

Press release

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The healthcare infrastructure company Infracore SA publishes its Annual Report 2019

Infracore generated a rental income of CHF 46.1 million and an EBITDA margin of 98.6% with its growing and unique healthcare infrastructure portfolio.

Infracore achieved different important milestones in the 2019 financial year. The company gained independence with a new shareholder structure and management. The portfolio was enlarged by nearly CHF 200 million to reach CHF 1.1 billion, representing a rental surface of 178'904 sqm. Rental income surged by 3.5% to CHF 46.1 million (2018: CHF 44.5 million). Revaluation gains due to various development projects reaching critical milestones amounted to CHF 4.2 million (2018: CHF 24.6 million). EBITDA amounted to CHF 45.4 million (CHF 41.2 million without revaluations), representing a margin of 98.6% (89.5% without revaluations). Net profit reached CHF 31.6 million (CHF 27.4 million without revaluations), a new record. The Net Asset Value before deferred taxes amounted to CHF 589.0 million.

Three strong partners join forces

The step towards independence was completed in 2019. After the former Infracore majority owner AEVIS VICTORIA had already sold a 20% stake to Baloise in December 2018, a further 15% were sold to Baloise Group and 46% to Medical Properties Trust, Inc. in May 2019, while AEVIS VICTORIA retained the remaining around 20%. The Infracore shares were placed at a price of CHF 51 per share, valuing the company at approximately CHF 1 billion.

Integration of Générale Beaulieu Immobilière SA (GBI) in Geneva

The portfolio was significantly enlarged with the acquisition of GBI effective 31 December 2019. GBI, a subsidiary of Générale Beaulieu Holding SA (GBH), owns several properties in the Champel district in Geneva, including the Clinique Générale-Beaulieu (19'023 sqm). The buildings in Geneva will generate an additional yearly rental income of CHF 10 million (more than 20%). GBI's real estate assets were valued at CHF 196 million in this transaction. The seller, a subsidiary of AEVIS VICTORIA, was reimbursed in cash and shares, thereby bringing AEVIS VICTORIA's share in Infracore back to 30% (held directly and indirectly), while the participation of Medical Property Trust, Inc. and Baloise was reduced to 40% and 30% respectively.

High-yielding asset portfolio with a market value of CHF 1.1 billion

The Infracore portfolio consists of 38 high-quality properties on 16 sites, representing a rental surface of 178'904 sqm. As of 31 December 2019, the portfolio was valued at CHF 1.1 billion. Within the last twelve months, revaluation gains amounted to CHF 4.2 million (2018: CHF 24.6 million). All properties are in above-average condition, with no capex backlog. Most of the buildings are leased under very long-term indexed leases with a WAULT (weighted average unexpired lease term) of 23.8 years. The current vacancy rate of 1.55% is only temporary due to renovation works in some buildings.

Strong balance sheet

Infracore remains solidly financed. The equity ratio rose to 43.6% (2018: 40.1%), the weighted average interest rate on mortgages at year-end was 1.57% and the LTV (loan to value) remained low at 46.3%. Total assets amount to CHF 1.1 billion, while long-term financial liabilities, mainly mortgages and a bond of CHF 100 million, reached CHF 502.9 million. If opportunities emerge, Infracore might access the capital markets in the next quarters.

Cooperation with the public sector is taking shape

In the year under review, Infracore evaluated various private-public partnerships options and will continue to do so in the future. It is estimated that over CHF 20 billion will have to be invested in the Swiss hospital landscape over the next few decades. Infracore is uniquely positioned and offers access to efficient concepts with its know-how in the renovation and conversion of hospitals, its financial strength and a broad network.

Distribution to shareholders

The Board of Directors proposes a distribution of CHF 28.0 million or CHF 2.41 per share.

Outlook 2020

Infracore will continue to pursue its growth strategy in Switzerland, both in private and public sectors. Rental income is expected to significantly surge in 2020 based on the recently completed acquisition of properties in Geneva. EBIT excluding revaluations is expected to rise by more than 20% to more than CHF 50 million.

The Annual Report 2019 can be downloaded with the following link:

https://www.infracore.ch/media/2020/02/ar_2019.pdf

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About Infracore SA

Infracore SA is a company dedicated to hospital and health infrastructures. Its real estate portfolio consists of 38 quality properties situated at 16 prime locations across Switzerland, representing a total rental surface of 178'904 sqm. Infracore is positioning itself as a partner of public or private institutions for real estate investments and intends to play a key role in the reshaping of the Swiss hospital landscape. www.infracore.ch