

## Press release

### **Mobimo records strong operational performance in 2017**

- After the record-breaking result of the previous year (CHF 159.4 million) that was largely due to revaluation, Mobimo generated another strong result, with profit of CHF 91.5 million.
- The company generated rental income of CHF 111.0 million, remaining at a similar level to the previous year (CHF 114.7 million).
- The vacancy rate continues to remain low at 4.9% (previous year: 4.8%).
- Profit attributable to trading properties and development services amounted to CHF 24.7 million, up from the prior year (CHF 23.9 million).
- A profit of CHF 27.5 million was generated from the sale of individual investment properties (previous year: CHF 34.9 million).

**Lucerne, 9 February 2018 – Mobimo was well on course operationally in all areas in 2017. Stable rental income, profit from trading properties and development services as well as selective sales from the portfolio resulted in a pleasing EBIT excluding revaluation that was practically on a par with the previous year.**

Mobimo can once again look back on a good financial year. The 2017 result was strongly shaped by operational performance again, whereas in the record-breaking years of 2015 and 2016 income from the sale of investment properties, high market-related upwards valuations and a positive non-recurring item relating to deferred taxes had been prominent. With EBIT amounting to CHF 142.3 million (prior year: CHF 200.3 million), Mobimo recorded the third-highest EBIT result in the history of the company. EBIT excluding revaluation totalled CHF 115.0 million (prior year: CHF 119.6 million) and was thus on a par with the previous year, which reflects the excellent performance of all operational activities. Mobimo achieved profit attributable to the shareholders of Mobimo Holding AG of CHF 91.6 million including revaluation and CHF 71.9 million excluding revaluation (prior year: CHF 158.7 million and CHF 99.4 million respectively). The corresponding earnings per share stood at CHF 14.74 and CHF 11.56 (prior year: CHF 25.52 and CHF 15.99). The Board of Directors will once again propose a distribution of CHF 10.00 per share at the forthcoming Annual General Meeting.

### **Active portfolio management**

In 2017, Mobimo acquired a plot of land in Meggen on the shores of Lake Lucerne as well as a commercial property, which is situated next to the station square Lausanne. The company is planning to use the plot in Meggen to build 30 condominiums in the mid-price segment, which continue to be in

high demand. Construction is scheduled to begin in 2019. The huge potential of the fully let building in Lausanne shall be realised in the development of the property.

The profit generated by the sale of four investment properties, including three office and commercial properties, stands at CHF 27.5 million (prior year: CHF 34.9 million). As part of its property strategy, Mobimo will continue to take advantage of attractive transaction opportunities in the future with the aim of optimising its portfolio. During the reporting period, the Mobimo portfolio grew from CHF 2,766 million to CHF 2,799 million net.

#### **Stable rental income with a persistently low vacancy rate**

Mobimo recorded stable rental income of CHF 111.0 million (prior year: CHF 114.7 million) in spite of the aforementioned sales. Net rental income totalled CHF 94.1 million (prior year: CHF 96.2 million). The vacancy rate remained at a low level of 4.9% (prior year: 4.8%), while the cost/income ratio arising from direct expenses for rented properties fell from 16% to 15% year-on-year.

There were and still are slightly higher contract maturities than usual in 2017 and 2018. In light of this and in view of the increasingly competitive environment of the commercial space market, Mobimo considers its in-house management and facility management as well as its many years of development experience as valuable prerequisites for investment in long-term tenant retention and for maintaining a high level of occupancy.

#### **Pleasing result from trading properties and development**

The profit generated on the sale of trading properties and development services totalled CHF 24.7 million (prior year: CHF 23.9 million), with the transfers of condominium ownership in Aarau's Aeschbachquartier contributing to this. The projects in Lucerne (Am Meggerwald) and Feldmeilen (Flair) were completed in 2017 with the sale of the final apartments. The Development for Third Parties business area played a significant role in achieving this pleasing result with the sale of one building on the Labitzke site in Zurich and the successful completion of the first stage of the project being carried out in Bad Zurzach (rental properties and condominiums).

#### **Revaluation gains thanks to project development**

Following the extraordinary revaluation income of CHF 80.7 million driven predominantly by the market in 2016, revaluation income fell to a normal level in the year under review, amounting to CHF 27.3 million. This is mainly due to operational activities and therefore reflects the fact that construction is proceeding as planned in the major projects for the company's own portfolio as well as the activities aimed at increasing the quality of the existing portfolio.

### **Realisation on track**

In the development business, Mobimo is on track to realise the major Mattenhof, Labitzke and Aeschbachquartier projects. With the Labitzke development, Mobimo is clearly addressing the high demand for affordable residential space in an urban environment. Four months prior to tenants moving in, all of the apartments and 75% of the commercial spaces have been let. It will, however, be more challenging to market the spaces in the Aeschbachquartier and Mattenhof projects, despite the good product and price-performance ratio.

From the perspective of the pipeline, 2017 was a transitional year with only two smaller completions, both of which are in Lausanne – Les Garages with floor space for businesses, studios and galleries, as well as the Esplanade du Flon, the central square that has undergone comprehensive renovations in the Flon district. In 2018 as well as in 2019 and 2020 in particular, the abovementioned development projects as well as many others will be added to the portfolio, bringing additional rental income of over CHF 25 million.

### **Rejuvenation of the Executive Board**

Mobimo enters the new financial year with a slight change in its organisational structure. The appointment of Vinzenz Manser and Marco Tondel has seen the Executive Board strengthened and rejuvenated with the addition of two longstanding members of management. In his role as Head of Realisation, Vinzenz Manser is responsible for ensuring that construction projects are realised within budget and on schedule, as well as for the quality assurance process and the smooth handover of units to tenants and buyers. Marco Tondel is in charge of the company's development activities. Andreas Hämmerli, previously Head of Development, stepped down from the Executive Board as at 1 January 2018. We would like to take this opportunity to thank him for his successful service to Mobimo in almost ten years with the company.

### **Outlook**

The Board of Directors and the Executive Board expect the Swiss real estate market to once again deliver a robust performance in 2018. Along with consumer sentiment, the Purchasing Manager Index and the KOF Economic Barometer, the key indicators for the market are looking positive. In 2017, the Swiss franc also weakened, and the mortgage interest rate remained at a record-low level, which resulted in the reference interest rate falling to 1.5%. The forecast economic growth could culminate in interest rate adjustments in the OECD area, which would also provide the Swiss National Bank with greater leeway in terms of its monetary policy. Nevertheless, we expect interest rates to remain low in 2018. Real estate prices are therefore likely to remain stable. The pleasing economic outlook looks set to have a positive impact on the office space market, where location and product remain the factors for success. This also holds true for the rental apartment market. The high amount of residential construction activity is leading to a higher vacancy rate in peripheral areas, while demand for

residential space in city centres and commuter towns close to centres remains consistently high. This is also the case, in a slightly adapted form, for the demand for condominiums.

Thanks to our high-quality portfolio featuring real estate in excellent locations as well as the attractive pipeline, Mobimo is optimally prepared to overcome the future challenges it will face on the market. The company will adhere to its proven strategy and business model, thus ensuring attractive distribution, and is looking to the future with great confidence.

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**Detailed reporting:** You can find the Annual Report 2017 on our [website](#).

**A media and analysts' conference will take place today at 10.00 a.m.**

Christoph Caviezel (CEO) and Manuel Itten (CFO) will present the 2017 results.

The webcast of the conference is also available on our website at:

<http://mobimo090218-live.audio-webcast.com>

**A telephone conference in English for analysts and media representatives will take place today at 2.00 p.m.:**

Following the presentation of the 2017 financial results, Christoph Caviezel (CEO) and Manuel Itten (CFO) will be available to answer any questions. Registration is not necessary.

Dial-in data: +41 44 580 10 22 | Conference ID: 2505739

The corresponding presentation can be viewed by clicking the following link:

[www.audio-webcast.com](http://www.audio-webcast.com)

Password: mobimo0218en

**If you have any questions, please contact:**

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**About Mobimo:**

Mobimo Holding AG was established in Lucerne in 1999 and has been listed on the SIX Swiss Exchange since 2005. With a real estate portfolio with a total value of CHF 2.8 billion, the Group is one of the leading real estate companies in Switzerland. The portfolio comprises investment and development properties in first-class locations in German-speaking Switzerland and French-speaking Switzerland. Mobimo generates stable rental income with its residential and commercial properties, while its development expertise and full pipeline allows it to create value enhancement potential in its own portfolio and for third parties. The investment volume of development properties for its own portfolio totals around CHF 0.8 billion. Mobimo has a stable business model, pursues a sustainable strategy and provides its shareholders with an attractive return.

## SELECTED KEY FIGURES 2017

**Mobimo posted a pleasing operational performance in 2017. The profit generated on the sale of trading properties and development services increased, rental income was stable despite individual sales and the vacancy rate remained at a low level. Net income from revaluation was positive once again.**

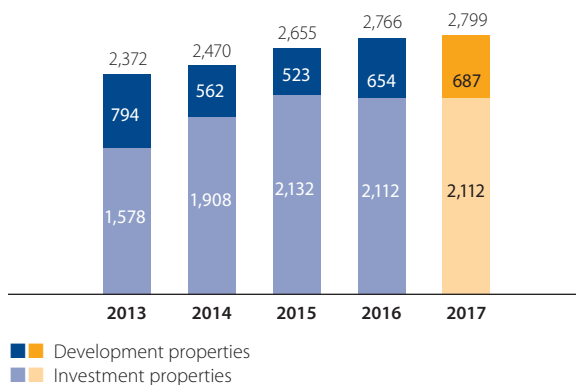
### Profit attributable to the shareholders of MOH

CHF million  
2016: 158.7

# 91.6

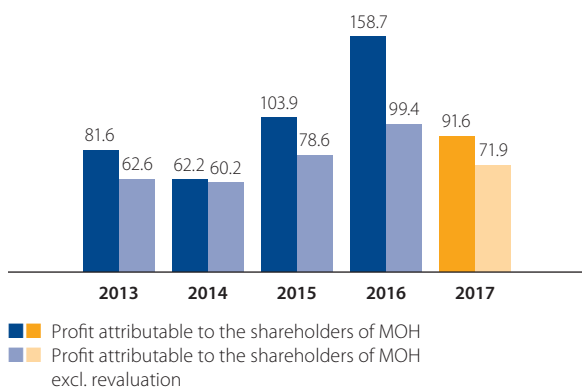
### Total portfolio value

CHF million



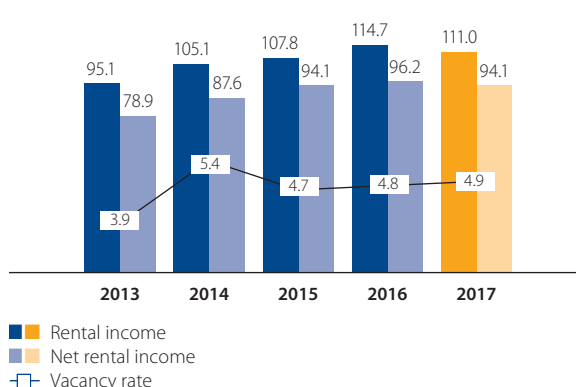
### Profit attributable to the shareholders of MOH including and excluding revaluation

CHF million



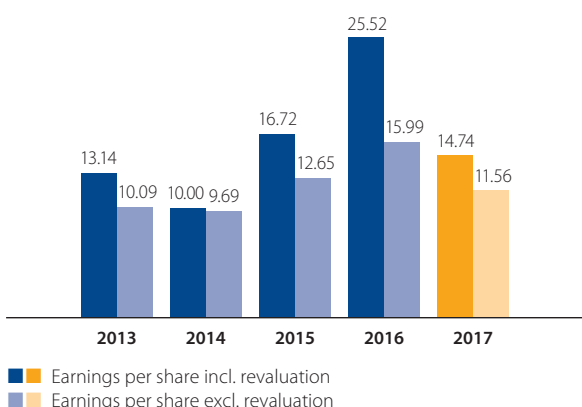
### Rental and net rental income and vacancy rate

CHF million / %



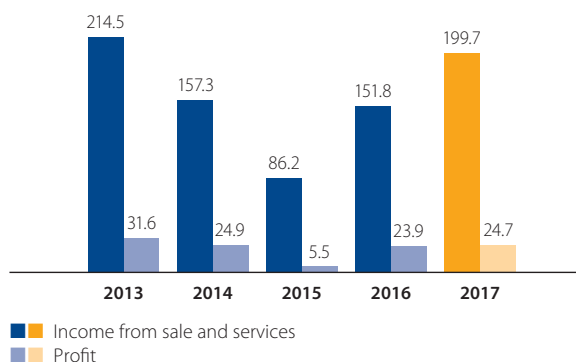
### Earnings per share including and excluding revaluation

CHF



### Income and profit on sale of trading properties and development services

CHF million



Result	Unit	2017	2016	Change in %
Net rental income	CHF million	94.1	96.2	-2.2
Profit on sale of trading properties and development services	CHF million	24.7	23.9	3.5
Profit on disposal of investment properties	CHF million	27.5	34.9	-21.4
Net income from revaluation	CHF million	27.3	80.7	-66.2
Operating result (EBIT)	CHF million	142.3	200.3	-29.0
Operating result (EBIT) excluding revaluation	CHF million	115.0	119.6	-3.8
Profit	CHF million	91.5	159.4	-42.6
Profit attributable to the shareholders of MOH	CHF million	91.6	158.7	-42.2
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	71.9	99.4	-27.7
<b>Balance sheet</b>				
Balance sheet	Unit	2017	2016	Change in %
Assets	CHF million	3,195.7	3,031.7	5.4
Equity	CHF million	1,399.1	1,366.3	2.4
Equity ratio	%	43.8	45.1	-2.9
Return on equity	%	7.0	13.1	-46.6
Return on equity excluding revaluation	%	5.5	8.2	-32.9
Interest-bearing liabilities	CHF million	1,512.8	1,349.4	12.1
Ø Rate of interest on financial liabilities (for the period)	%	2.17	2.38	-8.8
Ø Residual maturity of financial liabilities	years	6.5	6.9	-5.8
Net gearing	%	91.2	86.0	6.0
<b>Portfolio</b>				
Portfolio	Unit	2017	2016	Change in %
Overall portfolio	CHF million	2,799	2,766	1.2
Investment properties	CHF million	2,112	2,112	0.0
Development properties	CHF million	687	654	5.1
Gross yield from investment properties	%	5.1	5.3	-3.8
Net yield from investment properties	%	4.0	4.1	-2.4
Investment property vacancy rate	%	4.9	4.8	2.1
Ø Discount rate for revaluation (nominal) <sup>1</sup>	%	4.1	n/a	n/a
Ø Capitalisation rate (real) <sup>1</sup>	%	3.6	n/a	n/a
<b>EPRA</b>				
EPRA	Unit	2017	2016	Change in %
EPRA profit	CHF million	50.0	51.4	-2.6
EPRA NAV per share	CHF	259.94	258.53	0.5
EPRA rental increase like for like	%	-0.4	0.4	nmf
EPRA vacancy rate	%	4.9	4.8	2.1
<b>Headcount</b>				
Headcount	Unit	2017	2016	Change in %
Ø Headcount (full-time basis for the period)	Number	137.3	126.2	8.8
Headcount (full-time basis)	Number	141.4	135.7	4.2
<b>Share</b>				
Share	Unit	2017	2016	Change in %
Shares outstanding <sup>2</sup>	Number	6,217,669	6,216,126	0.0
Nominal value per share	CHF	29.00	29.00	0.0
NAV per share (diluted)	CHF	222.58	217.33	2.4
Earnings per share	CHF	14.74	25.52	-42.2
Earnings per share excluding revaluation	CHF	11.56	15.99	-27.7
Distribution per share <sup>3</sup>	CHF	10.00	10.00	0.0
Distribution yield	%	3.8	3.9	-2.6
Share price at 31.12.	CHF	261.50	254.75	2.6

<sup>1</sup> The average capital-weighted nominal discount rate for the properties valued by Jones Lang LaSalle AG stood at 4.06% as at 31 December 2016 and the average capital-weighted real capitalisation rate at 3.56%. The average capital-weighted nominal discount rate for the properties valued by Wüest Partner AG as at 31 December 2016 was 3.78%.

<sup>2</sup> No. of shares issued 6,218,170 less treasury shares 501 = no. of outstanding shares 6,217,669.

<sup>3</sup> Distribution of CHF 10.00, of which CHF 4.40 as a distribution from the capital contribution reserves and CHF 5.60 in the form of a nominal value reduction, for the 2017 financial year in accordance with the proposal to the General Meeting of 27 March 2018. Some CHF 27.5 million was available for distribution from the capital contribution reserves as at 31 December 2017.

Details on the long-term trends in Mobimo's key figures can be found on page 144 of the Annual Report (Five-year overview).