

Half-year results 2018
Fribourg, 14 September 2018

Investing for a better life

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Antoine Hubert

Delegate of the Board

Executive Summary

Overall

- Hospitals: Extensive restructuring and important investments incl. 2 new acquisitions
- Hotels: Steady improvements of activity and margins and on schedule refurbishment of the Zurich hotel
- Real estate: Attractive options for the healthcare real estate segment
- Other participations: Further clean up incl. sale of participation in BioTelemetry generating a financial gain of CHF 6.6m

CHF 323.7m adj. revenue

- Challenging healthcare market environment and reduced activity due to hospitals and one hotel under construction
- Factoring out one off effects to compare on a like-for-like basis, an adjusted revenue increase of 3.0% results from CHF 314.1m to CHF 323.7m

CHF 36.3m adj. EBITDA

- EBITDA impacted by the same above challenges
- Factoring out the one off effects, adjusted EBITDA grew from CHF 30.4m to CHF 36.3m resulting in an EBITDA margin of 12.8%
- Important restructuring and cost savings program will reduce expenses by around CHF 25m which will fully materialize in 2019

CHF 1.2bn market value of property portfolio

- Further growth of the group's property portfolio focused on healthcare and hospitality with the acquisition of one building in Bern (after the reporting period)
- Decision to increase independence of healthcare real estate portfolio
- In this context: name change into Infracore, new Board of Directors and management to be appointed, evaluation of a partial spin-off of healthcare real estate portfolio

Group structure

AEVIS VICTORIA
Investment company investing in services to people

Hotels



- 4 leading five-star hotels in Zürich, Interlaken, Bern and Crans Montana

Hospitals



- Second largest private hospital group in Switzerland

Telemedicine

medgate_

- Leading telemedical services provider in Switzerland

Real estate



- 46 properties on 19 sites
- Market value of around CHF 1.2 billion

Nescens

- Innovative offer in the field of better-aging, combining preventive medicine, wellbeing and lifestyle

AEVIS VICTORIA invests in various other activities along the value chain of its main segments

AEVIS key figures

(CHF'000)	HY2017	HY2017 Adjusted	HY2018	HY2018 Adjusted
Total revenue	336'628	314'120	319'125	323'671
Net revenue	295'245	274'997	280'566	285'112
EBITDAR	50'197	37'609	38'828	43'374
EBITDAR Margin	17.0%	13.7%	13.8%	15.2%
EBITDA	42'944	30'378	31'807	36'353
EBITDA Margin	14.5%	11.0%	11.3%	12.8%
EBIT	18'936	5'992	5'926	10'472
EBIT Margin	6.4%	2.2%	2.1%	3.7%
Result of the period	12'156	2'060	(1'576)	2'011

- HY2017 adjusted figures to make them comparable with HY2018
- One-off effects:
 - Villa im Park construction
 - Valère cardiology construction
 - Beaulieu construction
 - Eden au Lac construction
 - Lower TARMED tariffs
- HY2018 adjusted for TARMED write off to make it comparable with HY2017
- Factoring out one-off effects, revenue growth of 3.0% and EBITDA margin of 12.8%
- Sale of BioTelemetry generated financial profit of CHF 6.6m (below EBIT contribution)
- Net profit of CHF 2.0m factoring out one-off effects
- Stable balance sheet metrics comparable to 1H2017

Segment reporting

HY 2018 (CHF'000)	Hospitals	Hospitality	Real Estate	Others	Corporate	Eliminations	Total
Net Revenue 3rd	244'006	27'819	2'531	6'062	148	-	280'566
Net Revenue IC	953	425	26'403	259	-	(28'040)	-
Net Revenue	244'959	28'244	28'934	6'321	148	(28'040)	280'566
Production expenses	(59'099)	(4'576)	-	(926)	-	78	(64'523)
Personnel expenses	(107'418)	(15'438)	(308)	(5'027)	(3'775)	-	(131'966)
Other operating expenses	(36'238)	(4'370)	(3'704)	(1'335)	(1'161)	1'559	(45'249)
EBITDAR	42'204	3'860	24'922	(967)	(4'788)	(26'403)	38'828
EBITDAR Margin	17.2%	13.7%	86.1%	-	-	-	13.8%

HY 2017 (CHF'000)	Hospitals	Hospitality	Real Estate	Others	Corporate	Eliminations	Total
Net Revenue 3rd	259'216	28'498	2'560	4'971	-	-	295'245
Net Revenue IC	1'583	279	26'770	216	110	(28'958)	-
Net Revenue	260'799	28'777	29'330	5'187	110	(28'958)	295'245
Production expenses	(61'592)	(4'504)	-	(849)	-	81	(66'864)
Personnel expenses	(111'233)	(16'332)	(215)	(4'428)	(3'033)	-	(135'241)
Other operating expenses	(33'586)	(4'676)	(4'271)	(1'314)	(1'204)	2'108	(42'943)
EBITDAR	54'388	3'266	24'844	(1'404)	(4'127)	(26'769)	50'197
EBITDAR Margin	20.9%	11.3%	84.7%	-	-	-	17.0%

- Swiss Medical Network is 100% owned by AEVIS and renowned for high-quality care in excellent medical facilities
- The group pursues a buy and build strategy with a medium term target to regroup 20 to 25 hospitals across Switzerland
 - Acquisition of Medgate Health Centers operating two ambulatory clinics in Zurich and Solothurn as of 30 June 2018
 - Acquisition of the surgical activities of Siloah AG in Bern as of 1 October 2018
 - Both acquisitions generate additional revenues of more than CHF 30m p.a.
- Results affected by various one-off effects including construction works in various hospitals, a one-off TARMED write down and lower TARMED tariffs for 2018
- Cost saving program completed reducing operating costs by CHF 15m p.a. – effects starting to materialize in the second half of 2018

HOSPITALS /
AFFILIATED HOSPITAL

16 / 1

PHYSICIANS

2'020

Adj. NET REVENUE HY 2018
IN CHF MIO

249.5
+2.3%

INTERVENTIONS
(ON AN ANNUAL BASIS)

51'263

Adj. EBITDAR HY 2018
IN CHF MIO

46.8
+10.0%

BEDS

1'062

National network, excellent locations and long traditions



Clinique de Genolier
1972/2002



Clinique de Montchoisi
1935/2003



Clinique Générale
1908/2005



Clinique Valmont
1905/2006



Centre des Eaux-Vives
1968/2009



Privatklinik Bethanien
1912/2010



Privatklinik Lindberg
1906/2011



Clinica Ars Medica
1989/2012



Privatklinik Obach
1922/2012



Hôpital de la Providence
1859/2012



Clinica Sant'Anna
1922/2012



Clinique de Valère
1920/2012



Privatklinik Villa im Park
1984/2013



Schmerzlinik Basel
1978/2014



Clinique Montbrillant
1909/2015



Clinique Générale-Beaulieu
1899/2016



Chirurgische Klinik Siloah
1955/2018



Ärztzentrum Solothurn
2012/2018



Ärztzentrum Zürich
2013/2018

- Despite the challenges to the Swiss tourism industry, Victoria-Jungfrau Collections performed very well in the first half of 2018
- Intensified sales activities in the core markets, a well-diversified customer portfolio and new offers at the hotels in Interlaken and Crans-Montana contributed to the increase in earnings
- EBITDAR margin of 13.7%
- Results in the second semester are expected to be positively affected by strong summer results, efficiency gains and the completion of a restructuring program initiated in 2017
- Further increases in efficiency and the realization of synergy potential remain important success factors for future margin improvements

NET REVENUE HY 2018
IN CHF MIO

28.2
+11.5%

OVERNIGHT STAYS

56'393

EBITDAR HY 2018
IN CHF MIO

3.9
+50.0%

ROOMS IN OPERATION

400

AVERAGE ROOM RATE
IN CHF

364

EMLOYEES

458

Growth rates calculated factoring out one-off effect on Eden au Lac in 2017

Five star hotels in the most sought-after locations in Switzerland



VICTORIA-JUNGFRAU Grand Hotel & Spa
Interlaken



Hotel Crans Ambassador
Crans-Montana



Hotel Eden au Lac (closed until mid-2019)
Zurich



Bellevue Palace
Bern

SEILER
SINCE 1855



la réserve

HOTEL, SPA AND VILLA

GENÈVE

Affiliated hotels

- La Réserve, Genève
- Mont Cervin Palace, Zermatt
- Monte Rosa, Zermatt

- With a continuing expansion, the real estate portfolio crossed the CHF 1 billion threshold
- Acquisition of a hospital building with around 4'600m2 in Bern (after the reporting period)
- Average interest on mortgages of 1.66%
- Loan to Value ratio remains low at 35.0%
- Fully let real estate portfolio
- The portfolio, furthermore, comprises additional development potential of up to 45'000 sqm
- After analyzing several strategic options, more independence shall be given to Swiss Healthcare Properties SA
- Company will be renamed Infracore SA, new board and management will be appointed and a partial spin-off is under evaluation
- Advantages would be significant deleverage and unlocking of hidden value reserves on AEVIS' level

MARKET VALUE
IN CHF MIO

1'164.7

EBITDAR HY 2018
IN CHF MIO

24.9

PROPERTIES

45

SITES

18

RENTAL SURFACE
IN M²

193'880

NET REVENUE HY 2018
IN CHF MIO

28.9

- 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

** Integrated in Swiss Medical Network on 30 June 2018

EMPLOYEES

330

TELECONSULTATIONS IN 2017

> 770'000

AVAILABILITY

24/7

TELEMEDICINE CENTRES

Switzerland
Abu Dhabi
Australia
Philippines
Slovakia

PHYSICIANS

100

TELECONSULTATIONS SINCE 2000

7'000'000

PARTNERS OF THE MEDGATE NETWORK

2'100

MINI CLINICS

Basel
Solothurn

HEALTH CENTERS**

Zurich
Solothurn

Good visibility on capital markets

- AEVIS VICTORIA is listed on SIX Swiss Exchange
- The share is represented in the SPI, SLIFE and SBIOM indices
- To diversify its financing sources, AEVIS has issued four straight bonds, each at lower coupon rates
 - 2014: CHF 145 million – 2.75% (2019)
 - 2016: CHF 150 million – 2.50% (2021)
 - 2016: CHF 145 million – 2.00% (2022)
 - 2018: CHF 55 million – 2.25% (2020)

MARKET CAPITALISATION
IN CHF MIO (as at 30.06.2018)

918.1

ACTUAL STOCK PRICE
IN CHF

62.00

CLOSING PRICE
IN CHF (as at 30.06.2018)

59.00

NUMBER OF
SHAREHOLDERS

1'679

Outlook 2018

Hospitals

- Cost-savings materialise in second half-year 2018 (CHF 15m p.a.)
- Higher activity thanks to 63 new doctors started in first half-year
- Surge in foreign patients with new patient platform
- Integration of latest acquisitions / attractive acquisition pipeline

Hotels

- Excellent results expected in the running hotels based on a very strong summer season
- Lucerne management contract not extended after end of September 2018
- Eden au Lac construction as scheduled

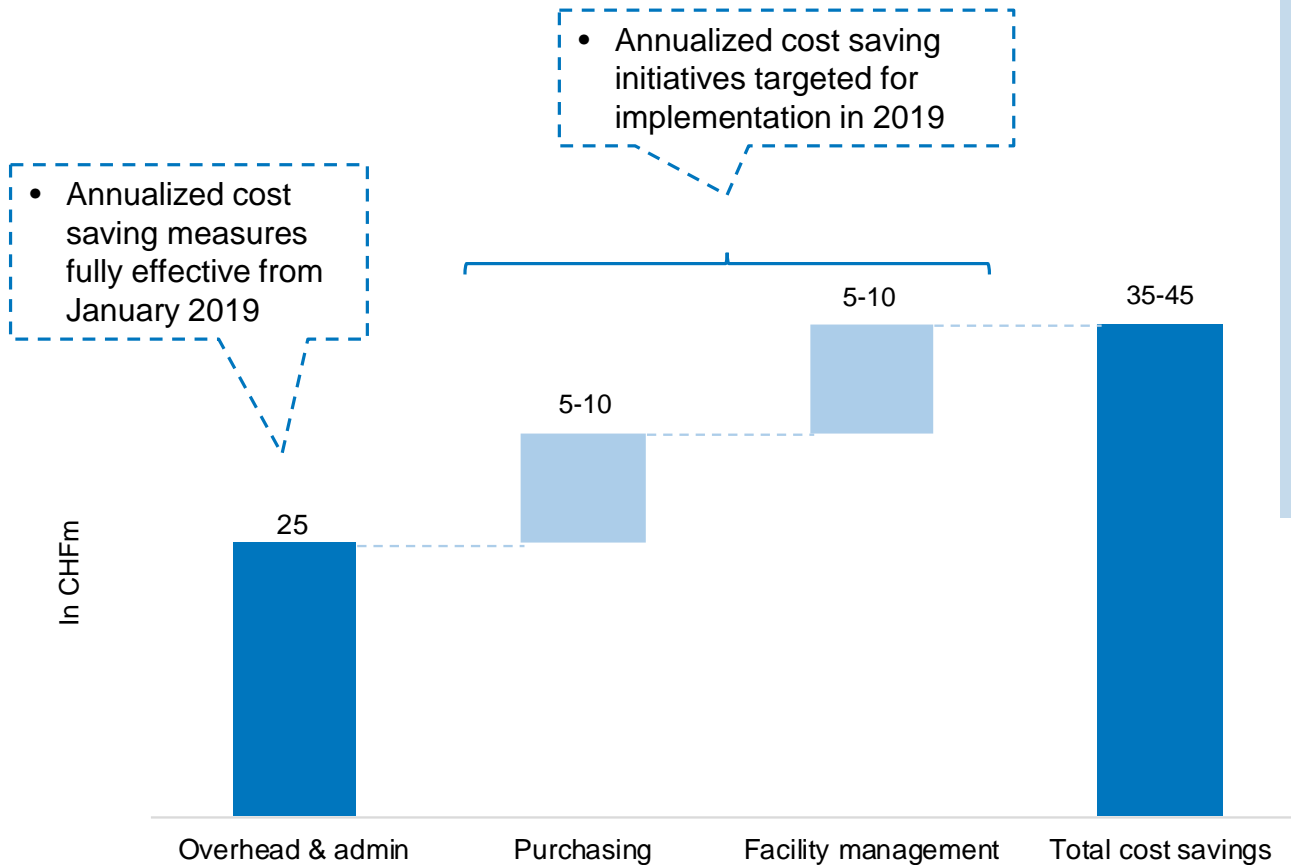
Real estate

- Continuation of the transformation of the healthcare real estate portfolio to a more independent structure

Overall

- Continuation of growth and collaboration strategy in the various Group segments whilst improving and optimising operational excellence
- Based on an unchanged portfolio and excluding one-off factors, single-digit revenue growth and improved profitability expected
- The cost-savings measures will be fully effective as of fiscal year 2019 with an expected annual contribution of CHF 25 million p.a.

Overview of cost saving measures 2018/2019



Cost saving measures 2018/2019

- Overhead, admin, management: **CHF 25m** whereof CHF 14m already effective full year 2019
- Procurement: **CHF 5-10m** whereof CHF 3m already effective full year 2019)
- Facility management: **CHF 5-10m**

Thank you for your attention

