

Annual Results Presentation – 29 March 2019



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# AEVIS VICTORIA – HIGHLIGHTS 2018

CHF

70.5m

profit AEVIS Holding

- Excellent result on AEVIS Holding level given the unlocking of value potential in 20 % sale of Infracore
- Substantial increase of distribution from CHF 0.55 to CHF 1.10 per share

CHF

432.5m

NAV Infracore

- Significant progress in independence strategy of Infracore with entry of Bâloise as new minority shareholder
- Attractive market valuation and development potential confirmed

Net growth of

3.8%

in # of physicians

- Successful recruitment of medical talent
- Higher number of independent doctors already contributes to increased turnover in the first 12 weeks of 2019

Revenue growth of

6.5%

in running hotels

- Hotels of Victoria-Jungfrau Collection performed very well
- Factoring out Eden au Lac, which is under construction, revenue increased by 6.5%

# Strategy

# Our long-term vision

AEVIS  
VICTORIA

- ***Investing for a better life*** – We invest in services to people
- ***Creating value*** – We grow and manage companies for long term value
- ***Partnerships*** – Our expertise and culture makes us a preferred investment partner

# Our focus sectors

Healthcare

Hospitality  
& Lifestyle

Infrastructure



medgate\_

nescens<sup>+</sup>  
swiss anti-aging science



AVA

AIDA



ikentoo

INFRACORE

Swiss Hospitality Properties

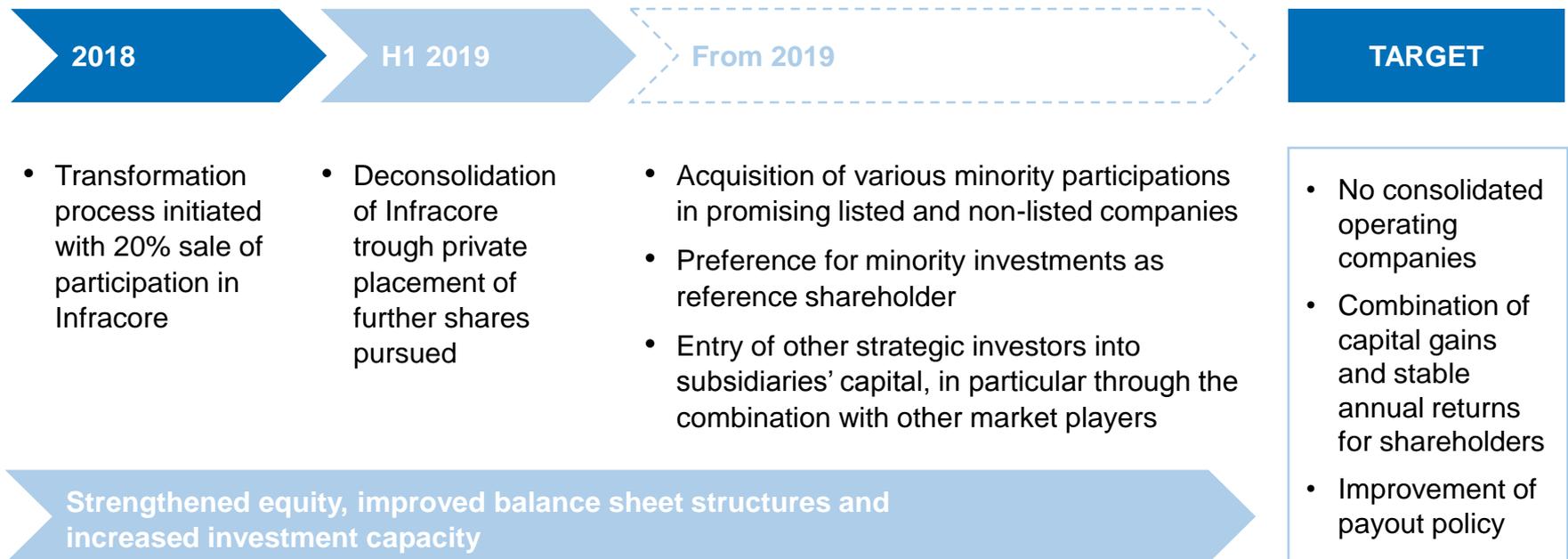
Générale Beaulieu  
Immobilière SA

# Transformation into a pure play investment company

## Vision

- Investing for a better life (healthcare, hospitality & lifestyle, infrastructure)
- Portfolio of participations with stakes of 20% to 50%

## Step plan



# Healthcare

# Swiss Medical Network

100% participation of AEVIS



## Swiss Medical Network



HOSPITALS /  
HEALTH CENTERS

17 / 22

PHYSICIANS

2'097

ADJ. NET REVENUE  
IN CHF MIO

501.4

INTERVENTIONS  
(ANNUAL BASIS)

50'415

ADJ. EBITDAR  
IN CHF MIO

89.9

BEDS

1'111

# Organisational changes – New CEO



## Dino Cauzza

1972

CEO Swiss Medical Network

- In early 2018, Beat Röthlisberger stepped down from his position as CEO of Swiss Medical Network
- As of 1 May 2018, Dino Cauzza took over his responsibilities
- Dino Cauzza initially joined Swiss Medical Network in April 2017 as Delegate of the Board of Directors of the Ticino-based subsidiary which operates Clinica Sant'Anna and Clinica Ars Medica
- He benefits of a long experience in the healthcare sector in Switzerland

## Buy & build strategy

- Successful **recruitment of medical talent**
- Growing **health center network** with acquisition of two medical centers
- Acquisition of the surgical activities of **Siloah** in Berne
- Acquisition of **Rosenklinik** in Rapperswil in February 2019

Continuation of growth path with attractive pipeline

## Upgrading activity

- **Heavy renovation activity** in three hospitals
  - New day hospital at **Clinique Générale-Beaulieu**
  - New radiology and medical center at **Clinique de Valère**
  - New hospital building for **Privatklinik Villa im Park**
- Excellent **foundation for future growth**

Phase of important renovation works completed in 2019

## Operating improvements

- Execution of **optimization** strategy delivers **first results**
- Restructuring measures will continue to **positively influence operating margins** in 2019
- Ongoing implementation of more decentralized structures
- Establishment of **strong regional platforms** advancing well

CHF 15m annualized savings realized in 2018

# A resilient operator in a dynamic market environment



- **No pressure on patient mix** - Listed hospitals treat at least 2/3 base insured patients – otherwise, no listing was applied for (group strategy since 2011 in line with the expected trend over the next few years)
- **No pressure on prices** - Base rates pro-actively below cantonal and competitor averages (hence anticipating price pressure and preparing the entire group organization to work based on these lower levels)
- **Independent doctor strategy** - paying out with high new doctor admissions (mainly coming from key competitors)
- **Stable situation with payors** - Swiss Medical Network is the only swiss hospital group with contracts in place with all the major Swiss health insurers for all its hospitals
- **No capex backlog** (following extensive investments over the last years)
- **Focus on digitalization** (increasing efficiency of processes and investments in telemedicine)
- **Increasing Margins** - Cost cutting program implemented since end of 2017 with annualized savings of more than CHF 15m already realized (increasing financial flexibility)

 **The hospitals of Swiss Medical Network are well prepared to strive in a dynamic environment and to act as an active consolidator in the market**

# Financial results 2018

Swiss Medical Network (in CHF000)	FY2018 adj.	FY2017 adj.	Change in %
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## Income statement

Total revenue	580'840	581'436	-0.1%
<b>Net revenue</b>	<b>501'361</b>	<b>501'510</b>	<b>0.0%</b>
<b>EBITDAR</b>	<b>89'909</b>	<b>91'046</b>	<b>-1.2%</b>
<i>EBITDAR margin</i>	17.9%	18.2%	n.a.

Swiss Medical Network excl. hospitals under construction (in CHF000)	FY2018 adj.	FY2017 adj.	Change in %
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## Income statement

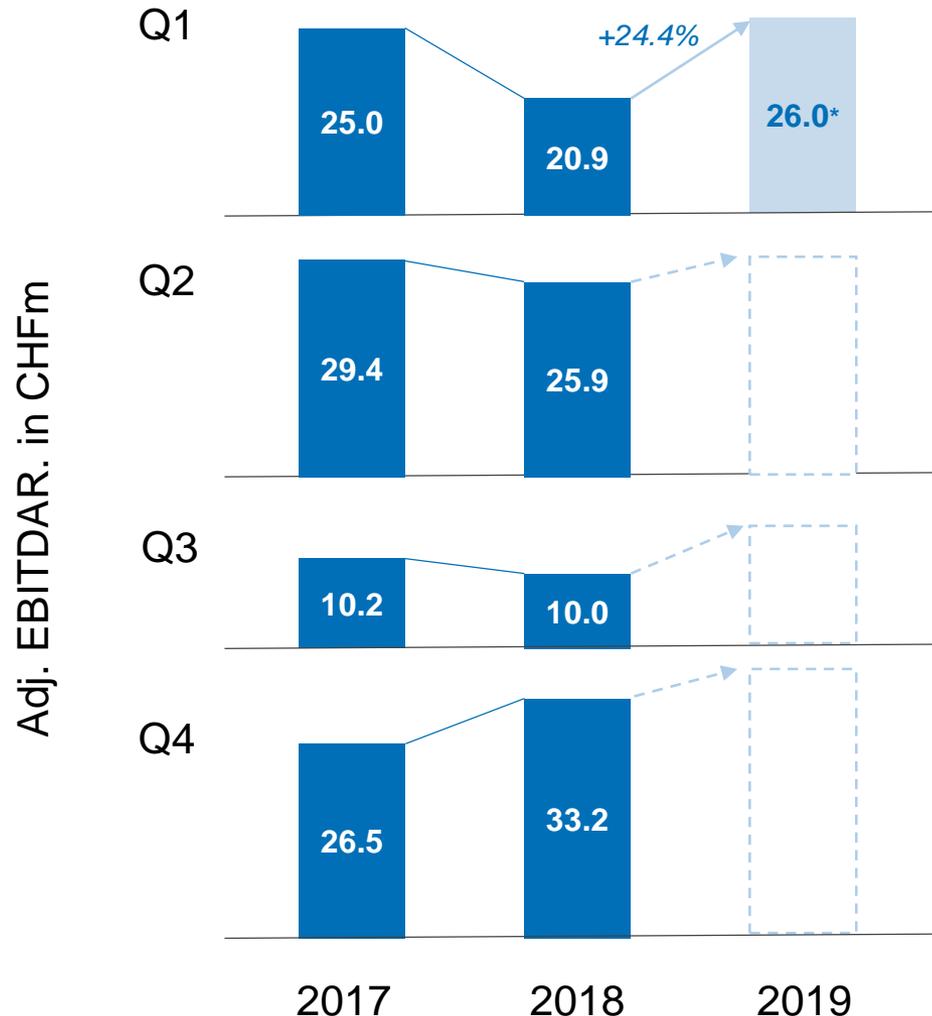
Total revenue	463'048	442'850	4.6%
<b>Net revenue</b>	<b>397'467</b>	<b>380'948</b>	<b>4.3%</b>
<b>EBITDAR</b>	<b>71'053</b>	<b>66'428</b>	<b>7.0%</b>
<i>EBITDAR margin</i>	17.9%	17.4%	n.a.

**Solid activity increase leads to stable results**  
despite heavy construction works and a lower  
TARMED as of 1 January 2018

**4.3% net revenue and 7.0% EBITDAR**  
**increase** in hospitals without negative impacts  
from construction activity

Note:  
For comparison reasons, financial figures have been adjusted for the extraordinary TARMED activation in 2017 and subsequent write-down in 2018 following the judgment of the Federal Court regarding a retroactive TARMED reduction

# Positive trend in quarterly results



- Quarterly results show a very positive trend
- While activity was somewhat low in early 2018, it picked up significantly in the second half of 2018
- Since Q4 2018 a very encouraging growth trend could be observed with EBITDAR surpassing the levels of 2017
- Early 2019 also shows very promising results in Q1 2019 with an indicative increase in EBITDAR by 24.4% compared to Q1 2018

# Medgate

40% participation of AEVIS

medgate\_



EMPLOYEES	of which PHYSICIANS
300	90
TELECONSULTATIONS IN 2018	TELECONSULTATIONS SINCE 2000
0.8m	8.0m
AVAILABILITY	PARTNERS OF THE MEDGATE NETWORK
24/7	2'400
TELEMEDICINE CENTERS	MINI CLINICS
Switzerland Abu Dhabi Philippines Slovakia India	Basel Solothurn

# Hospitality & Lifestyle

# Victoria-Jungfrau Collection

100% participation of AEVIS



## Victoria-Jungfrau Collection

ROOMS IN  
OPERATION

400

OVERNIGHT STAYS

128'457

NET REVENUE 2018  
IN CHF MIO

62.4

AVERAGE ROOM RATE  
IN CHF

398

EBITDAR 2018  
IN CHF MIO

12.6

EMLOYEES

474

# Organisational changes – New CEO



## Raouf Finan

1964

CEO Victoria-Jungfrau Collection

- Beat Sigg retired from his position as CEO in August 2018 after many years at the helm of Victoria-Jungfrau Collection; his position was taken over by Raouf Finan
- Following an international hotel career in New York, Basel, Monte Carlo and South East Asia, Raouf Finan joined Michel Reybier Hospitality in 1998, where he opened and managed several hotels and acted as managing director since 2015
- Beat Sigg will continue to serve on the Board of Directors and contribute his extensive knowledge of the hotel industry

## Significant investment activity

- Decline in revenue 2018 due to **full-year closure of Hotel Eden au Lac** for renovation
- **Good progress of construction works** and refurbishment under the lead of Philippe Starck
- Reopening of the Eden au Lac is planned for **summer 2019**
- **Around 20 million** expected revenues at maturity

Temporary revenue decrease due to intensive investment activity

## Results of modernization program

- **Completion of extensive renovation program** at Victoria-Jungfrau Grand Hotel & Spa in Interlaken
- Modernization of last 42 rooms in Interlaken
- Materialization of first **positive results** : rise in number of guests from North America and China

Solid growth expected going forward

## Performance of ongoing operations

- **Increased occupancy** at Bellevue Bern for the third consecutive year
- **New restaurant Noumi** very well received
- **Activity pick-up** at Hotel Crans Ambassador in its second year of operation
- **Increase in ARR to CHF 398** (from CHF 391 in 2017 excluding Eden au Lac)

Hotels in operation improve results

# Financial results 2018

Victoria-Jungfrau Collection (in CHF000)	FY2018	FY2017	Change in %
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## Income statement

Total revenue	62'393	64'318	-3.0%
<b>Net revenue</b>	<b>62'393</b>	<b>64'318</b>	<b>-3.0%</b>
<b>EBITDAR</b>	<b>12'612</b>	<b>12'286</b>	<b>2.7%</b>
<i>EBITDAR margin</i>	20.2%	19.1%	n.a.

Victoria-Jungfrau Collection excl. hotels under construction (in CHF000)	FY2018 adj.	FY2017 adj.	Change in %
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## Income statement

Total revenue	61'578	57'801	6.5%
<b>Net revenue</b>	<b>61'578</b>	<b>57'801</b>	<b>6.5%</b>
<b>EBITDAR</b>	<b>12'175</b>	<b>10'445</b>	<b>16.6%</b>
<i>EBITDAR margin</i>	19.8%	18.1%	n.a.

Ongoing construction activity and the expiration of the management contract in Lucerne weighs on net revenue, but **EBITDAR margin surpassed 20% again**

On a like for like basis, **net revenue of Victoria-Jungfrau Collection increased by a solid 6.5% in 2018**

# Infrastructure

# Infracore

80% participation of AEVIS



MARKET VALUE 2018 IN CHF MIO	PROPERTIES INCL. DEV. PROJECTS
891.4	35
NET REVENUE 2018 IN CHF MIO	SITES
44.5	15
WAULT* IN YEARS	RENTAL SURFACE IN SQM
23.6	157'499

*\*weighted average unexpired lease term*

# Organisational changes – New CEO



## Daniel Jandric

1977

CEO Infracore

- In January 2019, Daniel Jandric was appointed as CEO of Infracore
- Daniel Jandric graduated from Lausanne Commercial School and went on to further studies in accounting and finance
- He joined Swiss Medical Network in 2014 and is Chief Operating Officer from AEVIS VICTORIA since May 2018
- Infracore will benefit from Daniel Jandric's extensive experience in the healthcare and real estate sectors as well as from his broad financial and operational know-how

## Sale of minority participation

- **Baloise has acquired a 20% stake** in Infracore
- Baloise's participation marks the first **step towards Infracore's complete independence**
- From an economic perspective, the **sale resulted in a gain on book value of CHF 76.8m** for AEVIS VICTORIA
- **Opening of capital to other investors** to reduce the stake of AEVIS VICTORIA to below 50%

More independence to Infracore

## Progress in development projects

- Significant construction projects are ongoing at several sites:
  - **Extension building** with a leasable area of 2'300 sqm at Privatklinik Villa im Park
  - New **medical center** at Clinique de Valère in Sion
  - Planned transformation of inoperative facility next to Clinique Valmont to an **education center**

No CAPEX back-log given continuous investment activity

## Future growth

- Existing development potential inherent to the portfolio:
  - Around **45,000 sqm** (around 1/3 of the existing portfolio)
  - Around **15'000 sqm** **currently** being developed
- **CHF 100m bond financing** provided by Baloise allows the unlocking of new growth opportunities

Tap into growth potential within portfolio and market

## Core infrastructure assets in the healthcare industry providing high profitability and long term cash flows

- 1 Structurally attractive healthcare market resilient to market challenges and experiencing continuous growth due to demographic developments
- 2 Strong portfolio of 35 high quality properties situated in premium locations
- 3 Highly attractive yield profile supported by long term lease contracts, steady dividend payments and a robust balance sheet
- 4 Extensive track record (since 2002) in value enhancement of healthcare properties through active management, realization of extension projects and continuing renovation
- 5 Large range of opportunities to fuel future growth organically, through the development of existing building reserves, or through acquisitions

# Current infrastructure portfolio

● **Hospitals and adjacent buildings**

- Clinica Ars Medica
- Clinique de Genolier
- Clinique de Montchoisi
- Clinique de Valère
- Clinique Générale
- Clinique Montbrillant
- Clinica Sant' Anna
- Clinique Valmont
- Privatklinik Bethanien
- Privatklinik Lindberg
- Privatklinik Obach
- Privatklinik Villa im Park
- Klinik Siloah



■ **Other buildings**

- Rue de l'Aéroport, Sion (hangar)
- Rue de la Chocolatière, Echandens (office)



## Portfolio strategy

Constant yield generation on existing resilient assets – further growth and diversification of portfolio

Strong portfolio	Attractive pipeline	Promising opportunities
Swiss Medical Network hospital buildings	Prime hospital buildings	Growing consciousness for health, wellbeing & quality
High cash yielding assets	Public hospital infrastructure	Growing concentration of wealth
	Total value of potential acquisitions > CHF 300m	Convergence of hospitality, wellbeing and health care

<ul style="list-style-type: none"> <li>• Extensive renovation programs concluded</li> <li>• Long term rental agreements</li> <li>• Large development reserves of around 45'000 sqm</li> </ul>	<ul style="list-style-type: none"> <li>• Trends in the healthcare industry expected to fuel upcoming consolidation</li> <li>• Best positioned to invest in public hospital infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Grow and diversify asset base to reap benefits of future market opportunities</li> </ul>
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# Financial results 2018

Infracore (AEVIS conso) (in CHF000)	FY2018	FY2017	Change in %
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## Income statement

Net revenue	44'522	43'999	1.2%
Result from revaluation	n.a.	n.a.	n.a.
EBITDAR	36'058	36'460	-1.1%
EBITDAR margin	81.0%	82.9%	n.a.

Infracore (stand alone) accounted for at market values (in CHF000)	FY2018	FY2017	Change in %
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## Income statement

Net revenue	44'522	43'999	1.2%
Result from revaluation	24'572	17'475	40.6%
EBITDAR	60'630	53'935	12.4%
EBITDAR margin	136.2%	122.6%	n.a.

**Stable net revenue** compared to 2017, further growth as the rental income of Privatklinik Siloah in Berne will be included for full 12 months in 2019

Based on market values, which would be applicable if Infracore were not consolidated, a result from **revaluation of CHF 24.6m** and an **EBITDAR of CHF 60.6m** was achieved

# Swiss Hospitality Properties – Générale Beaulieu Immobilière

100% participation of AEVIS – 69% participation of AEVIS



MARKET VALUE 2018 IN CHF MIO	INVESTMENT PROPERTIES
196.8	9
SITES	RENTAL SURFACE IN SQM
3	40'170

MARKET VALUE 2018 IN CHF MIO	INVESTMENT PROPERTIES
196.3	3
SITES	RENTAL SURFACE IN SQM
1	19'005

# Highlights 2018

## Swiss Hospitality Properties

- **Major investments were completed** in Interlaken:
  - Renovation of 42 rooms at the Hotel Victoria-Jungfrau
  - Upgrade of the technical installations
- **Complete makeover of the Eden au Lac** in Zurich ongoing as one of the most comprehensive projects of the entire Group

Portfolio value increase after completion of renovation projects

## Générale Beaulieu Immobilière

- Substantial investments were made into the **modernization of medical practices, medical infrastructure and specialized centers**:
  - New urology center opened in March 2018
  - A gynecology center was inaugurated in autumn 2018
  - Modernization of restaurant and kitchen
  - New day hospital with two operating blocks and an upgraded recovery room extension expected to open in 2019

CHF 6m invested into Geneva properties

# Corporate venture capital activities

# Venture capital involvements

## Existing venture capital engagements



## Venture capital activity 2018

+10

VC events  
visited

~20

investments  
analyzed

4

due diligences  
conducted

# Financials AEVIS VICTORIA

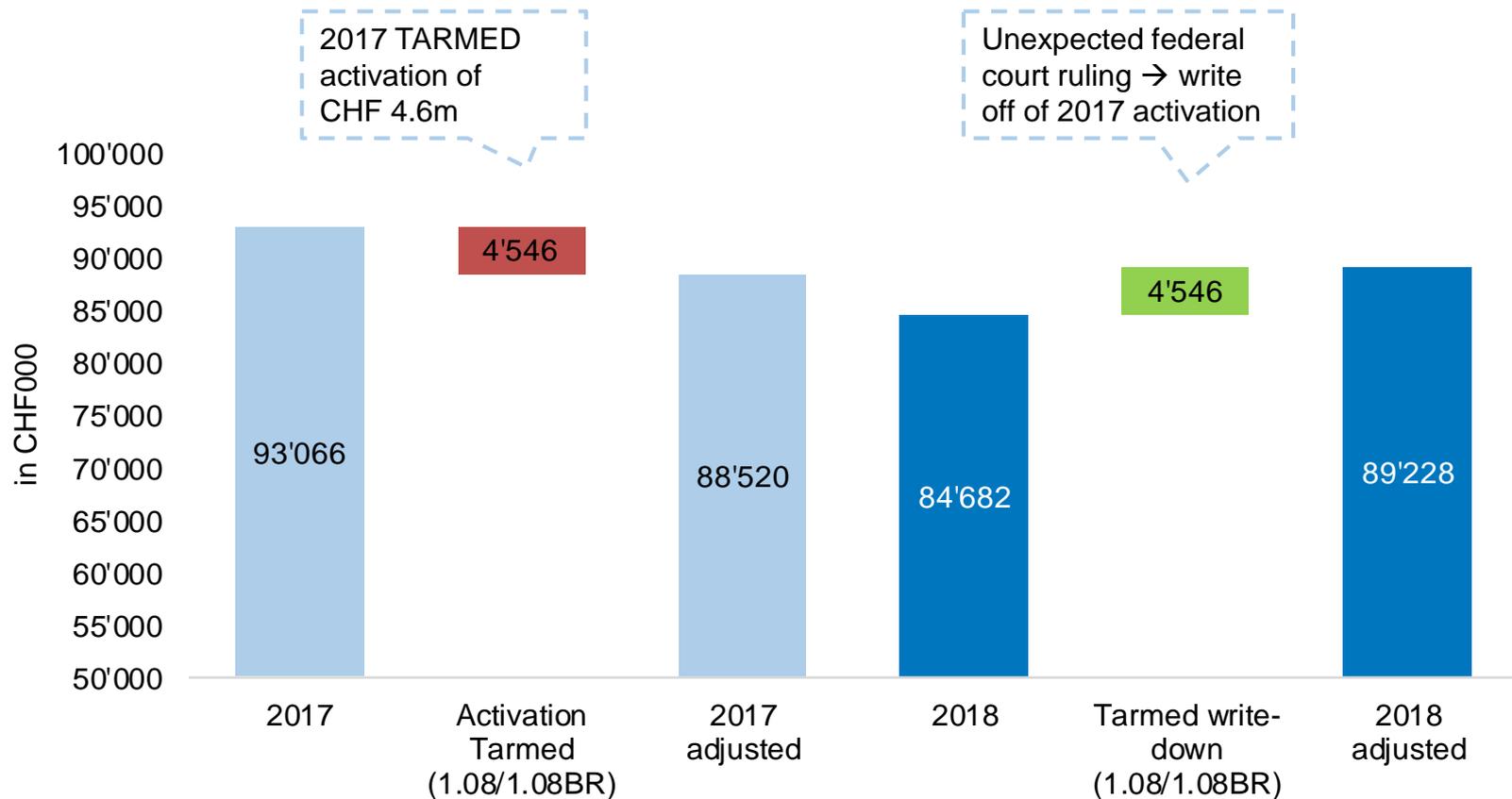
# AEVIS key figures

Consolidated key figures (in CHF000)	Actual 2017	Adjusted 2017	Actual 2018	Adjusted 2018
<b><u>Income statement</u></b>				
Total revenue	663'069	658'523	657'205	661'751
External services	(80'575)	(80'575)	(80'177)	(80'177)
<b>Net revenue</b>	<b>582'494</b>	<b>577'948</b>	<b>577'028</b>	<b>581'574</b>
<b>EBITDAR</b>	<b>93'066</b>	<b>88'520</b>	<b>84'682</b>	<b>89'228</b>
<i>EBITDAR margin</i>	16.0%	15.3%	14.7%	15.3%
<b>EBITDA</b>	<b>79'406</b>	<b>74'860</b>	<b>70'088</b>	<b>74'634</b>
<i>EBITDA margin</i>	13.6%	13.0%	12.1%	12.8%
<b>EBIT</b>	<b>26'276</b>	<b>21'730</b>	<b>16'672</b>	<b>21'218</b>
<i>EBIT margin</i>	4.5%	3.8%	2.9%	3.6%
Income taxes	(6'793)	(6'793)	(4'206)	(4'206)
<b>Profit/(loss) for the period</b>	<b>1'142</b>	<b>(3'404)</b>	<b>(6'615)</b>	<b>(2'069)</b>
<b><u>Balance sheet</u></b>				
<b>Total assets</b>	<b>1'750'640</b>		<b>1'854'878</b>	
<b>Total liabilities</b>	<b>1'372'485</b>		<b>1'409'852</b>	
<b>Total equity</b>	<b>378'155</b>		<b>445'026</b>	

Note:

For comparison reasons, financial figures have been adjusted for the extraordinary TARMED activation in 2017 and subsequent write-down in 2018 following the judgment of the Federal Court regarding a retroactive TARMED reduction

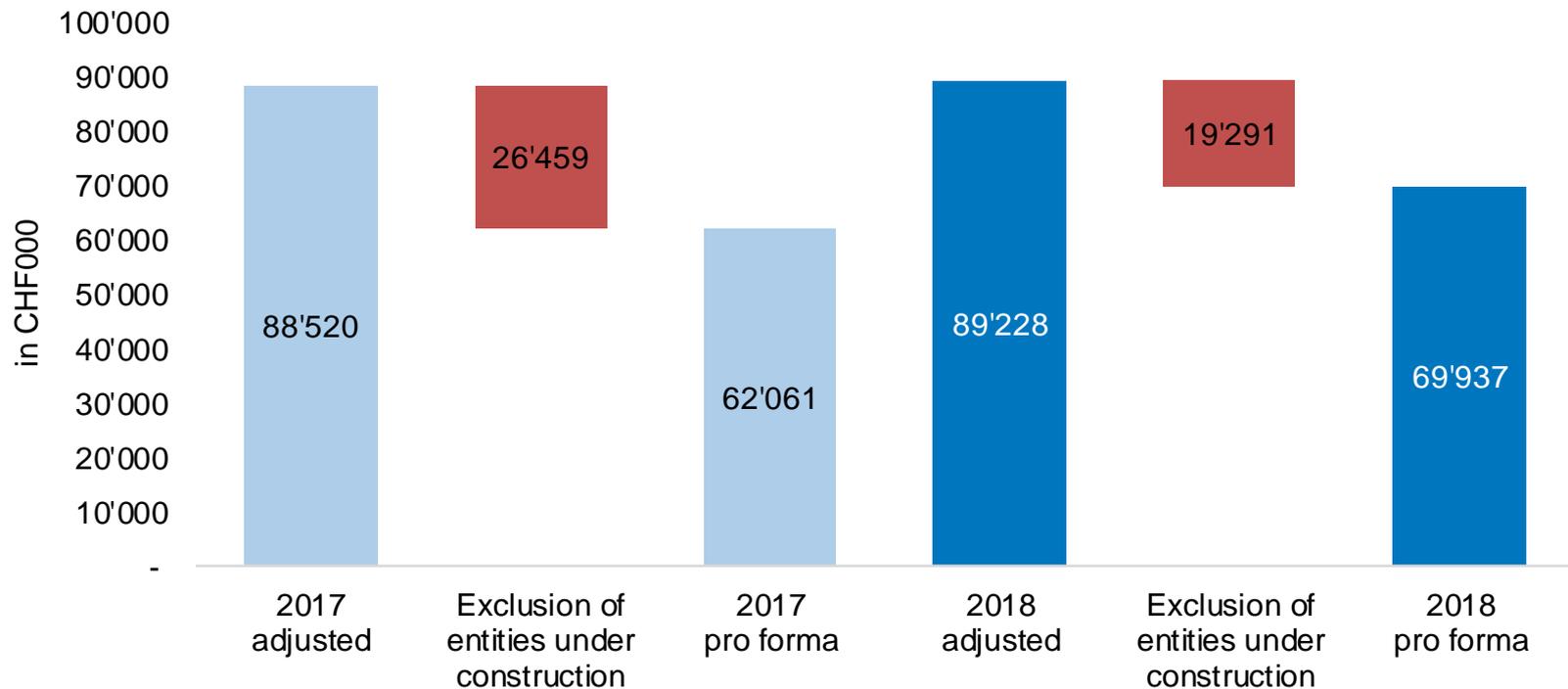
# AEVIS bridge analysis – actual to adjusted figures



**Adjusted for the one-off TARMED effect in the past two years, EBITDAR 2018 remains stable on 2017 level**

# AEVIS bridge analysis – pro forma excluding entities under construction

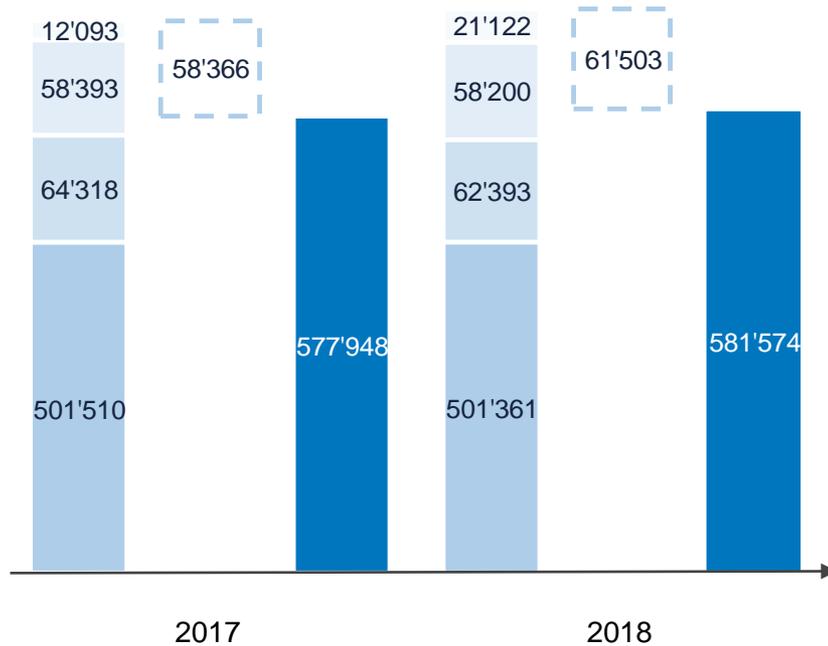
Exclusion of full year activity in 2017 and 2018 of all hotel and hospital entities under construction in 2018 including Eden au Lac, Villa im Park, Valère and Générale Beaulieu



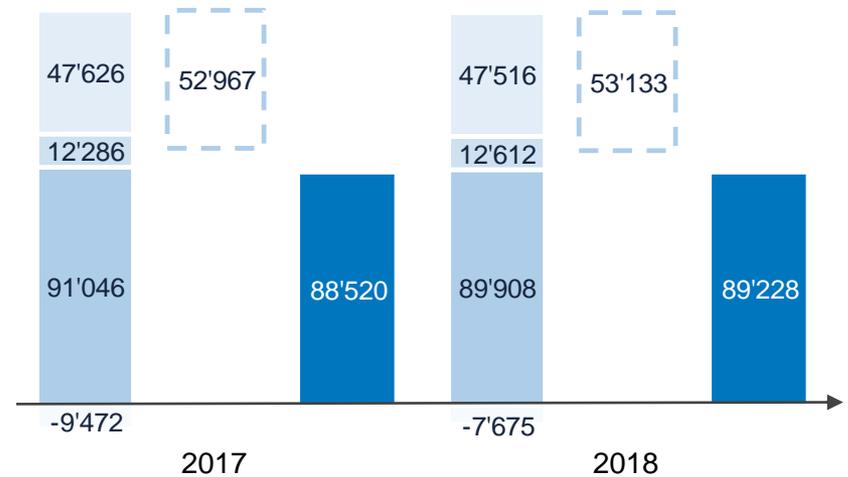
**The pro forma analysis at hand shows that the fully active entities of AEVIS were able to increase their activity in 2018**

# Segment reporting

Adj. net revenue (CHF000)



Adj. EBITDAR (CHF000)



■ Hospitals 
 ■ Hospitality 
 ■ Real estate 
 ■ Others & Corporate 
    Eliminations 
 ■ Total

# LifeWatch – analysis of overall transaction

## Transaction

- In 2016, AEVIS started to build up a participation in SIX listed LifeWatch in the scope of its focus on telemedicine
- Early 2017, AEVIS published a tender offer for all publicly held LifeWatch shares to stabilize the company's shareholder base and consolidate its strategy - the tender offer triggered a counteroffer from Cardiac Monitoring/BioTelemetry Inc (BEAT)
- In June 2017, AEVIS concluded an agreement with BEAT to tender its LifeWatch shares to the higher offer of BEAT
- In 2018, AEVIS concluded the divestment of the transaction which generated a total capital gain of CHF 14.3m

## Strategic milestones

- Supported LifeWatch with a backstop line in capital increase
- Active work on company's strategy via board participation
- Launched tender offer to clean up shareholder structure
- Sold participation to main competitor in the US

## Analysis of transaction



## Advantages for AEVIS

- Attractive investment for AEVIS' healthcare sector
- In line with telemedicine strategy
- Best solution for LifeWatch was achieved securing its future sustainability
- Attractive financial gain for AEVIS of CHF 14.3m with an ROI of 57.2%

# Infracore – analysis of sale of 20% participation to Bâloise

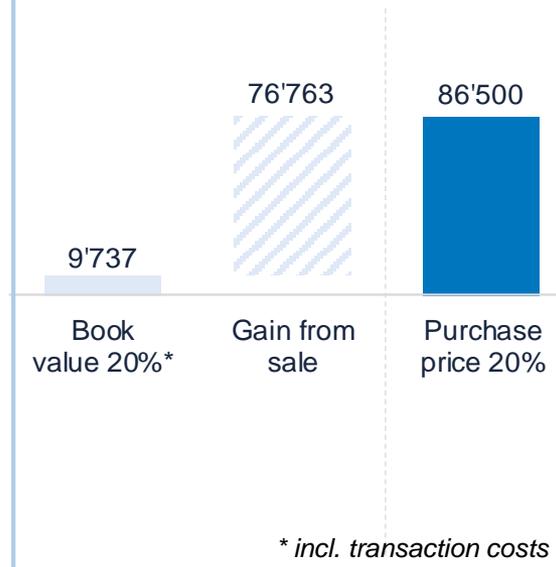
## Transaction

- In December 2018, AEVIS sold a stake of 20% of Infracore to Bâloise for a price of CHF 86.5m
- The transaction hence valued Infracore at an NAV of CHF 432.5m
- At the same time, Bâloise also provided a 3 year CHF 100m, 1.5% bond to finance future growth

## Strategic milestones

- Bâloise transaction marks a first step of the strategy to give more independence to Infracore
- Goal to create the leading healthcare infrastructure platform in Switzerland
- Confirmation of the valuation of Infracore's portfolio
- Reinforcement of the strategic focus of its main tenant, Swiss Medical Network

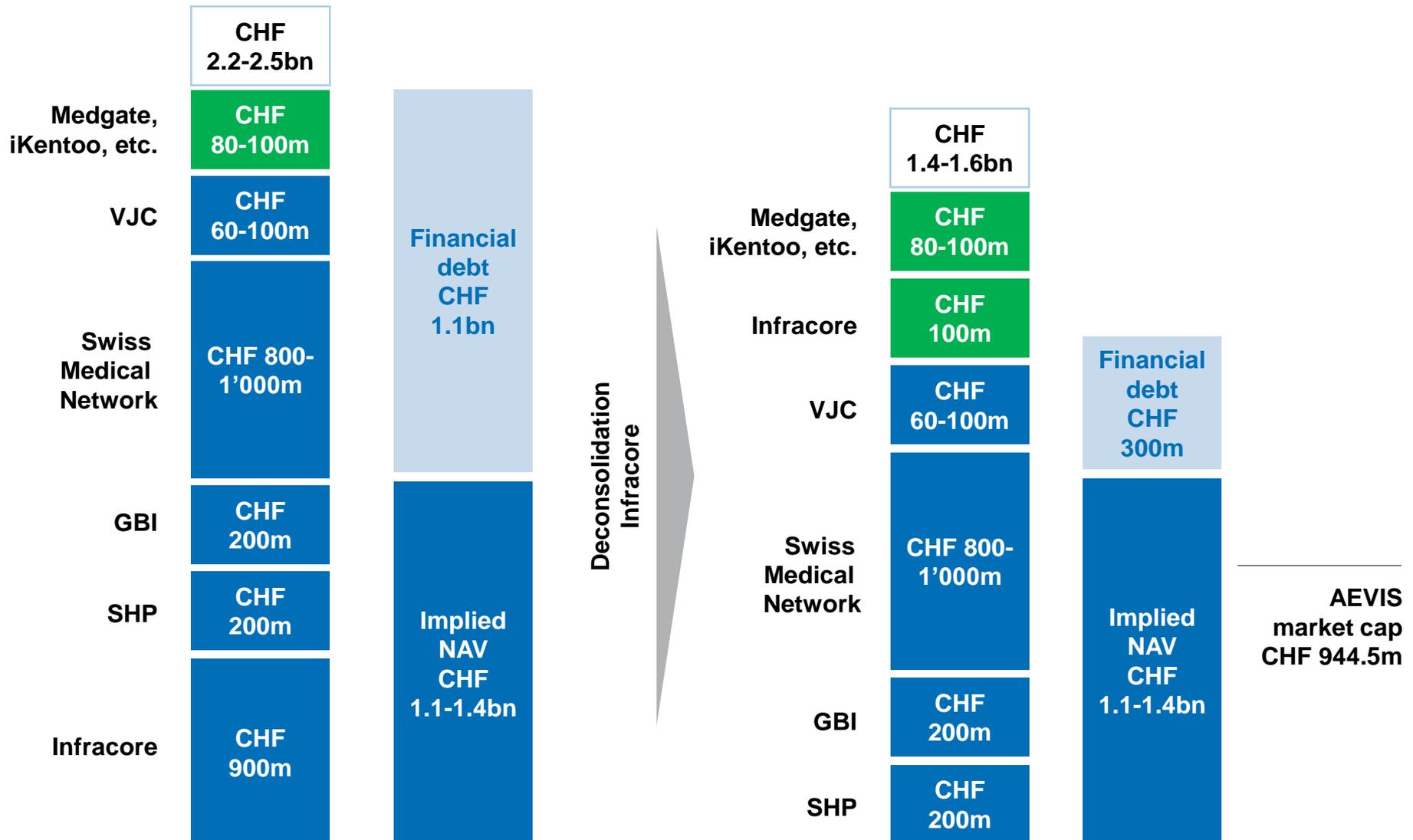
## Statutory economic profit



## Advantages for AEVIS

- Positive effect on AEVIS's balance sheet – on the level of gearing and equity ratio
- In a consolidated view, the effect of the transaction is only visible on the balance sheet (equity)
- From an economic perspective however, the sale amounted to a gain on book value of CHF 77m (statutory)

# Indicative value decomposition / simulation



# Outlook

# Outlook 2019

## AEVIS

- Transformation process into an investment company initiated in 2018
- Vision to actively invest in healthcare, hospitality & lifestyle and infrastructure mainly via minority participations
- Improve equity ratio to 40-50% level
- Reduce net debt to 300m

## Infracore

- Deconsolidation of Infracore by further expanding the shareholder base
- Positioning as independent healthcare infrastructure platform to tap the vast growth opportunities in both public and private sector

## Swiss Medical Network

- Completion of construction activities in Geneva, Sion and Rothrist
- Completion of cost saving program until end of 2019
- Continuation of organic growth
- Further build up of medical centers footprint in Switzerland

## VJC

- Completion of construction activity and launch of Eden au Lac in Zurich in summer 2019
- Continued improvements in the offering in every hotel of the group

Thank you for your  
attention