



VARIA
US PROPERTIES

Half-Year Results 2024

28 August 2024

MANAGED BY STONEWEG 

Important Notice

This presentation includes forward-looking information and statements, including statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including the economic conditions in the property markets relevant to us. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- business risks associated with the volatile economic environment and political conditions
- costs associated with natural disasters affecting our properties
- changes in governmental regulations
- changes in currency exchange and interest rates, and
- such other factors as may be discussed from time to time in prospectuses

Although we believe that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved. This presentation contains non-GAAP measures of performance. We provide definitions of these measures and reconciliations between these measures and their IFRS counterparts as we believe are appropriate.

Today's Speakers

PATRICK RICHARD



- Executive Member of the Board of Directors, Varia US Properties AG
- Founder and CEO of Stoneweg US, LLC

KAREN WELLER



- Executive Vice President and Chief Financial Officer, Stoneweg US, LLC

Agenda

1. Key achievements
2. Financials H1 2024
3. Portfolio update
4. Outlook

Agenda

1. Key achievements

2. Financials H1 2024

3. Portfolio update

4. Outlook

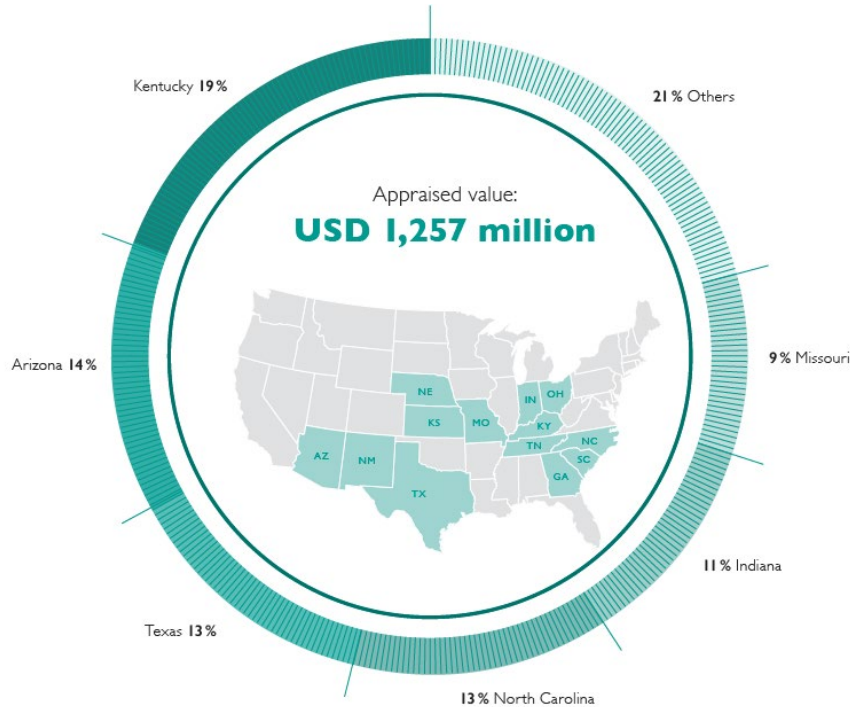
Achievements HI 2024

Key Figures

- Rental income like for like: USD 55.6 million (HI 2023: USD 53.3 million)
- Total income: USD 34.6 million (HI 2023: USD 22.4 million)
- EBITDA: USD 30.7 million (HI 2023: USD 27.9 million)
- Net loss on revaluation of properties: USD: 32.7 million (HI 2023: net loss of USD 57.2 million)
- Operating margin: 42.7% (HI 2023: 27.8%)
- Portfolio value at USD 1.257 billion (as per end of 2023: USD 1.300 billion)
- NAV per share: USD 35.57 (as per end of 2023: USD 39.23)
- Total operating expenses: USD 38.6 million (HI 2023: USD 57.4 million)

Varia US Properties at a Glance

Geographic breakdown as of 30 June 2024



- Portfolio value of USD 1,257 billion (end of 2023: USD 1,300 billion)
- 30 assets
- 8,336 units
- 13 different States in the US
- Regionally balanced strategy
- Well positioned in markets where population and job growth are very strong (e.g. Sunbelt and Midwest markets)
- Quality, climate resistance and vintage of full portfolio continuously improving

ESG Progress in H1 2024

Achievements on various fronts

- Varia US has now achieved over 80% coverage of asset-level building performance data
- The Company started two Fitwel and two BREEAM certifications and successfully secured two ENERGY STAR® Performance Certifications, with three additional certifications currently in progress
- Varia US published its first comprehensive 2023 Carbon Accounting Report, marking a significant step in the Company's strategic approach to carbon management
- Completion of the third annual submission to the “Global Real Estate Sustainability Benchmark” (GRESB) with expected results for Q4 2024
- Stoneweg US, on behalf of Varia US, is submitting its ESG data to the Carbon Disclosure Project (CDP) for the first time in 2024 (covering the 2023 calendar year)

Agenda

1. Key achievements

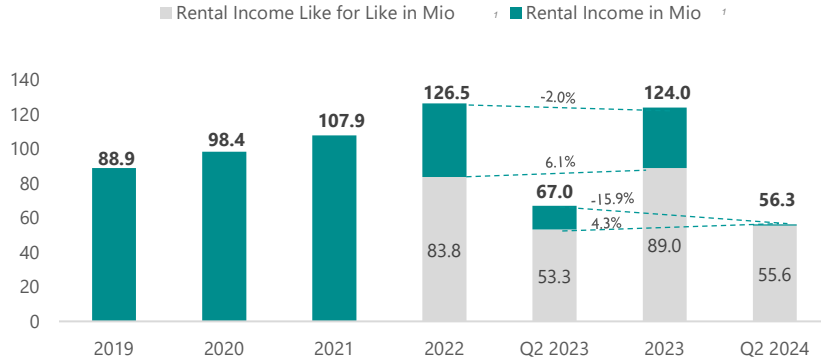
2. Financials H1 2024

3. Portfolio update

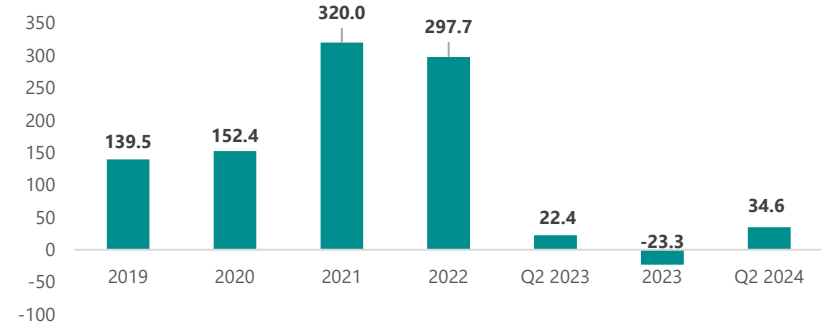
4. Outlook

HI 2024 Key Figures (1/2)

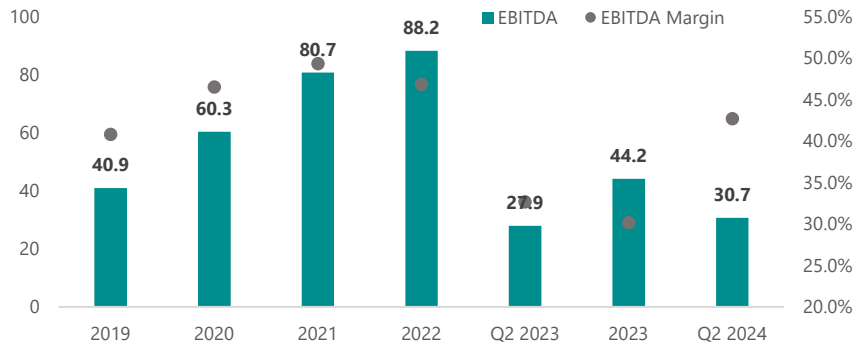
Rental Income in Mio



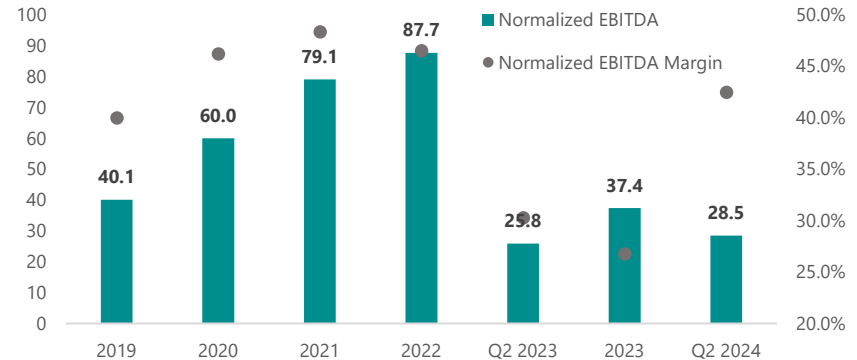
Total Income in Mio



EBITDA (Mio) and EBITDA Margin

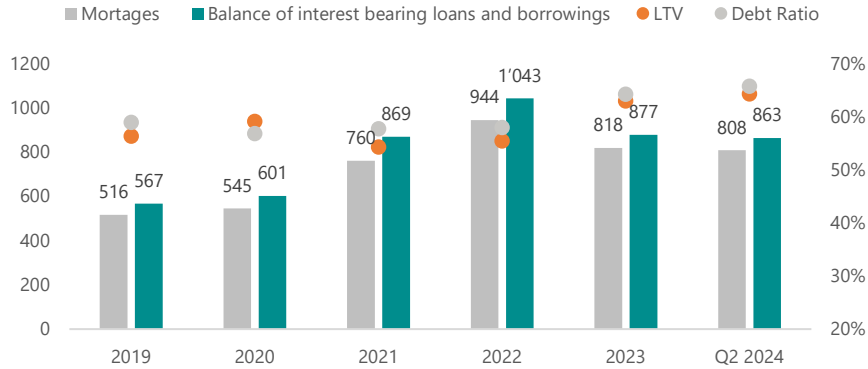


Normalized EBITDA (Mio) & Norm. EBITDA Margin

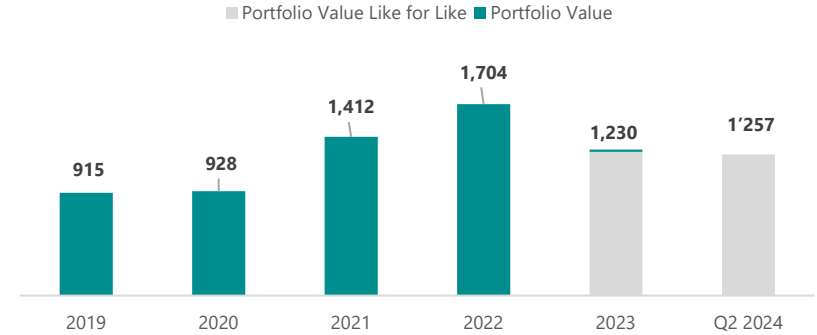


HI 2024 Key Figures (2/2)

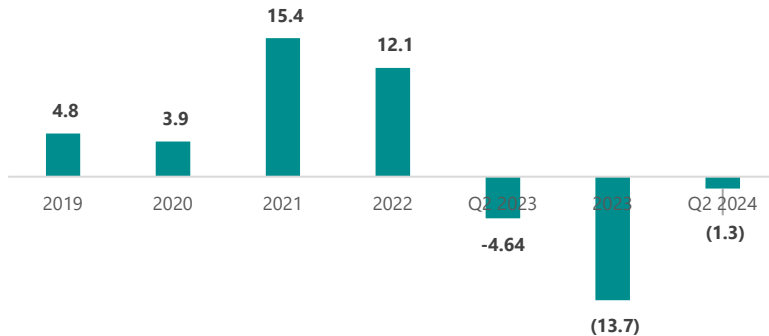
Debt in Mio



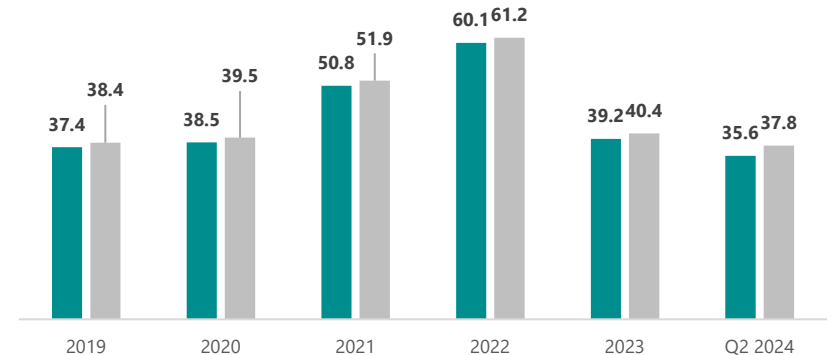
Portfolio Value (USD Mio)



Earnings per share (EPS)



NAV



Consolidated Statement of Profit and Loss

RESULTS (For the Period Ended)	Unit	June 30, 2024	June 30, 2023	Change
Rental Income	USD mio	56.3	67.0	-15.9%
<i>Rental Income like for like*</i>	USD mio	55.6	53.3	4.3%
Other Income and Insurance Proceeds	USD mio	11.0	12.6	-12.8%
Total Realized Income (total income less unrealized valuation)	USD mio	69.2	85.3	-18.8%
Realized Gains on disposal of properties	USD mio	2.0	5.8	-65.9%
Unrealized Loss on revaluation of properties	USD mio	-34.7	-62.9	-44.9% ³
Net Loss on revaluation of properties	USD mio	-32.7	-57.2	-42.8% ³
<i>Revaluation of properties like for like*</i>	USD mio	-34.7	-55.6	-37.6% ³
Total Income	USD mio	34.6	22.4	54.4%
Operating Expenses	USD mio	38.6	57.4	-32.9%
Operating Loss including revaluation	USD mio	-4.0	-35.1	-88.6% ³
Operating Margin ¹	%	N/A	N/A	N/A
Operating Margin Excluding Revaluation ²	%	42.7	27.8	14.9%
EBITDA (Operating Loss less unrealized revaluation)	USD mio	30.7	27.9	10.1%
EBITDA Margin	%	44.3	32.7	11.6%
Normalized EBITDA (EBITDA less insurance proceeds)	USD mio	28.5	25.8	10.1%
Normalized EBITDA Margin	%	42.5	30.3	12.2%
Net Loss before tax	USD mio	-20.3	-63.4	-67.9% ³
Net Loss	USD mio	-13.4	-46.9	-71.4% ³
Funds from Operations (FFO) (net profit or loss excluding fair value gain or loss and transaction costs, tax effected)	USD mio	11.8	6.3	88.1%
Normalized FFO (FFO less debt cost amortization, insurance proceeds, foreign exchange gain or loss, and other non-cash items)	USD mio	6.2	7.9	-21.5%

* Like for Like compares assets that were held for the full periods of H1 2024 and H1 2023

Consolidated Statement of Financial Position (1/2)

ASSETS	Notes	June 30, 2024 in USD	December 31, 2023 in USD
Current assets:			
Cash and cash equivalents		36,829,026	46,799,126
Rent and other receivables		2,706,959	5,282,492
Current portion of derivative financial instruments	8	1,273,130	2,833,857
Income tax receivable		12,600	12,600
Prepaid expenses and other current assets		5,647,746	2,311,101
Assets held for sale	1	113,075,000	–
Total current assets		159,544,461	57,239,176
Noncurrent assets:			
Investment property	1	1,144,090,000	1,300,010,000
Escrow accounts		9,459,294	9,523,176
Other assets		–	54,803
Derivative financial instruments	8	116,404	41,747
Total noncurrent assets		1,153,665,698	1,309,629,726
Total assets		1,313,210,159	1,366,868,902

Consolidated Statement of Financial Position (2/2)

LIABILITIES AND EQUITY	Notes	June 30, 2024 in USD	December 31, 2023 in USD
Current liabilities:			
Current maturities of interest-bearing loans and borrowings	2	–	14,463,391
Trade and other payables		19,277,372	21,520,008
Distribution payable	8	22,503,430	12,083,423
Income tax payable		830,016	2,505,790
Rent received in advance		1,300,979	2,100,458
Liabilities associated with assets held for sale	1	69,593,023	–
Total current liabilities		113,504,820	52,673,070
Noncurrent liabilities:			
Interest-bearing loans and borrowings, net of current maturities	2	785,158,073	853,921,771
Deferred tax liability		54,350,089	63,021,178
Total noncurrent liabilities		839,508,162	916,942,949
	Total liabilities	953,012,982	969,616,019

Agenda

1. Key achievements

2. Financials H1 2024

3. Portfolio update

4. Outlook

Portfolio HI 2024

Key Figures



PORTFOLIO VALUE*

December 31, 2023: USD 1,300.0 million

USD million **1,257.2**

NUMBER OF PROPERTIES

December 31, 2023: 31

30

NUMBER OF UNITS

December 31, 2023: 8,518

8,336

AVERAGE MONTHLY RENT PER UNIT

December 31, 2023: USD 1,223

USD **1,241**

INTEREST-BEARING DEBT RATIO

December 31, 2023: 64.2%

65.7%

GROSS POTENTIAL INCOME*

December 31, 2023: USD 141.8 million

USD million **141.4**

MARKET VALUE PER UNIT

December 31, 2023: USD 152,619

USD **150,812**

OCCUPANCY RATE

December 31, 2023: 92.2%

93.7%

EFFECTIVE GROSS INCOME*

December 31, 2023: USD 132.7 million

USD million **132.4**

* According to Colliers International

Portfolio Development – Dispositions

- During H1 2024, the Company disposed one non-strategic asset:

Property	Location	Fair Value of Investment Property at December 31, 2023 in USD	Capital Improvements in USD	Net Gain (Loss) From Fair Value Adjustment on Investment Property in USD	Sale of Investment Property in USD	Fair Value of Investment Property at June 30, 2024 in USD
Beau Jardin	St. Louis, MO	20,000,000	–	2,025,000	(22,025,000)	–

- As per 30 June 2024, there were four additional dispositions pending, one in Cleveland (OH), one close to Louisville (IN), one in Kansas City (MO), and one in Cummings (GA). The Cleveland and Louisville properties were both successfully closed in July, shortly after the reporting period.

Agenda

1. Key achievements
2. Financials H1 2024
3. Portfolio update

4. Outlook

Outlook

- Until the end of 2024, the US real estate market should continue to warm up despite the presidential election in November
- More and more transaction opportunities are expected to appear on the market and valuations should start to level up at a gradual pace
- Operations should remain strong, and the portfolio will continue to perform well
- Varia US has started its process of refinancing its bond due in September 2025
- The Company is well positioned to benefit significantly when the market rebounds

Information

Investor Information

Listing:	SIX Swiss Exchange
Currency:	USD
Ticker symbol:	VARN
ISIN:	CH 030 528 529 5
Listing date:	December 8, 2016

Contact Information

Juerg Staehelin, IRF
Investor Relations / Corporate Communications
Phone: +41 43 244 81 51
E-mail: investors@variausproperties.com

Financial Calendar

Q3 2024 Update	28 November 2024
Annual Report 2024	31 March 2025
Ordinary AGM 2025	30 April 2025

Next Quarterly Dividend Payment Date

7 November 2024