



# Company presentation



October 2013

# Company overview

-  AEVIS Holding SA (AEVIS) invests in the healthcare sector, in life sciences and in services to people
-  The main shareholdings of AEVIS are:
  - **Genolier Swiss Medical Network SA (GSMN)**, the 2<sup>nd</sup> largest group of private clinics in Switzerland with geographical presence in the three main language regions of Switzerland
  - **Swiss Healthcare Properties AG (SHP)**, a real estate company focusing on medical real estate in Switzerland
  - **Other investments**, supporting and complementary services along the value chain of AEVIS' strategic focus
-  AEVIS pursues a dividend growth strategy
-  Start of the diversification phase in our chosen field : LIFE
  - AEVIS wishes to progressively develop new sectors of activity, amongst others in the sector of outpatient medicine (surgical, radiology and dental centres), patient hotels (Les Hauts de Genolier) and hotel or hotel-related activities
-  AEVIS is listed on the Domestic Standard of the SIX Swiss Exchange (Ticker: AEVS)

# The Swiss healthcare market

## Large and growing market

- Switzerland has the second highest hospital bed coverage in the world
- The Swiss healthcare system is economically well balanced and has substantial reserves
- Swiss healthcare spending > CHF 60bn or 11% of total Swiss GDP
- Constant market growth of 3.5% to 4.0% p.a. since 1996

## Growth parameters

- Demographic evolution increases orthopaedic and oncologic incidence
- Prosperity drives the demand for healthcare and well-being services
- Demand for healthcare and well-being services has proven resilient to economic cycles during the ongoing economic crisis
- Above average market growth rates are expected to persist in the future

## Market structure

- Switzerland is regarded as one of the leading markets worldwide with regards to quality of healthcare services
- Approx. 25% of total Swiss hospital revenues are generated in private clinics
- The private clinics market is very fragmented and consolidation is in process
- As of 1 January 2012, a revision of the Swiss Health Insurance Act (KVG) was introduced implying a paradigm shift from bed capacity to supply planning
- Revision is expected to increase competition and finally to reduce costs. Efficient and managerial clinics are expected to benefit from this trend

# Group structure

## AEVIS Holding SA

Investments in healthcare sector, life sciences and services to people

### Genolier Swiss Medical Network SA

#### Clinic operations

- 2<sup>nd</sup> largest group of private clinics in Switzerland
- Present in French, German and Italian speaking parts of Switzerland
- 14 clinic operations and 1 affiliated clinic

National coverage and regional presence

### Swiss Healthcare Properties AG

#### Healthcare real estate

- 25 healthcare properties
- Rentable area of 111'000m<sup>2</sup>
- Development potential of 10'000m<sup>2</sup> to 15'000m<sup>2</sup>
- Full utilisation (0% vacancy)
- Portfolio value of CHF 605.6m

Long-term commitment to clinic operation's growth

### Other Activities

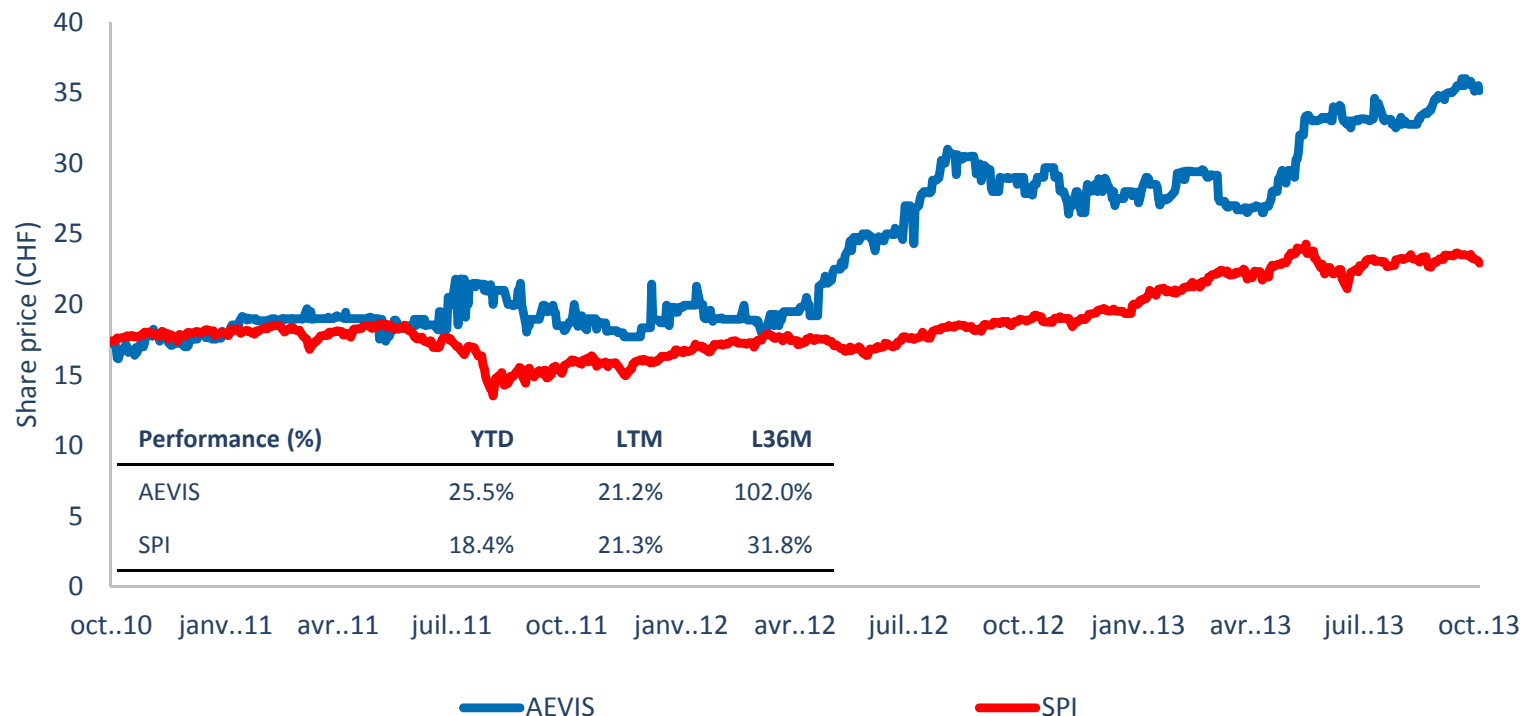
#### Related sectors

- Nescens
- AS Ambulances Services
- Swiss Advanced Vision: Ophthalmologie
- Patient hotel
- Other

Complementary developments







# AEVIS on capital markets

- AEVIS is listed on the Domestic Standard of SIX Swiss Exchange (Ticker: AEVS), with a market capitalisation of around CHF 440m
- In 2012, AEVIS has paid out CHF 0.30 per share to its shareholders. AEVIS plans to gradually increase the pay-out ratio and pursues a dividend growth strategy
- To diversify its financing sources, AEVIS has issued two straight bonds in 2012 and 2013 (CHF 80m at 4.25% maturing in 2016 and CHF 100m at 3.50% maturing in 2018)



# Corporate governance – AEVIS Holding SA

## Board of directors

-  Dr. Christian Wenger, Chairman
-  Raymond Loretan, Vice-chairman
-  Antoine Hubert, Delegate of the Board
-  Michel Reybier
-  Antoine Kohler
-  Dr. Cédric A. George

*The board of directors of AEVIS combines financial, legal and political skills as well as in-depth knowledge of the Swiss healthcare sector*

## Management

-  Antoine Hubert, Delegate of the Board
-  Gilles Frachon, CFO
-  Roberto Tancredi, Deputy CFO
-  Séverine Van der Schueren, CAO
-  Pierre-Olivier Haenni, Managing Director

*Together, the board of directors and management of AEVIS cover the necessary skill set to address the challenges of AEVIS' scope of business*

# Corporate governance – Genolier Swiss Medical Network SA

## Board of directors

-  Raymond Loretan, Chairman
-  Dr. Philippe Glasson, Vice-chairman
-  Antoine Hubert, Delegate of the Board
-  Michel Reybier
-  Antoine Kohler
-  Dr. Cédric A. George
-  Dr. Christian Le Dorze
-  Fulvio Pelli

*The board of directors of GSMN contributes additional healthcare and medical expertise, a link to the group's doctors as well as an anchor within national politics*





## Management

-  Antoine Hubert, Delegate of the Board
-  Beat Röthlisberger, CEO
-  Valérie Dubois-Héquet, General Manager
-  Nello Castelli, Secretary General
-  Christophe Graziani, CFO
-  Romain Boichat, Jérôme Puginier, Florian Hässig and Babs Siclet

*Together, the board of directors and the experienced management team of GSMN ensure an optimal development of AEVIS' main participation*

# Corporate governance – Swiss Healthcare Properties AG

## Board of directors

-  Antoine Hubert, Chairman
-  Michel Reybier, Vice-chairman
-  Gilles Frachon
-  Christoph Syz

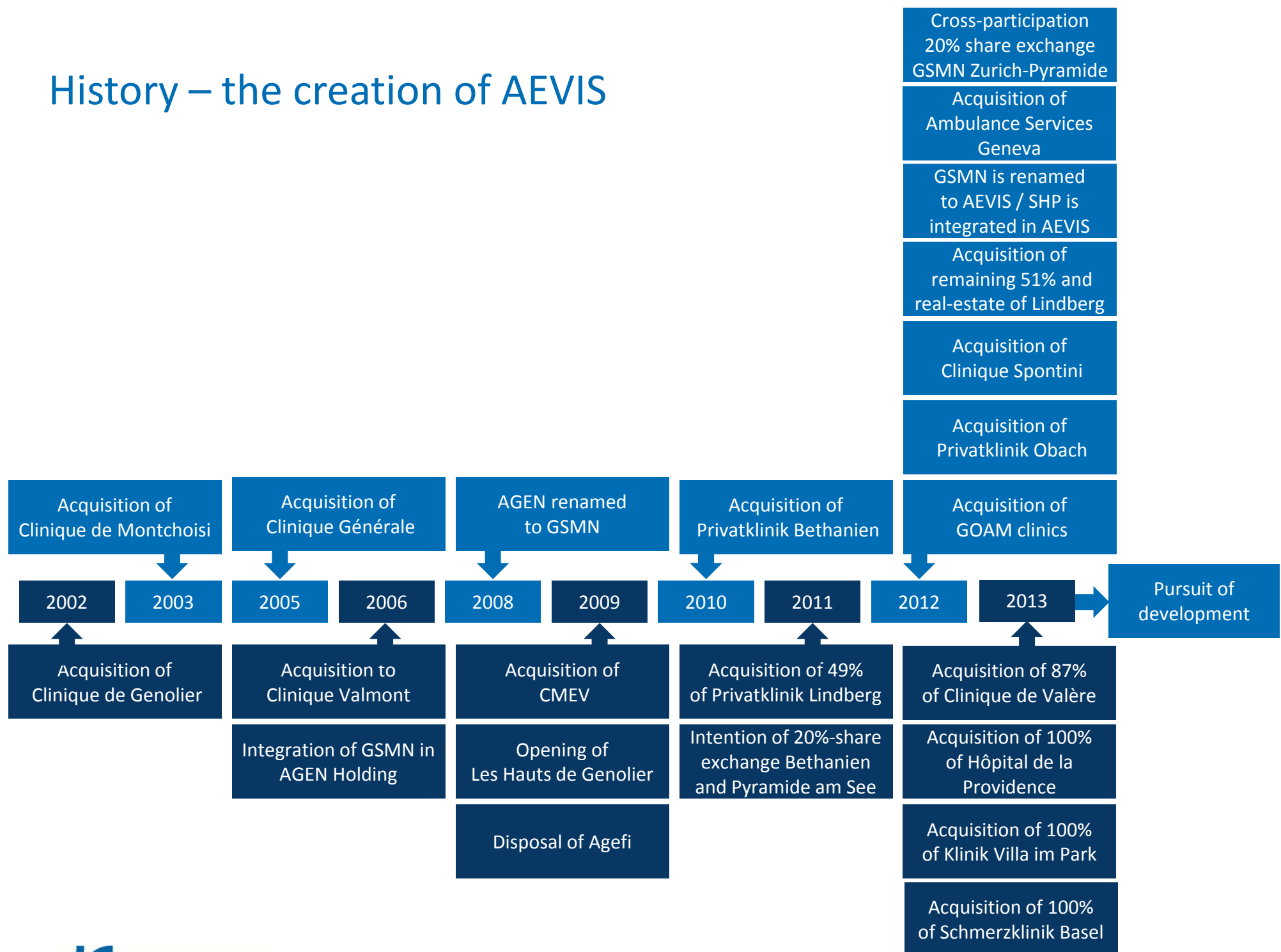
*The board of directors of SHP is well aligned within the corporate governance of AEVIS and shares in-depth knowledge of the portfolio of healthcare real estate*

## Management

-  Patrimonium Healthcare Property Advisors AG, Baar/ZG
-  Christoph Syz, CEO
-  Vivian Moreau, Portfolio Manager



# History – the creation of AEVIS

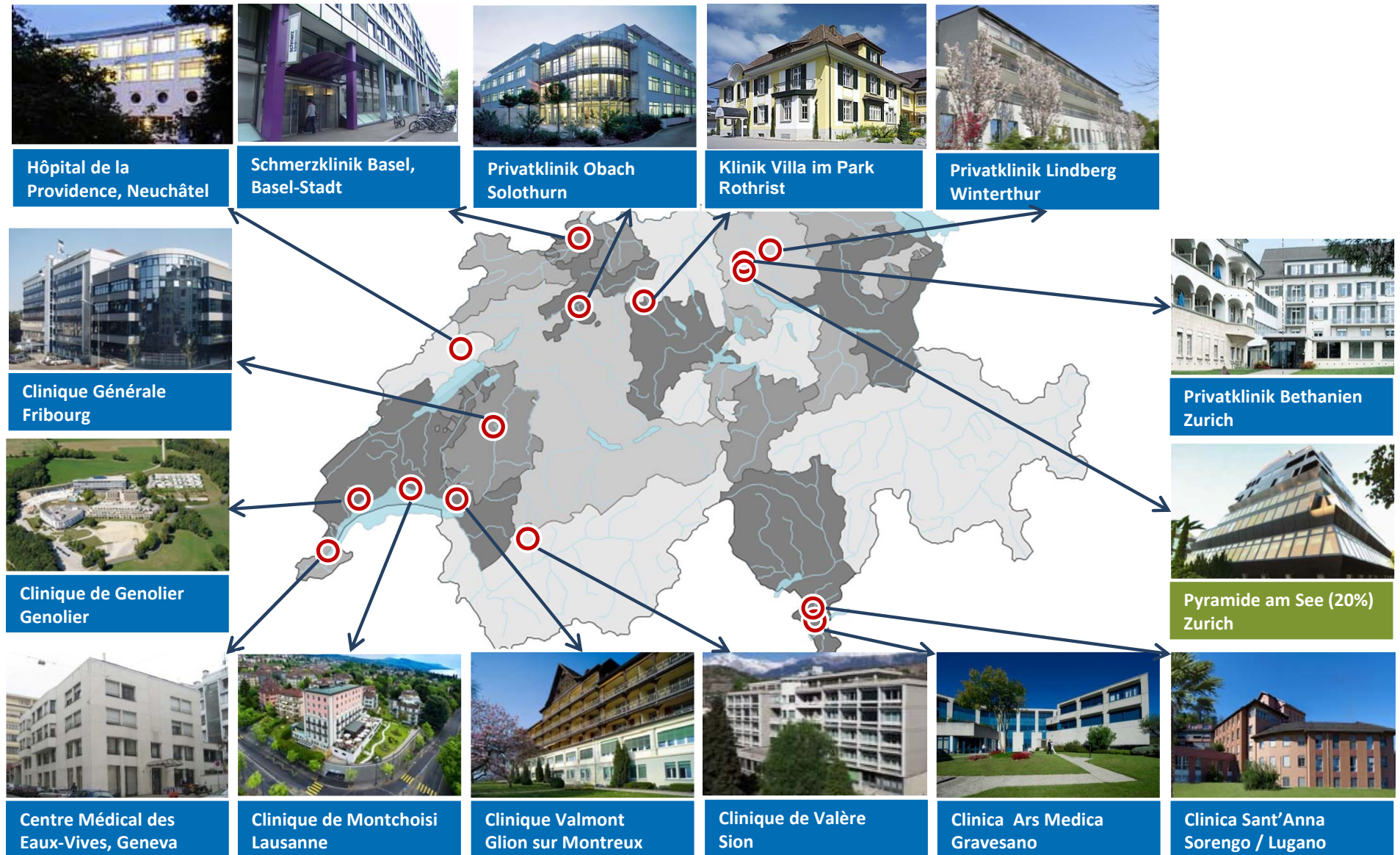


## GSMN and SHP – portfolio overview

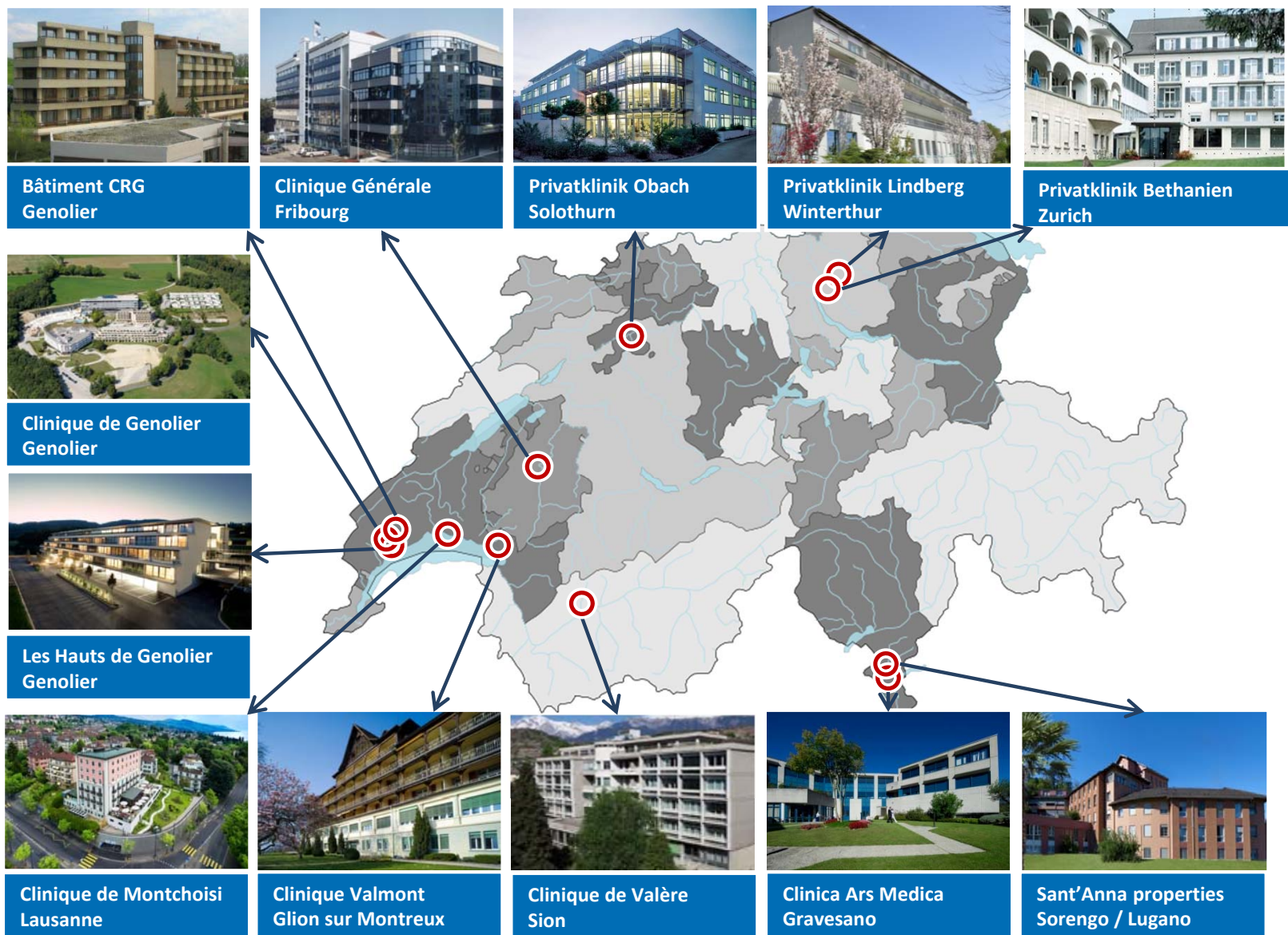
Clinics owned by GSMN	Available beds	Admitting physicians	Employees	Ownership of real estate
Clinique de Genolier	115	177	290	SHP
Privatklinik Bethanien	96	223	250	SHP
Clinica Ars Medica	75	30	180	SHP
Clinica Sant'Anna	80	90	220	SHP
Clinique Générale	60	80	153	SHP
Clinique de Montchoisi	21	98	74	SHP
Clinique Valmont	57	4	100	SHP
Centre Médical des Eaux-Vives	n/a	21	30	GSMN PF
Privatklinik Obach	65	45	120	SHP
Privatklinik Lindberg	73	95	162	SHP
Clinique de Valère	40	50	200	SHP
Hôpital de la Providence	56	25	350	Third party
Klinik Villa im Park	43	55	135	Third party
<i>Pyramide am See<sup>1</sup></i>	56	125	126	<i>Third party</i>
<b>Total</b>	<b>837</b>	<b>1'118</b>	<b>2'390</b>	

<sup>1</sup> Affiliated clinics Pyramide am See and Privatklinik Schwerzenbach

# Clinic operations – national coverage and regional presence

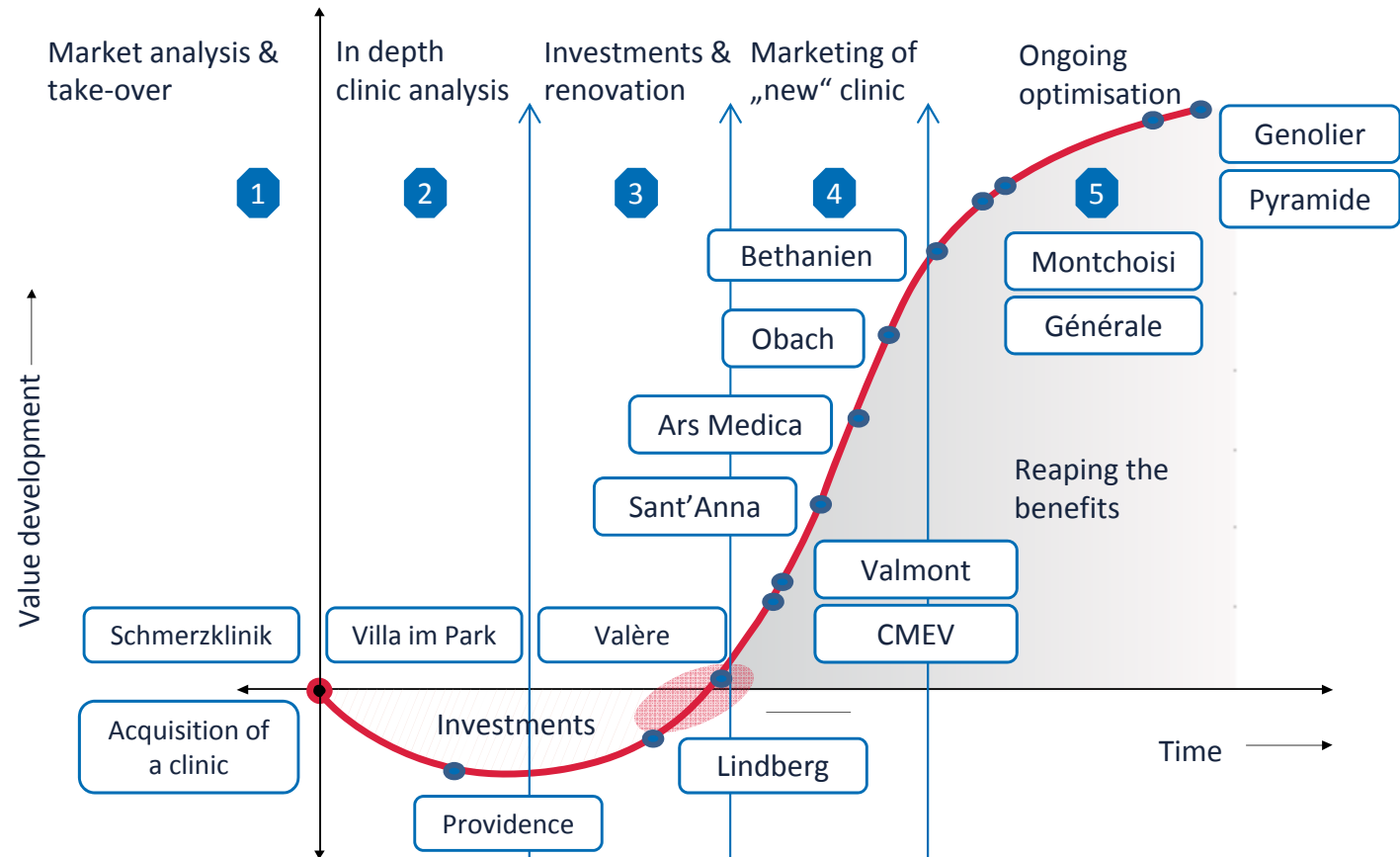


# Healthcare real estate – long-term commitment to clinic operation's growth



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

**Clinic operations**



**Healthcare real estate**

- Provide stable infrastructure for clinic growth
- Continuous development of clinics and healthcare related buildings
- Increase of operational flexibility due to integrated strategy

# Healthcare real estate development

- 2006-2007 Clinique Générale: complete refurbishment
- 2007 Clinique Valmont: development of parking and terrace
- 2009 Les Hauts de Genolier: construction of building
- 2010 Les Hauts de Genolier: development of parking
- 2010-2011 Clinique de Montchoisi: new radiology and underground parking
- 2011-2012 Clinique de Genolier: new operating theater, intensive continued care units
- 2011-2012 Privatklinik Bethanien: construction of an underground parking, renovation of reception areas and the restaurant, new outdoor terrace and park
- 2012 Clinica Sant'Anna: new rooms and suites, renovation of reception areas
- 2013-2015 Clinica Ars Medica: new building



# Selected AEVIS clinics and healthcare real estate

## Clinique de Genolier

Genolier

Canton Vaud



# Clinique de Genolier – clinic operations



-  177 admitting physicians
-  290 employees
-  115 beds
-  5 operating theatres
-  2'638 surgical interventions
-  Key specialties
  - Oncology
  - General and digestive surgery
  - Orthopaedics
  - Gynaecology and Senology (IORT)
  - Internal medicine
  - Preventive medicine
  - Plastic surgery
-  Revenue breakdown
  - Inpatients: 53%
  - Outpatients: 47%



# Clinique de Genolier – healthcare real estate



- JR Total site area 57'869m2
  - View over Lake Geneva and the Alps
  - Room for further development
- JR Clinique de Genolier
  - Multi speciality hospital building
  - Floor area (net): 18'724m2
  - Floor levels: 7
- JR CRG Building
  - Center with medical practices and offices
  - Floor area (net): 4'039m2
  - Floor levels: 6
- JR Les Hauts de Genolier
  - Medical and assisted living residences
  - Floor area (net): 10'140m2
  - Floor levels: 6
- JR Genolier Parking
  - Indoor parking: 109
  - Outdoor parking: 207

# Selected AEVIS clinics and healthcare real estate

## Privatklinik Bethanien

Zurich

Canton Zurich



# Privatklinik Bethanien – clinic operations



-  223 admitting physicians
-  250 employees
-  96 beds
-  3'775 surgical interventions
-  598 deliveries (including Privatlinik Lindberg)
-  Key specialties
  - Orthopaedics
  - Gynaecology and obstetrics
  - Surgery and internal medicine
  - Visceral surgery
  - Maxillofacial surgery, ENT
  - Plastic and aesthetic surgery
  - Urology
-  Revenue breakdown
  - Inpatients: 96%
  - Outpatients: 4%

# Privatklinik Bethanien – healthcare real estate



- ✎ Total site area 10'984m<sup>2</sup>
  - Ideally located at Zurichberg
  - Further development possibilities
- ✎ Privatlinik Bethanien
  - Multi specialty hospital building
  - Floor area (net): 14'613m<sup>2</sup>
  - Totally renovated in 2012 (new entrance and reception areas, underground parking, restaurant with terrace)
- ✎ 2 residential buildings with a direct connection to the clinic
  - 5 apartments
  - 2 medical practices
  - 42 rooms

# Selected AEVIS clinics and healthcare real estate

## Clinica Sant'Anna

Lugano

Canton Ticino



# Clinica Sant'Anna – clinic operations



-  90 admitting physicians
-  220 employees
-  80 beds
-  4 operating theatres
-  3'900 surgical interventions per year
-  835 deliveries
-  Key specialties
  - Female medicine and senology
  - Gynaecology and obstetrics
  - Neonatology
  - Oncology
  - Internal medicine
  - Specialised surgery
  - Preventive medicine
-  Revenue breakdown
  - Inpatient: 75%
  - Outpatient: 25%

# Clinica Sant'Anna – healthcare real estate



- JR Total site area 22'251m<sup>2</sup>
  - Hillside development
  - View over Lake Lugano
- JR Clinica Sant'Anna
  - Multi speciality hospital building
  - Floor area (net): 14'203m<sup>2</sup>
  - Floor levels: 8
- JR 3 further healthcare real estate on site
  - Medical related use
  - Floor area (net): 2'953m<sup>2</sup>
- JR Sant'Anna Parking
  - Indoor parking: 76
  - Outdoor parking: 112

## Other investments – Les Hauts de Genolier



- Assisted living complex next to Clinique de Genolier
- 63 luxurious apartments offering modern infrastructure
- Turnover of CHF 7.9 million in 2012
- Multi-disciplined care team
- Tailor-made nursing services
- Short-term or long-term stays



## Other investments – Nescens – Added value brand to the clinics



- ✪ Fruit of a partnership with CSPV-Centre Suisse de Prévention du Vieillissement SA and La Réserve
- ✪ Leading global anti-aging specialist – “live better and longer”
- ✪ First brand to bring a comprehensive and evidence-based answer to prolong healthy life
- ✪ Nescens is ideally positioned as the pioneering brand in this sector
- ✪ Market segment with substantial growth potential, both in Switzerland and abroad
- ✪ Four areas of development
  - Nescens check-up centre / preventive medicine at Clinique de Genolier and Clinica Sant’Anna
  - Nescens better-aging medspa at La Réserve, Geneva
  - Anti-aging cosmeceuticals
  - Aesthetic medicine and surgery (Spontini)

# Other investments – Clinique Nescens Paris Spontini



- First clinic of the Group entirely dedicated to aesthetic medicine and surgery
- 16th arrondissement of Paris
- Commercialised under the brand Nescens
- European benchmark in the field of aesthetic medicine and surgery
- First quality medical and hotel infrastructure
  - 20 internationally renowned physicians and surgeons
- The Clinic opened in December 2012

## Other investments – AS Ambulances Services



- JR 80% interest in AS Ambulance Services SA, Geneva
- JR 80 employees
- JR Turnover of CHF 7.6 million in 2012
- JR Founder and COO Olivier Gonin owns a 13% stake
- JR Acquisitions in line with AEVIS strategy of developing several activities in the healthcare sector
- JR Further acquisitions in this sector are planned






## Other investments: Swiss Advanced Vision



- JR Minority stake of 20% (CHF 2 million investment)
- JR First investment in medical science
- JR Swiss Advanced Vision designs, manufactures and distributes a new generation of intraocular lenses for cataract surgery
- JR In 2013, Swiss Advanced Vision will produce around 10'000 lenses
- JR First revenues expected in 2014






# Half-yearly Results 2013: Income Statement

<i>In CHF '000</i>	1H2013	1H2012
<b>Revenue</b>	<b>216'829</b>	<b>161'803</b>
<i>growth</i>	134%	
<b>EBITDA</b>	<b>24'695</b>	<b>15'360</b>
<i>margin</i>	11.4%	9.5%
Depreciation and amortisation	(14'784)	(9'923)
<b>EBIT</b>	<b>9'911</b>	<b>5'437</b>
<i>margin</i>	4.6%	3.4%
Financial result	(6'110)	(1'754)
Share of loss of equity accounted investees	59	(2'057)
<b>Ordinary result</b>	<b>3'860</b>	<b>1'626</b>
Extraordinary result	286	(745)
<b>Earnings before taxes</b>	<b>4'146</b>	<b>881</b>
Income taxes	(36)	(22)
<b>Profit for the year</b>	<b>4'920</b>	<b>859</b>
<i>margin</i>	2%	1%

-  Main growth drivers were clinic acquisitions
-  Organic growth rate was 7.4%. (vs. 3.5% growth for the sector)
-  EBITDA surged strongly to CHF 24.7m
-  Strong EBIT growth generated by efficiency gains at GSMN and the consolidation of SHP
-  Net profit of CHF 4.9m or CHF 0.33 per share

# Half-yearly Results 2013: Balance Sheet

<i>In CHF '000</i>	1H2013	31.12.2012
<b>Key figures balance sheet</b>		
<b>Assets</b>		
Total non-current assets	156'831	135'762
Total current-assets	676'307	598'686
<b>Total assets</b>	<b>833'138</b>	<b>734'448</b>
<i>growth</i>	13%	
<b>Liabilities</b>		
<b>Total equity</b>	<b>171'081</b>	<b>161'540</b>
Total non-current liabilities	352'315	263'703
Total current liabilities	309'742	309'205
<b>Total liabilities</b>	<b>662'057</b>	<b>572'908</b>
<b>Total equity and liabilities</b>	<b>833'138</b>	<b>734'448</b>
<i>growth</i>	13%	

-  Real estate represents approx. 55% of total assets
-  Equity ratio at 20.5%
-  LTV ratio at 50.7%
-  AEVIS has chosen to offset all goodwill on the balance sheet with shareholder's equity (i.e. no goodwill on the balance sheet)
-  With an alternative goodwill accounting approach (capitalised goodwill), economic equity ratio would have been at around 29%

# AEVIS – outlook 2013

- ✎ Revenue forecast 2013 of more than CHF 450m with the current perimeter
  - New acquisitions already realised in 2013 (Valère, Providence, Villa im Park and Schmerzlinik)
  - Internal growth (constant recruitment of new physicians)
- ✎ Revenue forecast 2014 of more than CHF 500m
  - With acquisitions fully consolidated
- ✎ AEVIS will focus on continuing the growth strategy of GSMN and evaluate further opportunities in the healthcare related real estate market
- ✎ AEVIS plans to invest in complementary activities supporting its overall strategy
  - Outpatient Medical Centers (ambulatory surgery, radiology, dental clinics,...)
  - Medical residences
  - Hotel or hotel-related activities.
  - Life sciences, Innovation & Research
  - Services to people
- ✎ In the mid-term AEVIS expects to realise an EBITDA margin of more than 20%, in line with the industry benchmark
  - Further optimisation of the existing facilities
  - Objective of 2 to 4% annual EBITDA improvement
- ✎ AEVIS foresees to be able to reinforce it's distribution policy in 2013

# Investment highlights

## Attractive sector focus

- High attractiveness of the growing and recession-resilient healthcare sector
  - Demographic trends (more people get older)
  - Increasing economic wealth (people have more money)
  - Increasing willingness to pay for healthcare services (people pay more)

## 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







- Strong and stable cash generation due to integrated clinic operations and healthcare real estate
- 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
- AEVIS expects to realise an EBITDA margin of more than 20%, in line with the industry benchmark




# Financial Calendar

-  November 2013 Publication of 3Q2013 Turnover
-  February 2014 Publication of FY2013 Turnover
-  30 April 2014 Publication of Annual Result 2013
-  May 2014 Publication of 1Q2014 Turnover
-  4 June 2014 Ordinary General Shareholders Meeting for the year 2013
-  30 September 2014 Publication Half Year Results 1H2014

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