

INVESTIS

REAL ESTATE GROUP

# FULL YEAR REPORT 2022

23 March 2023



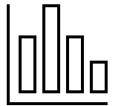
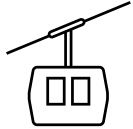
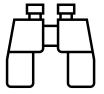
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# Agenda



Highlights of FY 2022

Market trends

Financial overview FY 2022

Outlook

Q & A

Annexes

# Highlights FY 2022

Excellent profitability and continued cash flow generation – very low LTV at 21%  
Unchanged dividend of CHF 2.50 proposed

## Group

- Substantial increase in NAV per share to CHF 95.07 (+7.1%)  
excluding deferred taxes with regard to properties
- Revaluation effect and gain on sale of properties of CHF 131m
- Strong EBIT of CHF 180.4m
- Net profit excluding revaluation effects at CHF 94m (CHF 41m)

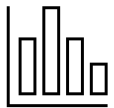
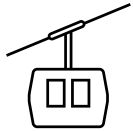
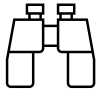
## Properties

- Revaluation gains of CHF 67.2m (exceptionally high in 2021: CHF 184.1m)
- Very successful sale of 11 investment properties with gains of CHF 63.4mio
- Like for-like rental growth of +1.0%; +1.8% for residential properties
- Vacancy rate further reduced to 1.3%

## Real Estate Services

- Top line growth +8.5% through acquisitions and organically
- Acquisition of Home Service and Aatest
- Further improved EBIT margin to an excellent 10.6%

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# Real Estate Market in Geneva

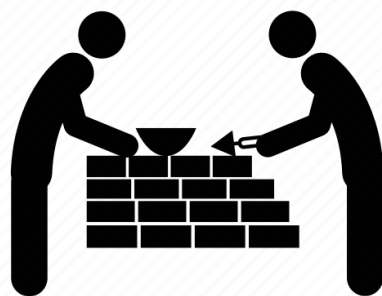
## Lake Geneva region is a very attractive location

### Migration/ Demography



- Net immigration in CH for 2022 +81'345 – on the higher end
- Net immigration in GE for 2022 +5'881 or +1.1% of residential population
- Immigration expected to remain high

### Construction activity



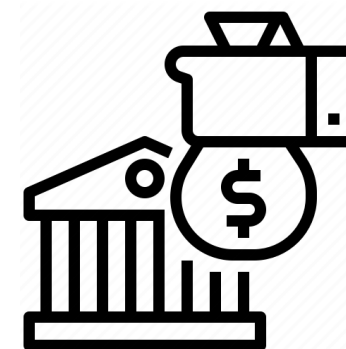
- Construction activity on the decline
- High entry hurdle for home ownership supports continuous demand for rented apartments
- High portion of letting vs buying
- Declining number of construction permits

### Regulations



- Tax regime for corporations in the Lake Geneva region among the most attractive

### Capital Markets

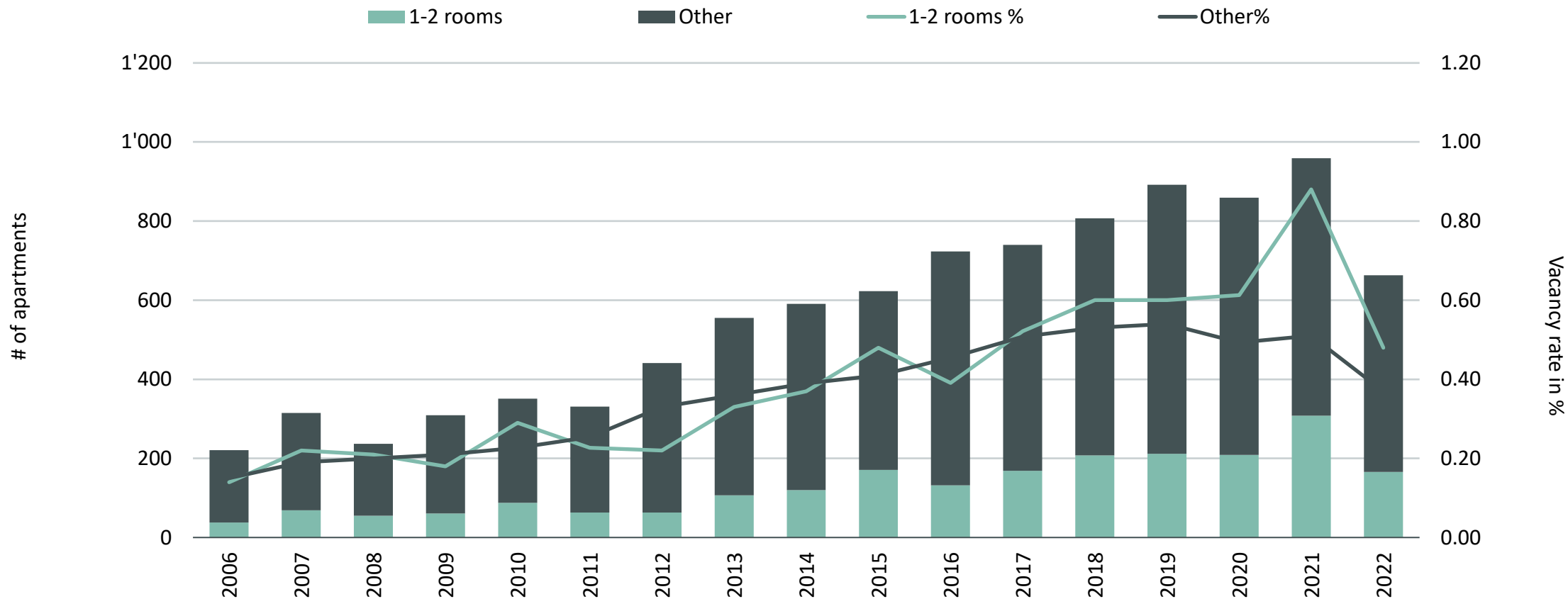


- Evolution of interest rates will depend on:
  - the development of inflation
  - on the stability of the financial markets

# Real Estate Market in Geneva

## Geneva's vacancy is getting even more scarce across all segment sizes .....

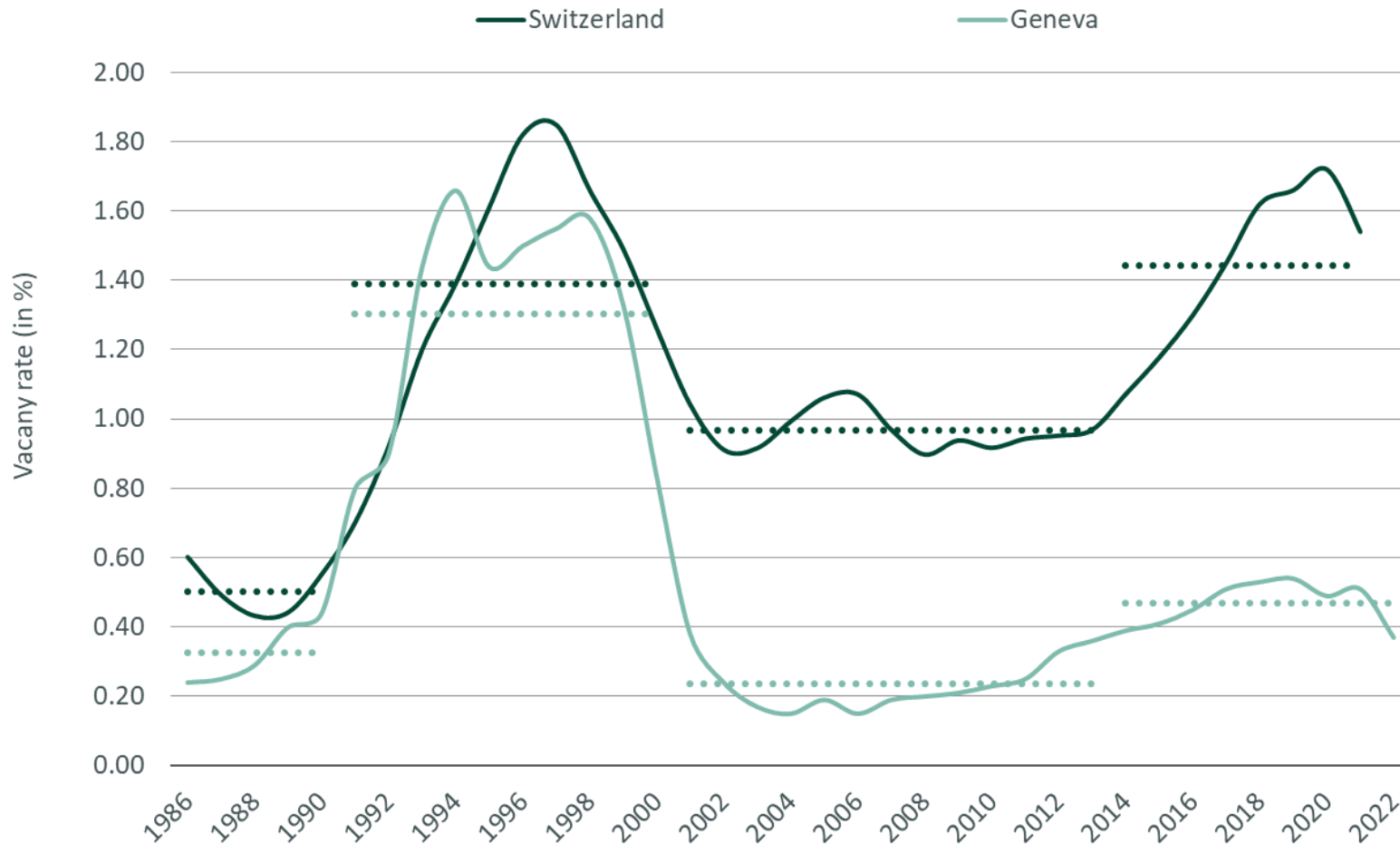
Apartments available and vacancy rate by sizer categories in the canton of Geneva



# Real Estate Market in Geneva

..... and at national level, Geneva stands well below Swiss average ....

Housing vacancy rate in the Canton of Geneva and in Switzerland



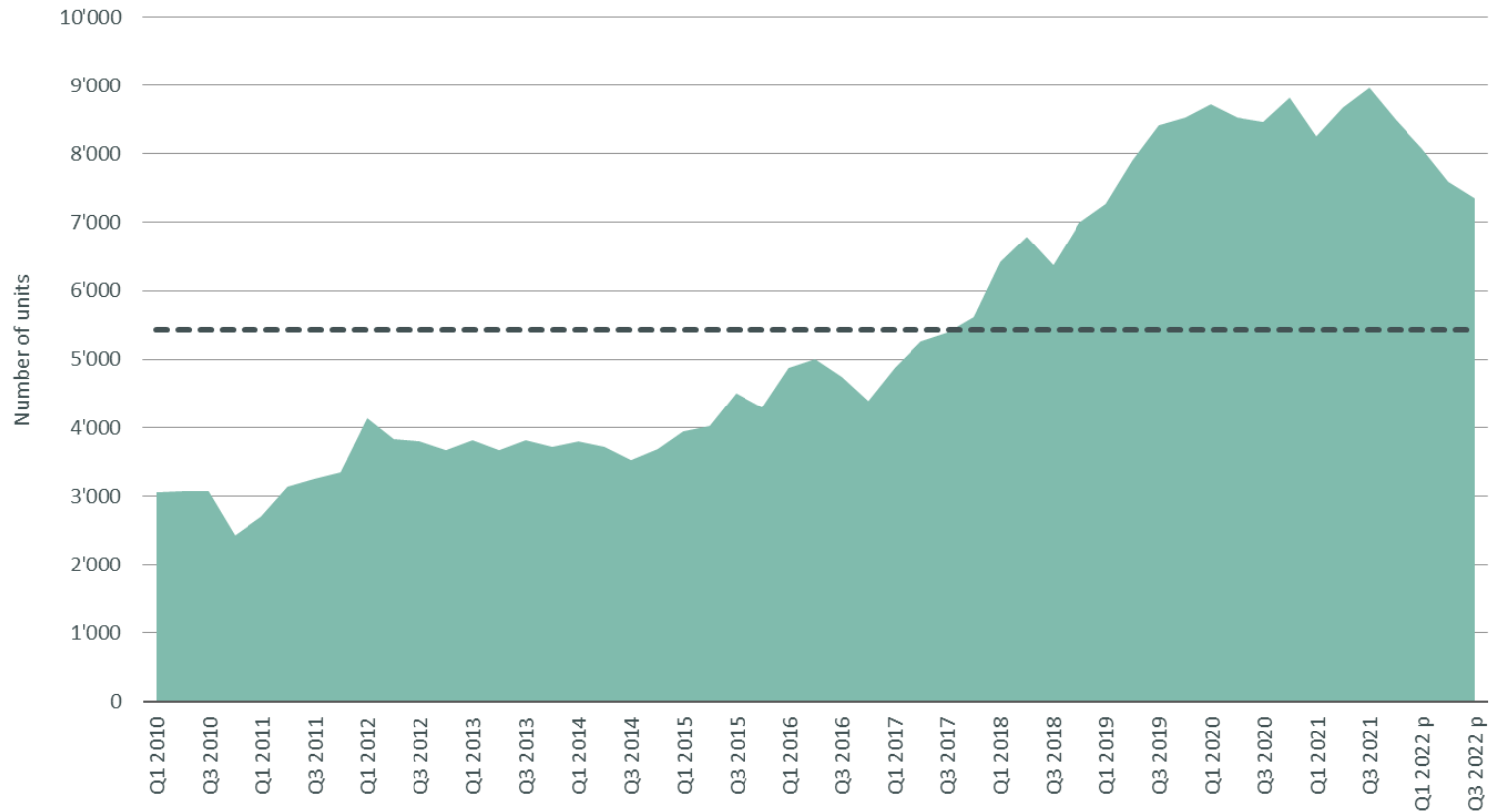
Source: OCSTAT, CBRE Feb 2023



# Real Estate Market in Geneva

..... with strong absorption rates and new housing projects slowing down

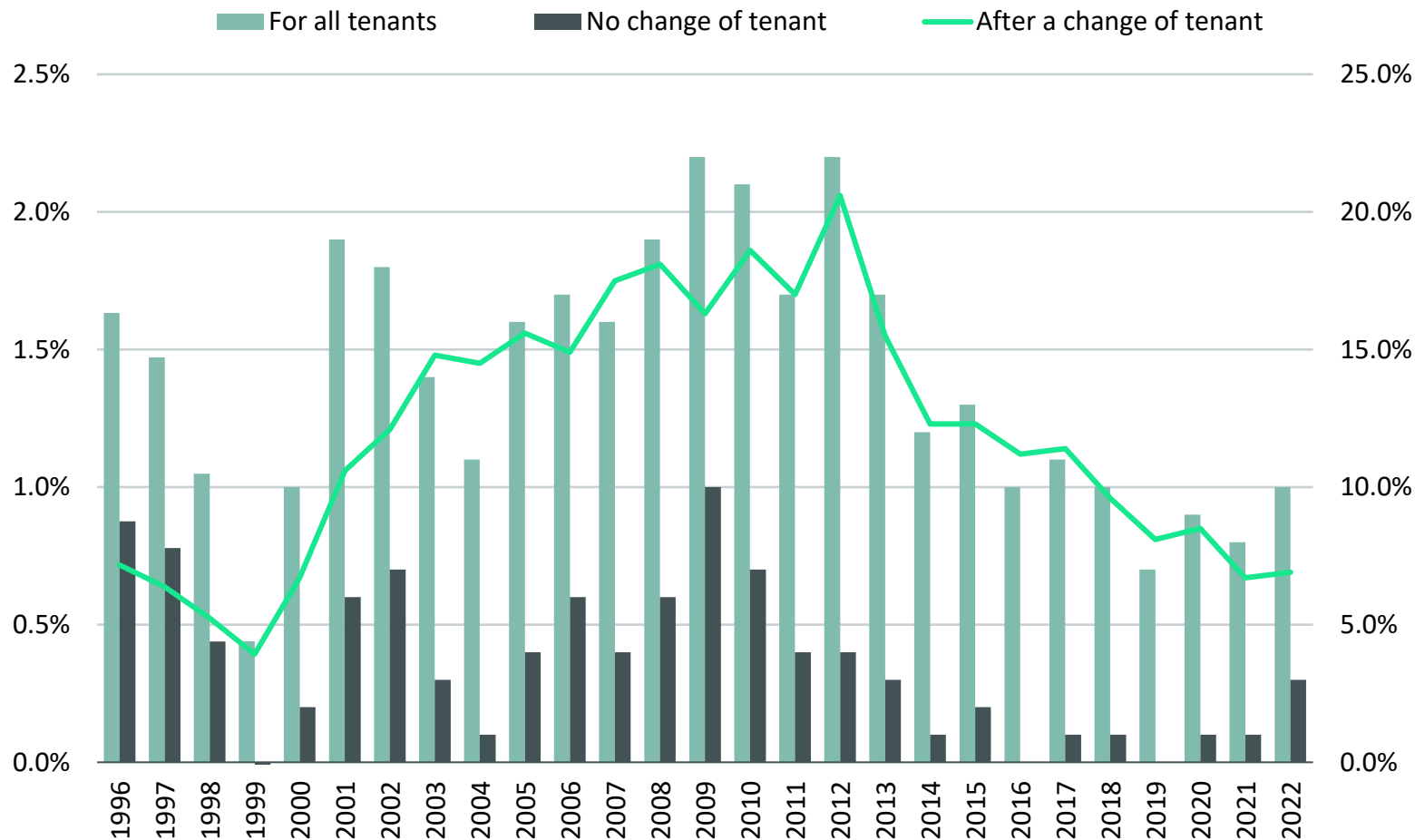
Housing space under construction in the Canton of Geneva



# Real Estate Market in Geneva

## Rents growing by +7% between 2021 and 2022 upon change of tenant in Geneva

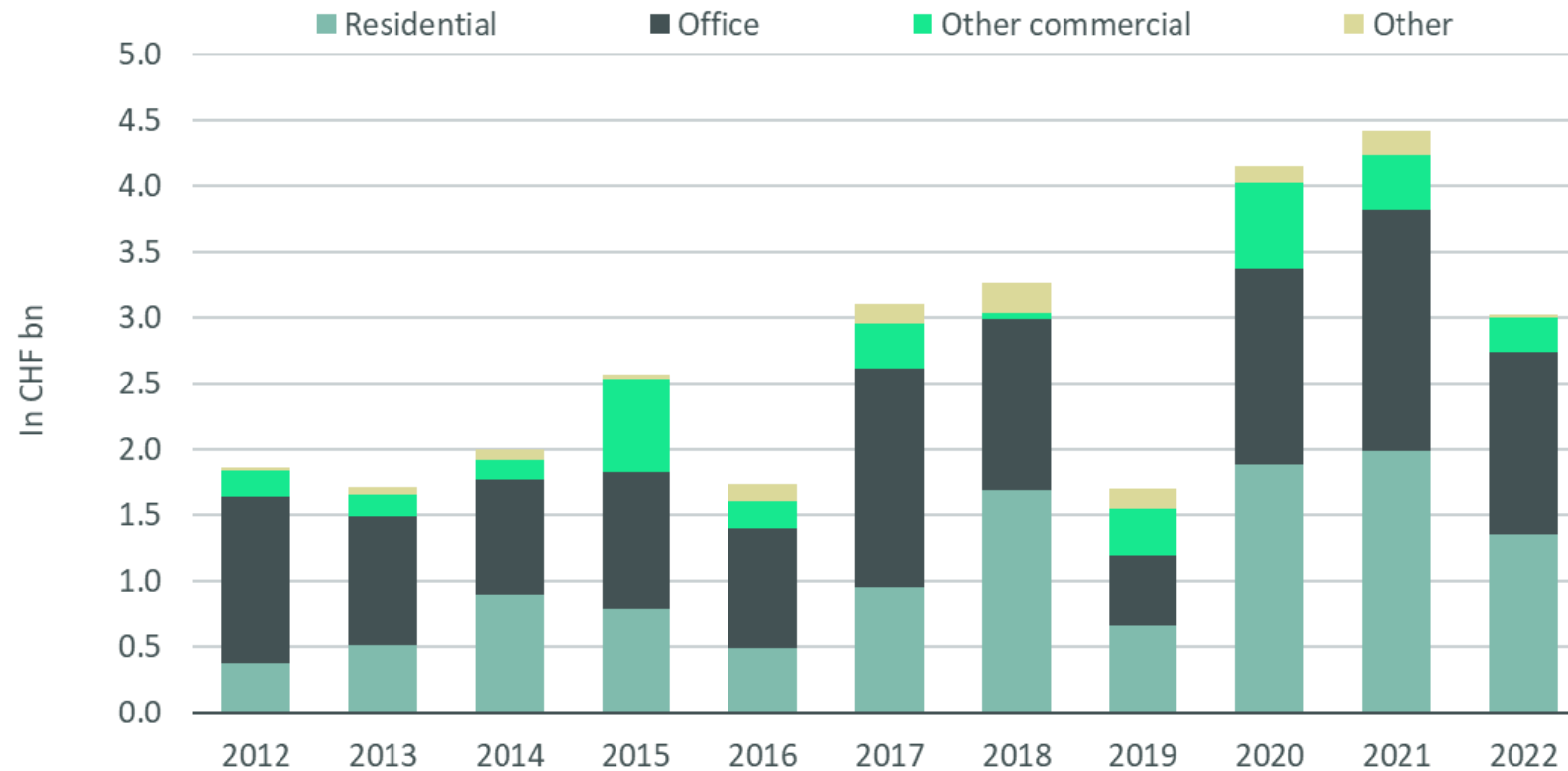
Evolution of effective rents based on current leases (“free” rental market, excluding new apartments)



Source: OCSTAT, CBRE Feb 2023

# Real Estate Market in Geneva

## Sharp decline in investment volumes

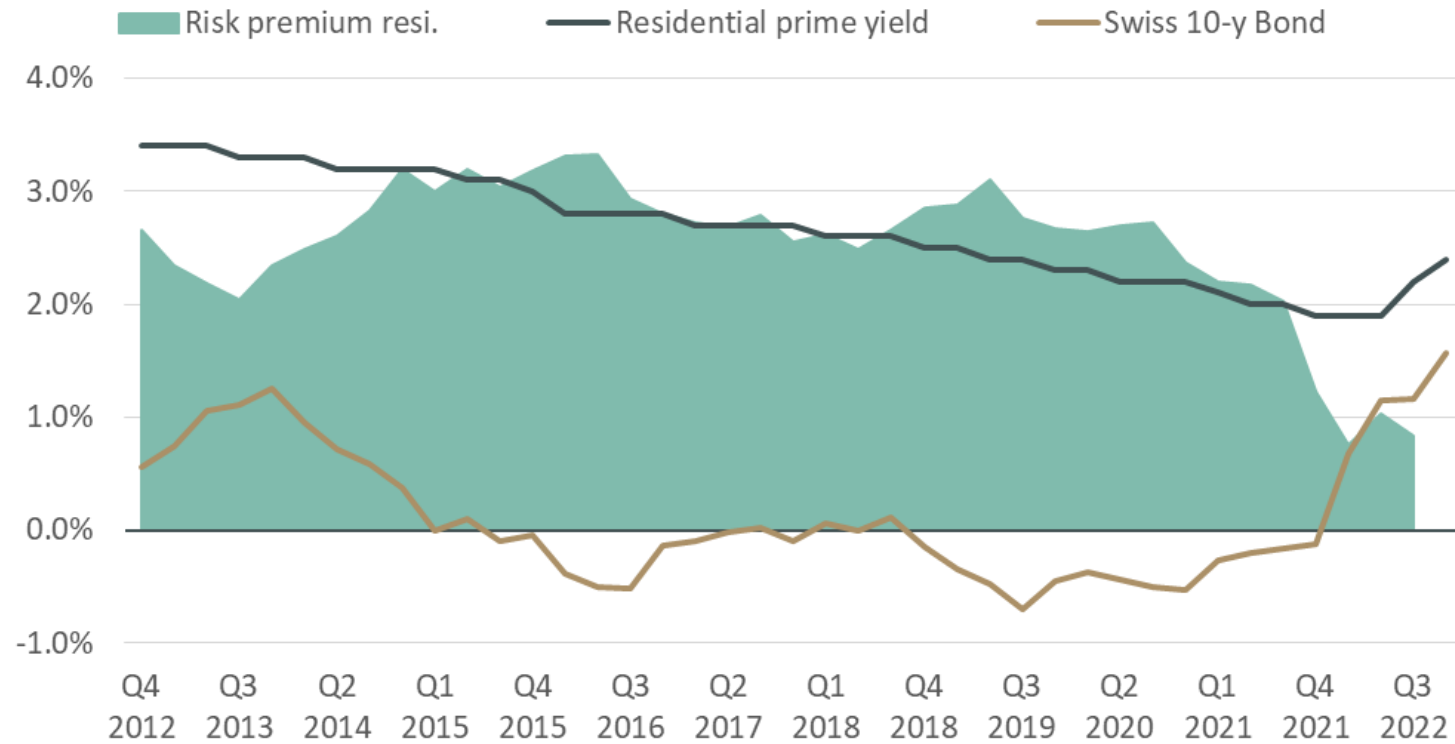


Source: OCSTAT, CBRE

# Real Estate Market in Switzerland

## Residential yields: upward pressure from rising interest rates

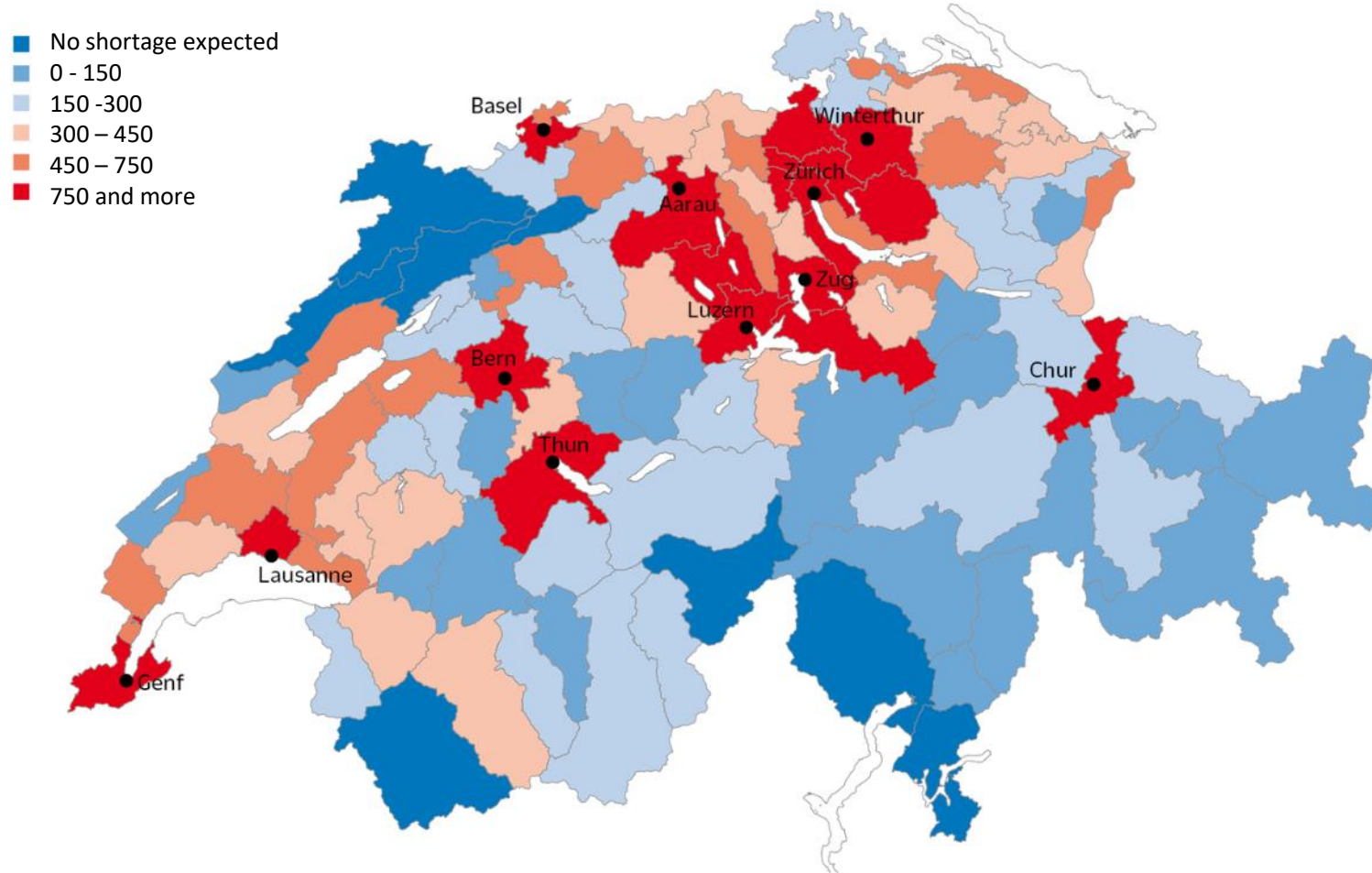
Reduced spread with prime residential yield following the three hikes in interest rates by the SNB



Source: CBRE , SNB, Feb 2023

# Real Estate Market in Switzerland

As of 2026 a shortage of 50'000 apartments is expected mainly in the red areas



# Real Estate Market in Geneva

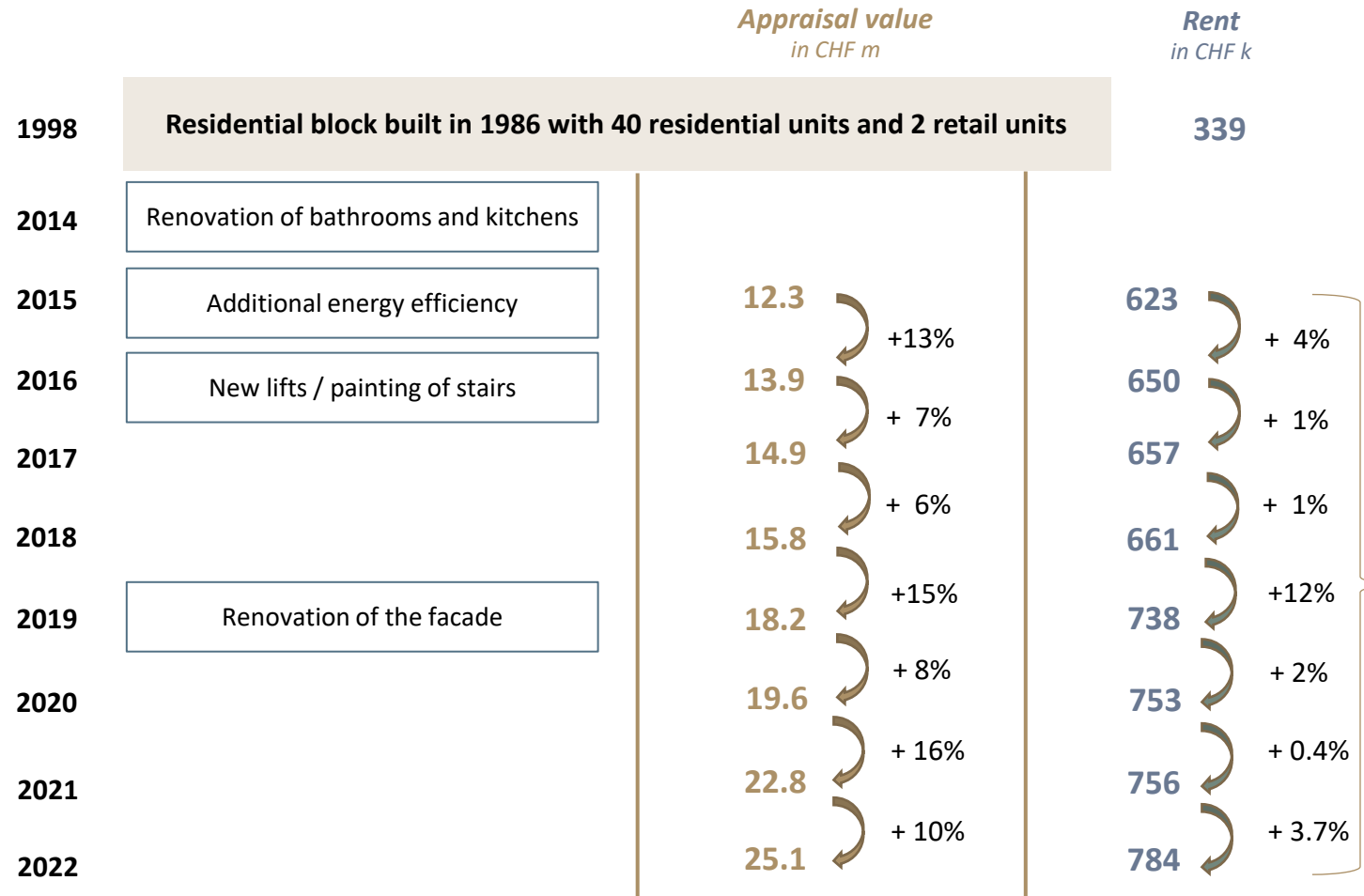
## Market outlook: price adjustments could be partly offset by strong market fundamentals

- Yield de-compression has started in 2<sup>nd</sup> HY 2022 as a result of rising interest rates and decreasing volume of capital to be invested into real estate
- Residential vacancy rates are among the lowest in the country and expected to trend down even further
- Obtaining building permits is getting increasingly difficult and rising construction costs are translating into slower new construction activity
- Demographic growth is expected to remain solid being among the highest rates in Europe
- Those favourable market dynamics are supportive of further rental growth going forward
- Swiss market fundamentals remain strong, especially in the Lake Geneva region
- Residential portfolios have proven more resilient than commercial and mixed portfolios overall

Source: CBRE, BNS, February 2023

# Strategy: Buy and hold while improving tenant comfort

## Rue du Nant 30 – Geneva – Acquisition in December 1998



**CAGR  
+3.3%**

# Investis' position in the Real Estate Market in Switzerland is unique

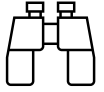
- Active in markets where there is a constant situation of undersupply
  - Low vacancy rates
- Focus on middle segment of the market – no luxury homes
- Number of residential properties in city centers does not grow
- Highest demand
- Higher rental growth
- Highest average asking rents per square meter
- Fundamentals remain strong



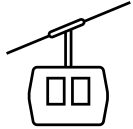
Rue Charles-Cusin 10, 1201 Geneva  
Freshly renovated



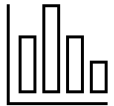
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Q & A

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# Solid operating results coupled with revaluation effects and gains on sale of properties

## Substantial increase in NAV to CHF 95.07 per share excluding deferred taxes (+7.1%)

### ■ Investis Group:

- Revenue of CHF 228m (FY 2021: CHF 216m) – a 5.3% growth despite the sale of properties
- EBITDA before revaluations/disposals unchanged at CHF 54m
- Revaluation gains of CHF 67.2m / very successful sale of properties generated profits of CHF 63.4m
- Excellent net profit of CHF 152m (CHF 201m – exceptionally higher revaluation gains in 2021)
- Gross LTV low at 21.2% (37.4%)
- Equity ratio at a very strong 67%

### ■ Properties:

- Portfolio value at CHF 1,508m
- Like-for-like rental growth +1.0%
- Low vacancy rate at 1.3%

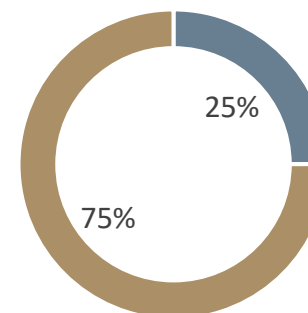
### ■ Real Estate Service:

- Acquisition of Home Service and Aatest in 1stHY 2022
- Rents under Management in PM up to CHF 1.58 bln
- Excellent EBIT margin at 10.6% (9.3%)

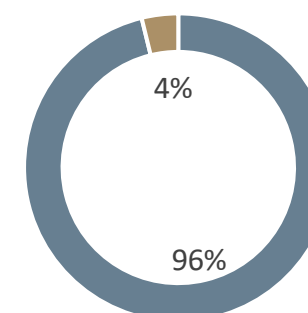
# Investis Group: Overview on the excellent financial performance FY 2022

(CHFm)	FY 2022	Δ in %	FY 2021	FY 2020	FY 2019
Revenue	<b>227.5</b>	5.3	216.0	178.7	187.5
EBITDA <i>before revaluations/disposals</i>	<b>53.5</b>	-0.3	53.7	45.5	46.7
Income from revaluations	<b>67.2</b>	-63.5	184.1	79.4	56.6
Income from disposal of properties	<b>63.4</b>	n/a	1.1	14.0	8.2
EBIT	<b>180.4</b>	-23.3	235.1	136.2	127.2
Financial result	<b>-2.4</b>	n/a	-1.2	-3.5	0.7
Income taxes	<b>-26.1</b>	-21.4	-33.2	-19.1	45.0
Net profit	<b>151.8</b>	-24.3	200.7	113.6	172.8

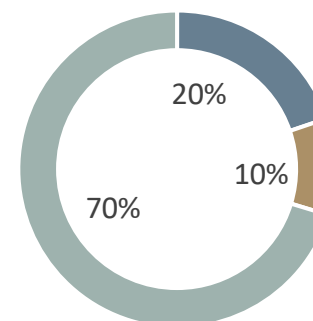
**FY 2022 Revenues**



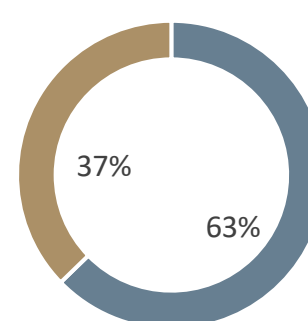
**FY 2022 Invested Capital**



**FY 2022 EBIT contribution**



**FY 2022 Cash flow generation**



- Properties
- Real Estate Services
- Revaluation and disposal effect

Properties: slightly lower top line due to successful sale of eleven residential properties

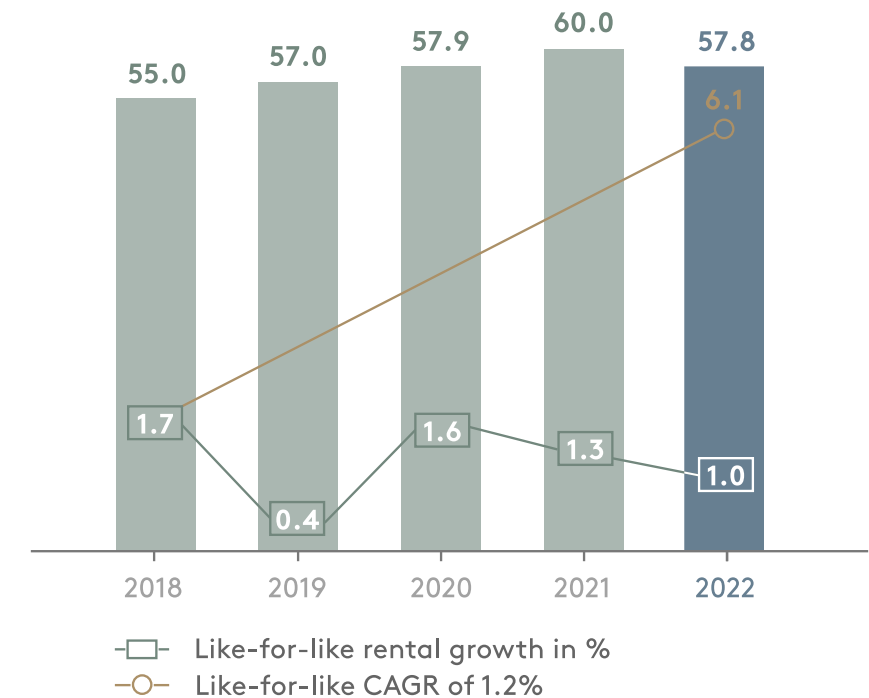
EBIT enhanced by revaluation effects and sales >20% above their book value

(CHFm)	FY 2022	Δ in %	FY 2021	FY 2020	FY 2019
Revenue	57.8	-3.7	60.0	57.9	57.0
EBITDA <i>before revaluations/disposals</i>	36.8	-7.9	40.0	37.2	37.8
Income from revaluations / from disposal of properties	130.6	-29.5	185.2	93.4	64.8
EBIT	167.3	-25.7	225.1	130.6	102.5

- Like-for-like rental growth +1.0% (31.12.2021: +1.3%);
  - in residential +1.8%
- Yearly compound like-for-like rental growth of 1.2% over the last five years
- Lowered vacancy ratio to 1.3% (31.12.2021: 2.2%)
- Average real discount rate at 2.74% (2.84% at 31.12.2021) (nominal +1.0%)
- Gross rental income up to CHF 53.9m (CHF 64.2m at 31.12.2021)

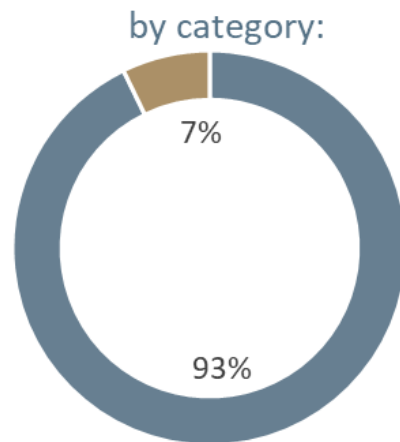
Revenue and like-for-like rental growth

(Revenue in CHFm)

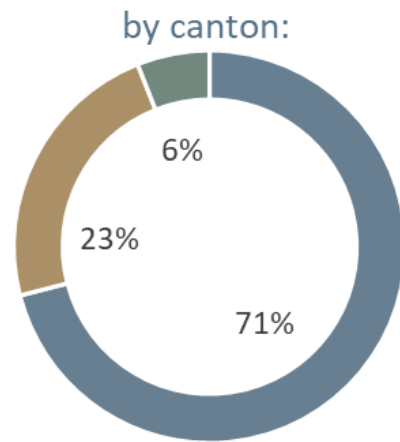


Properties: vacancy rate at lowest level – almost exclusively for renovations

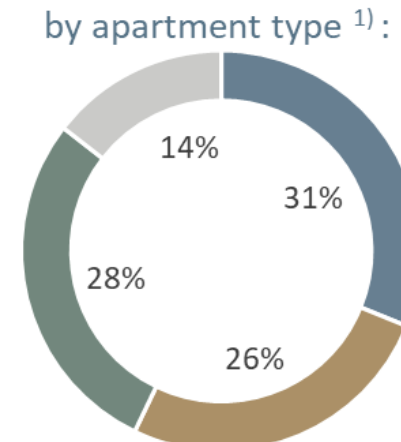
Property Portfolio: 149 buildings – 2,445 residential units – value CHF 1,508m



■ Residential ■ Commercial



■ GE ■ VD ■ VS



■ 1-room ■ 2-room ■ 3-room ■ other

Low vacancy 1.3%



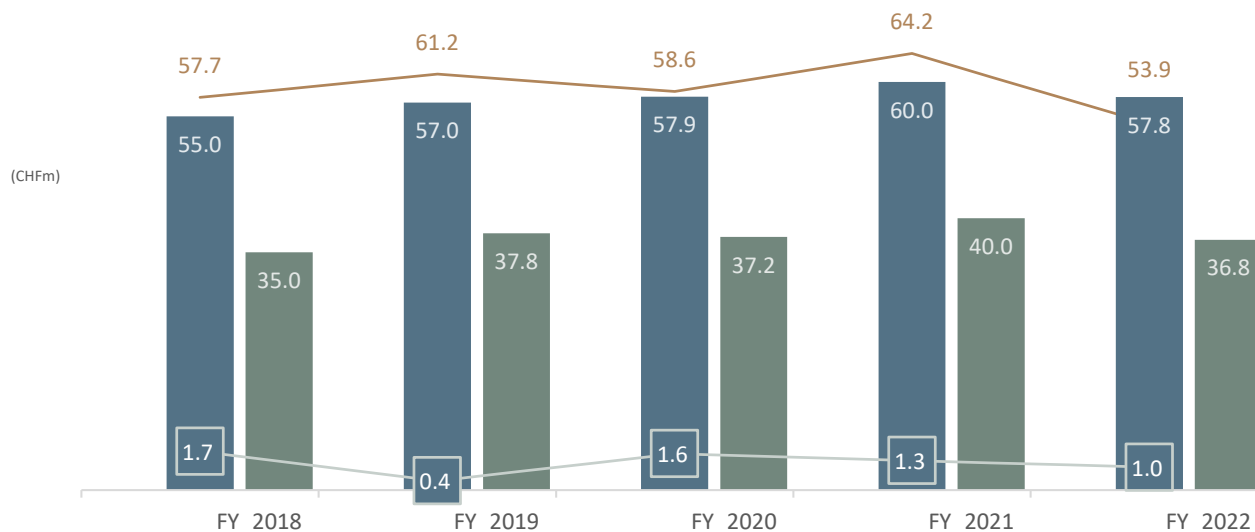
Residential GE	1.4%
Residential VD	0.4%
Commercial properties	2.4%

Note:

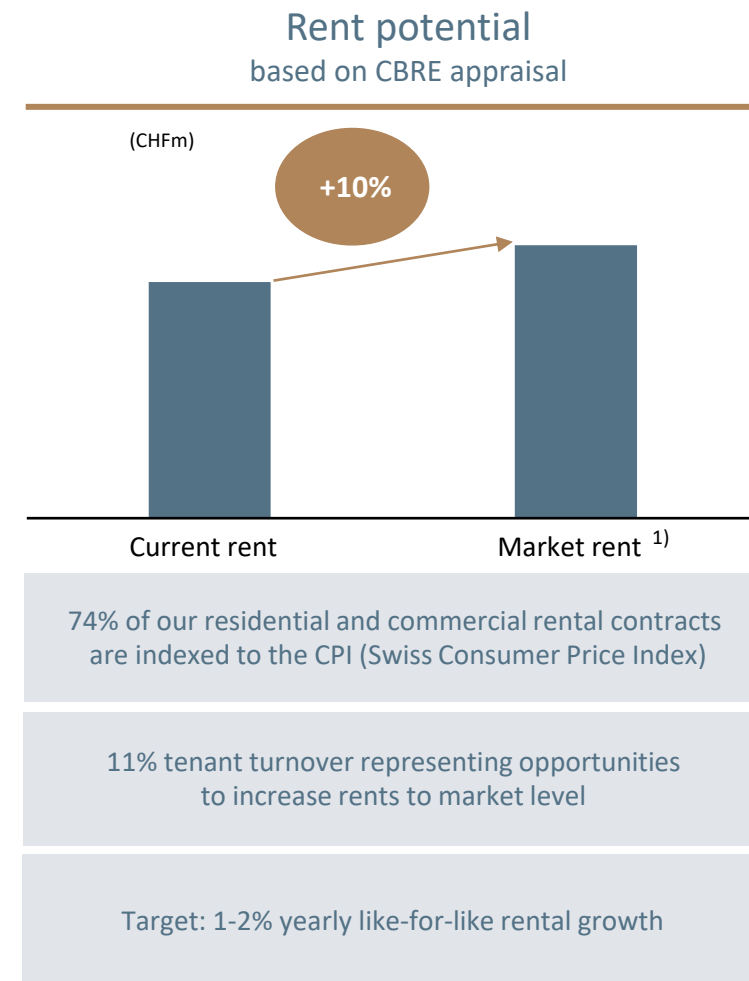
<sup>1)</sup> Based on number of apartments. In the Canton of Geneva the kitchen is considered as one room whilst it is not in other cantons. To allow for a comparison, the figures for the canton of Geneva have been adjusted to the system of calculation prevalent in other cantons.

# Properties: targeted like-for-like rental growth achieved year on year

## Still room for further rental growth



- Revenue from letting
- EBITDA before revaluations/disposals
- Gross rental income as at 31.12.
- Like-for-like rental growth in %

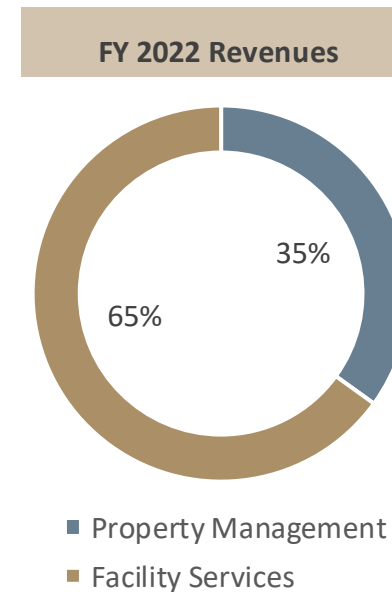


Note:  
<sup>1)</sup> Based on CBRE appraisal FY 2022

# Real Estate Services: increases its contribution to the Group's EBITA

## Excellent EBIT margin achieved again

(CHFm)	FY 2022	Δ in %	FY 2021	FY 2020	FY 2019
Revenue	<b>173.5</b>	+8.5	159.8	124.6	136.0
EBIT	<b>18.4</b>	+23.3	14.9	10.8	11.5
EBIT margin	<b>10.6%</b>		9.3%	8.6%	8.4%



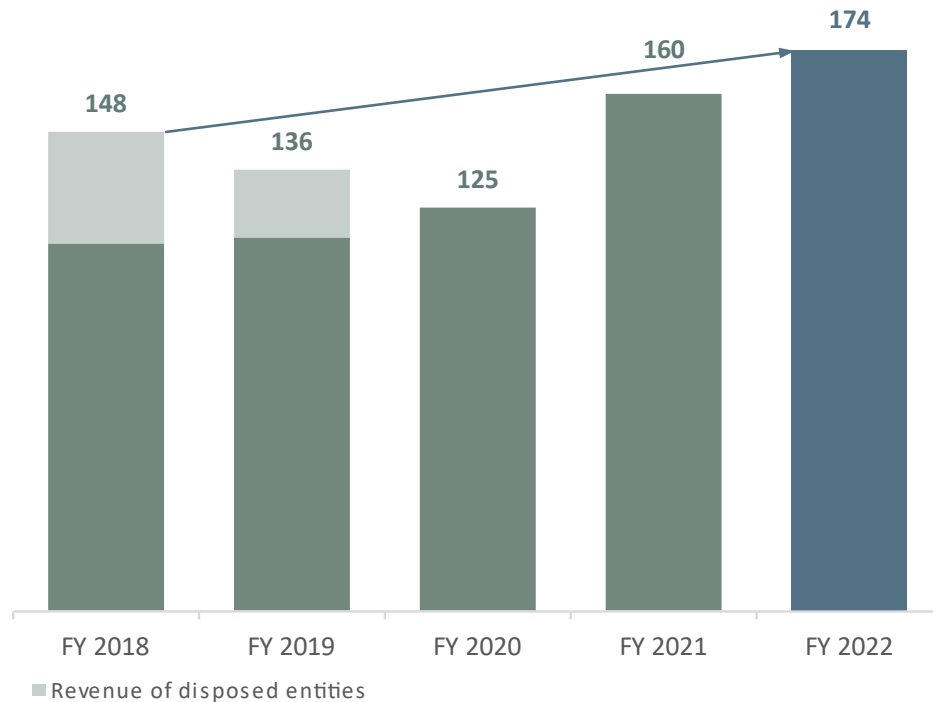
- Revenue growth to a large extent achieved through acquisitions of Home service and Aatest
  - Integration is ongoing and well on track
- Pleasing growth of rents under management to CHF 1.58 bln (vs CHF 1.51 bln of 31.12.2021)
- EBITDA contribution of the segment at around 40% (Group EBITDA before revaluations/disposals)

# Real Estate Services: development over the years

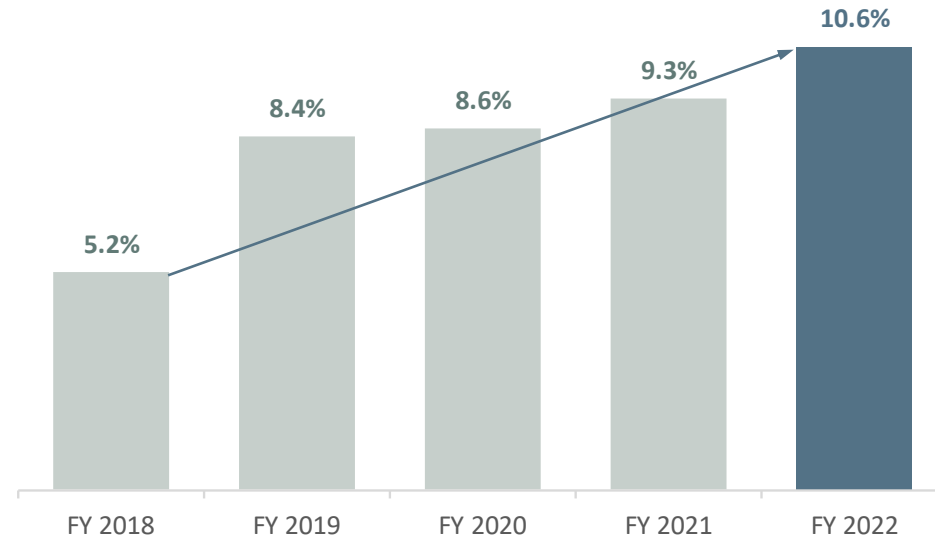
## Steady growth of top line and much improved profitability

Revenue evolution

(CHFm)



EBIT margin evolution





# Investis Group: Excellent Net profit

## EPS at CHF 11.90

(CHFm)	FY 2022	Δ in %	FY 2021	FY 2020	FY 2019
EBIT	<b>180.4</b>	-23.3	235.1	136.2	127.2
Financial income	<b>0.4</b>	-87.8	3.2	0.5	5.8
Financial expenses	<b>-2.8</b>	-35.7	-4.4	-4.0	-5.2
EBT	<b>178.0</b>	-23.9	233.9	132.7	127.9
Income taxes	<b>-26.1</b>	-21.4	-33.2	-19.1	45.0 <sup>1)</sup>
Income tax rate	<b>14.7%</b>	n/a	14.2%	14.4%	n/a
Net profit	<b>151.8</b>	-24.3	200.7	113.6	172.8

<sup>1)</sup> Tax income in 2019 due to the implementation of the TRAF tax reform in Canton of GE

- Lower financial expenses due to lower interest costs, repayment of short-term and flexible financing
- Tax rate unchanged below 15%
- EPS at CHF 11.90 (CHF 15.74 in 2021)
- Net profit excluding revaluation effect came to CHF 93.8 (CHF 41.3m in 2021)

# Solid capital structure and increased investment power

## Strong balance sheet – reduced financial debt – LTV of 21%

Balance Sheet (CHFm)	31.12.2022	Δ in %	31.12.2021	31.12.2020	31.12.2019
Cash and cash equivalents	4	-22.1	5	15	66
Properties portfolio	1'508	-13.1	1'735	1'490	1'438
<b>Total assets</b>	<b>1'597</b>	<b>-12.3</b>	<b>1'821</b>	<b>1'556</b>	<b>1'566</b>
Financial liabilities	319	-50.8	649	560	660
Deferred tax liabilities <sup>1)</sup>	143	-13.4	165	138	127
Shareholders' equity	1'070	+10.5	968	822	740

Debt structure (CHFm)	31.12.2022
Bonds	255
Private placement	0
Current bank loans (Credit lines used)	64
<b>Total Financial liabilities</b>	<b>319</b>

Credit lines unused (CHFm)	317
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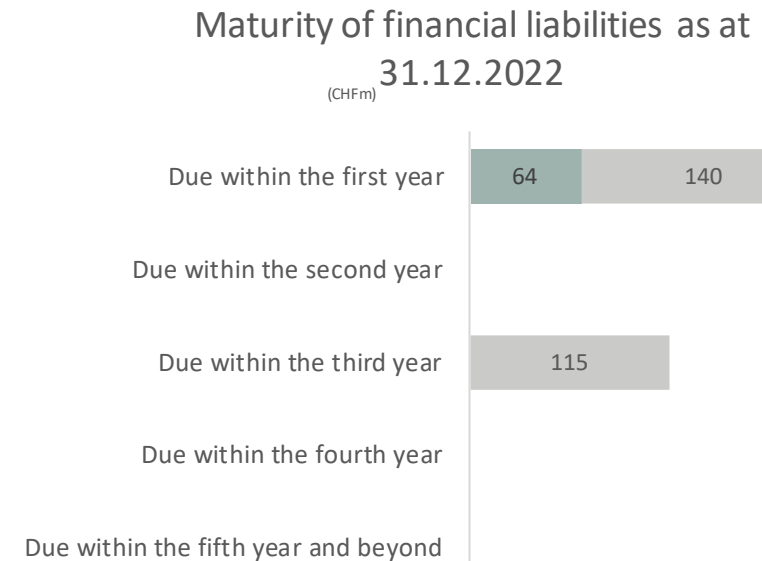
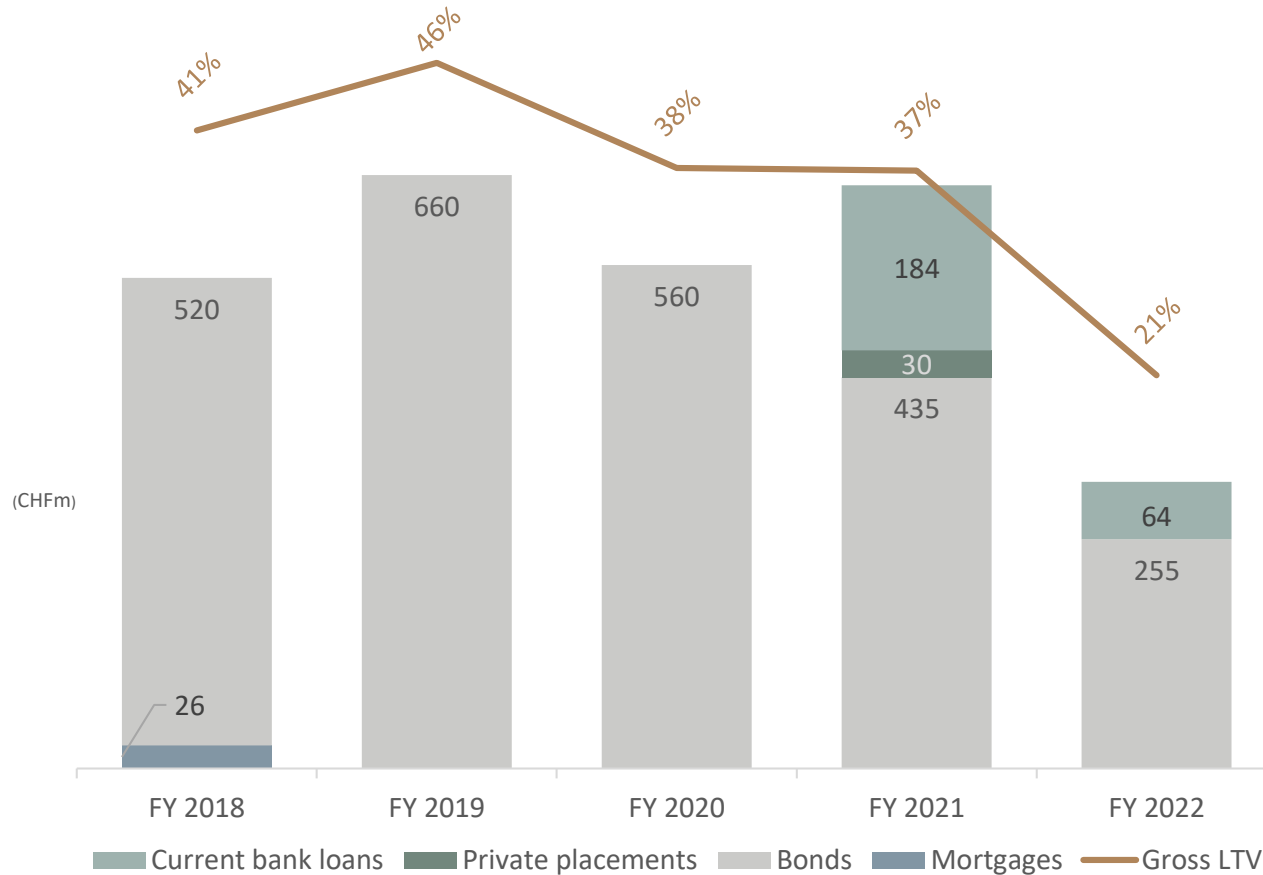
Gross LTV <sup>2)</sup>	21%	37%	38%	46%
Equity ratio	67%	53%	53%	47%
Average interest expense	0.36%	0.41%	0.53%	0.59%
Interest coverage ratio	68.7x	17.2x	18.2x	20.8x
Average maturity (in months)	13	14	17	26

(CHF)	31.12.2022
NAV per share	83.96

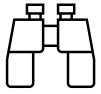
Note: (1) Not discounted. (2) Interest-bearing financial liabilities over property portfolio.

# Debt structure – no properties are pledged to secure available credit lines

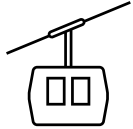
## Strategy of a low LTV of around 40% unchanged since IPO



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# ESG

## Responsible and sustainable action is anchored in the strategy

- Energetic consumption analysis monitored for the third consecutive year
- Focus on energetic renovations to improve CO<sup>2</sup> footprint of the buildings
- As of 2022 Investis is participating in SSREI (Swiss Sustainable Real Estate Index) contributing in promoting transparency and comparability in the Swiss real estate market
- Over 90% of the portfolio is residential and mostly in central locations
- 1.8% of the total property portfolio, 69 apartments in the City of Geneva, is rented to Hospice Général – the second single largest tenant (Social housing)
- Improving the comfort of the tenants through interior renovations

# Outlook 2023

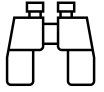
## Residential properties market in CH has solid fundamentals despite rising interest rates

- Demand for residential properties in prime Swiss locations will remain healthy and strong
  - Net migration into Switzerland and especially into the Lake Geneva region remains an important driver and is expected to further grow  
(+>81'000 for Switzerland in 2022 according to BfS, which corresponds to approx. 37'000 apartments needed)
  - The residential market is expected to be short of 50'000 apartments by 2026, especially in central locations (source: WP)
  - Construction activity continues to decline due to rising interest rates, long approval procedures
- Manage the portfolio through targeted acquisitions
- Real Estate Services to be further developed with a consolidation of margins as well as further push on digitalisation
- Low debt, strong balance sheet, aiming at low funding costs

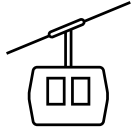
# Why to invest in INVESTIS?

- Quality of the portfolio with well-maintained properties
- Largest listed residential property owner in the undersupplied Lake Geneva region
  - sustained demand, high return, low vacancies
  - continuous rent potential of +10%
  - low exposure in commercial properties → lower cyclical
- High barriers of entry for new market players in Investis' key markets
- Leading position in the Real Estate Services business across Switzerland
  - diversified business model with a focus on recurring, contract-based revenues
- Solid balance sheet – conservative financing – increased investment power
- Earned dividend with operating cashflow
- Experienced and proven management

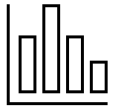
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INVESTIS

REAL ESTATE GROUP

THANK YOU FOR YOUR ATTENTION



Investis Group is a leading Swiss residential property company in the Lake Geneva region and a national Real Estate Services provider

## Strategy and investment policy



- Focus on residential properties in GE and VD
- Buy and hold
- Growth through realisation of rent potential
- Expansion of portfolio through targeted acquisitions
- Continuous reduction on developments

- Profitable revenue growth in both activities
- Focus on institutional clients
- In PM: – Focus on national recurring services
- In FS: – Growth through organic and targeted bolt-on acquisitions

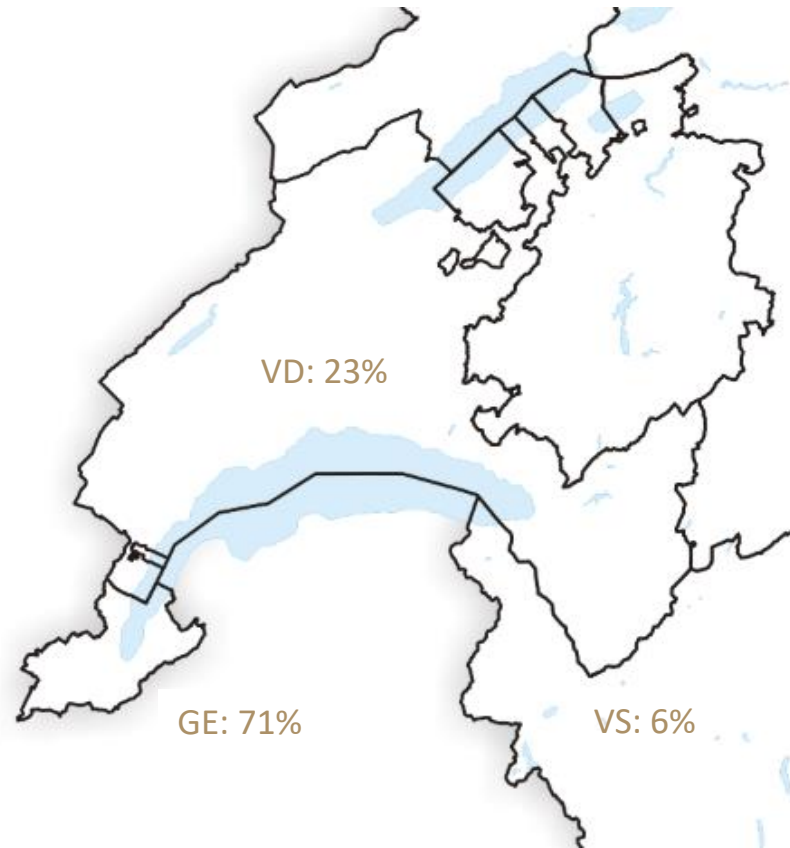
# Fundamental business strengths

## Value proposition

PROPERTIES	REAL ESTATE SERVICES
Pure Swiss player	
Stable financing and financial flexibility to take advantage of market opportunities	
Established position with high barriers to entry and differentiated success factors	
Highly entrepreneurial management with a track record of value creating growth	
Attractive and stable return profile	
Largest listed residential portfolio in the Swiss market	Nationwide service with own local offices in both activities
Robust and well-maintained portfolio focused on the Lake Geneva region – first class location quality	Top-tier Property Management activity with largest diversified customer base of institutional clients
Low vacancy rates	Leading Facility Services activities
Value creation through execution on rent upside potential	Digitalisation leads to greater efficiency – enhanced quality and innovative products

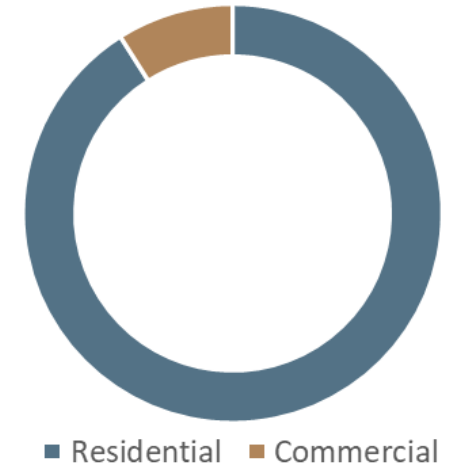
# Very focused and attractive portfolio around the Lake Geneva

Strategy buy and hold – continuous realisation of rent upside potential



Focus is on:

- Residential
  - 93% Residential
  - 7% Commercial
- Lake Geneva region
- Middle segment (no luxury apartments)
- Low vacancy rates

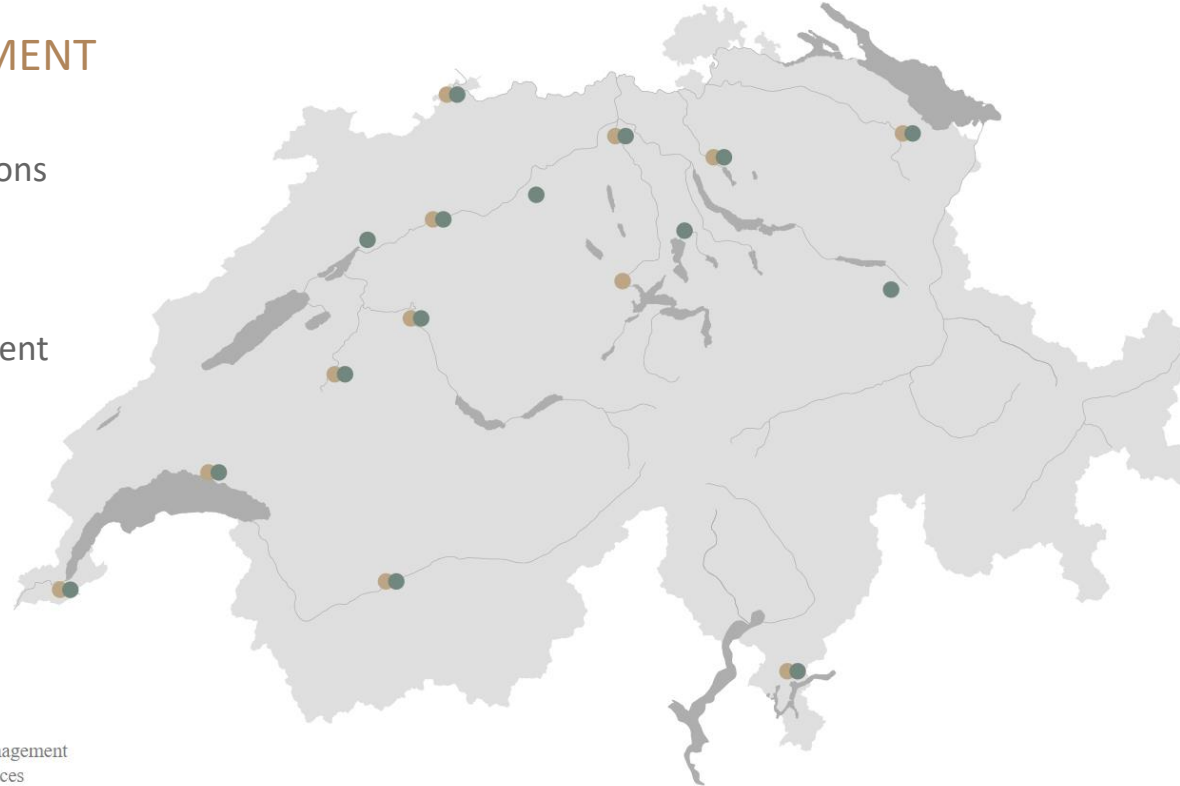


# Real Estate Services: active nationwide with well-known brands

## Focus on two Activities and two national brands for

### PROPERTY MANAGEMENT

- Property management
- Co-ownership associations
- Center management
- Letting management
- Brokerage
- Construction management



● Property Management  
● Facility Services

### FACILITY SERVICES

- Caretaking services
- Cleaning services
- Building technology
- Technical services
- Concierge services
- Façade cleaning
- Clean room competence center
- Asbestos analysis





# Property Management – focused on recurring contracts

## WHO WE ARE



Independent real estate services provider



Everything from one source



Active across Switzerland



Covering the life cycle of a property

## FACTS AND FIGURES



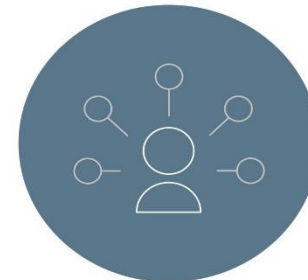
12 sites



400 FTE



30 years of experience



5 business lines

**PRIVERA**  
For spaces and people

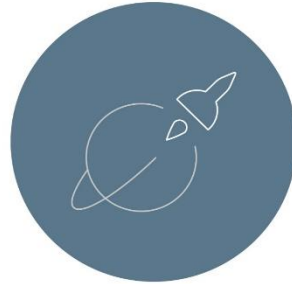


# Facility Services – hauswartprofis/conciergepro ....

## WHO WE ARE



Independent facility services provider



Future-oriented systems



Active across Switzerland



Competent staff



## FACTS AND FIGURES



13 sites



550 FTE



32 years of experience



Over 2,000 properties



# Facility Services – rohr ag ....

## WHO WE ARE



Brand promise  
“guaranteed clean”



Maintenance cleaning and  
cleaning of windows, facades  
and cleanrooms



Active throughout  
Switzerland

## FACTS AND FIGURES



8 sites



420 FTE



92 years of experience

**rohr ag**  
*garantiert sauber.*

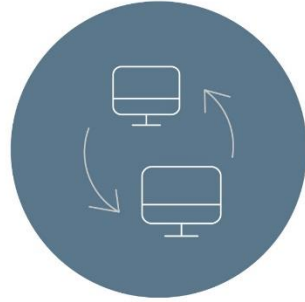


# Facility Services – home service ....

## WHO WE ARE



Experienced facility services provider



Digitalised processes



Active in the canton of Zurich and North East Switzerland



Committed employees



## FACTS AND FIGURES



3 sites



130 FTE



> 35 years of experience



> 2,400 properties

# Facility Services – analysis<sup>LAB</sup>

## WHO WE ARE



Specialist for the analysis of building pollutants in all sorts of matrices and in the air



Swiss leader



Active across Switzerland



Swiss accreditation

## FACTS AND FIGURES



3 main laboratories  
8 further locations  
3 partner laboratories



22 FTE



6 business lines

analysis<sup>LAB</sup>

# Facility Services – aatest

## WHO WE ARE



Specialist with > 30 years of experience with asbestos



Diagnostic technician for building pollutants



Experts in microscopy and building materials



Swiss accreditation

**aatest**  
Asbest Analysen

## FACTS AND FIGURES



One site



4 special workstations

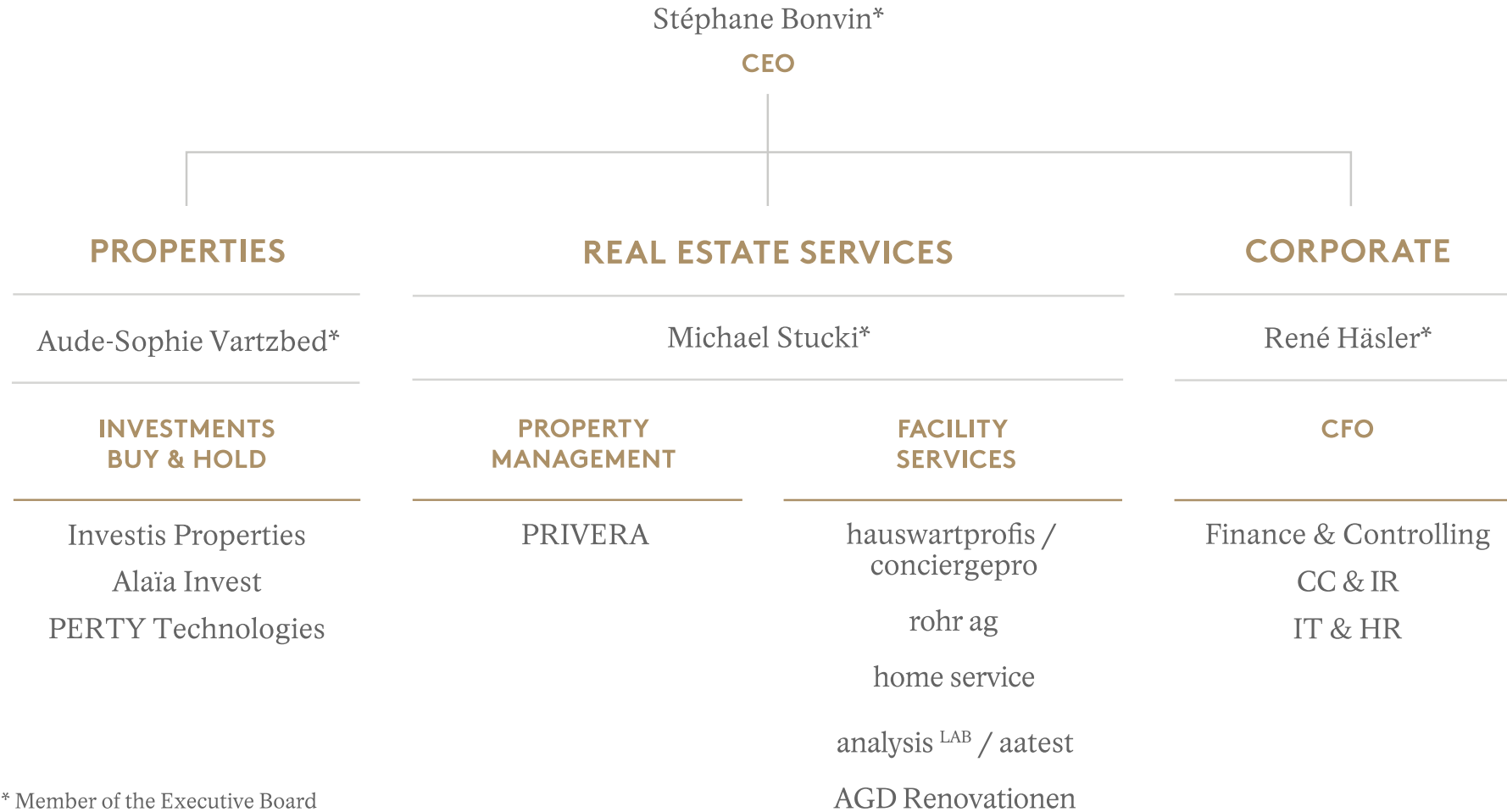


3 light microscopes and 1 electron microscope



5 FTE

# Organisation





INVESTIS

REAL ESTATE GROUP

THANK YOU FOR YOUR ATTENTION

