




# Investora Zürich



30 September 2015

# Disclaimer

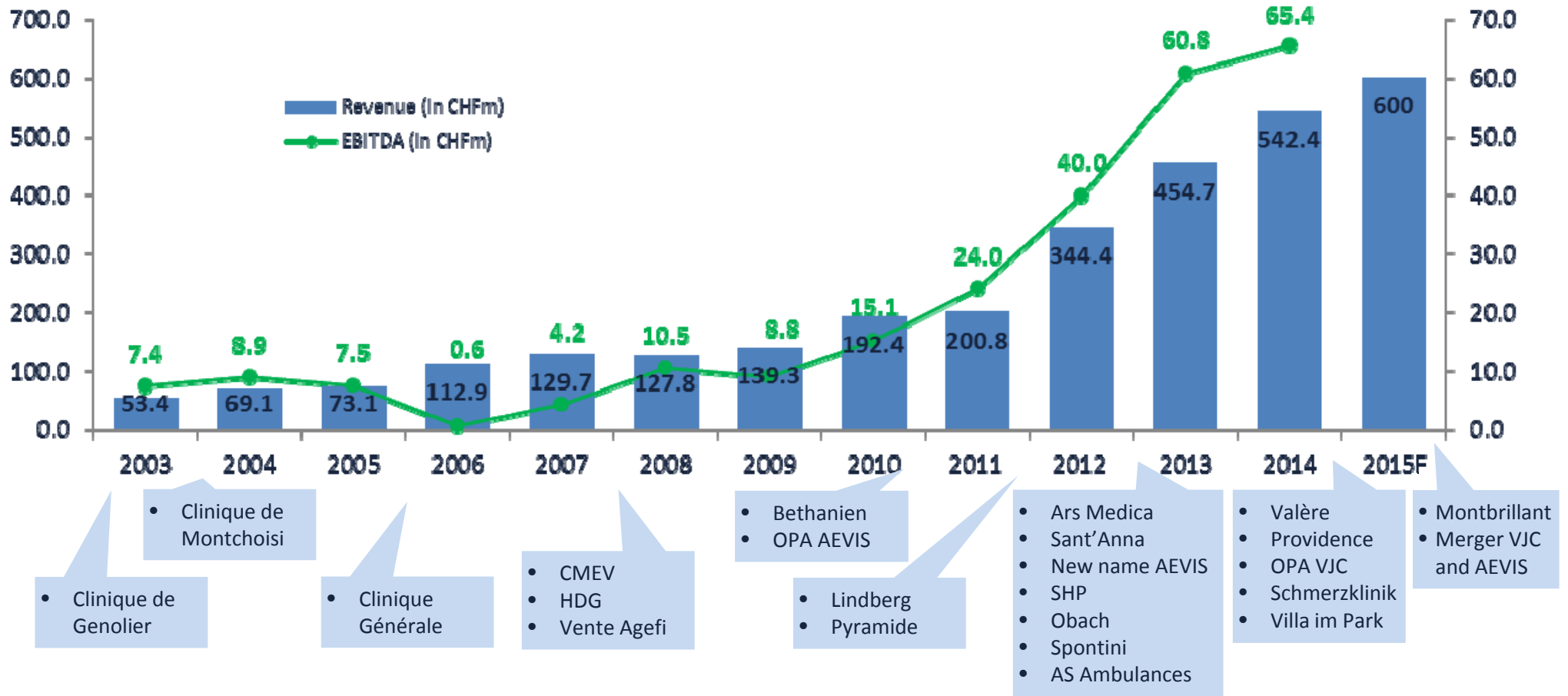
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# AEVIS – Group structure

**AEVIS VICTORIA SA (AEVIS)**  
Investing for a better life






<b>Genolier Swiss Medical Network SA (GSMN)</b>	<b>Swiss Healthcare Properties AG (SHP)</b>	<b>Victoria-Jungfrau Collection AG (VJC)</b>	<b>NESCENS</b>
<p><b>Clinic operations</b></p> <ul style="list-style-type: none"> <li>• Second-largest group of private clinics in Switzerland</li> <li>• Present in the three linguistic regions</li> <li>• 15 clinics and one affiliated clinic</li> <li>• Genolier Swiss Visio Network</li> <li>• <a href="http://www.gsmn.ch">www.gsmn.ch</a></li> </ul>	<p><b>Healthcare related properties</b></p> <ul style="list-style-type: none"> <li>• 29 properties</li> <li>• Rental surface of approx. 126'000m<sup>2</sup></li> <li>• Development potential of 15'000m<sup>2</sup> to 20'000m<sup>2</sup></li> <li>• Fully let (no vacancy)</li> <li>• Value of portfolio: CHF 740.7 m</li> <li>• <a href="http://www.shp.net">www.shp.net</a></li> </ul>	<p><b>Luxury hotels</b></p> <ul style="list-style-type: none"> <li>• Diversification strategy in the area of services to people</li> <li>• Four 5-star hotels</li> <li>• With VJC, AEVIS intends to build up the leading 5-star Swiss hotels group</li> <li>• <a href="http://www.vjc.ch">www.vjc.ch</a></li> </ul>	<p><b>Better aging products and services</b></p> <ul style="list-style-type: none"> <li>• Nescens Paris-Spontini</li> <li>• Nescens Cosmetics</li> <li>• Nescens SPAs</li> <li>• Nescens Check-ups</li> <li>• Nescens Swiss Stem Cell Science</li> <li>• <a href="http://www.nescens.com">www.nescens.com</a></li> </ul> <p><b>Other activities</b></p> <ul style="list-style-type: none"> <li>• Les Hauts de Genolier SA</li> <li>• Ambulances Services Odier SA</li> </ul>
<p><b>National coverage and regional presence</b></p>	<p><b>Long-term commitment to clinic operations' growth</b></p>	<p><b>Strategy focused on national growth</b></p>	<p><b>Development of a strong better-aging brand</b></p>

# AEVIS – value creation through acquisitions




- Since 2010, strong expansion of P&L and balance sheet thanks to internal and external growth
- In 2015, expected pro forma revenue of approximately CHF 600m (all entities consolidated over a 12-month period)

# 1H2015 Highlights

-  Important political and regulatory challenges for AEVIS
  - Abandon of Euro Cap and lowering of the interest rates in January 2015 by the SNB
  - Crisis in Russia with associated penalties
  - Political, economical and structural changes in the Middle-East countries
  - TARMED-Price decreases; lower baserates, adaptations to DRG System
-  Internal organisational challenges linked to the strong growth of the last four years (company tripled in size between 2011 and 2015)
-  Good acquisition pipeline for all AEVIS-divisions
-  One new clinic acquired in the canton of Neuchâtel – Clinique Montbrillant
-  Increase of the participation in Victoria-Jungfrau Collection AG to 100% and name change into AEVIS VICTORIA SA

# AEVIS 1H2015 – Income Statement – Turnover increases to CHF 291 million

<i>In CHF '000</i>	1H2015	1H2014
<b>Revenue</b>	<b>290'968</b>	<b>268'869</b>
<i>Growth</i>	8.2%	<i>n.a.</i>
Operating expenses	(225'424)	(202'789)
<b>EBITDA</b>	<b>32'987</b>	<b>36'110</b>
<i>Margin</i>	11.3%	13.4%
Depreciation and amortisation	(19'994)	(21'552)
<b>EBIT</b>	<b>12'993</b>	<b>14'558</b>
<i>Margin</i>	4.5%	5.4%
Financial result	(11'122)	(10'414)
Share of profit/loss of equity accounted	39	114
<b>Ordinary result</b>	<b>1'910</b>	<b>4'258</b>
Extraordinary result	(75)	-
<b>Profit before taxes</b>	<b>1'835</b>	<b>4'258</b>
Taxes	(1'849)	(1'555)
<b>Profit for the period before minority interests</b>	<b>(14)</b>	<b>2'703</b>
Minority interests	85	105
<b>Profit for the period</b>	<b>71</b>	<b>2'808</b>

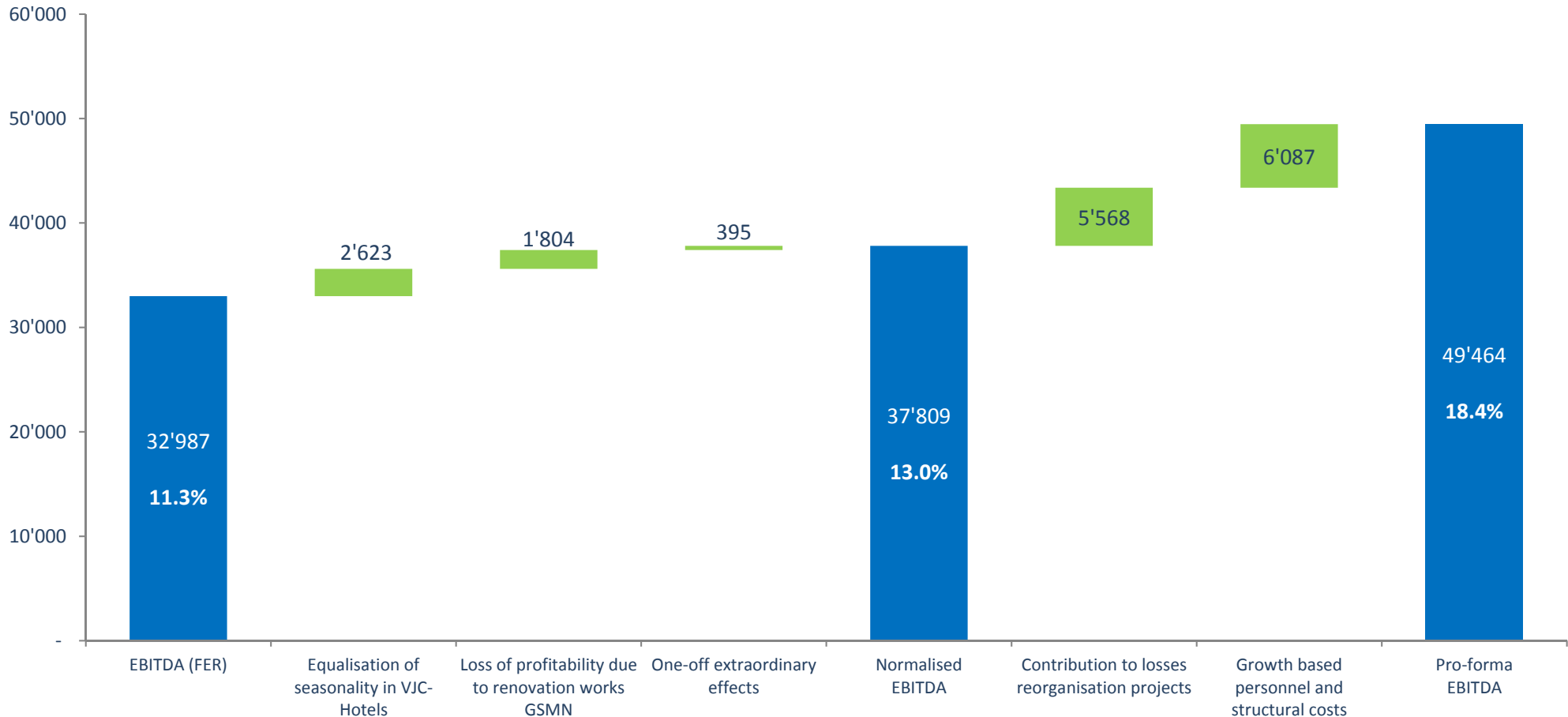
 AEVIS' revenue is well diversified combining the healthcare activity with the hospitality and lifestyle activity of VJC



 Revenue growth of 8.2% due to acquisitions

 Slight decrease in EBITDA margin due to

- Seasonality effects for the VJC hotels, who are consolidated over 6 months for the first time
- Loss of revenues for several clinics because of extensive renovation programs
- lower TARMED reimbursement tariffs, adaptations to DRG System and
- Decrease of foreign patients for GSMN

# 1H2015 – Analysis and ventilation of the P&L



-  Elimination of the seasonal extraordinary effects of the first half year 2015 – normalised EBITDA of CHF 37.8 million (EBITDA-Margin of 13%)
-  Elimination of structural growth effects (contribution to losses of participations in restructuration, Personal and structural costs linked to growth) – pro forma EBITDA of CHF 49.5 millions (EBITDA-Margin of 18.4%)

# AEVIS 1H2015 – Balance Sheet – No goodwill integrated

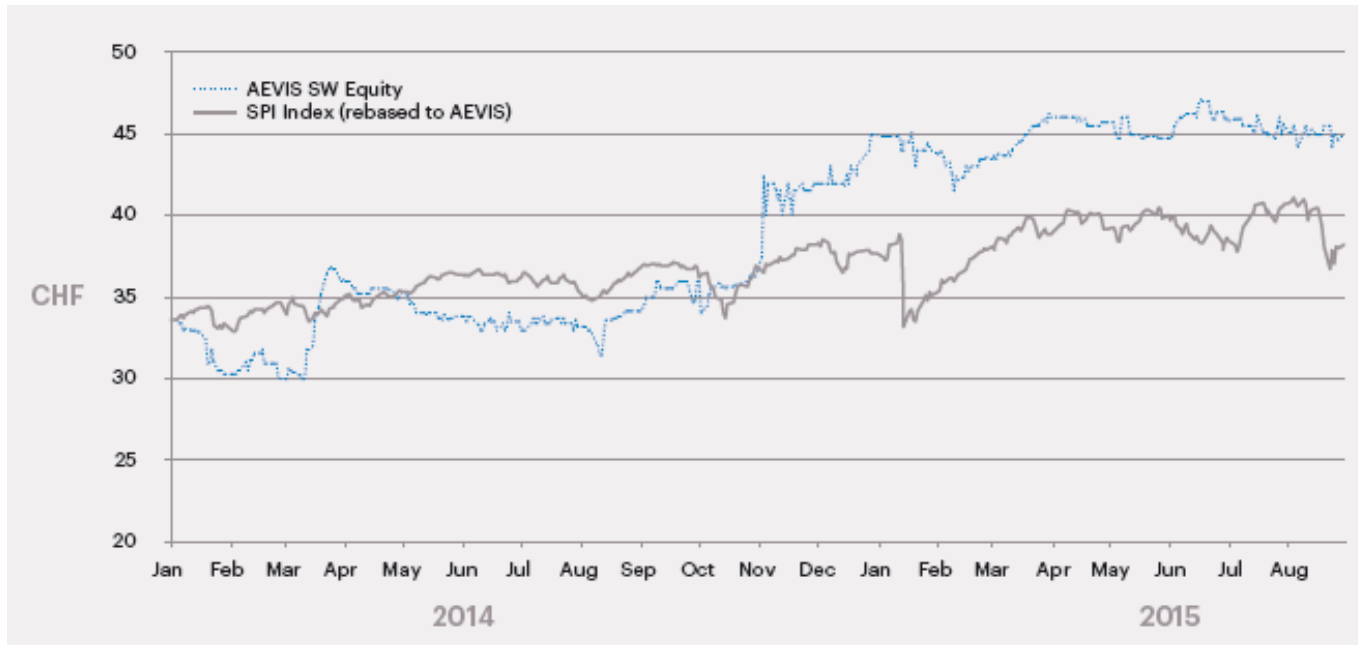
<i>In CHF '000</i>	30.06.2015	31.12.2014
<b>ASSETS</b>		
Total current assets	236'618	227'274
Buildings and land	824'719	772'970
Total non current assets	302'335	288'360
<b>Total assets</b>	<b>1'363'672</b>	<b>1'288'604</b>
<b>LIABILITIES AND EQUITY</b>		
Total current liabilities	309'076	259'952
Total non-current liabilities	747'039	709'450
<b>Total liabilities</b>	<b>1'056'115</b>	<b>969'402</b>
Equity before minority interests	307'795	270'456
Equity including minority interests	307'557	319'202
<b>Total Equity</b>	<b>307'557</b>	<b>319'202</b>
<b>Total equity and liabilities</b>	<b>1'363'672</b>	<b>1'288'604</b>

-  AEVIS balance sheet is real estate heavy, owning many of its clinic and hotel buildings to be able to provide stability for further growth
-  Book value of the real estate portfolio of CHF 825 million, for a market value of more than CHF 900 million
-  Net financial leverage of 56.8%
-  Half of financial debt is real-estate backed (mortgages)
-  Strong equity ratio at 22.6% (24.8% at 31.12.2014)
-  No goodwill on the balance sheet



# High visibility on capital markets

 AEVIS is listed on the Swiss Reporting Standard of SIX Swiss Exchange (Ticker: AEVS)



- Stock price 24.09.2015: CHF 44.00
- 60d VWAP: CHF 45.02
- Current market cap: CHF 662 million

 To diversify its financing sources, AEVIS has successfully issued three straight bonds:

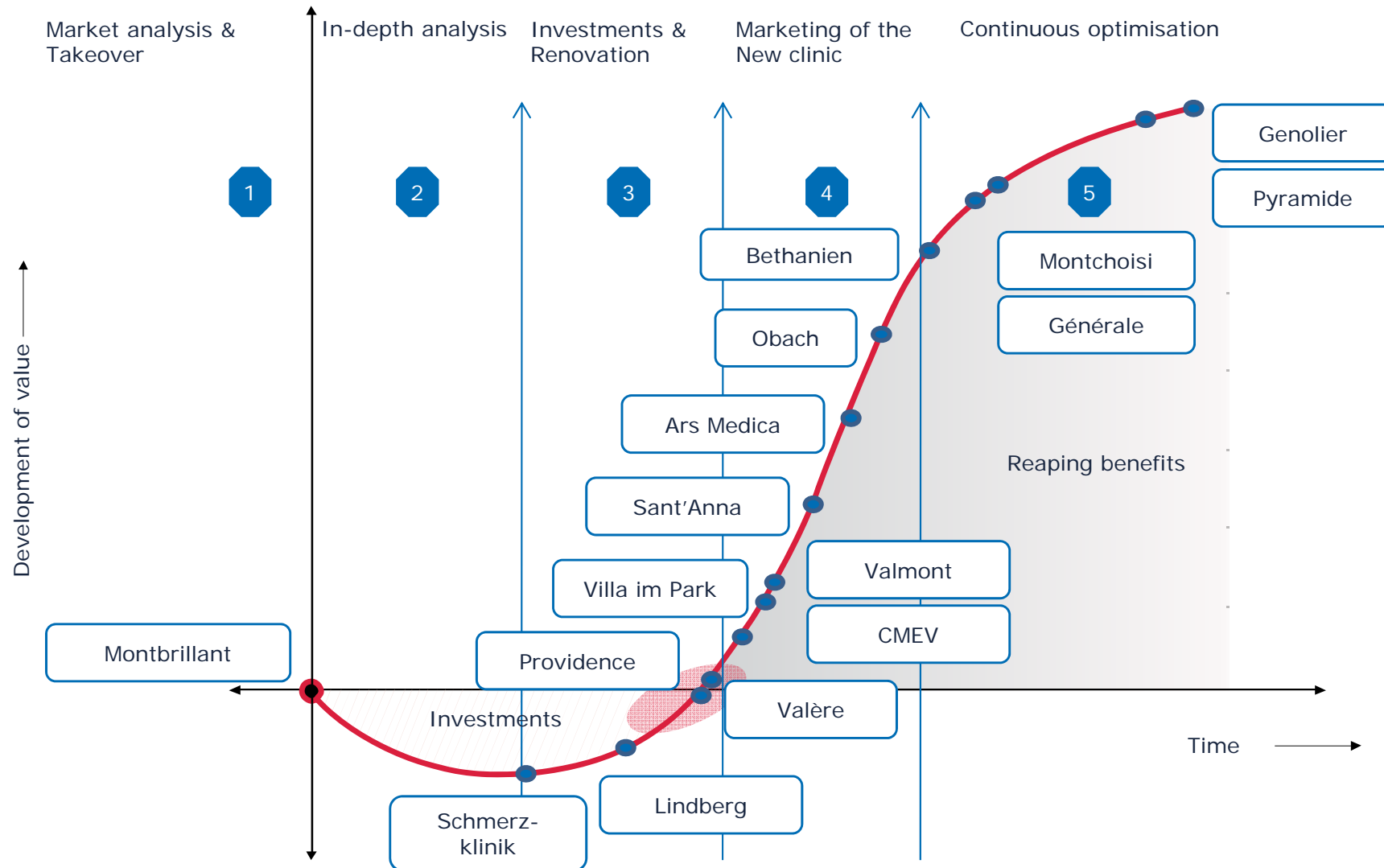
- 2012: CHF 80 million at 4.25% maturing in 2016
- 2013: CHF 100 million at 3.50% maturing in 2018
- 2014: CHF 145 million at 2.75% maturing in 2019

# Genolier Swiss Medical Network SA (GSMN) – lower Tarmed/DRG prices and reduced number of foreign patients

- GSMN is the 2nd largest network of private clinics in Switzerland, present in all 3 linguistic regions
  - Strong player in the private healthcare sector in Switzerland
  - Reliable private alternative to the public healthcare system
  - Leader for medical tourists in Switzerland
- GSMN operational key figures
  - 15 private clinics and one affiliated clinic
  - More than 950 beds
  - Around 2'450 employees
  - Around 1'250 admitting physicians
  - More than 39'000 surgical interventions
  - Around 2'600 deliveries per year
- GSMN is managed by an experienced team with an outstanding track record and a broad network in the Swiss private Healthcare industry (with doctors, health insurers, health officials, etc.)



# Strategy – “Buy, Invest, Reap” on a stable ground



# Key achievements 1H2015

## General

- Continued growth strategy lead to the expansion of the clinics portfolio to 15 clinics.
- Turnover of CHF 217 million, 2.3% above 1H2014
- Continued investments in infrastructure, processes and people

## Politics / market

- TARMED price reductions of 8.5% for 2015 impact the reimbursement of Swiss clinics – GSMN will initiate additional measures to increase efficiency and cost-effectiveness
- DRG system changes together with reduced baserates further weighted on profitability
- Reduced number of foreign patients (penalties against Russia, abandon of Euro Cap, more competition – loss of sales of CHF 7 million)





## Strategic milestones listed clinics

- Further consolidation of GSMN's presence in Neuchâtel with integration of Montbrillant in La-Chaux-de-Fonds early 2015
- GSMN progressed in terms of quality and further invested into its infrastructure
- The maternities of Privatklinik Obach and Privatklinik Villa im Park have been merged and centralised in Rothrist

## Strategic milestones non-listed clinics

- Renovation works have been completed at Privatklinik Lindberg in Winterthur
- The maternities of Privatklinik Lindberg and Privatklinik Bethanien have been merged and concentrated at the Zurich location

# Key projects 2015-2016

-  Continued growth strategy with the integration of further clinics and the recruiting of new admitting physicians
-  Focus on profitability with the optimisation of processes and uncovering of synergies
  - Increase and sustain market position and profitability of our clinics
  - Prepare the 2016 cantonal hospital planning
  - Develop competence centres in each clinic
  - Capex reductions in the coming quarters
  - Continued integration work on recent acquisitions
-  Focus on Human Resources: recruiting, teaching, connecting
-  Intensify the discussions and relations with insurance companies
  - Become a preferred partner for complementary insurances
-  Remain active and present on the political front in the highly regulated health sector

# Swiss Healthcare Properties AG (SHP) – Market value of more than CHF 740 million

- SHP is a real estate company focusing on investments in healthcare related properties all over Switzerland
- Today, SHP owns 29 healthcare properties, located all over Switzerland in 14 specific sites and representing a total rental surface of over 126'000m<sup>2</sup>
- Almost all SHP properties are rented to the various GSMN clinics,
- SHP is committed on the long-term to the growth and development of the clinics' operations
- All SHP's properties are fully let and include an additional development potential of 15'000m<sup>2</sup> to 20'000m<sup>2</sup> (35'000m<sup>2</sup> with new development plans)
- SHP is managed by Patrimonium Healthcare Property Advisors AG, a joint venture between Patrimonium and AEVIS

## SHP portfolio key figures

• Healthcare properties	29 (14 sites)
• Rental area	126'195m <sup>2</sup>
• Global plot area	197'382m <sup>2</sup>
• Vacancy rate	0% (Full utilisation)
• LTV ratio	44.7%
• Portfolio market value W&P	CHF 740.7 million
• Portfolio Swiss GAAP book value	CHF 633.3 million
• 1H2015 Rental income	CHF 18.5 million
• Gross yield	5.8%
• Average rental income / m <sup>2</sup>	CHF 297
• Market value / plot area average	CHF 5'869
• Development potential	15'000m <sup>2</sup> to 20'000m <sup>2</sup> → 35'000 m <sup>2</sup>



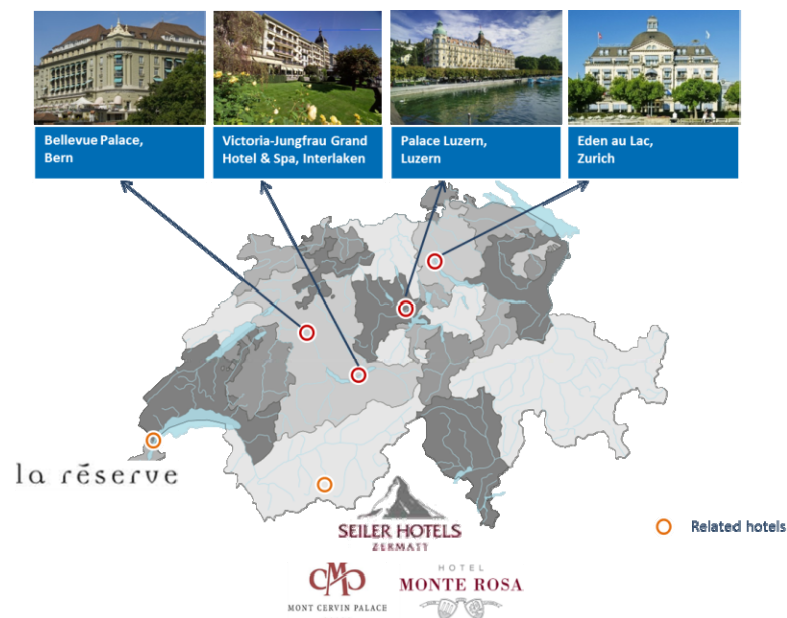
# Key projects 2015-2016

-  With 29 different properties across Switzerland and a vacancy rate of 0%, SHP expects a stable organic growth of rental income
-  For the existing portfolio, targeted development and optimisation projects are planned for 2015 and beyond
-  SHP also seeks to find additional surfaces on various sites, in order to ensure the further development of the GSMN clinic's
  - Increase the ground area ratio
  - Change of area plans
  - Search of buildings near to current clinics
-  Healthcare-related real estate is more resilient to market challenges as witnessed in the residential and office real estate market in Switzerland (less dependant of the economy, demographic evolutions)
-  SHP continuously evaluates further real estate acquisitions opportunities in healthcare related areas also focusing on public service providers
-  Integration of the VJC properties during the second half year

# Victoria-Jungfrau Collection AG (VJC) – Good frequency and strong results during the summer months



- VJC is the leading luxury hotel group comprising four 5-stars hotels in Swiss prime locations Zurich, Bern, Lucerne and Interlaken
- The acquisition was a diversification move to consolidate AEVIS' strategic focus on “services for a better life”
- With the related hotels of La Réserve and Seiler Hotels in Zermatt the hotel network of AEVIS extends to 7 upscale hotels in Switzerland and 2 in France
- Strategy
  - Growth strategy investing in existing hotels
  - Focus on improved market positioning
  - Interlace Nescens in the hotel offerings to lever the healthcare network of GSMN
  - Build synergies with Michel Reybier Hospitality and Seiler Hotels Zermatt which are all under the same general management



Hotels	Rooms	Total surface	Employees
Victoria-Jungfrau*	224	44'269	243
Palace Luzern	129	3'337	110
Eden au Lac*	50	1'419	55
Bellevue Palace	128	3'296	129
<b>Total</b>	<b>531</b>	<b>52'321</b>	<b>537</b>

\* Buildings fully owned by VJC



# Key achievements 1H2015



## General

- 100% integration of the luxury hotel chain into AEVIS
- VJC achieved a turnover of CHF 32.9 million (down 3.5% from 1H2014)
- The number of guests increased by 2% to 75'415 clients mainly due to a positive development of business groups and leisure groups
- The number of overnight stays dropped by 1.2% to 45'265
- The average room rate declined by 2.8% to CHF 345

## Economic drivers

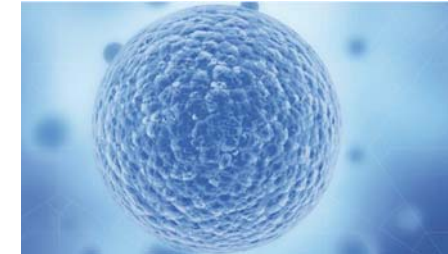
- Changing environment for the tourism industry in Switzerland when the Swiss National Bank decided to float the exchange rate against the Euro
- The strong Swiss Franc did provoke an overreaction of the industry as well as of clients
- The crisis in Russia and the devaluation of the Rubel led to a decline of Russian clients (approx. -20% compared to last year)
- Growing number of customers from China, USA and the Middle East (+20% compared to a year earlier)

# Key projects 2015-2016

-  Ongoing optimization of the positioning of every hotel in order to be able to improve room and occupancy rates to continue organic growth
-  Further integration into AEVIS and La Réserve / Seiler Hotels in order to maximise synergies for cost-cuttings and marketing reach
-  Repositioning of the hotels by the development of the gastronomy offering
-  The management team will continue to exploited synergies in IT, sales and marketing, procurement as well as human resources
-  Negotiations in order to improve the rental agreement conditions in the hotels in Berne and Lucerne to allow for more financial and operational flexibility
-  Further optimisation of processes, systems, products and human resources in order to be able to adapt to the changes in the global market environments as well as to the changing travel habits

# Nescens

- Nescens offers innovative products and services frequency better living / better aging connecting healthcare, wellness and lifestyle under a Swiss high quality brand
- Nescens is applied within GSMN's clinics as well as within VJC's and the other affiliated hotels
- Integrated approach combining preventive medicine, wellness and anti-aging medicine as well as aesthetic medicine and cosmeceuticals
- Emerging market segment with high growth potential, both in Switzerland and abroad
- Nescens divisions
  - Centers for Preventive Medicine (Genolier, Lausanne, Lugano & Zurich (2016))
  - Swiss Stem Cell Science – Stem Cell banking and research
  - Better Aging Spas (La Réserve, VJC)
  - Paris Spontini – plastic surgery clinic
  - Swiss Anti-aging Science – Cosmeceuticals







# Outlook

- ✎ AEVIS is optimally positioned for the coming years, with independent, professional and experienced management teams for its three main businesses GSMN, VJC and SHP
- ✎ AEVIS expects to realise a turnover of approx. CHF 600 million in 2015
  - Based on an unchanged portfolio consolidated of a 12-month period
- ✎ For the full year 2015, AEVIS expects – on a profitability level – to neutralise the seasonal effects of the first six months and to compensate the negative regulatory effects by optimising processes and by a cost-reduction programme
- ✎ GSMN finished an important investment programme and disposes of outstanding clinic infrastructures
- ✎ For the coming years, GSMN will concentrate on increasing its performance. Combined with lower investment levels, this will enable a free cash flow increase
- ✎ In the mid-term, AEVIS continues to target an EBITDA margin of more than 20%, which implies a free cash flow margin of around 10%, on which a payout ratio of 30% will be applied

Thank you for your interest

Q&A

# Financial calendar

-  November 2015 Publication of 3Q2015 turnover
-  March 2016 Publication of 2015 turnover
-  29 April 2016 Annual Results 2015
-  14 June 2016 Annual General Meeting for 2015 (Interlaken)

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