



Half-Year Results 2017 Presentation



21 September 2017

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AEVIS VICTORIA – Group structure

AEVIS VICTORIA SA

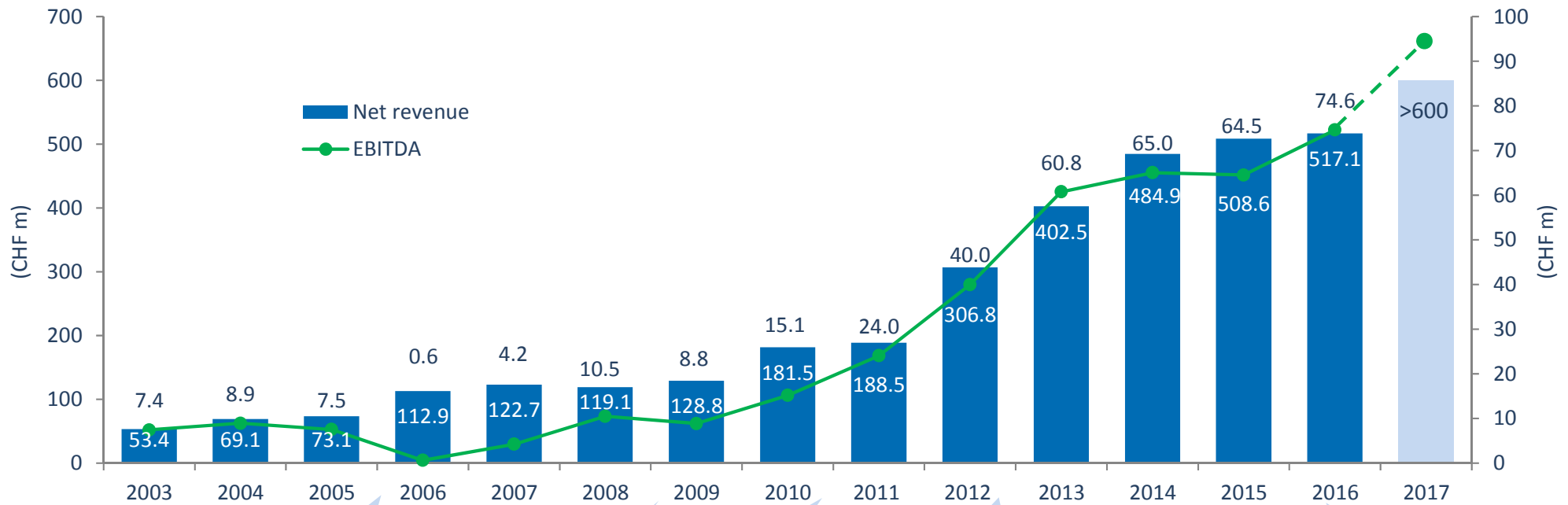
AEVIS VICTORIA is an investment company investing in services to people

Hospital Segment	Hospitality Segment	Telemedicine Segment	Real Estate Sub-Segment
<ul style="list-style-type: none"> • Second largest group of private hospitals in Switzerland • 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 (4 consolidated, one managed) situated in the most sought-after locations in Switzerland • Diversification strategy in the area of services to people 	<ul style="list-style-type: none"> • AEVIS VICTORIA holds a 40% stake in Medgate group • Medgate is the leading telemedical services provider in Switzerland • International activities are being developed 	<ul style="list-style-type: none"> • Composed of healthcare and hotel real estate and organised in two dedicated entities • The portfolio comprises 44 properties on 17 sites

Incubator

- AEVIS VICTORIA invests in various other activities along the value chain of its main segments
- Activities range from early-stage ventures (such as stem cell science activities) to companies under restructuring (such as a rescue and ambulance services platform)
- It is intended to combine some of these participations in a structure for digital innovation by the end of 2017

AEVIS VICTORIA – 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

AEVIS VICTORIA – Investment strategy

- **Investment strategy**
 - Acquisition of participations in public and private companies with promising strategies and products in line with the investment focus “services to people”
 - Build-up of participations around comprehensive industry platforms, networks and know-how
 - Focus on undervalued companies and complex transaction structures with extensive development potential
- **Active buy, build and hold approach**
 - Institutional anchor shareholder with a long-term investment horizon
 - Active involvement in the development of the participations on an operational and strategic level
 - Strong and stable financial position to ensure the financing of the participations’ long-term growth strategies
- **Exit**
 - Strategy to exit participations in the long-run through combinations with larger strategic market players

AEVIS VICTORIA – Highlights 1H2017

- **Total revenues from operations increased by 14.7% to CHF 336.6m**
 - Integration of Clinique Générale-Beaulieu within Swiss Medical Network
- **EBITDAR surged to CHF 50.2m representing an EBITDAR margin of 17.0%**
- **Two successful divestments**
 - An 11.9% stake in LifeWatch was sold to BioTelemetry
 - Financial profit of CHF 10.0m
 - AEVIS VICTORIA retained a 1.6% shareholding in US based BioTelemetry
 - A minority shareholding in Linde Holding Biel/Bienne AG was sold to Hirslanden Group
 - Financial profit of CHF 1.6m
- **Net profit for the period of CHF 12.2m**
 - An increased distribution will be proposed to the next Annual General Meeting

AEVIS VICTORIA segments – Highlights 1H2017

- **Swiss Medical Network**
 - Integration of Clinique Générale-Beaulieu
 - Active involvement with various stakeholders in the Swiss healthcare system to drive change in the regulatory environment
 - The new TARMED regime will put further pressure on the system
- **Victoria-Jungfrau Collection**
 - VJC performed well despite numerous challenges affecting the tourism industry
 - Well diversified customer portfolio
 - Integration of Hotel Crans Ambassador
 - Renovated rooms at Victoria-Jungfrau and Bellevue Palace
 - Renovation plans for a radical makeover of Eden au Lac are finalised
 - First half-year is historically the weaker semester due to seasonality
- **Hospital and hospitality properties**
 - Ongoing investments in various properties
 - Start of the construction of an additional building for Privatklinik Villa im Park
 - Additional 11'000 sqm for Privatklinik Lindberg nearing finalisation
 - Municipality approval was received for a zoning change in Genolier

High visibility on capital markets

- AEVIS VICTORIA is listed on SIX Swiss Exchange
- The AEVIS shares are comprised in the SPI, the SLIFE and the SBIOM indices
- AEVIS has successfully issued four straight bonds to diversify its financing sources
 - 2013: CHF 100m – 3.50% (2018)
 - 2014: CHF 145m – 2.75% (2019)
 - 2016: CHF 150m – 2.50% (2021)
 - 2016: CHF 145m – 2.00% (2022)
- Kepler Cheuvreux has published in October 2016 (updated in September 2017) 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



AEVIS VICTORIA – Key financials

Consolidated key figures (in CHF'000)	HY2017	HY2016	FY2016
<u>Income statement</u>			
Total revenue	336'627	293'488	592'595
Net revenue	295'245	256'068	517'106
EBITDAR	50'197	48'366	87'141
<i>EBITDAR margin</i>	<i>17.0%</i>	<i>18.9%</i>	<i>16.9%</i>
EBITDA	42'944	42'175	74'605
<i>EBITDA margin</i>	<i>14.5%</i>	<i>16.5%</i>	<i>14.4%</i>
EBIT	18'936	20'582	31'448
<i>EBIT margin</i>	<i>6.4%</i>	<i>8.0%</i>	<i>6.1%</i>
Profit for the period	12'155	4'543	2'692
<u>Balance sheet</u>			
Total assets	1'724'657	1'417'681	1'719'761
Total liabilities	1'323'334	1'112'777	1'338'261
Total equity	401'323	304'904	381'500

- Net revenues amounted to CHF 295.2m with growth of 15.3% mainly due to the integration of Générale-Beaulieu
- Slightly lower margin than HY2016
 - EBITDAR margin in line with FY2016 margin
 - Lower activity in the hospital segment, which should be recovered in the second semester
 - Strategic baserate reduction
- The sale of the LifeWatch and Linde participations generated a financial profit of CHF 11.6m (below EBIT contribution)
- Net profit for the period of CHF 12.2m will lead to higher distributions
- Stable balance sheet metrics compared to FY2016

AEVIS VICTORIA – Segment reporting

HY 2017 (in CHF'000)	Hospitals	Hospitality	Real estate	Other & Corporate	Eliminations	Total
Net revenue 3rd	259'216	28'498	2'560	4'971	-	295'245
Net revenue IC	1'583	279	26'770	325	(28'958)	-
Net revenue	260'799	28'777	29'330	5'297	(28'958)	295'245
Production expenses	(61'592)	(4'504)	-	(849)	81	(66'864)
Personnel expenses	(111'233)	(16'332)	(215)	(7'461)	-	(135'241)
Other operating expenses	(33'586)	(4'676)	(4'271)	(2'518)	2'108	(42'943)
EBITDAR	54'388	3'266	24'844	(5'530)	(26'769)	50'197
<i>EBITDAR margin</i>	<i>20.9%</i>	<i>11.3%</i>	<i>84.7%</i>	-	-	<i>17.0%</i>

HY 2016 (in CHF'000)	Hospitals	Hospitality	Real estate	Other & Corporate	Eliminations	Total
Net revenue 3rd	222'204	26'649	1'731	5'485	-	256'068
Net revenue IC	6	21	23'884	248	(24'160)	-
Net revenue	222'210	26'670	25'615	5'733	(24'160)	256'068
Production expenses	(52'018)	(4'252)	-	(847)	36	(57'081)
Personnel expenses	(92'663)	(14'928)	(152)	(7'227)	-	(114'970)
Other operating expenses	(27'202)	(4'513)	(1'615)	(2'561)	240	(35'651)
EBITDAR	50'327	2'977	23'848	(4'903)	(23'884)	48'366
<i>EBITDAR margin</i>	<i>22.6%</i>	<i>11.2%</i>	<i>93.1%</i>	-	-	<i>18.9%</i>

Key figures Hospital segment

HOSPITALS */ CLINICS

15/1

*Plus one affiliated hospital

PHYSICIANS

1'968

BEDS

1'082

NET REVENUE (in CHF million)

260.8

INTERVENTIONS

52'785

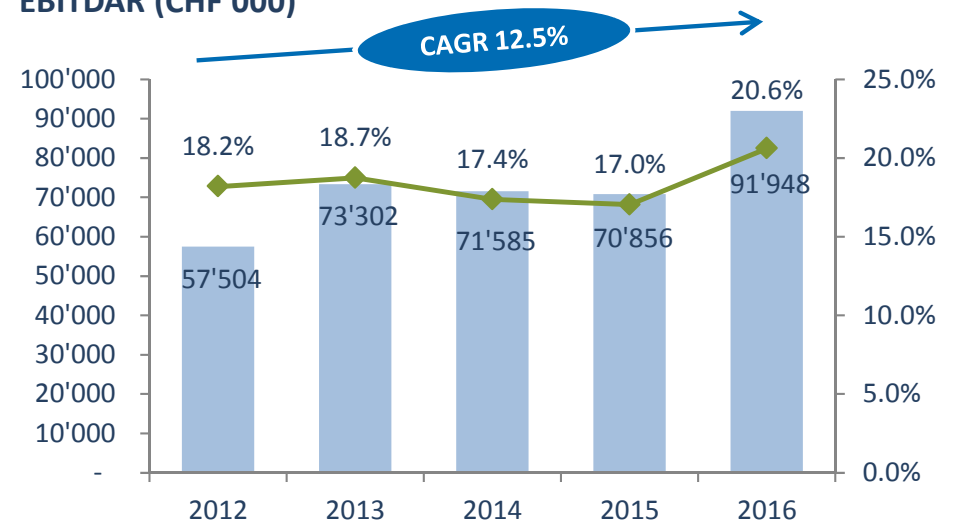
EBITDAR (in CHF million)*

54.4



- Net revenue growth of 17.4%
 - Integration of Clinique Générale-Beaulieu
 - Successful recruitment of 55 new physicians during 1H2017
- EBITDAR growth of 8.1%
- Cash-flow from operating activities nearly doubled to CHF 17.5m
- Synergies and efficiency gains led to an improved EBITDAR margin of 20.9%, bringing the group closer to its long-term targeted EBITDAR margin of 22%

EBITDAR (CHF'000)



Key figures Hospitality segment

OVERNIGHT STAYS

76'127

NET REVENUE (in CHF million)

28.8

ROOMS

579

EBITDAR (in CHF million)

3.3

EMPLOYEES

605

AVERAGE ROOM RATE (in CHF)

372



- Net revenue growth of 7.9%
 - Integration of Hotel Crans Ambassador
 - Well-diversified customer portfolio
- EBITDAR reached CHF 3.3m corresponding to an EBITDAR margin of 11.3%
- The number of overnight stays at 30.06.2017 remained constant at 76'127 with an average room rate of CHF 372

Hotels	Rooms	Total surface	Employees
Victoria-Jungfrau*	216	44'269	236
Eden au Lac*	50	1'419	58
Palace Luzern	129	3'337	129
Bellevue Palace	128	3'296	138
Crans Ambassador	56	10'898	44
Total	579	52'321	605

* Buildings fully owned by AEVIS VICTORIA

Key figures Real Estate segment

MARKET VALUE (in CHF million)

1'148.3

EBITDAR (in CHF million)

24.8

PROPERTIES

44

LOCATIONS

17

RENTAL SURFACE (m2)

193'880

NET REVENUE (in CHF million)

29.3



- Real estate in Switzerland remains resilient to market challenges and AEVIS VICTORIA's real estate portfolio was again fully let in 1H2017
- With a continuing expansion, the real estate portfolio crossed the CHF 1 billion threshold
- The loan to value remains very low at 34.9%
- The average interest on mortgages was 1.72% at 30.06.2017
- Wüest Partner market values of real estate imply hidden reserves of CHF 111.5m compared to activated book values
- The portfolio, furthermore, comprises additional development potential of around 40'000m2



AEVIS VICTORIA – Outlook 2017

- **AEVIS VICTORIA expects to realise total revenues of more than CHF 700m and net revenues of more than CHF 600m**
 - based on an unchanged portfolio consolidated over a 12-month period
- **Guidance remains unchanged, full year EBITDAR is expected to reach more than CHF 100m for the first time**
- **Continuation of the group's growth strategy**
- **Turnaround or exit of loss making participations of the group**
- **Objective to reach an EBITDA margin of 20% in 2018**

Q&A

