



# Investora Zurich



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# AEVIS VICTORIA – group structure

## AEVIS VICTORIA SA

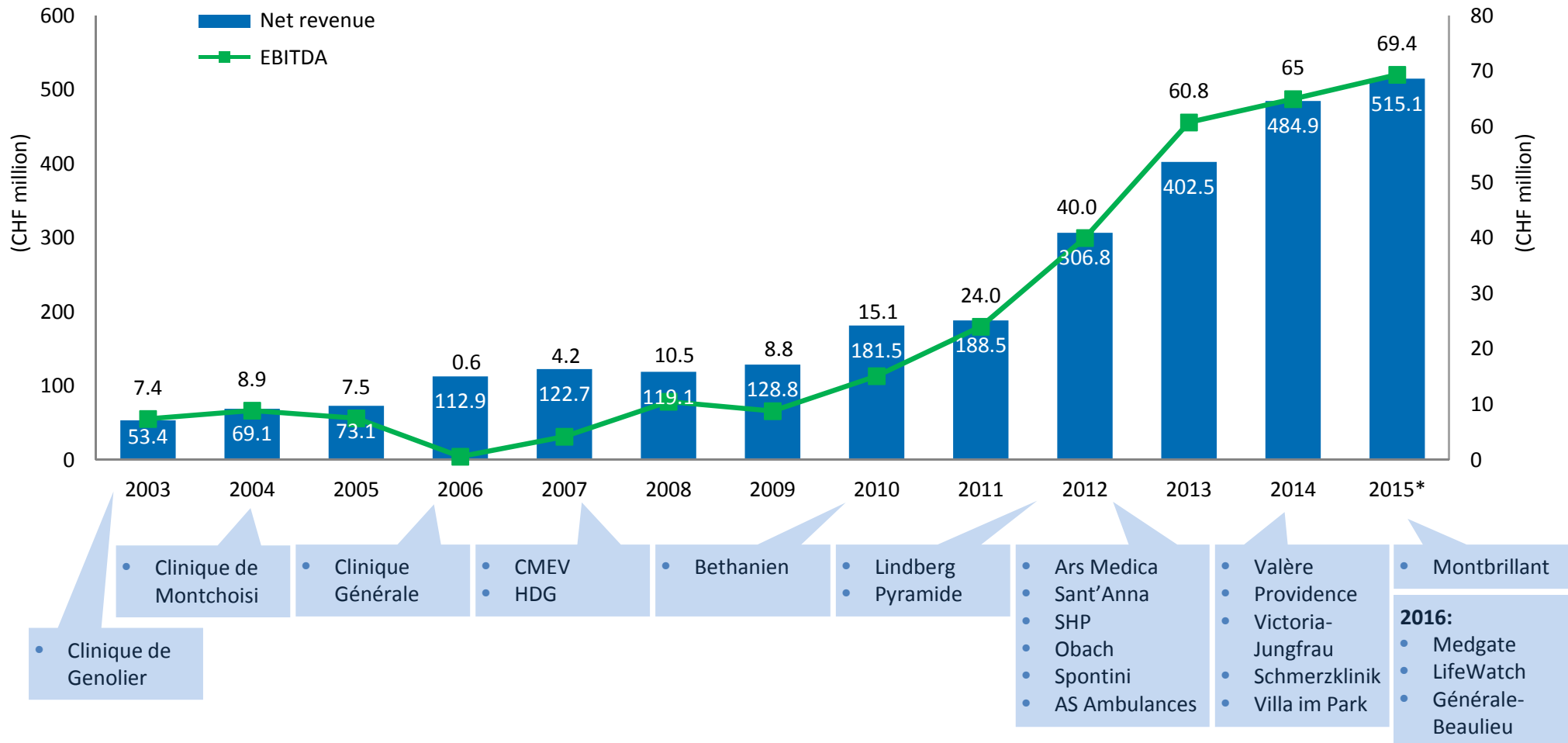
- AEVIS VICTORIA is an investment company investing in services to people, healthcare, hospitality, life sciences and lifestyle
- AEVIS VICTORIA is listed on SIX Swiss Exchange since 1999 and included in SPI, SLIFE and SBIOM

Hospital Segment	Hospitality Segment	Telemedicine Segment	Real Estate Segment
<ul style="list-style-type: none"> <li>• Second largest group of private hospitals in Switzerland</li> <li>• 14 private hospitals, one clinic and one affiliated hospital</li> <li>• Present in the three main linguistic regions</li> </ul>	<ul style="list-style-type: none"> <li>• Four leading five-star hotels (3 consolidated, one managed) situated in the most sought-after locations in Switzerland</li> <li>• Diversification strategy in the area of services to people</li> </ul>	<ul style="list-style-type: none"> <li>• AEVIS VICTORIA holds a 40% stake in Medgate group, the leading telemedical services provider in Switzerland</li> <li>• AEVIS VICTORIA also holds a 10.6% stake in LifeWatch AG, a leading provider of Ambulatory Cardiac Telemetry (ACT) services</li> </ul>	<ul style="list-style-type: none"> <li>• Composed of healthcare and hotel real estate and organised in two dedicated entities</li> <li>• The portfolio comprises 41 properties on 17 sites</li> </ul>

## Incubator

- AEVIS VICTORIA invests in various other activities along the value chain of its main segments. Activities range from early-stage (such as AEVIS VICTORIA's participation in the field of stem cells) to companies under restructuring (such as AEVIS VICTORIA's rescue services)

# AEVIS VICTORIA – value creation through acquisitions







**\*In 2015:**




Net revenue & EBITDA normalized for 2015 TARMED and DRG reductions

# 2016 Highlights

## 1H2016

-  Total revenue increased by 4.9% to CHF 293.5 million (on a constant perimeter without Palace Lucerne in 2015)
-  EBITDA increased by 27.9% to CHF 42.2 million
-  Acquisition of a 40% stake in the telemedicine group Medgate
-  Issuance of a new 5-year CHF 150 million straight bond at 2.50% to refinance a maturing 4.25% bond from 2012

## 2H2016

-  Acquisition of a 10.6% stake in LifeWatch AG
-  Takeover offer for 100% of the shares of Générale Beaulieu Holding SA, owning Clinique Générale-Beaulieu in Geneva
-  Issuance of a new 6-year CHF 130 million straight bond at 2.00%

# High visibility on capital markets

- AEVIS VICTORIA is listed on the Swiss Reporting Standard of SIX Swiss Exchange (Ticker: AEVS), included in the Swiss Performance Index (SPI), the SXI Life Sciences Index (SLIFE) and the SXI Bio+Medtech Index (SBIOM).



- To diversify its financing sources, AEVIS VICTORIA has four straight bonds outstanding

- 2013: CHF 100 million at 3.50% maturing in 2018
- 2014: CHF 145 million at 2.75% maturing in 2019
- 2016: CHF 150 million at 2.50% maturing in 2021
- 2016: CHF 130 million at 2.00% maturing in 2022

# AEVIS VICTORIA – key financial highlights

Key figures P&L AEVIS VICTORIA (CHF million)	HY 2015 Restated	HY 2015 Pro forma	HY 2016	HY 2016 Normalized
Gross revenue	289.9	283.4	293.5	297.3
<b>Net revenue</b>	<b>254.9</b>	<b>248.4</b>	<b>256.1</b>	<b>259.9</b>
<i>Net revenue growth</i>	<i>n.a.</i>	<i>n.a.</i>	3.1%	4.6%
<b>EBITDAR</b>	<b>39.9</b>	<b>39.9</b>	<b>48.4</b>	<b>53.0</b>
<i>EBITDAR margin</i>	15.7%	16.1%	18.9%	20.4%
<b>EBITDA</b>	<b>33.0</b>	<b>33.9</b>	<b>42.2</b>	<b>46.9</b>
<i>EBITDA margin</i>	12.9%	13.7%	16.5%	18.1%
<b>EBIT</b>	<b>13.0</b>	<b>13.9</b>	<b>20.6</b>	<b>25.3</b>
<i>EBIT margin</i>	5.1%	5.6%	8.0%	9.8%
<b>Profit for the period</b>	<b>0.1</b>	<b>1.0</b>	<b>4.2</b>	<b>9.0</b>
Price per share end of period in CHF	46.4		44.5	
Number of outstanding shares	15'029'954		14'951'369	
Market capitalisation	697.4		665.3	

- Progress in the successful repositioning of hospitals has strongly improved revenue, utilization of resources and profitability
- Portfolio optimizations in the hospitality segment have reduced revenue but increased profitability
- Adjusted for seasonality and other exceptional items AEVIS VICTORIA's half-year performance is in line with budget and shows a 33% increase in EBITDAR

HY 2015 Pro forma figures exclude Hotel Palace Luzern operations

# AEVIS VICTORIA – consolidated balance sheet

Key figures BS AEVIS VICTORIA (CHF million)	FY 2015 Restated	HY 2016
<b>Total current assets</b>	<b>216.9</b>	<b>208.6</b>
Fixed assets	1'126.2	1'137.9
thereof real estate	932.1	941.9
Intangible assets	25.5	25.2
Financial assets	19.4	45.9
<b>Total non-current assets</b>	<b>1'171.1</b>	<b>1'209.1</b>
<b>Total assets</b>	<b>1'388.0</b>	<b>1'417.7</b>
<b>Total current liabilities</b>	<b>257.9</b>	<b>248.2</b>
thereof financial liabilities	101.0	95.9
<b>Total non-current liabilities</b>	<b>827.6</b>	<b>864.6</b>
thereof financial liabilities	720.4	749.1
<b>Total liabilities</b>	<b>1'085.5</b>	<b>1'112.8</b>
Thereof mortgage debt	400.2	333.8
<b>Total equity</b>	<b>302.5</b>	<b>304.9</b>
<b>Total equity and liabilities</b>	<b>1'388.0</b>	<b>1'417.7</b>

- No material change in AEVIS VICTORIA's balance sheet since year-end 2015
- Issuance of a 5-year 2.5% CHF 150m straight bond in May 2016 for the refinancing of the 4.25% CHF 80m bond maturing in August 2016
- No goodwill on balance sheet
- AEVIS VICTORIA's financial debt is composed
  - of straight bonds on top-holding level
  - of mortgages on the group's real estate (up to 50% LTV) and
  - of working capital credits (1.0x to 3.5x EBITDA) and leasing in the hospitals and hotels



# Hospital segment (Swiss Medical Network)

## Key figures hospital segment

<u>HOSTPITALS / CLINICS</u>	<u>PHYSICIANS</u>
<b>14/1</b> <small>*Plus one affiliated hospital</small>	<b>1'230</b>
<u>ADMISSIONS (stationary &amp; ambulatory)</u>	<u>NET REVENUE (in CHF million)</u>
<b>29'247</b>	<b>222.2</b>
	<u>EBITDAR (in CHF million)*</u>
	<b>50.3</b>



- Swiss Medical Network, with **around 2'490 employees** and **1'230 physicians**, is a strong player in the private healthcare sector in Switzerland
  - Reliable private alternative to the public healthcare system
  - **Leader for medical tourists** in Switzerland
- **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.)

# Hospital segment – key financial highlights

P&L hospital segment (CHF million)	HY 2015 Restated	HY 2016	Change
<b>Net revenue</b>	<b>213.7</b>	<b>222.2</b>	<b>8.5</b>
<i>Net revenue growth</i>	<i>n.a.</i>	<i>4.0%</i>	
Production expense	(51.0)	(52.0)	(1.0)
Personnel expense	(93.4)	(92.7)	0.7
Other operating expense	(28.8)	(27.2)	1.6
<b>EBITDAR</b>	<b>40.6</b>	<b>50.3</b>	<b>9.8</b>
<i>EBITDAR margin</i>	<i>19.0%</i>	<i>22.6%</i>	
<b><u>Selected operational key figures</u></b>			
# of stationary admissions	16'074	16'146	0.4%
# of day clinic admissions	10'710	13'101	22.3%
Occupancy rate	55.7%	56.2%	0.9%
Hospitalisation days	89'297	88'504	-0.9%
ALOS	4.4	4.2	-4.5%
Revenue with medical tourists	12.3	13.6	10.9%

- Strong revenue increase which was mainly based on an overall increase of the number of patients treated in the network's hospitals while lower DRG and TARMED rates for the domestic activity remained a challenge
- Medical tourism recovered and partially offset last year's decline
- Due to the higher utilization of resources and the successful completion of restructuring of hospitals the segment's profitability has increased significantly

# Hospitality segment (hotel operations)

## Key figures hospitality segment

OVERNIGHT STAYS	REVENUE (in CHF million)*
34'145	26.7

ROOMS	EBITDAR (in CHF million)
531	3.0

AVERAGE ROOM RATE (in CHF)	EMPLOYEES
340	515



- Despite the challenges to the Swiss tourism industry, the number of **overnight stays** reached **34'145** and the **average room rate CHF 340**
- Key strategic focus
  - **Exploiting synergies** in IT, sales & marketing, procurement and HR
  - Manage **inter-cultural relationships** and meet specific needs of **new traveler segments**
  - Further **efficiency gains** through cooperation with **Michel Reybier Hospitality and Seiler Hotels**

# Hospitality segment – key financial highlights

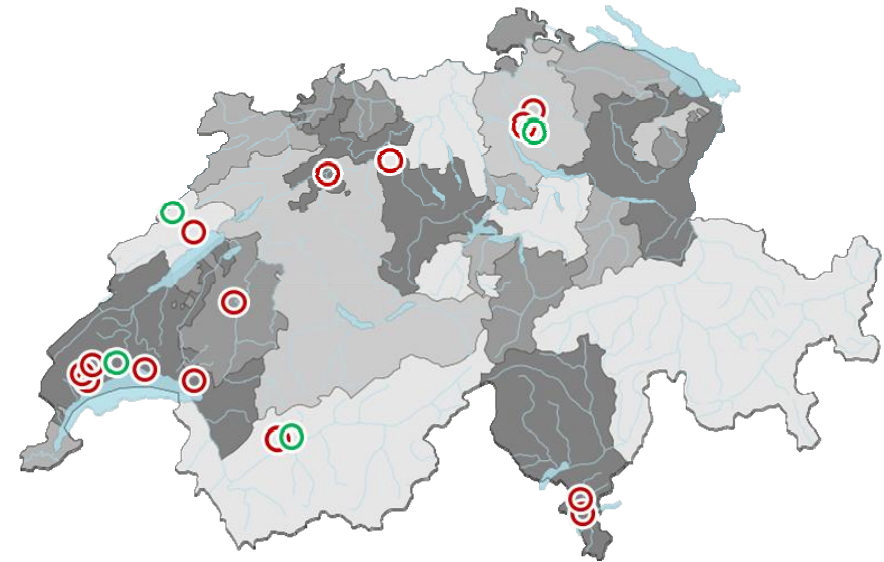
P&L hospitality segment (CHF million)	HY 2015 Restated	HY 2016	Change
<b>Net revenue</b>	<b>32.6</b>	<b>26.7</b>	<b>(5.9)</b>
<i>Net revenue growth</i>	<i>n.a.</i>	<i>-18.2%</i>	
Production expense	(5.1)	(4.3)	0.9
Personnel expense	(18.5)	(14.9)	3.6
Other operating expense	(6.4)	(4.5)	1.9
<b>EBITDAR</b>	<b>2.6</b>	<b>3.0</b>	<b>0.4</b>
<i>EBITDAR margin</i>	<i>8.0%</i>	<i>11.2%</i>	
<b><u>Selected operational key figures</u></b>			
# of rooms	531	402	<i>n.a.</i>
# of overnight stays	45'265	34'145	<i>n.a.</i>
Occupancy rate	47.0%	46.6%	<i>n.a.</i>
Average room rate in CHF	344	340	<i>n.a.</i>

- Reduction in revenue due to the new management contract structure for the Hotel Palace Luzern which is no longer consolidated
- The hotel continues to be operated by VJC under the VJC brand paying an annual management fee
- In HY 2015, a revenue of CHF 6.5m was generated by the hotel explaining the year-on-year decrease in revenue
- With this the segment's profitability has increased substantially with the deconsolidation
- The cooperation with Michel Reybier Hospitality is expected to lead to further efficiency gains in all of VJC's hotels

# Real estate segment (healthcare and hotel properties)

## Key figures real estate segment

<u>NUMBER PROPERTIES</u>	<u>RENTAL INCOME (in CHF million)</u>
<b>41</b>	<b>25.6</b>
<u>RENTAL SPACE (in sqm)</u>	<u>PORTOFOLIO VALUE (in CHF million)</u>
<b>175'000</b>	<b>940</b>
<u>VACANCY RATE</u>	<u>LOAN TO VALUE</u>
<b>0%</b>	<b>35.4%</b>



○ 2015 / Q1 2016 acquisitions

- Real estate in Switzerland remains **more resilient to market challenges** and the portfolios were again fully let
- The **market value of CHF 940 million\*** consists of healthcare real estate for CHF 776 million and hospitality real estate for CHF 164 million



\*Based on valuation by Wüest & Partners as of 31 December 2015



## Real Estate segment – key financial highlights

P&L real estate segment (CHF million)	HY 2015 Restated	HY 2016	Change
<b>Net revenue</b>	<b>18.6</b>	<b>25.6</b>	<b>7.0</b>
<i>Net revenue growth</i>	<i>n.a.</i>	<i>37.4%</i>	
Production expense	(0.0)	0.0	0.0
Personnel expense	(0.1)	(0.2)	(0.0)
Other operating expense	(1.8)	(1.6)	0.1
<b>EBITDAR</b>	<b>16.8</b>	<b>23.8</b>	<b>7.1</b>
<i>EBITDAR margin</i>	<i>90.0%</i>	<i>93.1%</i>	
<b><u>Selected operational key figures</u></b>			
# of properties	29	41	41.4%
Market value of properties	740.7	939.8	26.9%
Rental surface in m2	126'195	174'890	38.6%
LTV	46.6%	35.4%	-24.0%
Gross yield	4.6%	5.4%	17.2%

- The substantial revenue increase in the real estate segment is due to various reasons:
  - The restructuring of VJC and subsequent inclusion of hotel properties in the real estate segment
  - In 2015, some rent reductions were granted to tenants due to construction work. This is not the case in HY 2016
  - Several acquisitions executed in the second half of 2015

# Telemedicine segment



## Key figures Medgate

EMPLOYEES

300

PHYSICIANS

100

TELECONSULTATIONS A DAY

5'000

TELECONSULTATIONS SINCE 2000

5'000'000

AVAILABILITY AND MOBILITY

24/7

PARTNERS IN MEDGATE NETWORK

>1'850



- Telemedicine centers in Basle, Abu Dhabi, Australia and the Philippines and Medgate Health Centers in Zurich Oerlikon and Solothurn
- The Medgate Partner Network consists of general physicians, specialists, hospitals, and pharmacists to provide patients with comprehensive healthcare throughout Switzerland

- With the **40% participation in Medgate Group**, AEVIS VICTORIA started to build up a fourth pillar of activities in the field of telemedicine
- Founders Andy Fischer and Lorenz Fitzi remain the majority shareholders of the group
- Medgate is Europe's largest telemedicine **center operated by physicians** and represents the **leading provider of integrated out-patient healthcare** in Switzerland
- Medgate is well positioned to profit from the expected telemedicine market growth of between 18% and 20%\*

\* TechMarkets report 2015

# Key reasons to invest in AEVIS VICTORIA

## Attractive sector focus

- High attractiveness of the healthcare sector:
  - Demographic trends (aging population)
  - Increasing economic wealth (people have more money)
  - High willingness to pay for healthcare services (high out-of-pocket expenses)

## Market positioning

- Second largest Swiss private clinics group with broad geographical presence:
  - Strong negotiation position vis-à-vis Swiss healthcare insurers and authorities
  - Ideally positioned to play active role in the future market consolidation
  - Cope with and influence the changing regulatory environment

## Integrated business model

- Diversified business segments in healthcare, hospitality and real estate
- Strong and stable cash generation due to integrated operations and real estate in the hospital and hospitality segments
- High flexibility for joint development of operations and real estate

## Long-term stability

- High visibility of cash flows due to regulated business environment
- Stability in cash flow planning thanks to low operating leverage
- High quality collateral with a total market value of the real estate portfolio of CHF 939.8 million
- Long-term commitment by the two major shareholders



