Swiss Estates AG - Participation rights

Switzerland | Real Estate | MCap CHF 8.3m

3 June 2025

UPDATE



Weak results due to asset sale and tax burden; PT down; BUY

BUY (BUY)

Target price	**CHF 5.00** (7.50)
Current price	CHF 1.49
Up/downside	235.6%

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What's it all about?

Swiss Estates AG reported disappointing FY24 results, with a net loss of CHF 7.0m (mwb est.: CHF 4.5m profit), mainly due to one-off impacts from the sale of a Zurich asset and CHF 5.8m in tax charges. EBITDA dropped 81.6% to CHF 0.7m, reflecting high transaction costs and legal fees. Despite stable rental income and a sound strategy shift toward residential assets, recurring earnings remain weak. NAV per share fell 17.1% to CHF 11.74 but at the same time, leverage remains manageable with an LTV of 62.5%. Due to reduced earnings visibility, our price target is lowered from CHF 7.50 to CHF 5.00, but we maintain a BUY rating based on long-term upside potential.

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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Swiss Estates AG - Participation rights

Switzerland | Real Estate | MCap CHF 8.3m | EV CHF 100.3m

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Weak results due to asset sale and tax burden; PT down; BUY

Disappointing result driven by one-offs Swiss Estates AG ("Swiss Estates") published its annual report for FY24. While operational KPIs remained relatively stable, the bottom line was significantly burdened by one-off effects related to the sale of a key property in Zurich and the associated tax charges. Net income came in at CHF -7.0m, falling sharply short of expectations (mwb est.: CHF 4.5m), largely due to a CHF 5.1m loss from the property transaction "Badenerstrasse" and CHF 5.8m in tax charges. On an adjusted basis, however, we see a more stable picture, particularly as recurring rental income continued to develop solidly. The portfolio streamlining and strategic shift towards pure residential use also signal a more focused growth strategy.

Net rental income in line, but no growth kicker Net rental income decreased slightly by 1.2% to CHF 6.4m in FY24 (mwb est.: CHF 7.3m), largely reflecting the sale of the mixed-use Zurich asset. Gross rental income, however, increased by 8.3% to CHF 7.4m, reflecting indexation and full-year contributions from recently repositioned assets.

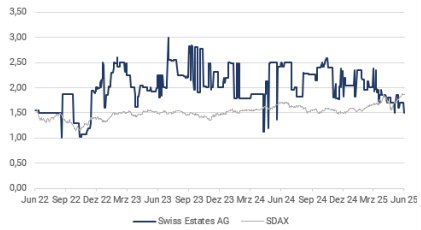
Substantial deviation from EBITDA estimates However, EBITDA came in at just CHF 0.7m (mwb est.: CHF 5.9m), down 81.6% yoy, reflecting both the legal and transactional charges. Despite a modest revaluation gain of CHF 2.0m (prior year: CHF 0.02m), the impact of the asset disposal and extraordinary legal and tax costs heavily weighed on the full-year result. In addition, it is noted that CEO Udo Rössig received a commission of 2.125% (approximately CHF 880K) of the sale value from the transaction involving Badenerstrasse. It could be argued that such commissions are considered part of the standard responsibilities associated with the CEO position. Additional context may be required to fully understand the rationale behind this arrangement. Nonetheless, on the bottom-line Swiss Estates clocked a loss of nearly CHF 7m, which is likely to trigger again a zero dividend for FY24.

Leverage metrics largely stable The value of Swiss Estates 16 investment properties (prior year 17) fell by 22.8% to CHF 147.2m due to the Zurich sale. On a positive note, interest-bearing liabilities were reduced accordingly, bringing the LTV to 62.5% — slightly above the company's stated target range but still acceptable in the current rate environment. Net gearing declined from 202% to 177% due to improved liquidity and lower debt.

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Swiss Estates AG*	2022	2023	2024	2025E	2026E	2027E
Sales	6.2	6.5	6.4	6.6	6.8	7.0
Growth yoy	13.0%	4.9%	-1.2%	3.0%	3.0%	3.0%
EBITDA	7.7	3.8	0.7	5.0	5.2	5.3
EBIT	7.7	3.8	0.7	6.3	6.4	6.6
Net profit	3.6	-3.4	-7.0	4.0	3.7	3.8
Net debt (net cash)	115.4	118.8	92.0	95.3	99.2	103.0
LTV	60.4%	61.4%	62.5%	60.8%	59.4%	58.1%
EPS reported	0.79	-0.74	-1.51	0.87	0.80	0.82
DPS	0.00	0.00	0.00	0.30	0.28	0.29
Dividend yield	0.0%	0.0%	0.0%	17.0%	15.6%	16.0%
EV/Sales	20.1x	19.7x	15.7x	15.8x	15.9x	16.0x
EV/EBIT	16.0x	33.6x	144.6x	16.6x	16.8x	16.8x
PER	1.9x	-2.0x	-1.0x	1.7x	1.9x	1.8x

Source: Company data, mwb research; * in CHFm



Source: Company data, mwb research

High/low 52 weeks	2.68 / 1.20
Price/Book Ratio	0.1x

Ticker / Symbols

ISIN	CH0019304531
WKN	A0MJ3Y
Bloomberg	SEAP:SW

Changes in estimates

		Sales	EBIT	EPS
2025E	old	8.6	8.9	1.12
	Δ	-23.3%	-29.6%	-22.9%
2026E	old	9.8	10.1	1.19
	Δ	-31.0%	-36.7%	-33.2%
2027E	old	10.2	10.1	1.10
	Δ	-31.7%	-34.6%	-25.6%

Key share data (all share classes)

Number of shares: (in m pcs)	4.64
Book value per share: (in CHF)	10.99
Ø trading vol.: (12 months)	1,202

Major shareholders (% of share capital)

Udo Rössig, CEO	8.1%
Pension fund Victorinox AG	2.0%
Gazmet Redzepi	1.9%
Free Float	86.1%

Company description
Swiss Estates invests in residential properties in Switzerland. The focus here is on undermanaged assets or assets with repositioning potential. The Company's investment portfolio consist of various properties in the Cantons of Zurich, Vaud, Bern, Thurgau and Solothurn. The Company's investment criteria's are residential properties with minimum of 20 residential units, partially with commercial component; urban areas in Switzerland and agglomerations.

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NAV and outlook NAV per share declined from CHF 14.17 to CHF 11.74 (–17.1%), reflecting the valuation adjustment and latent tax provisions following the property sale. While the repositioning of the portfolio toward pure residential and the refinancing benefits from SNB's rate cuts (currently 0.25%) are longer-term positives, the magnitude of negative one-offs and below-expectation operational results suggest a pause in momentum.

Conclusion The FY24 results were clearly below our expectations across earnings metrics due to material one-offs and the impact of asset disposals. While the strategic rationale for the portfolio realignment is sound and leverage remains manageable, the recurring earnings power is currently not sufficient to support our prior valuation. With adjusted estimates, we cut our PT from CHF 7.50 to CHF 5.00, which still implies a 50% discount to our DCF derived fair value calculation. With an upside potential of more than 200% we still stick to our BUY rating.

The following table displays the half-year performance of **Swiss Estates AG:**

P&L data in CHFm	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
Sales	2.6	2.8	3.0	3.2	3.1	3.4	4.1	2.3
yoy growth in %	-19.2%	10.3%	14.1%	11.9%	4.5%	7.8%	31.7%	-33.4%
Gross profit	2.3	2.2	2.4	2.6	2.6	3.1	3.7	na
Gross margin in %	89.6%	76.3%	82.4%	82.1%	83.1%	88.9%	91.1%	na%
EBITDA	1.5	11.5	1.6	6.1	1.8	2.1	3.0	-2.3
EBITDA margin in %	57.6%	404.6%	55.5%	190.9%	56.7%	62.0%	72.7%	-99.3%
EBIT	1.5	11.5	1.6	6.1	1.8	2.1	3.0	-2.3
EBIT margin in %	57.5%	404.3%	55.2%	190.7%	56.5%	61.7%	72.7%	-99.7%
EBT	0.4	10.2	0.6	4.7	0.7	-4.5	1.5	-7.0
taxes paid	0.0	2.0	-0.3	2.0	0.0	-0.3	0.1	1.5
tax rate in %	3.7%	19.8%	-55.7%	43.0%	3.7%	7.6%	4.6%	-21.0%
net profit	0.3	8.3	-3.2	6.8	0.7	-4.2	1.4	-8.4
yoy growth in %	-60.4%	244.6%	na%	-17.5%	na%	-160.9%	99.7%	103.1%
EPS	**0.08**	**1.81**	**0.24**	**1.62**	**0.16**	**-0.90**	**0.31**	**-1.82**

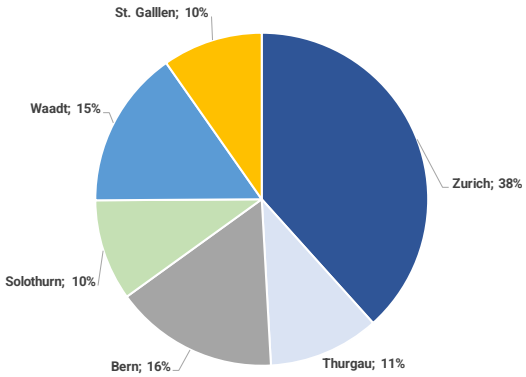
Source: Company data; mwb research

Investment case in six charts

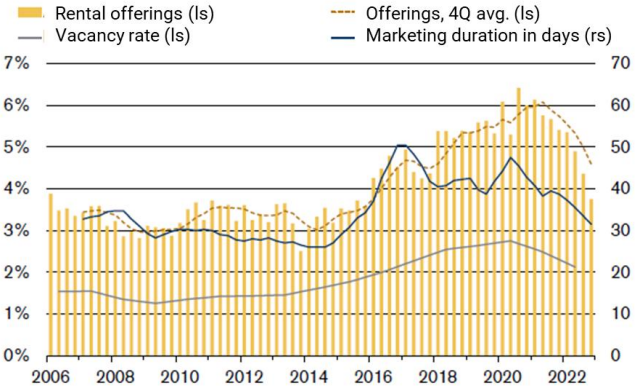
Products & Services



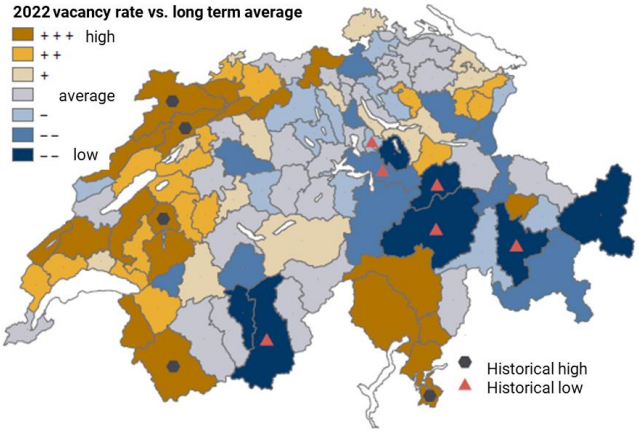
Regional sales split by canton in %



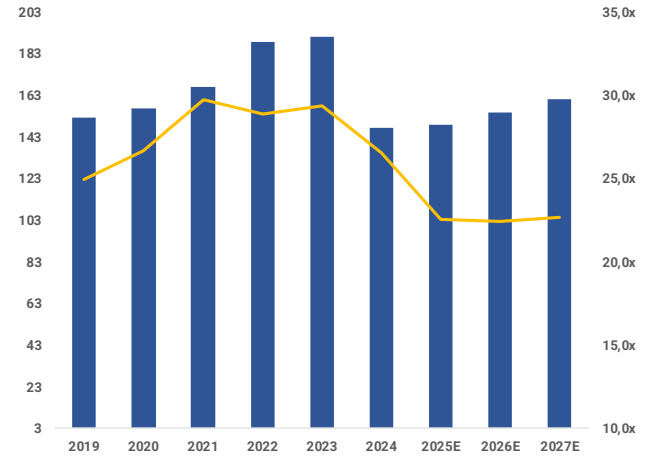
Vacancy rates - Swiss residential property market



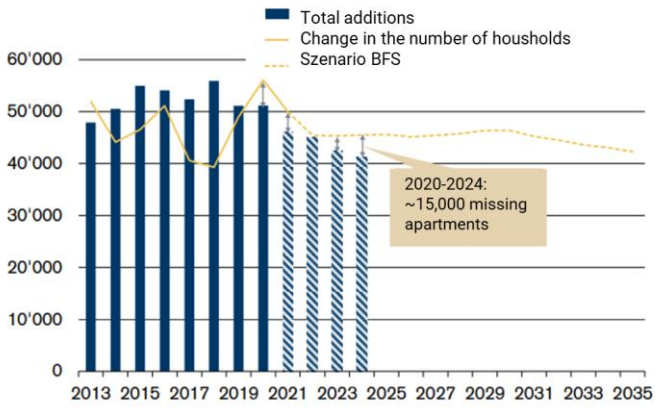
Vacancy rate by region



Property value in CHFm (ls) vs. annual net rental factor (rs)



Annual net addition of apartments



Source: Company data, mwb research

SWOT analysis

Strengths

- Management with more than 20 years of track record of successfully building a sophisticated property portfolio
- Expertise in improving rents and reducing vacancy rates
- Strong knowledge about Micro-locations in Switzerland
- Solid balance sheet with moderate LTV of just about 60%
- Expertise in value adding tasks such as refurbishments
- Long-term credit portfolio – 40% of credits expire beyond 2028

Weaknesses

- Outside investors with limited voting rights
- Low liquidity in the share capital

Opportunities

- Focus on Switzerland, which saw only modest interest rate hikes in comparison to the EU or the US market
- Net immigration leads to sustained housing shortage
- Access to capital market might help raising fresh capital in order to pursue additional acquisitions
- Significant discount to intrinsic value (NAV)

Threats

- Economic recessions or financial crises can lead to reduced demand for real estate and negatively impact property values.
- Changes in zoning laws, building codes, or tax regulations can affect the feasibility and profitability of projects.
- Intense competition in the real estate sector can lead to pricing pressures and reduced profit margins.
- Changes in interest rates can affect the cost of financing for real estate projects and influence property demand.

Valuation

General remarks

Swiss Estates has several classes of shares outstanding. These include, in addition to the **non-listed voting shares**, the **registered shares** denominated in CHF, as well as the **participation certificates**. The latter are tradable in CHF as well as in EUR. With a share of just under 62% of the share capital, the participation certificates represent the largest class of shares, which is why we focus on these certificates - specifically the more liquid CHF-denominated securities - in our valuation.

in CHFm	Nominal in CHF	No of shares	Capital	%-share
Voting shares	0,50	1,75	0,88	3,8%
Registered shares	5,00	1,62	8,09	34,8%
Participation certificates	5,00	2,86	14,31	61,5%
Total		**4,66**	**23,28**	

Source: Company data; mwb research

As a further fundamental remark, it should be mentioned that we have applied a **valuation discount of 50%** across the board when determining the fair value of the participation certificates. The background to this is that the participation certificates are subject to certain advantages and disadvantages. For example, participation certificates receive preferential treatment in future dividend payments. On the other hand, participation certificates have no voting rights. Thus, the securities are comparable to preferred shares ("Vorzugsaktien") in Germany, but also have certain characteristics of bonds.

DCF Model (without valuation discount)

The DCF model results in a **fair value of CHF 11.85 per share**:

Top-line growth: We expect Swiss Estates AG to grow revenues at a CAGR of 3.0% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 4.0% in 2025E to 4.2% in 2032E.

WACC. Starting point is a historical equity beta of 0.41. Unleverering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.1%.

DCF (CHFm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	5.6	5.2	5.3	5.4	5.5	5.6	5.7	5.8	
Depreciation & amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in working capital	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Chg. in long-term provisions	-7.4	-1.2	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5	
Capex	0.0	-5.0	-5.0	-5.0	-4.0	-4.0	-4.0	-4.0	
Cash flow	-1.7	-1.0	-1.0	-0.9	0.2	0.2	0.3	0.3	5.5
Present value	-1.6	-0.9	-0.8	-0.7	0.1	0.1	0.2	0.2	3.0
WACC	9.8%	8.8%	8.7%	8.6%	8.5%	8.4%	8.3%	8.2%	8.1%

DCF per share derived from	
Total present value	-0.3
Mid-year adj. total present value	-0.3
Net debt / cash at start of year	92.0
Financial assets	147.3
Provisions and off b/s debt	na
Equity value	55.0
No. of shares outstanding	4.6
Discounted cash flow / share	**11.85**
upside/(downside)	**695.4%**
Share price	**1.49**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	3.0%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	4.2%
Terminal year WACC	8.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	0.41
Unlevered beta (industry or company)	1.00
Target debt / equity	0.5
Relevered beta	1.38
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.3%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	11.6	11.6	11.6	11.7	11.7
1.0%	11.6	11.7	11.7	11.8	11.8
0.0%	11.7	11.8	11.9	11.9	12.0
-1.0%	11.9	12.0	12.0	12.1	12.3
-2.0%	12.1	12.2	12.3	12.5	12.7

Share of present value	
2025E-2028E	1,256.2%
2029E-2032E	-190.3%
terminal value	-965.9%

Source: mwb research

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FCF Yield Model (without valuation discount)

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between CHF 21.89 per share based on 2025E and CHF 24.58 per share on 2029E estimates.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in CHFm	2025E	2026E	2027E	2028E	2029E
EBITDA	**5.0**	**5.2**	**5.3**	**5.5**	**5.7**
- Maintenance capex	1.2	1.2	1.3	1.3	1.4
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	0.4	0.9	0.9	1.0	1.1
= Adjusted FCF	**3.4**	**3.1**	**3.1**	**3.1**	**3.2**
Actual Market Cap	**8.3**	**8.3**	**8.3**	**8.3**	**8.3**
+ Net debt (cash)	95.3	99.2	103.0	106.7	109.5
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	148.5	154.7	161.0	167.3	172.7
- Acc. dividend payments	0.0	1.4	2.7	4.0	5.4
EV Reconciliations	-53.1	-56.9	-60.7	-64.6	-68.6
= Actual EV'	**-44.9**	**-48.6**	**-52.4**	**-56.3**	**-60.3**
Adjusted FCF yield	**-7.5%**	**-6.3%**	**-5.9%**	**-5.6%**	**-5.3%**
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	**48.4**	**43.8**	**44.3**	**44.9**	**45.4**
- EV Reconciliations	-53.1	-56.9	-60.7	-64.6	-68.6
Fair Market Cap	**101.5**	**100.6**	**105.0**	**109.5**	**114.0**
No. of shares (million)	4.6	4.6	4.6	4.6	4.6
Fair value per share in CHF	**21.89**	**21.71**	**22.64**	**23.62**	**24.58**
Premium (-) / discount (+)	**1,142.1%**	**1,131.9%**	**1,184.2%**	**1,238.9%**	**1,293.0%**

Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	26.1	25.5	26.5	27.5	28.5
	6.0%	23.6	23.3	24.2	25.2	26.2
	7.0%	**21.9**	**21.7**	**22.6**	**23.6**	**24.6**
	8.0%	20.6	20.5	21.4	22.4	23.4
	9.0%	19.6	19.6	20.5	21.5	22.4

Source: Company data; mwb research

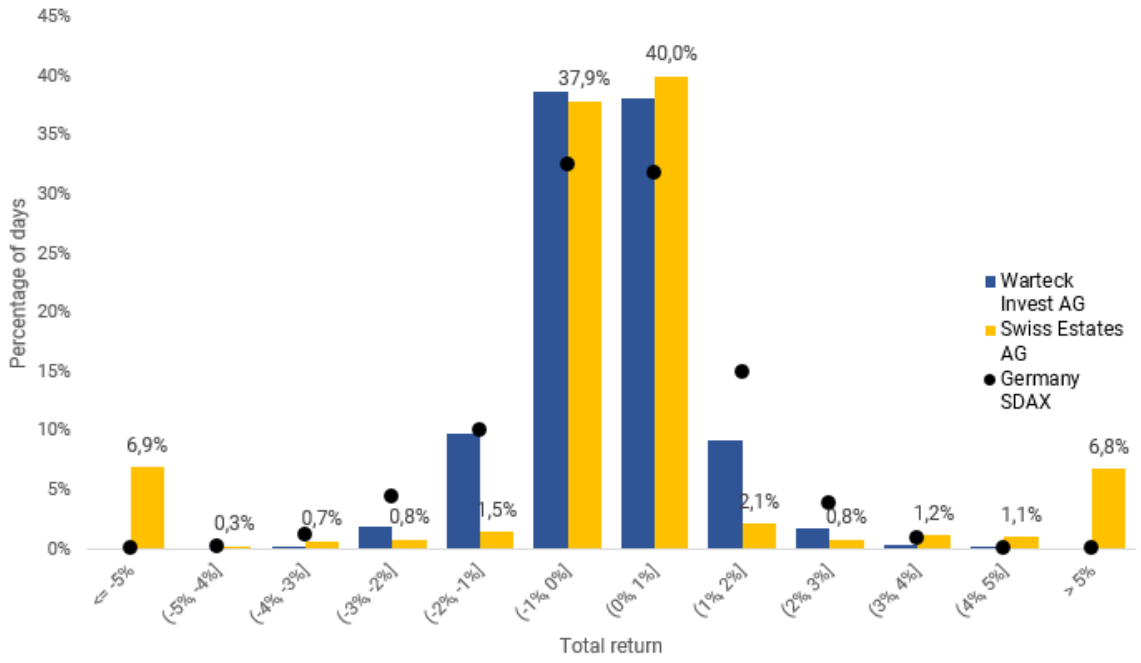
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

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Risk

The chart displays the **distribution of daily returns of Swiss Estates AG** over the last 3 years, compared to the same distribution for Warteck Invest AG. We have also included the distribution for the index Germany SDAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Swiss Estates AG, the worst day during the past 3 years was 22/05/2024 with a share price decline of -45.8%. The best day was 29/04/2024 when the share price increased by 109.5%.

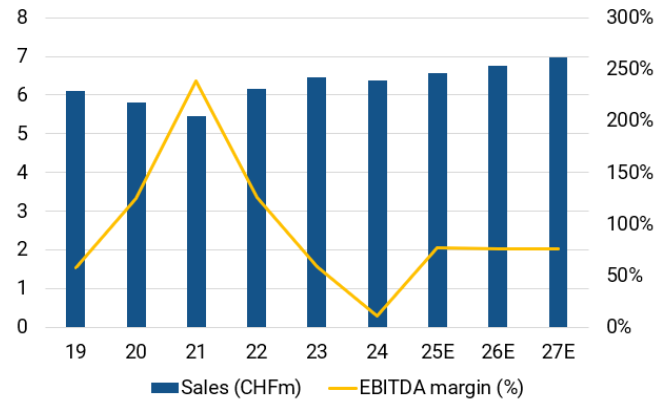
Risk – Daily Returns Distribution (trailing 3 years)



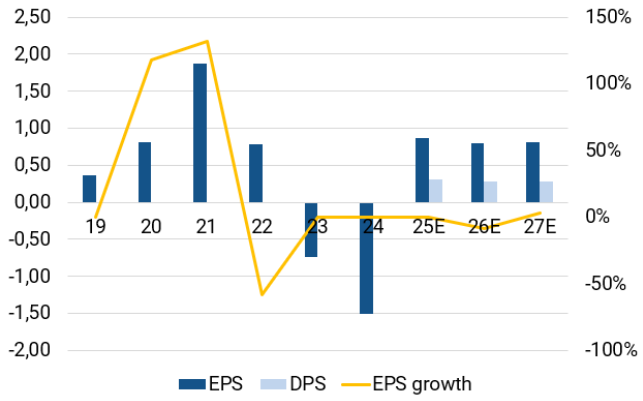
Source: FactSet, mwb research

Financials in six charts

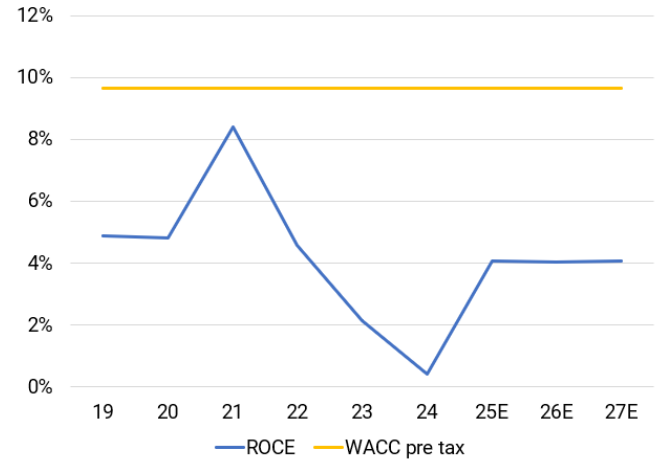
Sales vs. EBITDA margin development



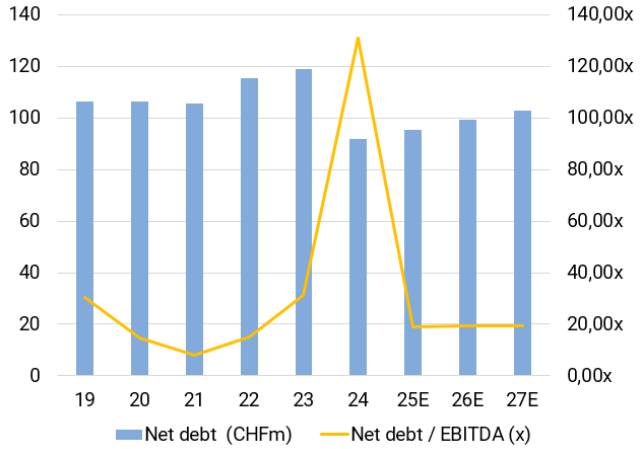
EPS, DPS in CHF & yoy EPS growth



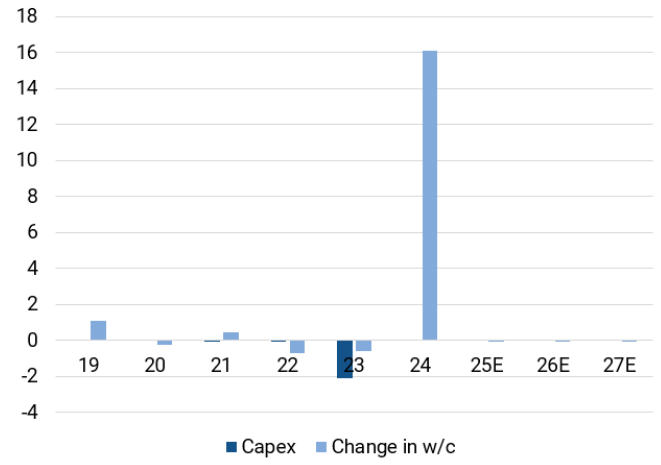
ROCE vs. WACC (pre tax)



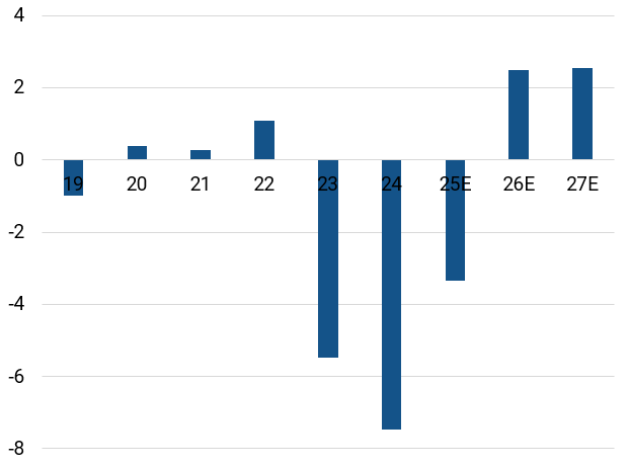
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in CHFm



Free Cash Flow in CHFm



Source: Company data; mwb research

Financials

Profit and loss (CHFm)	2022	2023	2024	2025E	2026E	2027E
Net sales	**6.2**	**6.5**	**6.4**	**6.6**	**6.8**	**7.0**
Sales growth	13.0%	4.9%	-1.2%	3.0%	3.0%	3.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**6.2**	**6.5**	**6.4**	**6.6**	**6.8**	**7.0**
Material expenses	1.1	1.0	0.9	1.1	1.2	1.2
Gross profit	**5.1**	**5.5**	**5.5**	**5.4**	**5.6**	**5.7**
Change in the value of investment property	4.3	0.0	-3.1	1.2	1.2	1.3
Personnel expenses	1.1	0.8	0.9	1.1	1.1	1.1
Other operating expenses	0.5	0.9	0.8	0.6	0.6	0.6
EBITDA	**7.7**	**3.8**	**0.7**	**5.0**	**5.2**	**5.3**
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	7.7	3.8	0.7	6.3	6.4	6.6
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**7.7**	**3.8**	**0.7**	**6.3**	**6.4**	**6.6**
Financial result	-2.4	-2.5	-2.8	-1.8	-1.8	-1.9
Recurring pretax income from continuing operations	5.3	1.3	-2.1	4.4	4.6	4.7
Extraordinary income/loss	0.0	-5.1	-3.4	0.0	0.0	0.0
Earnings before taxes	5.3	-3.8	-5.5	4.4	4.6	4.7
Taxes	1.7	-0.4	1.5	0.4	0.9	0.9
Net income from continuing operations	3.6	-3.4	-7.0	4.0	3.7	3.8
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**3.6**	**-3.4**	**-7.0**	**4.0**	**3.7**	**3.8**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	3.6	-3.4	-7.0	4.0	3.7	3.8
Average number of shares	4.56	4.64	4.64	4.64	4.64	4.64
EPS reported	**0.79**	**-0.74**	**-1.51**	**0.87**	**0.80**	**0.82**

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Net sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Material expenses	18%	15%	14%	18%	18%	17%
Gross profit	**82%**	**85%**	**86%**	**83%**	**83%**	**83%**
Change in the value of investment property	69%	0%	-48%	19%	18%	18%
Personnel expenses	17%	13%	14%	16%	16%	16%
Other operating expenses	9%	13%	13%	8%	8%	8%
EBITDA	**126%**	**59%**	**11%**	**77%**	**76%**	**76%**
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	125%	59%	11%	95%	94%	95%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	**125%**	**59%**	**11%**	**95%**	**94%**	**95%**
Financial result	-39%	-38%	-43%	-27%	-27%	-27%
Recurring pretax income from continuing operations	86%	21%	-32%	68%	67%	68%
Extraordinary income/loss	0%	-79%	-53%	0%	0%	0%
Earnings before taxes	86%	-59%	-86%	68%	67%	68%
Taxes	28%	-6%	24%	7%	13%	14%
Net income from continuing operations	59%	-53%	-110%	61%	55%	54%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**59%**	**-53%**	**-110%**	**61%**	**55%**	**54%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**59%**	**-53%**	**-110%**	**61%**	**55%**	**54%**

Source: Company data; mwb research

Balance sheet (CHFm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.1	0.1	0.0	0.0	0.0	0.0
Financial assets	188.6	190.6	147.3	148.5	154.7	161.0
FIXED ASSETS	**188.7**	**190.7**	**147.3**	**148.5**	**154.7**	**161.0**
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.6	0.9	0.5	1.6	1.7	1.7
Other current assets	0.6	2.1	9.2	9.2	9.2	9.2
Liquid assets	0.5	0.1	2.1	4.9	2.7	0.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.2	0.2	0.1	0.2	0.2	0.2
CURRENT ASSETS	**2.9**	**3.4**	**11.9**	**15.8**	**13.7**	**11.7**
TOTAL ASSETS	**191.6**	**194.1**	**159.2**	**164.3**	**168.4**	**172.7**
SHAREHOLDERS EQUITY	**61.5**	**57.9**	**50.9**	**54.9**	**57.2**	**59.7**
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	113.8	117.0	92.0	90.2	91.9	93.5
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.3	0.1	6.6	0.4	0.4	0.4
Non-current liabilities	**114.1**	**117.1**	**98.6**	**90.6**	**92.3**	**94.0**
short-term liabilities to banks	2.1	1.9	2.1	10.0	10.0	10.0
Accounts payable	1.8	1.1	0.6	1.6	1.6	1.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.9	0.3	0.6	1.0	1.0	1.0
Deferred taxes	10.9	10.4	6.1	6.1	6.1	6.1
Deferred income	0.2	5.3	0.3	0.2	0.2	0.2
Current liabilities	**15.9**	**19.0**	**9.7**	**18.8**	**18.9**	**19.0**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**191.6**	**194.1**	**159.2**	**164.3**	**168.4**	**172.7**

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	98%	98%	92%	90%	92%	93%
FIXED ASSETS	**98%**	**98%**	**93%**	**90%**	**92%**	**93%**
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	1%	0%	0%	1%	1%	1%
Other current assets	0%	1%	6%	6%	5%	5%
Liquid assets	0%	0%	1%	3%	2%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	**2%**	**2%**	**7%**	**10%**	**8%**	**7%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**32%**	**30%**	**32%**	**33%**	**34%**	**35%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	59%	60%	58%	55%	55%	54%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	0%	4%	0%	0%	0%
Non-current liabilities	**60%**	**60%**	**62%**	**55%**	**55%**	**54%**
short-term liabilities to banks	1%	1%	1%	6%	6%	6%
Accounts payable	1%	1%	0%	1%	1%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	0%	0%	1%	1%	1%
Deferred taxes	6%	5%	4%	4%	4%	4%
Deferred income	0%	3%	0%	0%	0%	0%
Current liabilities	**8%**	**10%**	**6%**	**11%**	**11%**	**11%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

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Cash flow statement (CHFm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	3.6	-3.4	-7.0	4.0	3.7	3.8
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	-3.2	-0.6	15.6	-7.4	-1.2	-1.3
Cash flow from operations before changes in w/c	0.4	-4.0	8.7	-3.4	2.5	2.5
Increase/decrease in inventory	0.0	-0.7	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.8	-0.1	0.4	-1.1	-0.0	-0.1
Increase/decrease in accounts payable	-0.8	-0.4	-0.4	1.0	0.0	0.0
Increase/decrease in other w/c positions	2.2	1.9	-16.0	0.2	0.0	0.0
Increase/decrease in working capital	0.7	0.6	-16.1	0.1	0.0	0.0
Cash flow from operating activities	**1.1**	**-3.4**	**-7.5**	**-3.3**	**2.5**	**2.6**
CAPEX	-0.0	-2.1	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	-5.0	-5.0
Income from asset disposals	0.0	0.0	10.4	0.0	0.0	0.0
Cash flow from investing activities	**-0.0**	**-2.1**	**10.4**	**0.0**	**-5.0**	**-5.0**
Cash flow before financing	1.1	-5.5	2.9	-3.3	-2.5	-2.4
Increase/decrease in debt position	-0.7	3.0	-1.0	6.1	1.7	1.7
Purchase of own shares	0.0	-0.2	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	-1.4	-1.3
Others	-0.0	-0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**-0.7**	**2.8**	**-1.0**	**6.1**	**0.3**	**0.4**
Increase/decrease in liquid assets	0.4	-2.7	2.0	2.7	-2.2	-2.1
Liquid assets at end of period	**0.5**	**0.1**	**2.1**	**4.9**	**2.7**	**0.6**

Source: Company data; mwb research

Real estate ratios in (CHFm)	2022	2023	2024	2025E	2026E	2027E
Number of properties	17	17	16	16	16	16
Rental space	34,584	34,584	28,912	28,912	28,912	28,912
Actual net rents	6.2	6.5	6.4	6.6	6.8	7.0
Letting quota	94.5%	95.5%	96.5%	97.5%	98.0%	98.0%
Market value	188.5	190.7	147.2	148.5	154.7	161.0
ACTUAL net rental returns	3.3%	3.4%	4.3%	4.4%	4.4%	4.3%
WAULT	na	na	na	na	na	na
NAV	15.6	14.7	12.3	13.1	13.6	14.1
LTV	60.4%	61.4%	62.5%	60.8%	59.4%	58.1%

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
Per share data						
Earnings per share reported	0.79	-0.74	-1.51	0.87	0.80	0.82
Cash flow per share	-0.69	-0.74	-0.95	-0.98	0.27	0.28
Book value per share	13.50	12.49	10.99	11.85	12.34	12.88
Dividend per share	0.00	0.00	0.00	0.30	0.28	0.29
Valuation						
P/E	1.9x	-2.0x	-1.0x	1.7x	1.9x	1.8x
P/CF	-2.1x	-2.0x	-1.6x	-1.5x	5.4x	5.4x
P/BV	0.1x	0.1x	0.1x	0.1x	0.1x	0.1x
Dividend yield (%)	0.0%	0.0%	0.0%	17.0%	15.6%	16.0%
FCF yield (%)	-46.5%	-49.5%	-63.6%	-66.0%	18.4%	18.5%
EV/Sales	20.1x	19.7x	15.7x	15.8x	15.9x	16.0x
EV/EBITDA	16.0x	33.5x	142.8x	20.6x	20.8x	20.9x
EV/EBIT	16.0x	33.6x	144.6x	16.6x	16.8x	16.8x
Income statement (CHFm)						
Sales	6.2	6.5	6.4	6.6	6.8	7.0
yoy chg in %	13.0%	4.9%	-1.2%	3.0%	3.0%	3.0%
Gross profit	5.1	5.5	5.5	5.4	5.6	5.7
Gross margin in %	82.2%	84.8%	86.0%	82.5%	82.5%	82.5%
EBITDA	7.7	3.8	0.7	5.0	5.2	5.3
EBITDA margin in %	125.5%	58.8%	11.0%	76.7%	76.3%	76.5%
EBIT	7.7	3.8	0.7	6.3	6.4	6.6
EBIT margin in %	125.3%	58.6%	10.9%	95.2%	94.4%	94.8%
Net profit	3.6	-3.4	-7.0	4.0	3.7	3.8
Cash flow statement (CHFm)						
CF from operations	1.1	-3.4	-7.5	-3.3	2.5	2.6
Capex	-0.0	-2.1	0.0	0.0	0.0	0.0
Maintenance Capex	4.3	0.0	-3.1	1.2	1.2	1.3
Free cash flow	1.1	-5.5	-7.5	-3.3	2.5	2.6
Balance sheet (CHFm)						
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.1	0.1	0.0	0.0	0.0	0.0
Shareholders' equity	61.5	57.9	50.9	54.9	57.2	59.7
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	116.3	119.0	100.7	100.6	102.3	104.0
Net financial debt	115.4	118.8	92.0	95.3	99.2	103.0
w/c requirements	-0.2	-0.2	-0.1	0.0	0.0	0.0
Ratios						
ROE	5.9%	-5.9%	-13.7%	7.3%	6.4%	6.4%
ROCE	4.3%	2.1%	0.5%	4.0%	4.0%	4.0%
Net gearing	187.5%	205.1%	180.6%	173.5%	173.4%	172.4%
Net debt / EBITDA	14.9x	31.3x	131.0x	18.9x	19.2x	19.3x

Source: Company data; mwb research

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