

Press release

Peach Property Group AG: 2018 with best result in the Company's history - net profit rises to CHF 45 million

- Significant increase in rental income and real estate value, completion of the "Wollerau Park" project and efficiency gains ensure best result in the Company's history
- Actual rents increase by 82% to CHF 30 million due to vacancy reduction and new acquisitions; annualized target rental income increases by 54% to CHF 44 million
- Market value of investment portfolio up by 53% to CHF 694 million due to portfolio expansion and operational progress; number of apartments increases to 8.400 units.
- Operating FFO I before taxes increases by more than 60% to CHF 4.4 million
- Equity (IFRS) up by more than 16% to CHF 301 million
- Outlook for 2019 confirmed: Further increase in rental income and operating efficiency; medium-term target of 11,000 apartments in the portfolio

Zurich, 19 March 2019 - Peach Property Group, an investor specialising in the management of residential property, has recorded a significant increase in its profits according to its finalised figures for fiscal year 2018, and thus a new record-breaking figure. The preliminary figures published in February 2019 have been fully confirmed. Significantly higher rental income compared to the previous year, value-adding asset management measures and the completion of the "Wollerau Park" development project in particular contributed to the significant increase in profits. Earnings before taxes rose by a good 10 percent to around CHF 57 million and earnings after taxes were up by 8 percent to CHF 45 million in the year under review - despite a negative currency translation effect of CHF 4.5 million. Adjusted for tax effects, operating FFO I (funds from operations) increased by more than 60 percent to CHF 4.4 million. At the same time, direct operating costs rose at a disproportionately low rate of only 7 percent compared to the previous year.

The expansion of the investment portfolio by more than 50 percent to over 8,400 residential units and the optimization of existing units with a significant reduction in vacancies from 16.8 percent to 13.6 percent increased actual rental income by around 82 percent to CHF 30 million. Annualized target rental income amounted to approximately CHF 44 million, which corresponds to an increase of 54 percent over the year. Numerous measures directly benefiting tenants, such as investments of around CHF 12 million in our apartments, the opening of new tenant shops (Peach Points), the further development of the tenant app and the new internet portal for tenants, contributed to this positive development.

The market value of the investment portfolio increased to CHF 694 million at the end of 2018, up by 53 percent compared to the end of 2017, due to portfolio expansion and value-enhancing measures. The market value of the entire real estate portfolio rose by 44 percent to CHF 747 million. Despite the significant increase in the value of the portfolio, gross profits rose from 5.4 to 5.6 percent, emphasizing the sustainability of the activities and valuations.

Peach Property Group also demonstrates a very solid financial structure in 2018. In line with its investment strategy, over 92 percent of all financial liabilities were non-current. The average term increased to over 6 years. On the equity side, the significant annual profit and the net effect of the issue of a 1.75 percent hybrid option bond in June 2018 of just under CHF 60 million and the repayment of the 5 percent hybrid bond led to an increase in equity (IFRS) from CHF 259 million to CHF 301 million. Despite the significant increase in total assets, the equity ratio (IFRS) remained solid at 36.7 percent after 41.6 percent at the end of 2017. At market values, the ratio was 37.7 percent. Cash and cash equivalents at the end of 2018 amounted to more than CHF 53 million after CHF 49 million in the previous year, which provides sufficient funds to meet the medium-term growth targets.

For 2019, the Peach Property Group is reaffirming its goals of significantly increasing rental income once again and further increasing operational efficiency. Optimizing the existing portfolio with targeted renovations, reducing vacancies and intensifying tenant communication are further points that the Group will focus on in 2019.

Dr. Thomas Wolfensberger, Peach Property Group's CEO, commented: "2018 marks a key step for our Group in implementing our growth strategy and we are very pleased with the portfolio growth, project completions and profits we have achieved. For 2019, we have set ourselves the target of once again significantly increasing rental income. This is not least evident in the portfolio, which was strongly expanded in 2018, and the two new acquisitions, which were certified shortly before and after the turn of the year. However, we are also planning further acquisitions in order to achieve our medium-term target volume of 11,000 residential units in our portfolio. Our tenants and their satisfaction are at the top of our list of priorities. In this regard, we are following the successful path we have taken so far and would like to introduce further significant process improvements in 2019."

Contacts:

Media, investors and analysts

Dr. Thomas Wolfensberger, Chief Executive Officer and Dr. Marcel Kucher, Chief Financial Officer
+41 44 485 50 00 | investors@peachproperty.com

Media Germany

edicto GmbH, Axel Mühlhaus, Peggy Kropmanns
+49 (0)69 90 55 05 52 | amuehlhaus@edicto.de

About Peach Property Group AG

Peach Property Group is a property investor and developer focused on investments in Germany and Switzerland. The Group stands for long time experience, competence and quality. Innovative solutions for modern housing needs, strong partnerships and a wide value chain complete the profile of the Group. The portfolio consists of an increasing number of high yield investment properties, typically in B-cities in close reach to metropolitan areas. In addition, the Group develops properties for its own portfolio or for the sale as condominium. Developments for sale focus on A-locations and encompass attractive architecture and high level furnishing for an international clientele. The business activities of the Group cover the entire value chain, from property acquisition and site selection to active asset management and finally to the sale or lease of properties.

Peach Property Group AG is headquartered in Zurich and has its German Group headquarters in Cologne. Peach Property Group AG is listed on the SIX Swiss Exchange (PEAN, ISIN CH0118530366). Its Board of Directors consists of Reto Garzetti (President), Peter Bodmer, Dr. Christian De Prati and Kurt Hardt.

For more information, see www.peachproperty.com