand to the successful letting of property S6 at Suurstoffi and on the other hand to a slight reduction in the discount rates for individual properties used for residential purposes. At CHF 12.3 million, revaluation gains were at a comparable level in the corresponding period a year earlier.

Significant reduction in the vacancy rate up to the end of 2022

Some new letting resulted in a reduction in the vacancy rate in the first half of 2022 – to 3.8% as at 30 June 2022 (4.0% as at 31 December 2021). The weighted average unexpired lease term (WAULT) of 6.0 years (6.5 years as at 31 December 2021) came to rest at a very high level for the industry.

The conclusion of a ten-year rental agreement with Utopia Music AG for property S6 at Suurstoffi will mean another significant reduction in the vacancy rate in the second half of the year. It will be below 2% at the end of 2022. In July 2022, the company – which is currently based in Zug – began renting the whole of property S6 with 4,500 m² of rentable space.

Overall, demand for space proved to be robust in the first half of 2022. Rental agreements for a total of 10,500 m² and with rental income of around CHF 4.6 million p.a. were extended or concluded for the first time in the first half of the year. The agreements concluded concern both office space at Suurstoffi and the City Center site, as well as retail space at the Metalli complex. Demand for residential space remains extremely robust.

Solid equity ratio

At CHF 559.6 million, interest-bearing debt was virtually unchanged in the first half of 2022 from 31 December 2021 (CHF 561.1 million), despite the payment of a dividend of CHF 19.1 million. This was due to continued low investment activity. At 58.6%, the equity ratio is still very solid (58.4% as at 31 December 2021).

6.0 years

Weighted average unexpired lease term (WAULT)

58.6%

Equity ratio

0.75%

Coupon for the newly concluded green bond

At the beginning of the year, a maturing conventional bond of CHF 100.0 million was replaced with another green bond in an interest rate environment that at the time was still much more attractive. The term is slightly longer than seven years with a coupon of 0.75%. Zug Estates is thus the first listed Swiss real estate company to switch its entire bond portfolio to sustainable financial products.

As a result, the average financing term increased from 3.6 years as at 31 December 2021 to 4.4 years as at 30 June 2022, with the average interest rate unchanged at 1.3%.

Project development with a focus on the Metalli Living Space complex

Work on the Metalli Living Space complex continued apace in the first half of 2022. The draft development plans are available for both Metalli and Bergli, and the environmental impact assessment is well advanced. The cantonal preliminary review of the two development plans is due to be launched in September 2022. Based on the current schedule of the City of Zug for the subsequent approval process, we now expect the development plans to be approved in summer 2024 and construction to start in 2026 at the earliest.

Further reduction in carbon emissions and replacement of the last oil heating system in the portfolio

Together with the Half-Year Report 2022, Zug Estates is publishing its Sustainability Report in accordance with GRI standards. We were again able to reduce our greenhouse gas emissions compared with the previous year, halving them from 1.8 kg to 0.9 kg CO₂eq per m² of the energy reference area. This was made possible by the conversion of nine other buildings at the City Center site. In connection with this, Zug Estates removed the last oil heating system in its portfolio in June 2022.

0.9 kg

Greenhouse gas emissions per m² of the energy reference area

In future, we will be placing more of a focus on increasing production of our own energy, as well as consuming regional, renewable energy. Between 1 April 2021 and 31 March 2022, the solar panels at Suurstoffi produced 1,140 MWh of energy, equivalent to the average consumption of 250 houses. The installation of solar panels at the City Center site will further increase production of our own energy. The first step will be taken in autumn 2022 when six houses in the Haldenhof area will be equipped with solar panels, with the energy generated being shared by the residents of those houses (under a so-called ZEV arrangement).

Sustainable goals will play an important role in the further development of the Metalli Living Space complex in the centre of Zug. Thanks to Circulago, business is already virtually carbon-free. We are therefore focusing on the areas of biodiversity and recycling. However, social topics such as creating a diverse range of cultural and leisure activities and building affordable residential space are also at the heart of our plans.

Full details of our sustainability strategy can be found at <https://zugestates.ch/en/sustainability>.

Positive outlook for 2022

We also expect rising rental income for the year as a whole in the real estate business unit. The effects on earnings from the newly completed rental agreement for property S6 will not be felt until 2023. However, we expect the vacancy rate to be below 2% at the end of 2022. We expect property expenses to be slightly higher in the second half of the year than in the first.

In the hotel & catering segment, we are cautiously optimistic for the second half of the year and expect a further recovery provided there is no repeat of the negative effects on international business travel associated with a rise in COVID-19 cases and the geopolitical situation does not change.

We still expect net income excluding revaluation and special effects to exceed CHF 30 million.

Zug, August 2022



Dr. Beat Schwab
Chairman of the board of directors



Patrik Stillhart
CEO

Consolidated balance sheet

Assets

in CHF thousands	Note	30.06.2022	31.12.2021
Cash and cash equivalents		11 825	18 691
Trade receivables		1 223	829
Other receivables		5 118	2 298
Inventories		182	150
Prepaid expenses		2 840	2 430
Total current assets		21 188	24 398
Investment properties	1	1 597 030	1 583 985
Investment properties under construction	1	11 547	11 274
Undeveloped plots	1	2 524	2 524
Operating properties		29 908	30 364
Other tangible assets		4 149	4 612
Deferred tax assets		136	144
Financial assets		200	213
Intangible assets		1 017	769
Total fixed assets		1 646 511	1 633 885
Total assets		1 667 699	1 658 283

Liabilities and shareholders' equity

in CHF thousands	Note	30.06.2022	31.12.2021
Current financial liabilities	3	24 958	125 792
Trade payables		5 849	3 888
Other current liabilities		5 565	3 432
Accrued expenses		6 610	11 477
Current provisions		32	29
Total current liabilities		43 014	144 618
Long-term financial liabilities	3	534 614	435 305
Long-term provisions		472	500
Deferred tax liabilities		112 246	109 282
Total long-term liabilities		647 332	545 087
Total liabilities		690 346	689 705
Share capital	4	12 750	12 750
Capital reserves		509 491	509 491
Retained earnings		455 112	446 337
Total shareholders' equity		977 353	968 578
Total liabilities and shareholders' equity		1 667 699	1 658 283

Consolidated income statement

in CHF thousands	Note	01.01.2022 –30.06.2022	01.01.2021 –30.06.2021
Property income	6	30 443	29 765
Hotel & catering income	8	6 397	2 643
Additional income from ordinary business operations		1 496	1 508
Net proceeds of trade payables and receivables		38 336	33 916
Other operating revenue		163	2 224
Total operating revenue		38 499	36 140
Property expenses		– 3 180	– 3 968
Cost of goods purchased for hotel & catering		– 481	– 227
Personnel expenses		– 7 011	– 6 041
Other operating expenses		– 3 343	– 3 086
Total operating expenses		– 14 015	– 13 322
Operating income before depreciation and revaluation		24 484	22 818
Revaluation of investment properties (net)	1	12 662	12 269
Result from the sale of investment properties	2	0	7 317
Operating income before depreciation (EBITDA)		37 146	42 404
Depreciation		– 1 744	– 1 765
Operating income (EBIT)		35 402	40 639
Financial result		– 3 740	– 3 745
Income before taxes (EBT)		31 662	36 894
Tax expenditure		– 3 762	– 4 231
Net income		27 900	32 663
Earnings per share			
in CHF			
Earnings per series A registered share, undiluted ¹	5	5.47	6.40
Earnings per series B registered share, undiluted ¹	5	54.71	64.04

¹ There are no potential dilutive effects to report. The diluted earnings per share correspond to the undiluted earnings per share

Consolidated statement of cash flows (abridged)

in CHF thousands	01.01.2022 –30.06.2022	01.01.2021– –30.06.2021
– Cash flow before change in working capital	19 970	17 533
– Change in working capital	– 1 744	5 979
Cash flow from operating activities	18 226	23 512
Cash flow from investing activities	– 4 385	13 221
Cash flow from financing activities	– 20 707	– 32 840
Change in cash and cash equivalents	– 6 866	3 893
Composition of net cash and cash equivalents		
Net cash and cash equivalents at the beginning of reporting period	18 691	17 199
Net cash and cash equivalents at the end of reporting period	11 825	21 092
Change in cash and cash equivalents	– 6 866	3 893

The termination of a non-cash investment in the amount of TCHF 2 684 was taken into account in the first half of 2022 (first half of 2021: TCHF 71).

Consolidated statement of changes in equity

in CHF thousands	Share capital	Capital reserves	Retained earnings	Total share-holders' equity
Balance on 01.01.2021	12 750	509 491	393 216	915 457
Distribution from retained earnings carried forward (dividends)	0	0	– 22 440	– 22 440
Net income	0	0	32 663	32 663
Balance on 30.06.2021	12 750	509 491	403 439	925 680
Balance on 01.01.2022	12 750	509 491	446 337	968 578
Distribution from retained earnings carried forward (dividends)	0	0	– 19 125	– 19 125
Net income	0	0	27 900	27 900
Balance on 30.06.2022	12 750	509 491	455 112	977 353

Notes to the consolidated financial Statements

General information

Zug Estates Holding AG is an incorporated company headquartered in Zug, Switzerland, whose shares are listed on SIX Swiss Exchange.

Principles

These unaudited financial statements were prepared in accordance with the Swiss GAAP FER 31 Accounting and Reporting Recommendations, which permit an abridged form compared to the annual financial statements, as well as the special provisions for real estate companies (article 17 of the Directive on Financial Reporting) of the SIX Swiss Exchange, and present a true and fair view of the financial position, the results of operations and the cash flows.

The same consolidation and valuation principles are used in these financial statements as in the financial statements for the period ended 31 December 2021.

Method and technique used for property valuation

The valuation of investment properties is based on market value assessments (valuation updates) performed by a recognised, independent real estate expert (Wüest Partner AG) as at 30 June 2022, using the DCF method. No changes were made to the valuation method and technique applied when preparing the 2022 half-year financial statements.

Scope of consolidation

The scope of consolidation remained unchanged compared to 31 December 2021.

List of investments

Company	Domicile	Business	Share capital in CHF	Share of capital 30.06.2022	Share of capital 31.12.2021	Share of votes 30.06.2022	Share of votes 31.12.2021
Hotelbusiness Zug AG	Zug, ZG	Hotel & catering operator	1 000 000	100%	100%	100%	100%
Zug Estates AG	Zug, ZG	Real estate company	1 500 000	100%	100%	100%	100%
Miteigentümer-gemeinschaft Metalli	Zug, ZG	Real estate company	0	74.50%	74.50%	8.33%	8.33%

1 Investment properties, investment properties under construction and undeveloped plots

in CHF thousands	Zug City Center, Zug, Investment properties	Suurstoffi site, Risch Rotkreuz Investment properties
Balance on 01.01.2021	722 632	811 800
Investments ³	1 524	1 762
Revaluation (net)	5 831	6 438
Balance on 30.06.2021	729 987	820 000
Accumulated acquisition values as at 01.01.2021	362 822	715 317
Accumulated acquisition values as at 30.06.2021	364 346	717 079
Difference market values / acquisition values as at 01.01.2021	359 810	96 483
Difference market values / acquisition values as at 30.06.2021	365 641	102 921
Balance on 01.01.2022	747 385	836 600
Investments ³	1 057	– 674
Revaluation (net)	– 512	13 174
Balance on 30.06.2022	747 930	849 100
Accumulated acquisition values as at 01.01.2022	365 778	719 514
Accumulated acquisition values as at 30.06.2022	366 835	718 840
Difference market values / acquisition values as at 01.01.2022	381 607	117 086
Difference market values / acquisition values as at 30.06.2022	381 095	130 260

¹ Comprises the properties under construction at the Suurstoffi site in Risch Rotkreuz as well as planning costs for the development of the Metalli Living Space in Zug. With regard to the Suurstoffi 43/45 property, Risch Rotkreuz, there is an approved construction project that provides for the construction of 16 500 m² in office space and 1 500 m² in residential space along with corresponding parking and secondary-use spaces.

Construction will be greenlighted as needed once an adequate pre-letting level has been reached.

² Comprises the undeveloped part of the Suurstoffi site in Risch Rotkreuz. The undeveloped plots are stated at cost less accumulated depreciation in accordance with the valuation principles.

³ Additions from investments include non-cash transactions from the accrual of building costs as well as from trade payables.

	Total investment properties	Total investment properties under construction ¹	Undeveloped plots ²	Total
	1 534 432	9 794	2 524	1 546 750
	3 286	844	0	4 130
	12 269	0	0	12 269
	1 549 987	10 638	2 524	1 563 149
	1 078 139	9 794	2 524	1 090 457
	1 081 425	10 638	2 524	1 094 587
	456 293	0	0	456 293
	468 562	0	0	468 562
	1 583 985	11 274	2 524	1 597 783
	383	273	0	656
	12 662	0	0	12 662
	1 597 030	11 547	2 524	1 611 101
	1 085 292	11 274	2 524	1 099 090
	1 085 675	11 547	2 524	1 099 746
	498 693	0	0	498 693
	511 355	0	0	511 355

The discount rates applied for the valuation of the investment properties and the investment properties under construction as at the balance sheet date were within a range of 2.3% to 3.5% in real terms (31 December 2021: 2.3% to 3.3% in real terms).

The average weighted discount rate was 2.78% in real terms and 3.80% in nominal terms (31 December 2021: 2.82% in real terms and 3.33% in nominal terms).

Additional information per property can be found on pages 20 to 21 of this report.

2 Properties held for sale

in CHF thousands	30.06.2022	31.12.2021
Acquisition value at the beginning of reporting period	0	10 180
Disposals	0	-10 180
Acquisition value at the end of reporting period	0	0

Investment properties available for sale in the previous year included the property at Hofstrasse 1 a/b, Zug, which was reclassified in 2019. The property was sold in the first half of 2021 at a profit before tax of TCHF 7 317.

3 Financial liabilities

The composition of the financial liabilities is as follows:

Financing structure in CHF thousands	30.06.2022	31.12.2021
Mortgages	358 444	361 344
Bonds	199 471	199 753
Third-party shares loans MEG Metalli	1 657	0
Total financial liabilities	559 572	561 097

Financial liabilities are structured as follows by maturity:

Residual term in CHF thousands	30.06.2022	31.12.2021
Due in the 1st year	24 958	125 792
Due in the 2nd year	40 800	40 800
Due in the 3rd year	90 800	90 800
Due in the 4th year	174 337	150 561
Due in the 5th year	800	24 544
Due in the 6th year	800	800
Due in the 7th year	160 477	60 800
Due in the 8th year	66 600	800
Due in the 9th year or later	0	66 200
Total financial liabilities	559 572	561 097
Of which current	24 958	125 792
Of which long-term	534 614	435 305

The average maturity of interest-bearing debt is 4.4 years (31 December 2021: 3.6 years). The average capital-weighted interest rate on all interest-bearing financial liabilities is 1.3% (31 December 2021: 1.3%).

No borrowing costs were capitalised in the period under review (prior-year period: TCHF 25).

On 17 February 2022, a conventional bond with a volume of TCHF 100 000 was directly replaced by another newly issued green bond with the same volume. The coupon amounts to 0.75%, with the bond maturing on 17 April 2029. A green bond had already been issued on 2 October 2019 with a volume of TCHF 100 000, a maturity of up to 2 October 2025 and a coupon of 0.10%. The transaction costs were deducted from the initial recognition of the issue proceeds.

The difference between the book value and the redemption amount is allocated on a straight-line basis over the term and amounted to TCHF 529 as at 30 June 2022 (31 December 2021: TCHF 247).

in CHF thousands	0.70% bond (2017-2022)	0.10% green bond (2019-2025)	0.75% green bond (2022-2029)	Total
Issue proceeds	99 684	99 618	0	199 302
Accumulated amortization of issue costs	308	143	0	451
Balance on 01.01.2022	99 992	99 761	0	199 753
Proceeds of new issue	0	0	99 660	99 660
Amortization of issue costs	8	32	18	58
Repayment	-100 000	0	0	-100 000
Balance on 30.06.2022	0	99 793	99 678	199 471

Key figures	0.70% bond (2017-2022)	0.10% green bond (2019-2025)	0.75% green bond (2022-2029)
Volume	CHF 100 million	CHF 100 million	CHF 100 million
Term	5.0 years (17.02.2017-17.02.2022)	6.0 years (02.10.2019-02.10.2025)	7.2 years (17.02.2022-17.04.2029)
Coupon	0.70%	0.10%	0.75%
Effective rate of interest	0.773%	0.174%	0.809%
Listing	SIX Swiss Exchange AG	SIX Swiss Exchange AG	SIX Swiss Exchange AG
Security number	353 427 989	494 734 426	114 872 819

To secure the mortgages, properties with a book value of TCHF 930 554 (31 December 2021: TCHF 926 363) have been encumbered.

4 Share capital

The composition of the share capital on 30 June 2022 is as follows:

Shares issued	Security number	Par value CHF	Number	Votes	Capital CHF	Votes Previous year	Capital CHF Previous year
Series A registered shares	14 805 211	2.50	496 600	496 600	1 241 500	496 600	1 241 500
Series B registered shares	14 805 212	25.00	460 340	460 340	11 508 500	460 340	11 508 500
Total				956 940	12 750 000	956 940	12 750 000

As at 30 June 2022, Zug Estates Holding AG does not hold any own shares (31 December 2021: no own shares) and did not engage in any trading of its own shares, neither during the period under review nor in the prior-year period.

Non-distributable statutory reserves remain unchanged at TCHF 7 625 on 30 June 2022 (31 December 2021: TCHF 7 625).

5 Key figures and net income per share

Shareholders' equity per share is as follows:

Shareholders' equity per share

	30.06.2022	31.12.2021
Shareholders' equity (in CHF thousands)	977 353	968 578
Deferred tax liabilities (in CHF thousands)	112 246	109 282
Shareholders' equity before deferred taxes (in CHF thousands)	1 089 599	1 077 860
Number of outstanding series A registered shares ¹	496 600	496 600
Number of outstanding series B registered shares	460 340	460 340
Shareholders' equity per outstanding series B registered share, before deferred taxes (in CHF)	2 136.47	2 113.45
Shareholders' equity per outstanding series B registered share, after deferred taxes (in CHF)	1 916.38	1 899.17

¹ Series A registered shares are factored in at a ratio of 1 to 10 in accordance with their share of capital.

NAV at market value per share is calculated as follows:

NAV at market value per share

	30.06.2022	31.12.2021
Shareholders' equity (in CHF thousands)	977 353	968 578
Difference market value/acquisition value operating properties (in CHF thousands)	73 322	72 866
Deferred taxes on difference market value/acquisition value operating properties (in CHF thousands)	- 8 799	- 8 744
NAV at market value (in CHF thousands)	1 041 876	1 032 700
Number of outstanding series A registered shares ¹	496 600	496 600
Number of outstanding series B registered shares	460 340	460 340
NAV at market value per outstanding series B registered share (in CHF)	2 042.89	2 024.90

¹ Series A registered shares are factored in at a ratio of 1 to 10 in accordance with their share of capital.

NAV at market value per share includes properties used for operational purposes at market values. The market values of operating properties are determined once a year at year-end by an independent real estate valuer.

Net income excluding income from revaluation and special effects

in CHF thousands	01.01.2022 –30.06.2022	01.01.2021 –30.06.2021
Net income	27 900	32 663
Revaluation of investment properties (net)	- 12 662	- 12 269
Taxes attributable to the revaluation of investment properties (net)	1 519	1 472
Result from the sale of investment properties	0	- 7 317
Taxes attributable to the result from sale of investment properties	0	878
Net income excluding revaluation and special effects	16 757	15 427

Earnings per share is calculated as follows: Earnings per share

Earnings per share

Information on series A registered shares		30.06.2022	30.06.2021
Series A registered shares issued on 01.01.	Number	496 600	496 600
Series A registered shares issued on 30.06.	Number	496 600	496 600
Series A registered shares issued (weighted average)	Number	496 600	496 600
Average outstanding series A registered shares	Number	496 600	496 600
Share in net income attributable to series A registered shares	TCHF	2 717	3 180
Share in net income excluding income from revaluation and special effects, attributable to series A registered shares	TCHF	1 632	1 502
Applicable number of series A registered shares	Number	496 600	496 600
Earnings per series A registered share, undiluted¹	CHF	5.47	6.40
Earnings per series A registered share excluding income from revaluation and special effects, undiluted¹	CHF	3.29	3.02

Information on series B registered shares		30.06.2022	30.06.2021
Series B registered shares issued on 01.01.	Number	460 340	460 340
Series B registered shares issued on 30.06.	Number	460 340	460 340
Series B registered shares issued (weighted average)	Number	460 340	460 340
Average outstanding series B registered shares	Number	460 340	460 340
Share in net income attributable to series B registered shares	TCHF	25 183	29 483
Share in net income excluding income from revaluation and special effects, attributable to series B registered shares	TCHF	15 126	13 925
Applicable number of series B registered shares	Number	460 340	460 340
Earnings per series B registered share, undiluted¹	CHF	54.71	64.04
Earnings per series B registered share excluding income from revaluation and special effects, undiluted¹	CHF	32.85	30.24

¹ There are no potential dilutive effects to report. The diluted earnings per share correspond to the undiluted earnings per share.

6 Property income

The reported property income of TCHF 30 443 (first half of 2021: TCHF 29 765) comprises actual rental income. This position contains revenue from all properties.

in CHF thousands	01.01.2022 –30.06.2022	01.01.2021 –30.06.2021
Rental income Zug City Center site	14 875	14 469
Rental income Suurstoffi	15 568	15 247
Income from other properties	0	49
Total property income	30 443	29 765

The individual contractual relationships with external tenants had the following terms as at the balance sheet date:

Rental income terms, share in %	30.06.2022	30.06.2021
Under 1 year, including unlimited rental contracts	44.5	37.1
Over 1 year	4.9	14.1
Over 2 years	8.9	6.4
Over 3 years	2.5	7.5
Over 4 years	3.1	3.0
Over 5 years	9.5	1.4
Over 6 years	8.8	3.5
Over 7 years	5.4	9.1
Over 8 years	0.7	4.4
Over 9 years	0.5	0.5
Over 10 years	11.2	13.0
Total	100.0	100.0

As at 30 June 2022, the five largest tenant groups together generated 26.9% of rental income (as at 31 December 2021: 27.2%). They can be broken down as follows:

Tenants, share in %	30.06.2022	Tenants, share in %	31.12.2021
Lucerne University of Applied Sciences and Arts	9.7	Lucerne University of Applied Sciences and Arts	9.7
Novartis	5.9	Novartis	5.9
Migros ¹	4.9	Migros ¹	5.2
UBS	3.7	UBS	3.7
Dosenbach-Ochsner AG	2.7	Dosenbach-Ochsner AG	2.7

¹ Various companies of the Migros Group.

7 Hotel & catering income

The hotel & catering segment comprises the following categories:

in CHF thousands	01.01.2022 –30.06.2022	01.01.2021 –30.06.2021
Accommodation	4 754	2 000
Catering	1 624	660
Ancillary services	24	10
Increase of provisions for doubtful receivables	–5	–27
Total hotel & catering income	6 397	2 643

8 Segment report

The Group's business activities comprise the business units real estate and hotel & catering.

in CHF thousands	Real estate	Hotel & catering	Corporate & eliminations ¹	Total
01.01.2022–30.06.2022				
Operating revenue	34 277	6 743	–2 521	38 499
Operating expenses	–9 918	–6 310	2 213	–14 015
Revaluation of investment properties (net)	12 662	0	0	12 662
Operating income before depreciation (EBITDA)	37 021	433	–308	37 146
Operating income (EBIT)	35 706	91	–395	35 402

in CHF thousands	Real estate	Hotel & catering	Corporate & eliminations ¹	Total
01.01.2021–30.06.2021				
Operating revenue	33 742	4 993	–2 595	36 140
Operating expenses	–10 866	–4 776	2 320	–13 322
Revaluation of investment properties (net)	12 269	0	0	12 269
Result from the sale of investment properties	7 317	0	0	7 317
Operating income before depreciation (EBITDA)	42 462	217	–275	42 404
Operating income (EBIT)	41 099	–141	–319	40 639

¹ Holding company expenses and intersegment revenues are eliminated in the "Corporate & eliminations" column.

All revenues were generated in the canton of Zug.

The segment elimination of the operating revenue and operating expenses for the first half of 2022 reflects a reduction in rent in favour of the hotel & catering segment in the amount of TCHF 500 – unchanged from the corresponding period in the previous year.

Ownership of the entire portfolio – i.e. investment and operating properties – rests with the real estate business unit. Based on an integrated view of the hotel & catering business unit, i.e. factoring in all properties used by the unit as well as all associated expenses and credits arising from rent paid to the real estate business unit, the hotel & catering business unit generated operating income (EBIT) of CHF 1.2 million (prior-year period: CHF 0.9 million) in the period under review.

Portfolio

Investment properties	Place	Form of ownership ¹	Ownership share in %	Year of construction	Year of refurbishment
Zug City Center site					
Baarerstrasse 20–22 (Metalli I/II, Zug Estates share)	Zug	CO	74.50	1987/1991	–
Baarerstrasse 14a (Metalli III)	Zug	SO	100	1995	–
Industriestrasse 13a/c (Metalli IV)	Zug	SO	100	1995	–
Industriestrasse 16 (leasehold) ²	Zug	LHP	100	–	–
Industriestrasse 18	Zug	SO	100	1992	–
Haldenstrasse 12–16 (Haldenhof)	Zug	SO	100	2009	–
Metallstrasse 13–19, Haldenstrasse 2/4	Zug	SO	100	1910–1915	1984–1989
Haldenstrasse 1/3/5/6/8, Bleichimattweg 2/4, Metallstrasse 21/23	Zug	SO	100	1910–1991	–
Total Zug City Center site					
Suurstoffi site					
Suurstoffi 1, 2, 4, 6	Risch Rotkreuz	SO	100	2019/2020	–
Suurstoffi 5, 9, 13, 15, 17	Risch Rotkreuz	SO	100	2011/2012	–
Suurstoffi 19–35	Risch Rotkreuz	SO	100	2015	–
Suurstoffi 7,11 (Alte Suurstoffi)	Risch Rotkreuz	SO	100	ca. 1926	2012
Suurstoffi 8, 10, 12	Risch Rotkreuz	SO	100	2013	–
Suurstoffi 14	Risch Rotkreuz	SO	100	2013	–
Suurstoffi 16, 18, 20	Risch Rotkreuz	SO	100	2017/2018	–
Suurstoffi 22	Risch Rotkreuz	SO	100	2018	–
Suurstoffi 37 (Aglaya)	Risch Rotkreuz	C	100	2019	–
Suurstoffi 41	Risch Rotkreuz	SO	100	2014	–
Total Suurstoffi site					
Total investment properties (excl. investment properties under construction)					
Investment properties under construction					
–	–	–	–	–	–
Total investment properties under construction					
Undeveloped plots					
Suurstoffi site	Risch Rotkreuz	SO	100	–	–
Total undeveloped plots					
Total real estate portfolio³					
Operating properties ^{3,4}	Zug	SO/C	100	–	–
Total portfolio					

¹ SO: sole ownership; LHP: leasehold plot; CO: co-ownership; C: condominium

² Zug Estates AG is the ground lessor

³ Information on floorspace and number of parking spaces excludes investment properties under construction

⁴ The following properties located in Zug serve completely or partly as operating properties:

Industriestrasse 14 (Parkhotel Zug), Industriestrasse 16 (Résidence), Metallstrasse 20 (City Garden Hotel),

Haldenstrasse 9, 10, 11 (serviced city apartments), Baarerstrasse 30 (Restaurant Bären) and Industriestrasse 12 (Zug Estates offices)

Plot area m ²	Residential m ²	Office m ²	Retail m ²	Hotel/catering m ²	Leisure/ education/ culture m ²	Storage/other m ²	Total rentable space m ²	Total no. of parking spaces
16 419	8 131	10 144	17 917	923	2 261	5 172	44 548	521
4 843	352	5 503	3 056	149	–	3 046	12 106	123
2 155	1 965	1 370	381	461	264	733	5 174	93
3 200	–	–	–	–	–	–	–	–
1 637	–	1 463	–	–	–	234	1 697	30
3 615	3 148	–	–	–	–	59	3 207	54
4 960	2 249	–	–	–	–	–	2 249	2
9 037	6 055	–	–	–	100	49	6 204	70
45 866	21 900	18 480	21 354	1 533	2 625	9 293	75 185	893
8 591	–	8 025	442	–	14 613	2 256	25 336	135
15 503	11 336	–	–	–	–	19	11 355	217
12 417	10 278	–	–	–	–	35	10 313	374
2 680	–	–	–	–	520	–	520	482
15 237	10 095	86	–	337	3 432	326	14 276	262
8 359	–	8 527	–	–	–	621	9 148	0
14 098	13 308	7 512	493	–	312	1 136	22 761	184
7 081	–	10 360	60	547	–	520	11 487	84
7 858	–	1 809	–	258	–	37	2 104	–
3 496	–	4 174	–	–	2 044	262	6 480	–
95 320	45 017	40 493	995	1 142	20 921	5 212	113 780	1 738
141 186	66 917	58 973	22 349	2 675	23 546	14 505	188 965	2 631
–	–	–	–	–	–	–	–	–
0	0	0	0	0	0	0	0	0
10 337	–	–	–	–	–	–	–	–
10 337	0	0	0	0	0	0	0	0
151 523	66 917	58 973	22 349	2 675	23 546	14 505	188 965	2 631
12 871	1 879	873	0	13 002	0	277	16 031	200
164 394	68 796	59 846	22 349	15 677	23 546	14 782	204 996	2 831

Selected key portfolio figures

	2018	2019	2020	2021	30.06.2022
Book value in CHF thousands					
Investment properties	1 273 724	1 478 364	1 534 432	1 583 985	1 597 030
Investment properties under construction	140 739	31 402	9 794	11 274	11 547
Undeveloped plots	2 524	2 524	2 524	2 524	2 524
Total real estate portfolio	1 416 987	1 512 290	1 546 750	1 597 783	1 611 101
Operating properties ¹	118 705	118 250	108 110	103 230	103 230
Total portfolio	1 535 692	1 630 540	1 654 860	1 701 013	1 714 331
Performance in CHF thousands or %					
Projected rental revenue investment properties	53 716	60 597	62 163	63 024	63 021
Property income	50 794	54 481	57 782	60 024	30 443
Gross return investment properties ³	4.2%	4.1%	4.1%	4.0%	3.9%
Vacancy rate of investment properties ⁴	2.9%	3.3%	5.0%	4.0%	3.8%
Average discount rate (real)	3.2%	3.1%	3.0%	2.8%	2.8%

¹ Properties used for operational purposes are stated at cost less write-downs in accordance with accounting standards. Wüest Partner AG estimated the fair value as at December 31, 2021, at TCHF 103 230. Operating properties are revalued once a year at year-end.

² As at the balance sheet date, annualised.

³ Projected rental income (annualised) as a percentage of the market value on the balance sheet date.

⁴ As at the balance sheet date, as a percentage of projected rental income.

Contact details and upcoming events

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Upcoming events

30.08.2022

Sustainability Forum

24.02.2023

Publication of Annual Report 2022

06.04.2023

Ordinary General Meeting

25.08.2023

Publication of Half-Year Report 2023



Online, download

This Half-Year Report is published in German and English. The German version shall prevail and is binding.

The electronic version of the report can be downloaded from www.zugestates.ch.

Notes on possible forward-looking statements:

The present Half-Year Report of the Zug Estates Group may contain forward-looking statements. Such statements can be identified by expressions such as "shall", "assume", "expect", "anticipate", "intend", "aim", "future" or similar terms, as well as by discussions of strategies, goals, plans or intentions, etc. They are subject to known or unknown risks and uncertainties that could cause actual results and occurrences to differ materially from the expectations contained or implied in the forward-looking statements.

Publishing information

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