



Annual Results 2017



29 March 2018

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Executive summary

CHF 663.1m
total revenue

- Revenue increase of 11.9% from CHF 592.6m to CHF 663.1m
- Growth mainly due to the integration of Clinique Générale-Beaulieu in Geneva into Swiss Medical Network in late 2016

6.4%
EBITDA growth

- EBITDA amounted to CHF 79.4m, representing an EBITDA margin of 13.6%, up from CHF 74.6m in 2016
- Net profit before extraordinary items (depreciation) amounted to around CHF 6.1m (strongly up compared to 2016). Net profit decreased to CHF 1.1m (2016: CHF 2.7m)

CHF 1.2bn
market value of property portfolio

- Further growth of the group's property portfolio focused on healthcare and hospitality
- Board of Directors is currently evaluating various strategic options for its real estate segment in order to optimally set the course for the future

CHF 0.55
Distribution per share

- Board of Directors will propose to the Annual General Meeting a distribution from capital contribution reserves of CHF 0.55 per share

Group structure

Investment company investing in services to people

Hospitals	Hospitality	Telemedicine	Real Estate
<ul style="list-style-type: none"> • Second largest group of private hospitals in Switzerland • 100% owned • 15 hospitals, one affiliated hospital and one clinic • Present in the three main linguistic regions 	<ul style="list-style-type: none"> • Five leading five-star hotels (four consolidated, one managed) situated in the most sought-after locations in Switzerland • 100% owned • Diversification strategy in the area of services to people 	<ul style="list-style-type: none"> • Leading telemedical services provider in Switzerland • 40% stake • AEVIS held a 11.9% stake in LifeWatch, which were tendered to the public takeover offer of BEAT 	<ul style="list-style-type: none"> • Healthcare and hotel-related real estate • 100% owned • 45 properties on 18 sites • Market value of > CHF 1bn

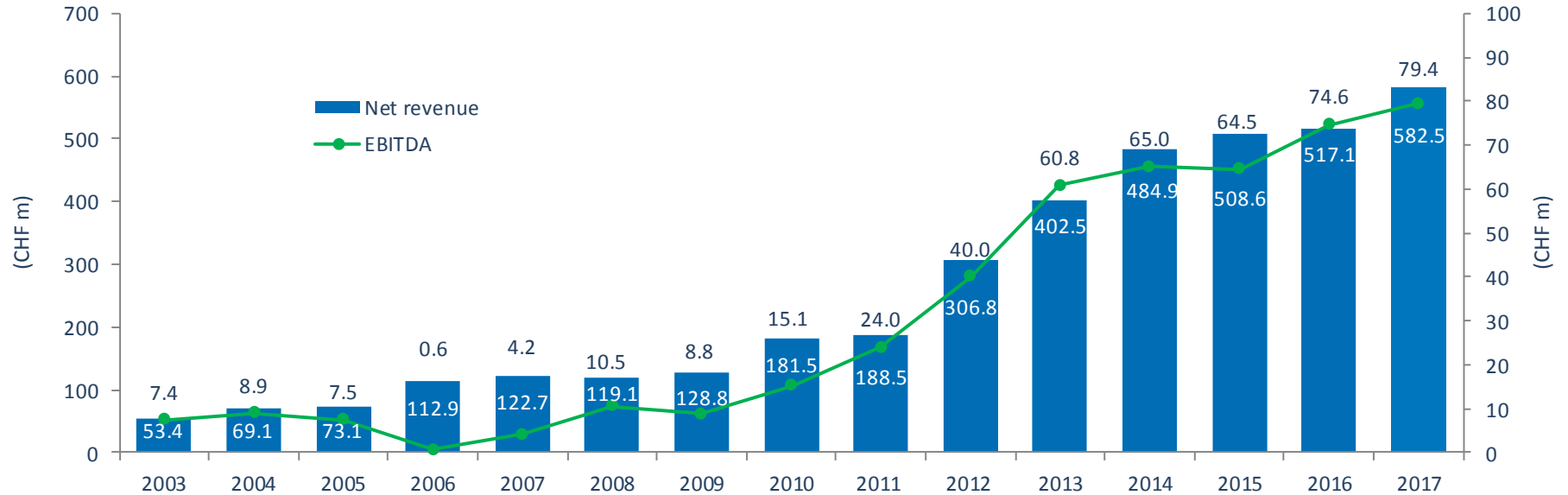
Incubator

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

Investment strategy

- AEVIS' invests in services to people, healthcare, hospitality, life sciences and lifestyle
- It follows an active mergers & acquisitions strategy combined with a long-term and entrepreneurial approach to restructure and grow companies
- Each of AEVIS' segments is managed as an independent entity, easily allowing combinations with other market participants or a positioning on a stand-alone basis, if interesting opportunities arise
- The board of directors is currently evaluating various strategic options for the real estate segment in order to optimally set the course for the future and maximise shareholder value
- Sale of participations in LifeWatch AG and Linde Holding Biel/Bienne AG generated a profit of CHF 10.4m

Value creation through M&A



- Genolier
- Montchoisi

- Clinique Générale
- Valmont

- Centre des Eaux-Vives
- Hauts de Genolier

- Bethanien
- Lindberg
- Pyramide

- Ars Medica
- Sant'Anna
- Swiss Healthcare Properties
- Obach
- Spontini
- AS Ambulances

- Valère
- Providence
- Victoria-Jungfrau
- Schmerzklinik
- Villa im Park
- Montbrillant

- Medgate
- LifeWatch
- Générale-Beaulieu
- Crans Ambassador

- Divestment LifeWatch

Hospital segment (Swiss Medical Network)



SWISS MEDICAL NETWORK

HOSTPITALS */ CLINICS

15/1

*Plus one affiliated hospital

PHYSICIANS

1'997

BEDS

1'081

NET REVENUE 2017 (in CHF million)

506.1

INTERVENTIONS

51'263

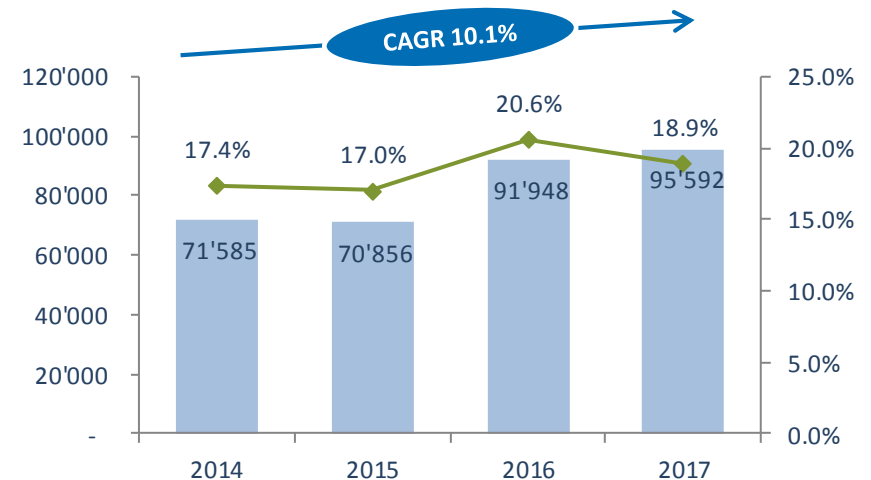
EBITDAR 2017 (in CHF million)

95.6



- Swiss Medical Network is 100% owned by AEVIS and renowned for high-quality care in excellent medical facilities
- The group has a continuing buy and build strategy with a medium term target of 20 to 25 hospitals across Switzerland
- Vision to expand the group into an international private hospital network
- The focus on cost cuttings, the exploitation of synergies and efficiency gains will have a positive effect on profitability

EBITDAR (CHF'000)



Hospitality segment (Victoria-Jungfrau Collection)

OVERNIGHT STAYS (ANNUAL BASIS) NET REVENUE 2017 (in CHF million)

175'655

64.3

ROOMS

579

EBITDAR 2017 (in CHF million)

12.3

EMPLOYEES

602

AVERAGE ROOM RATE (in CHF)

397



- Despite the challenges to the Swiss tourism industry, VJC performed well in 2017
- Intensified sales activities in the core markets, a well-diversified customer portfolio and new offers at the hotels in Interlaken and Berne contributed to the increase in earnings
- EBITDAR margin of 19.1% (2016: 20.1%)
- Further increases in efficiency and the exploitation of synergy potential remain important success factors for future margin improvements

Hotels	Rooms	Total surface (sqm)	Employees
Victoria-Jungfrau*	216	44'269	236
Eden au Lac*	50	1'419	54
Palace Luzern	129	3'337	104
Bellevue Palace	128	3'296	137
Crans Ambassador	56	10'898	70
Total	579	63'219	602

* Buildings fully owned by AEVIS

Telemedicine segment (Medgate)

medgate_

EMPLOYEES

330

PHYSICIANS

100

PATIENTS CONTACTS PER DAY

up to 5'000

PARTNERS IN MEDGATE NETWORK

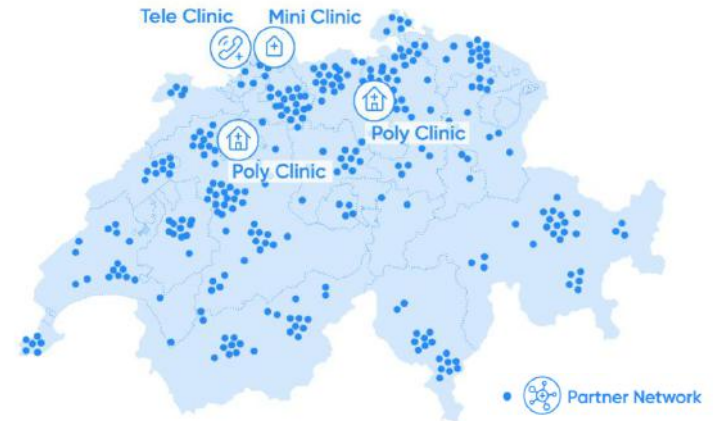
2'100

TELECONSULTATIONS IN 2017

> 770'000

TELECONSULTATIONS SINCE 2000

7'000'000



- Tele Clinics in Basle, Abu Dhabi, Australia and the Philippines, Poly Clinics in Zurich Oerlikon and Solothurn and a Mini Clinic in Basle
- The Medgate Partner Network consists of general physicians, specialists, hospitals, and pharmacists to provide patients with comprehensive healthcare throughout Switzerland

- With the acquisition of a **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**, available 24/7
- It represents the **leading provider of integrated out-patient healthcare** in Switzerland
- Medgate is well positioned to profit from the expected telemedicine market growth (approx. 18% - 20% p.a.*)

* TechMarkets report 2015

Real estate segment

MARKET VALUE (in CHF million)

1'164.7

NET REVENUE 2017 (in CHF million)

58.4

PROPERTIES

45

LOCATIONS

18

RENTAL SURFACE (sqm)

193'880

EBITDAR 2017 (in CHF million)

47.6



- Healthcare real estate in Switzerland remains resilient to market challenges
- With a continuing expansion, the real estate portfolio crossed the CHF 1 billion threshold
- Wüest Partner market values imply reserves of CHF 122.1m compared to activated book values
- Average interest on mortgages of 1.73% ; Loan to Value ratio remains low at 33.4%
- Fully let real estate portfolio
- The portfolio, furthermore, comprises additional development potential of up to 45'000 sqm



Incubator Segment – Snapshot

Swiss Ambulance Rescue (100% stake)

- Leading private ambulance company in Geneva (± 40% market share)
- Objective to become a major player in Switzerland
- Growth strategy based on further consolidation in the ambulance market and add-on services (health tele-surveillance / data analytics, occupational health and medicalized transportations with non-emergency vehicles)



iKentoo (19.8% stake)

- Most advanced Point of Sale and business management system for the hospitality industry
- Investment in this successful start-up motivated by the huge potential in the market for a flexible and agile player
- AEVIS' network will facilitate and fuel further growth in Switzerland and abroad.



Nescens

- Nescens is an innovative better aging brand connecting preventive medicine, wellness and lifestyle
- This participation is a strategic play on medicine 5.0 and is intertwined with AEVIS' hospital and hotel activities.



Key financials

Consolidated key figures (in CHF'000)	FY2017 adjusted for extraordinary depreciation	FY2017	FY2016
<u>Income statement</u>			
Total revenue	663'069	663'069	592'595
Net revenue	582'494	582'494	517'106
EBITDAR	93'066	93'066	87'141
<i>EBITDAR margin</i>	<i>16.0%</i>	<i>16.0%</i>	<i>16.9%</i>
EBITDA	79'406	79'406	74'605
<i>EBITDA margin</i>	<i>13.6%</i>	<i>13.6%</i>	<i>14.4%</i>
EBIT	31'260	26'276	31'448
<i>EBIT margin</i>	<i>5.4%</i>	<i>4.5%</i>	<i>6.1%</i>
Profit for the period	6'116	1'132	2'692
<u>Balance sheet</u>			
Total assets		1'750'640	1'719'761
Total liabilities		1'367'446	1'338'261
Total equity		383'194	381'500
Market price per share at end of period in CHF		58.10	64.00
Number of outstanding shares		15'463'618	15'016'768
Market capitalisation		898'436	961'073

- Net revenues amounted to CHF 582.5m with growth of 12.6% mainly due to the integration of Générale-Beaulieu
- Slightly lower margin than FY2016
 - Lower activity in the hospital segment
 - Strategic base rate reduction
- The sale of the LifeWatch and Linde participations generated a financial profit of CHF 10.4m (below EBIT contribution)
- Net profit before extraordinary depreciation shows strong profitability compared to 2016
- Net profit for the period of CHF 1.1m due to substantially higher current and deferred taxes
- Stable balance sheet metrics comparable to FY2016

Segment Reporting

Annual results 2017 (In thousands of CHF)	Hospitals	Hospitality	Real estate	Others	Corporate	Eliminations	Total 2017
Net revenue 3rd	503'501	63'247	5'426	10'320	-	-	582'494
Net revenue IC	2'555	1'071	52'967	373	1'400	(58'366)	-
Net revenue	506'056	64'318	58'393	10'693	1'400	(58'366)	582'494
EBITDAR	95'592	12'286	47'626	(2'331)	(7'140)	(52'967)	93'066
<i>EBITDAR margin</i>	<i>18.9%</i>	<i>19.1%</i>	<i>81.6%</i>	-	-	-	<i>16.0%</i>

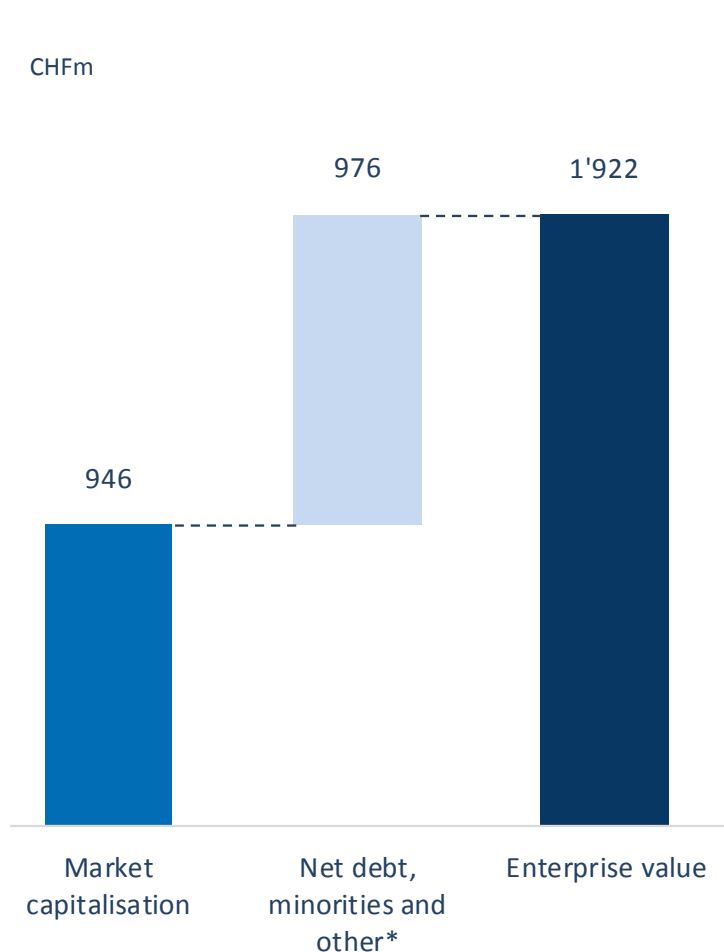
Annual results 2016 (In thousands of CHF)	Hospitals	Hospitality	Real estate	Others	Corporate	Eliminations	Total 2016
Net revenue 3rd	443'187	59'888	3'525	10'483	23	-	517'106
Net revenue IC	3'046	782	47'705	285	1'093	(52'911)	-
Net revenue	446'233	60'670	51'230	10'768	1'116	(52'911)	517'106
EBITDAR	91'948	12'196	42'425	(4'093)	(7'629)	(47'706)	87'141
<i>EBITDAR margin</i>	<i>20.6%</i>	<i>20.1%</i>	<i>82.8%</i>	-	-	-	<i>16.9%</i>

High visibility on capital markets

- AEVIS is listed on SIX Swiss Exchange (SPI, SLIFE and SBIOM)
- Market cap of CHF 952.7m
- To diversify its financing sources, AEVIS has successfully issued four straight bonds, each at lower coupon rates:
 - 2013: CHF 100m – 3.50% (2018)
 - 2014: CHF 145m – 2.75% (2019)
 - 2016: CHF 150m – 2.50% (2021)
 - 2016: CHF 145m – 2.00% (2022)
- In October 2016 (updated in September 2017), Kepler Cheuvreux has published an analyst report on AEVIS with a buy rating and a target price of CHF 68.00
- Ernst & Young has published a valuation report on AEVIS in February 2017 with a fair market value range of CHF 68.20 to CHF 74.80 per share



Value decomposition



Hospital segment

- Second largest Swiss network of private hospitals with 15 facilities
- Strong business segment proven resilient to economic cycles

Hospitality segment

- Five luxury hotels in prime locations in Switzerland
- Most hotels are currently being renovated and repositioned to boost revenue and profitability
- Significant value potential using market metrics

Telemedicine segment

- Medgate is the largest telemedical services provider in Europe
- With the rapid digitalization of healthcare, Medgate is ideally positioned to play a crucial role in the future of medicine
- Substantial value potential in a fast growing market

Real estate segment

- 45 properties on 18 sites across Switzerland
- Total rental surface of 193'880m² and development potential of around 45'000m²
- Real estate valued at CHF 1'165m

Incubator segment

- Various start-up projects in the hospital and hospitality industries
- Strong value potential of early stage ventures

* Other adjustments include associates and non-operating assets

Most important development initiatives 2018

Organic growth and exploitation of synergies

- In the hospital segment, the recruitment of new doctors, the development of medical centers and the realisation of synergies across the division will boost revenue and profitability
- The complete renovation of the Hotel Eden au Lac and the refurbishment of the last rooms at the Grand Hotel Victoria-Jungfrau are expected to lead to significantly higher room rates as well as food and beverage revenue

Turn-around of restructuring hospital entities

- Important measures are taken on a revenue and cost side to achieve the turnaround of the last restructuring entities in Swiss Medical Network
- The first months of 2018 give promising indications that this target will be achieved in the current year

Reduction of operating costs

- The outsourcing of IT services and the continuous standardisation and automatization of the Group's operating processes already led to significant cost savings
- Further to these measures, a specific cost reduction program was set in place which is expected to result in savings of around CHF 15m in 2018

Outlook 2018

Strategic and operational highlights

- Extensive renovations at Hotel Eden au Lac in Zurich, will be first Philippe Starck hotel in CH
- Refurbishment of remaining 42 rooms in “Victoria Jungfrau”
- Focus on operational efficiency in Swiss Medical Network
- Continuation of the group’s growth strategy with 1-2 targeted acquisitions in the current year
- Investment in digital healthcare initiatives
- Turnaround or exit of loss making participations of the group
- Implementation of a B2C strategy with the opening of walk in clinics and medical centers

Outlook

- Based on an unchanged portfolio, AEVIS VICTORIA expects to realise single digit revenue growth and to significantly improve profitability in the current business year 2018 by pursuing the initiated cost reduction programs

Q&A

