

Investora 2023

# Investing for a better life

14 September 2023  
**AEVIS VICTORIA SA**





# AEVIS VICTORIA

# AEVIS invests in services to people in stable and resilient focus areas

## Focus sectors – Investing for a better life

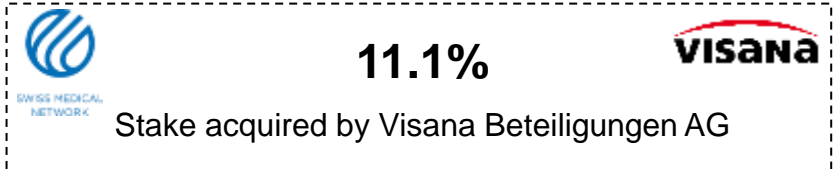


● % of total value

# Visana Beteiligungen AG acquires a minority stake in Swiss Medical Network SA

## A strategic partnership as a driver of the paradigm shift in the Swiss healthcare system



### Transaction



**CHF 2.2bn**

Enterprise Value (post-money)

Post-deal financial effect on AEVIS level:

- **Pro-forma equity ratio increases to 35.5%**   
(vs. 28.5% in 2022)
- **Net debt reduction of CHF 150m decreases pro-forma leverage ratio to 49.5%**   
(vs. 54.2% in 2022)

### Joint Integrated Care strategy

- **Integrated care as a solution for the growing challenges in the Swiss healthcare system**
- **Nationwide expansion as a next step:**
  - Full capitation basic insurance plan VIVA ready to be offered to members as of 2024
  - Ongoing discussions for the establishment of additional integrated care networks
  - Vision: Start at least 5 more clusters within the next 5 years

**Swiss Medical Network is optimally positioned to actively shape the future of healthcare:**

- **Clear Integrated Care strategy (missing link for insurance companies)**
- **Very experienced and visionary leadership team**

# Share price development above SPIX benchmark

## Key share price information

### Key price and value information

MARKET CAPITALISATION (13.09.2023)

**CHF 1.6bn**

52 WEEKS LOW

**CHF 16.80**

CURRENT SHARE PRICE (13.09.2023)

**CHF 18.95**

52 WEEKS HIGH

**CHF 21.10**

KEPLER CHEUVREUX TARGET PRICE\*

**CHF 21.50**

\*based on sum-of-the-parts valuation methodology

### AEVIS/SPIX performance comparison



- AEVIS VICTORIA is listed on the SIX Swiss Exchange (AEVS)
- The shares are part of
  - Swiss Performance Index (SPI)
  - SXI Life Sciences Index (SLIFE) and
  - SXI Bio+Medtech Index (SBIOM)
- All shares are registered shares



# Group results

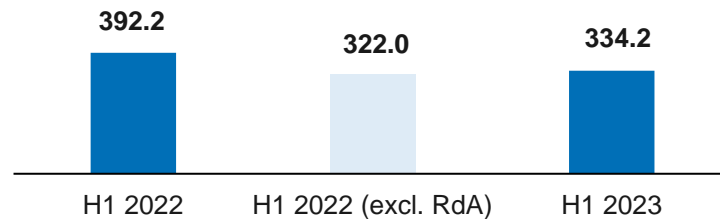
# Group results

## Main internal and external factors in the first half of 2023

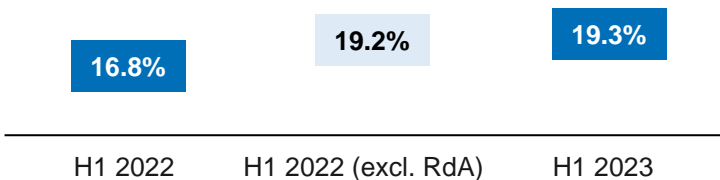
### Deconsolidation of Réseau de l'Arc SA (RdA)

- Deconsolidation **as of 31.12.2022**, following the entry into the share capital by Visana Beteiligungen
- That resulted in a **decrease in net revenues** and an **increase in profitability**

Hospital segment net revenues (CHFm)



Hospital segment EBITDAR margin



### Swiss Medical Network Capital Increase

- Strategic expansion of the shareholder base with entry of Visana Beteiligungen in a **CHF 150m capital increase**
- The capital increase **strengthens the consolidated balance sheet**
- It also **confirms the significant value creation achieved**

**visana**

↓ 11.1%



SWISS MEDICAL  
NETWORK

### Inflationary environment

- The Group has identified **increased inflationary pressure** through several cost channels and has taken targeted measures to mitigate the impact:



**Personnel** - tight labor markets



**Production** - higher material and infrastructure costs



**Energy** - ongoing energy crisis



**Interests** - central banks fighting inflation

# Consolidated AEVIS income statement figures

Expected decline in revenues and improvement of purely operating result after deconsolidation

Consolidated income statement (in CHF000)	HY 2022	HY 2023
<b>Total revenue</b>	<b>584'169</b>	<b>488'323</b>
<i>Growth</i>	<i>n.a.</i>	<i>-16.4%</i>
External services	(57'731)	(60'339)
<b>Net revenue</b>	<b>526'438</b>	<b>427'984</b>
<i>Growth</i>	<i>n.a.</i>	<i>-18.7%</i>
<b>EBITDAR</b>	<b>125'737</b>	<b>72'321</b>
<i>EBITDAR margin</i>	<i>23.9%</i>	<i>16.9%</i>
Rental expenses	(39'804)	(41'064)
<b>EBITDA</b>	<b>85'933</b>	<b>31'257</b>
<i>EBITDA margin</i>	<i>16.3%</i>	<i>7.3%</i>
<b>EBIT</b>	<b>53'893</b>	<b>1'656</b>
<i>EBIT margin</i>	<i>10.2%</i>	<i>0.4%</i>

As expected, **decline of total revenues** after the **deconsolidation** of Réseau de L'Arc and the **absence of capital gains** in the reporting period

However, the **purely operating result improved**, as the dilutive effect of Réseau de L'Arc was eliminated

**Organic revenue growth of 4.7%** highlights a strong operating result

Good performance with **EBITDAR margin of 16.9%**

**Factoring out results from M&A activities in HY 2022, this represents an 10.5% margin increase**

The lower revenues in combination with noticeable inflation effects on various cost items led to lower margins compared to the previous year

The second semester started promisingly and AEVIS expects a good year overall in 2023



# Consolidated AEVIS balance sheet figures

## Improved leverage and equity ratios

Consolidated balance sheet (in CHF000)	31/12/2022	30/06/2023	30.06.2023 pro-forma
Cash and cash equivalents	75'427	54'623	104'623
Accounts receivable	159'075	163'353	163'353
Other current assets	146'053	117'406	117'406
Non-current assets	1'410'170	1'443'496	1'443'496
<b>Total assets</b>	<b>1'790'726</b>	<b>1'778'878</b>	<b>1'828'879</b>
Financial liabilities and other borrowings	970'035	1'005'295	905'295
Other liabilities	310'555	272'737	274'237
<b>Total liabilities</b>	<b>1'280'590</b>	<b>1'278'031</b>	<b>1'179'532</b>
<b>Equity excl. minority interests</b>	<b>469'339</b>	<b>459'147</b>	<b>592'989</b>
Minority interests	40'798	41'700	56'358
<b>Equity incl. minority interests</b>	<b>510'137</b>	<b>500'847</b>	<b>649'347</b>
<b>Total liabilities and equity</b>	<b>1'790'728</b>	<b>1'778'878</b>	<b>1'828'879</b>
<b>Equity ratio</b>	28.5%	28.2%	<b>35.5%</b>
<b>Leverage ratio</b>	54.2%	56.5%	<b>49.5%</b>
<b>Net debt in CHFm</b>	(894.6)	(950.7)	<b>(800.7)</b>

Pro-forma balance sheet shows the effects of the CHF 150m capital increase of Swiss Medical Network subscribed by Visana Beteiligungen AG




Ongoing deleveraging process

Significant increase in shareholders' equity

**Improvement of equity ratio from 28.5% to 35.5%**  
**Reduction of leverage ratio from 54.2% to 49.5%**

# Swiss Medical Network contributes a significant majority to total revenues

## Segment snapshot half-year 2023

2023	 Hospitals	 Hospitality	 Hotel real estate
<b>Financial Performance</b>			
Gross revenues HY 2023 (HY 2022)	CHF 394.6m (450.0m)	n.a.	n.a.
Net revenues HY 2023 (HY 2022)	CHF 334.2m (392.2m)	CHF 88.3m (80.2m)	CHF 12.8m (9.4m)
Net revenue growth	-14.8%	+10.1%	+36.9%
Organic revenue growth	+4.1%	+7.4%	n.a.
EBITDAR margin	19.3%	22.6%	90.0%
EBITDA margin	8.0%	8.9%	89.9%
<b>Highlights HY 2023</b>	<b>Capital increase subscribed by Visana Beteiligungen</b>	<b>Record results achieved overall</b>	<b>Strong revenue increase</b>

Note: Illustration does not include the segments: Others, Corporate, and Eliminations.

# Inflationary environment and mitigating counter-measures

Various initiatives since 2022 showing results starting in 2HY 2023



**Upward renegotiation of base rates with insurers**  
enables the group to pass on part of the price increases

- ✓ Staggered tariff increases over the next years secured (+3% in 2023, +1% in 2024 , +0.5% in 2025)



**Active deleveraging** lowering overall net debt and financing expenses

- ✓ Significant deleveraging implemented



**Longer term contracts with utility companies** lock in power prices and offer protection from price increases

- ✓ Long-term contracts secured
- 🔄 Ongoing investments in renewable energies and energy-saving solutions (ESG program)



**Operational efficiency and employee retention programs** will reduce exposure to tight labor markets

- 🔄 Ongoing operational efficiency and employee retention programs

# Statutory AEVIS financials

## Solid capital basis

Statutory income statement (in CHF000)	HY 2022	HY 2023
<b>Total revenue</b>	<b>33'191</b>	<b>13'208</b>
<b>Net profit</b>	<b>16'985</b>	<b>(1'924)</b>

Statutory balance sheet (in CHF000)	31.12.2022	30.06.2023
<b>Total assets</b>	<b>883'684</b>	<b>894'701</b>
Current interest-bearing debt	70'885	66'360
Other current liabilities	2'952	4'384
Non-current interest bearing debt	185'834	203'730
Other non-current liabilities	-	-
<b>Total liabilities</b>	<b>259'671</b>	<b>274'473</b>
<b>Total equity</b>	<b>624'013</b>	<b>620'228</b>
<b>Total liabilities and equity</b>	<b>883'684</b>	<b>894'701</b>

<i>Equity ratio</i>	70.6%	69.3%
<i>Leverage ratio</i>	29.1%	30.2%

As no major divestments were made, financial revenues and net profit have decreased after high proceeds in H1 2022 from the sale of AEVIS' 40% stake in Medgate

Stable balance sheet structure after repayment of last bond in Q3 2022

**Excellent equity and leverage ratios**



# Healthcare

# Swiss Medical Network

## Majority investment of AEVIS



### Swiss Medical Network SA

Swiss Medical Network is one of the two leading Swiss private hospital groups. In its hospitals in all three language regions, patients from Switzerland and abroad receive first-class hospital treatment, care and nursing.

Size and positioning allow active shaping of the healthcare market - especially as a pioneer in the introduction of integrated care models



**21 / 60**  
Hospitals / Medical centers



**>75'000**  
Interventions



**4'095 / 2'250**  
Employees / Physicians



**>620'000**  
Outpatient admissions p.a.



**1'443**  
Beds

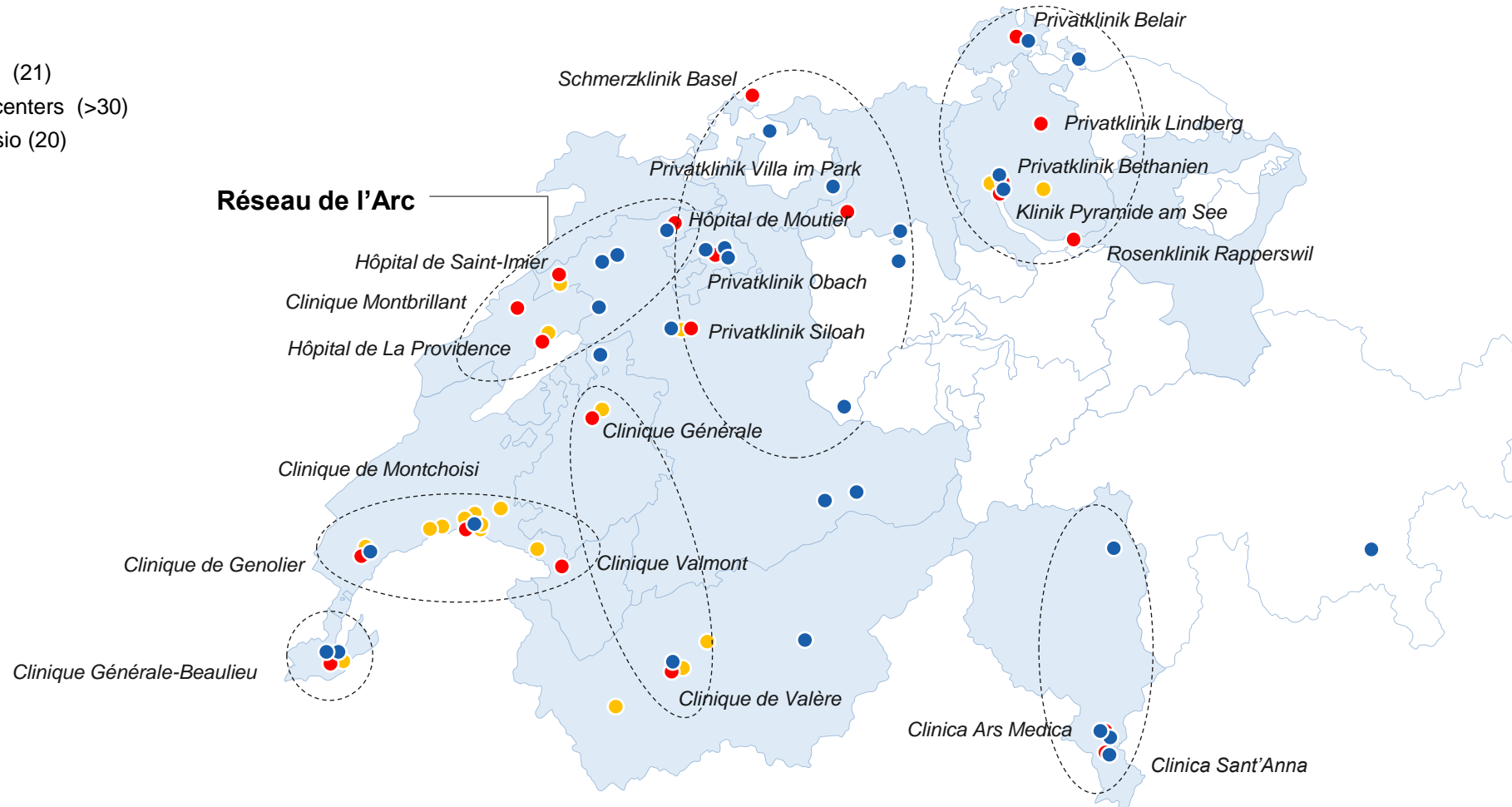
#### INVESTMENT STRATEGY

- Bolt-on acquisitions
- Add-on acquisitions
- Focus on further growth and integrated care implementation

# Highly established healthcare clusters across Switzerland

Nationwide presence with seven health clusters

- Hospitals (21)
- Medical centers (>30)
- Swiss Visio (20)



# Case Study Réseau de l'Arc - a pioneering project

## VIVA la revolución!



**Shareholders and their roles**



SWISS MEDICAL NETWORK

**35.1% stake**  
medical-professional development of the health organization



**32.4% stake**  
Development of health insurance plan



**Kanton Bern**  
Canton de Berne

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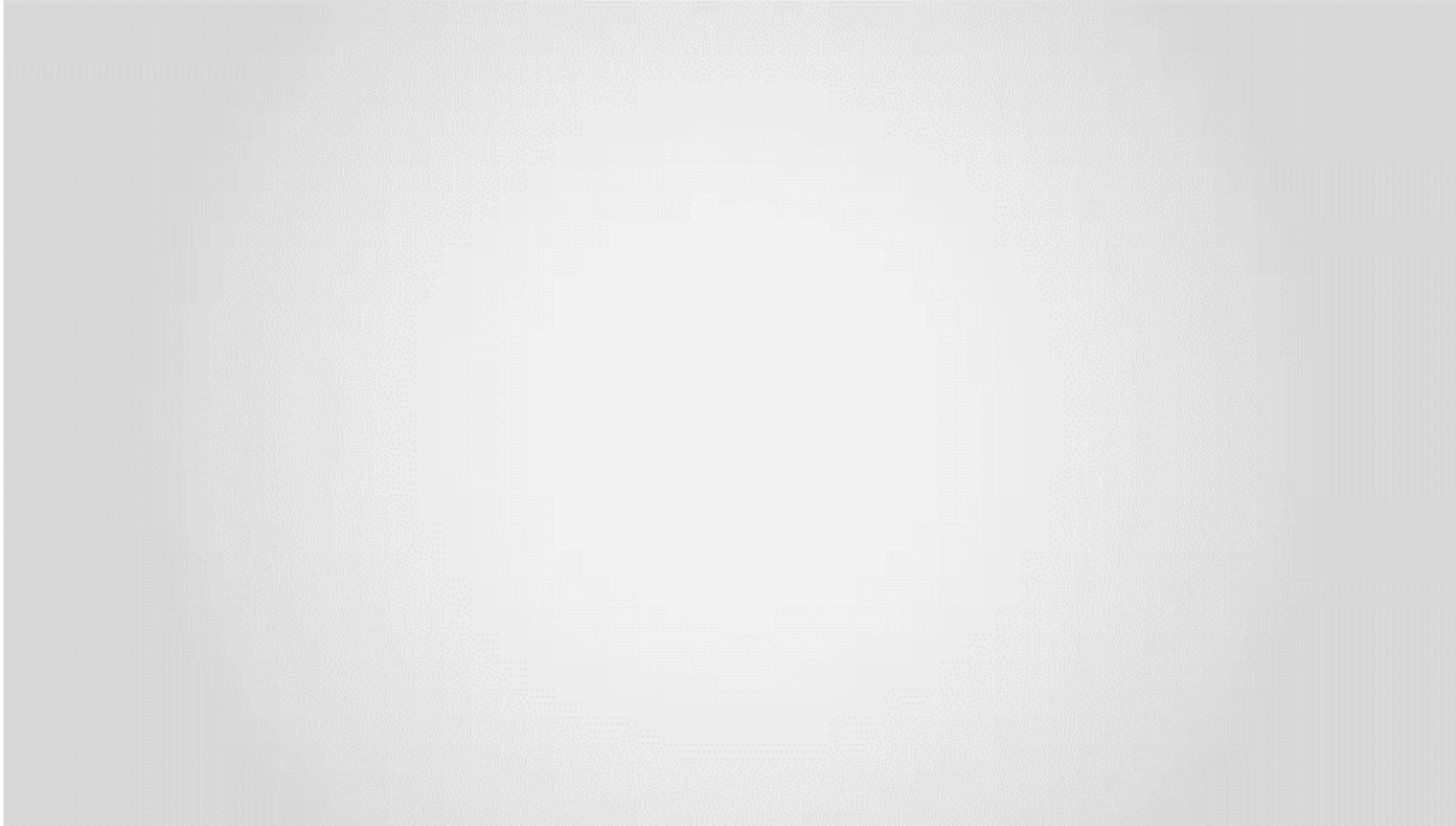
**32.4% stake**  
Fostering of political framework





# New health plan VIVA

VIVA – Aimer Vivre



# From «Sick Care» to «Health Care»

New financing model promotes cost efficiency, quality and patient-centered care

## Fee-for-Service model – «Sick Care»



Payments according to predetermined rates for each treatment



Different interests of service providers and service payers



Based on quantity



Incentives to overtreat patients to increase profits



Risk with the health insurers



## Full Capitation model – «Health Care»



Fixed and predetermined payments per member and population



Service provider and service payers share the same interest



Based on quality



Incentives for prevention to reduce costs



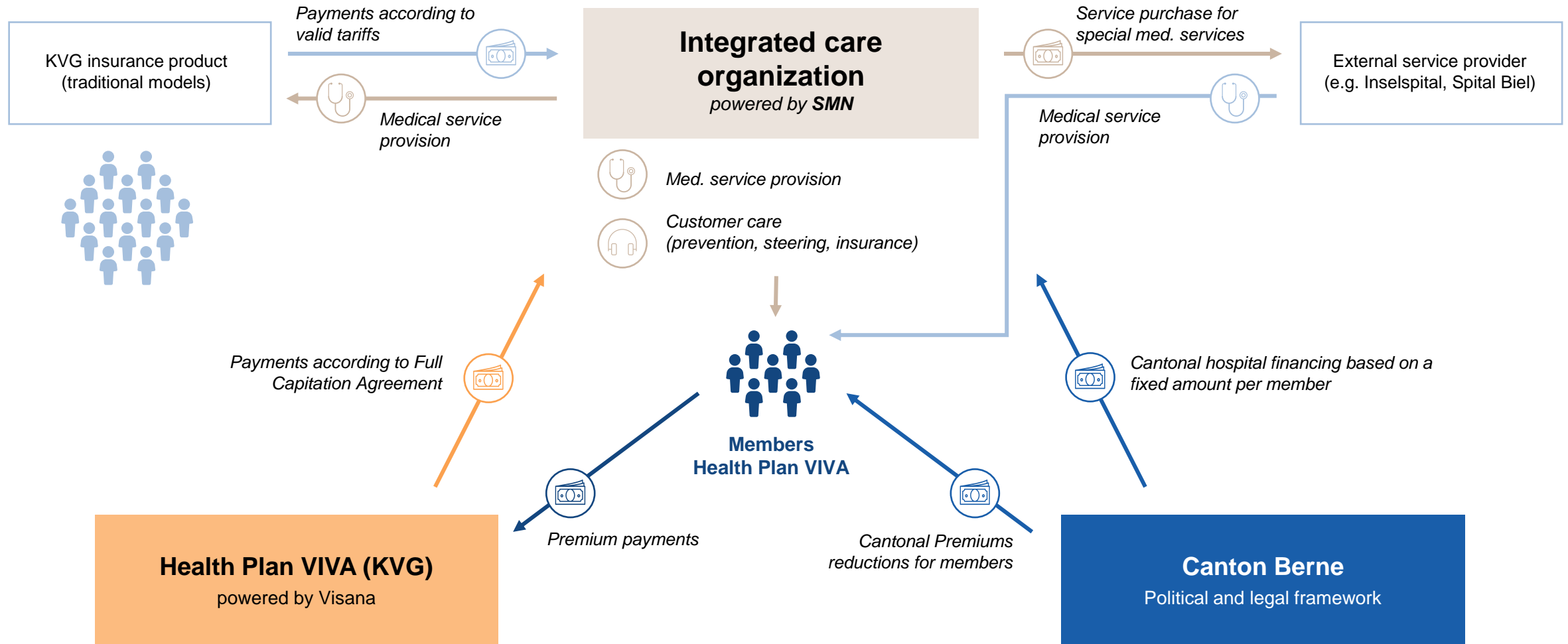
Risk within the health care organization

**Main goals of the integrated care strategy: prevention by prioritizing members' health, individualized and high-quality treatment and care when ill, reduction of financial disincentives**



# New health plan VIVA: «Full Capitation» model

Healthcare provider receives a fixed amount per plan member with which it covers all services



# Governance

## Strong addition to the Board of Directors of Swiss Medical Network



### Newly appointed member



**Fabrice Zumbrunnen**  
Member  
(since 2023)

- **Former Migros CEO**
- Chaired or represented numerous Migros Group companies on their boards of directors
- Played a key role in shaping Migros' healthcare strategy
- Comprehensive knowledge of the service sector and consumer needs
- Highly skilled in strategic business development



# Hospitality & Lifestyle

# Hospitality group

100% investment of AEVIS



## MRH Switzerland AG\*

Through its operating subsidiaries, AEVIS VICTORIA is operating luxury hotels under the brand «Michel Reybier Hospitality»



**11**  
Hotels



**CHF 687**  
Average Room Rate



**991**  
Employees



**1'030**  
Rooms in operation



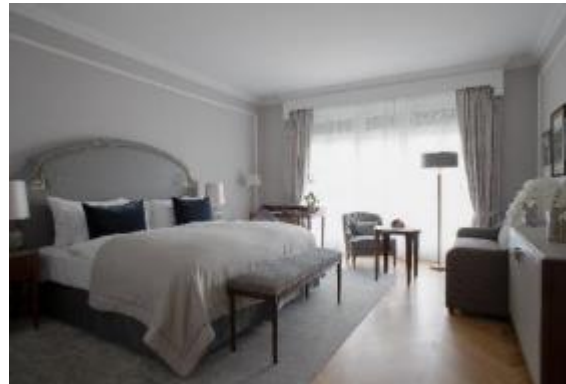
**73'656**  
Overnight stays

### INVESTMENT STRATEGY

- Bolt-on acquisitions
- Dedicated growth in the 4- and 5-star boutique hotel category in European metropolises

# The Victoria-Jungfrau Grand Hotel & Spa

## Transformation into a resort



In H1 2023, the Grand Hotel Victoria Jungfrau & Spa achieved **the best result in its history**

Since 2018, the hotel aims to become the **leading family friendly resort** in Europe

The **transformation into a resort includes:**

- **Renovation of all rooms** (end of 8 year capex cycle)
- Inauguration of **new outdoor pool area** of 2'308 m2 with a 20m swimming pool
- Launch of a Kids Club spanning over 269 m2
- Opening of the gourmet restaurant "Radius" (17 points)



# Infrastructure



# Infracore

30% investment of AEVIS (50% voting rights)



## Infracore SA

Infracore SA is a healthcare infrastructure company based in Switzerland



**1'276**

Market value of properties  
in CHFm



**42**

Properties incl. development  
projects



**31.5**

EBITDA H1 2023 in CHFm



**21.4**

Net income H1 2023 in CHFm



**195'930**

Rental surface in sqm

### INVESTMENT STRATEGY

- Buy, build & hold strategy
- High cash-yielding assets
- Driven by growth in the healthcare segment



# Swiss Hotel Properties (SHP)

100% investment of AEVIS

## Swiss Hotel Properties SA

Swiss Hotel Properties is a hospitality infrastructure company based in Switzerland



**771.4**

Market value of consolidated hotel properties in CHFm



**22**

Properties



**12.2**

Net revenues H1 2023 in CHFm



**4.1**

Net income H1 2023 in CHFm



**121'148**

Rental surface in sqm

### INVESTMENT STRATEGY

- Buy, build & hold strategy
- Driven by growth in the hospitality segment

# Conservative valuation of assets

## Below average valuations / m<sup>2</sup>



### Hotel real estate portfolio (SHP)

**CHF 771m**

Market value 30.06.2023

**121'148**

Rental area as of 30.06.2023

**CHF 6'367**

Implied value / m<sup>2</sup>



### Healthcare real estate portfolio (Infracore)

**CHF 1'276m**

Market value 30.06.2023

**195'930**

Rental area as of 30.06.2023

**CHF 6'513**

Implied value / m<sup>2</sup>

**CHF 10'000\***

Benchmark value / m<sup>2</sup>

Portfolio of leading landmark hotels and state-of-the-art hospitals

Prime hotel locations in Switzerland and the UK and diversified hospital footprint across all Swiss language regions

Conservative valuation levels (low value per sqm) in comparison to benchmark values



# Outlook

# Outlook

AEVIS is continuing its successful value creation journey

## AEVIS

- AEVIS will continue its transformation strategy into a pure investment company with a portfolio of 30-60% participations
- This is expected to unlock further value for shareholders
- Focus on healthcare and hospitality provides long term growth fundamentals with steady yields
- Capital market activity (equity and debt) will be planned depending on market conditions

## Hospitals

- Swiss Medical Network will continue to invest in the further development of integrated care
- Full pipeline to complement and launch new integrated care clusters for the next 6 to 12 months
- No capex backlog and the hospitals can focus on scale and efficiency as well as sustainability initiatives

## Hospitality & Lifestyle

- After record results in H1 2023, the hospitality segment is expected to remain strong in 2023
- Activity for the next few years is expected to continue to benefit strongly from post-covid travel and conference backlog
- Dedicated growth in the 4- and 5-star boutique hotel category

## Infrastructure

- All buildings are in prime locations and maintained at the highest standard
- Valuations are at very reasonable per square meter levels both in the healthcare and the hospitality areas
- Infracore and SHP are expected to yield substantial annual dividend payments as well as important value creation opportunities



Thank you for  
your attention