

Investis Holding SA

FULL-YEAR 2017 RESULTS

IR-PRESENTATION – 21 MARCH 2018

INVESTIS
REAL ESTATE GROUP



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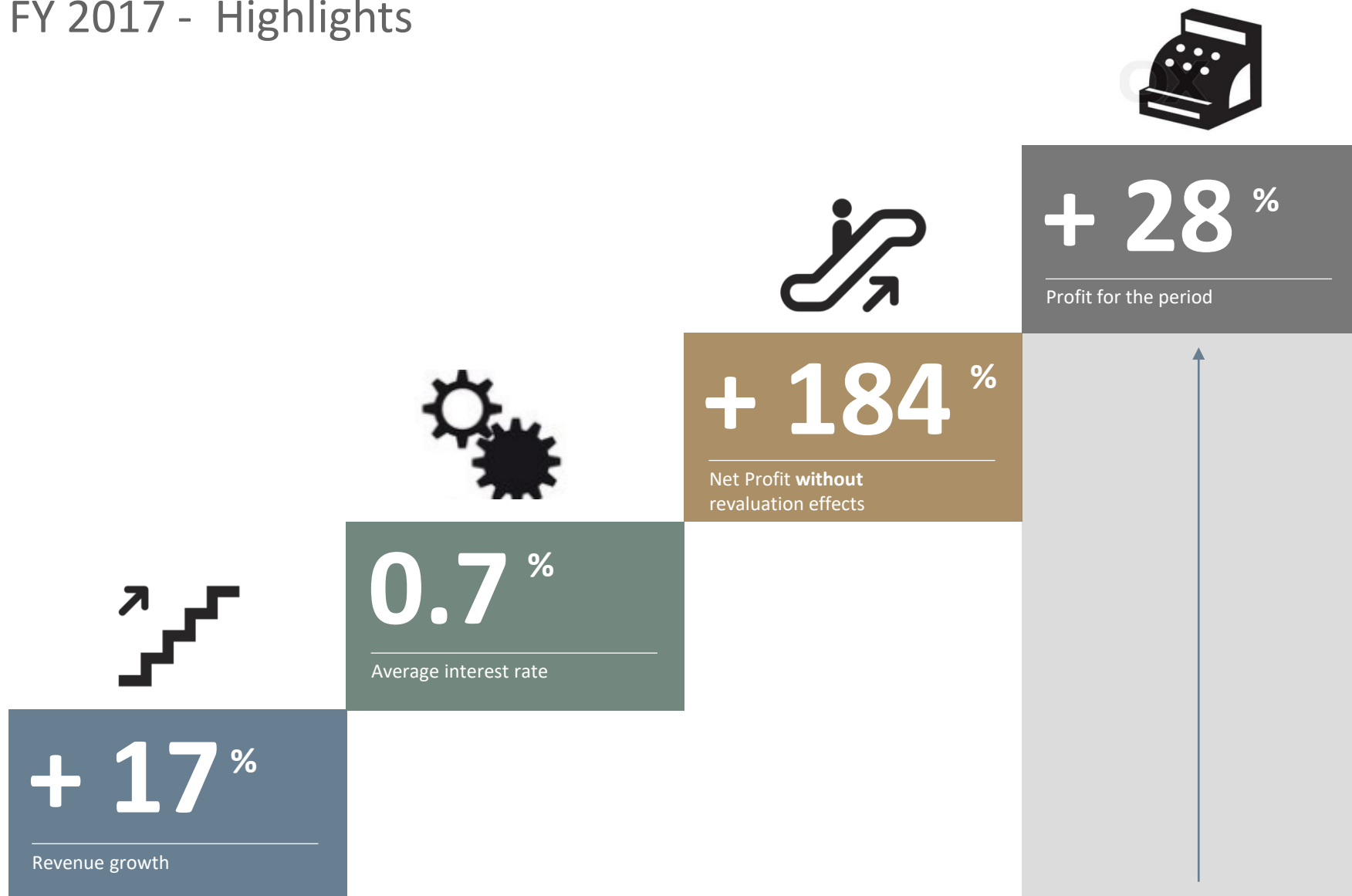
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Agenda

- Highlights on Group performance and market overview
- Details on the performance for the full year 2017 and outlook
- Appendix



FY 2017 - Highlights

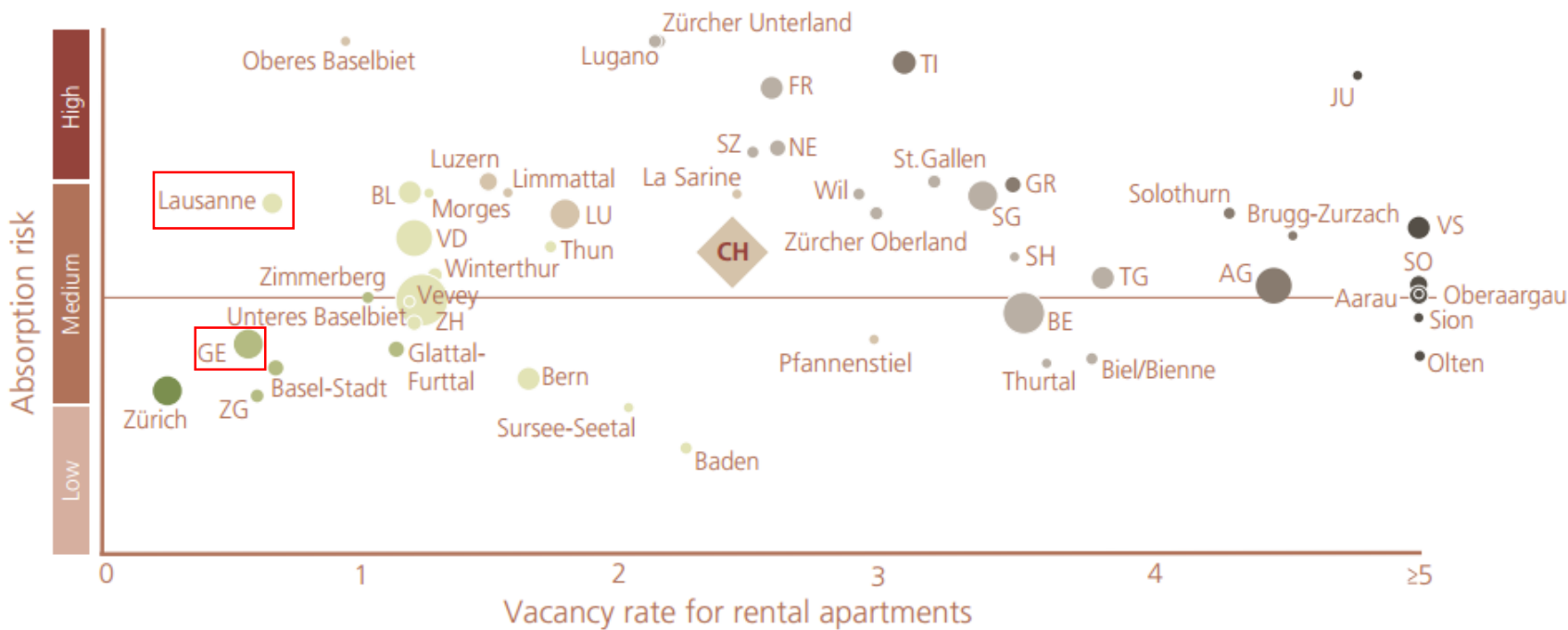


On track to achieve mid-term targets for 2019

- Properties: annualised rental income > CHF 50m
- Real Estate Services: high-single-digit EBIT margin
- Financing: through unsecured senior debt

Real Estate Market in Lake Geneva Region remains top tier

Vacancy rate for rental apartments¹ (2017) and absorption risk² (4Q 2017) by canton (abbreviation) or population mobility region, in %



Leasing risk

Low ● ● ● ● ● ● ● High

●●●● Population size

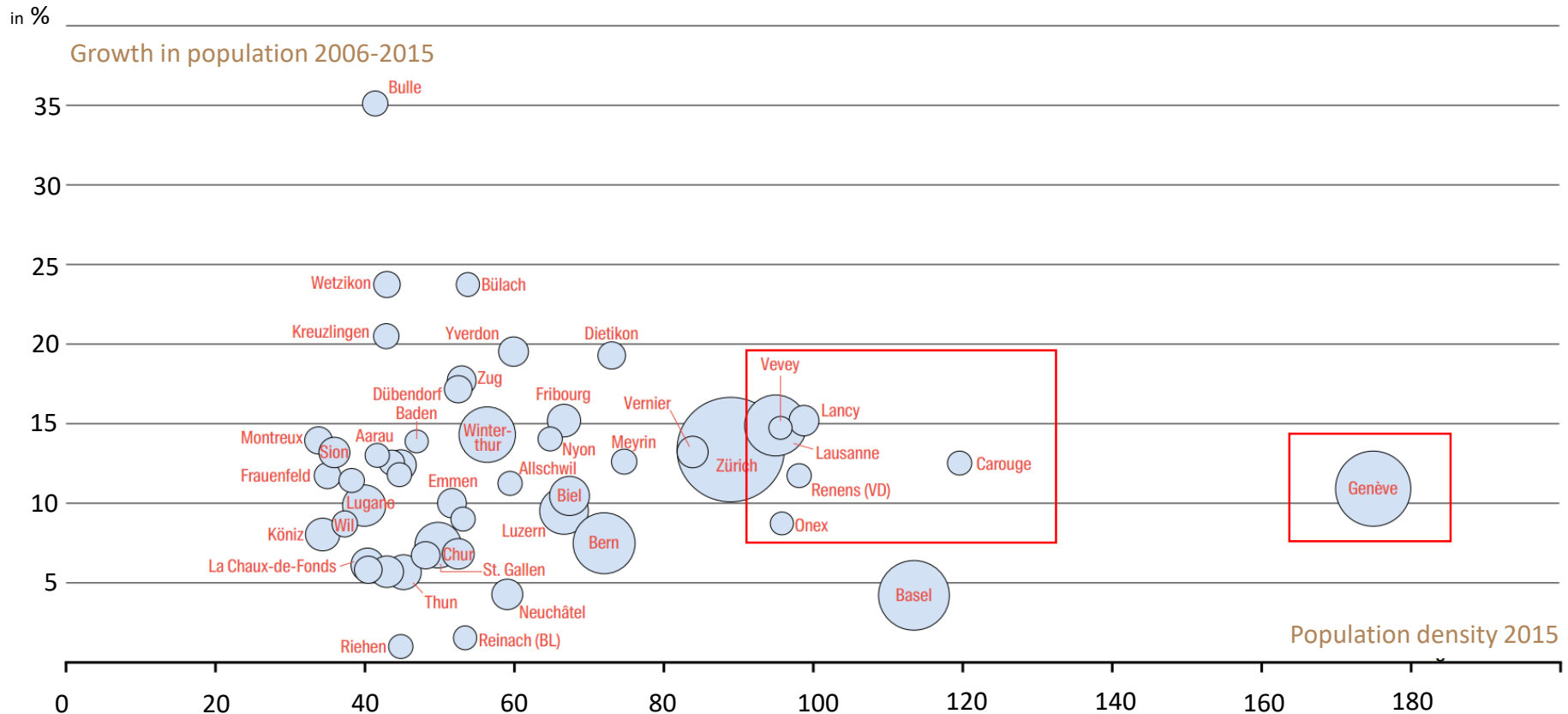
¹ Vacancy rate for rental apartments based on UBS estimates of rental housing stock

² The absorption risk compares growth in the housing stock (supply) with population growth (potential demand) and indicates whether too much or too little is being built on a regional basis. The increase in supply is determined from the number of building permits requested and issued in the last five to six quarters. Potential growth is estimated based on the past three years of population growth.

Source: UBS Real Estate Focus 2018

Real Estate Market in Lake Geneva Region remains top tier

The 50 most populous municipalities in Switzerland: Growth in population (2006-2015) and population density (number of residents per hectare of settlement area, 2015)



The surface of the circles are proportional to the number of inhabitants.

Source: WüestPartner

Highlights on Lake Geneva Real Estate Market

High demand persistent for affordable apartments in City Centre

- Continuing positive immigration
 - On Swiss level +53,221 in 2017 vs +60,262 in 2016
 - For Geneva +2,738 in 2017 vs +1,360 in 2016
- 2,169 new apartments built in Geneva +1% to a total of 231,573 apartments
- Focused demand on reasonably priced rental units ongoing high in Lausanne and Geneva
- Geneva/Lausanne: constant undersupply due to
 - Limited construction activity
 - Scarce free building land for Geneva particularly
 - Higher share of renting vs ownership
- Over demand of rental units in big city centres in Switzerland i.e. Geneva and Lausanne among others

Main achievements since IPO

▪ Development of the property portfolio

- Portfolio value up 28% since IPO to CHF 1.1 bln
- CHF 317¹⁾ invested since 30.6.2016
- Annualised full occupancy property rent increased to > CHF 55m from CHF 42m (June 2016)
- Revaluation gains: 2016: CHF 47m / 2017: CHF 25m
- Construction started at development sites in Hérémece and Saanen

▪ Development of the Services Segment

- Substantial improvement of EBIT margin from 2.9% in 2016 to 5.3% for 2017
- Growth of the Rents-under-Management by CHF 300m to CHF 1.68bln (in PM)
- Successful acquisition and integration of Hauswartprofis (in FS)
- Decision and execution of withdrawal from Construction Management as General Contractor

▪ Debt restructuring away from mortgages towards unsecured senior debt – Lowering financing interest rate substantially from 2% to 0.7%

▪ Strategic investments in digitalisation – various participations in start-ups

¹⁾ includes purchases until February 2018

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Main developments in 2017

▪ Investis Group:

- Top line growth by +17%, mainly driven by organic growth, investments in Properties and acquisitions in Facility Services
- Substantial improvement of operating performance; EBITDA before revaluations/disposals +30%
- Further reduction of mortgage exposure
- Net profit up by 28% to CHF 57.6m (PY: CHF 45.1m)
- Net profit without revaluation effects up by 184% to CHF 26.8m (PY: CHF 9.4m)

▪ Properties

- Portfolio value increased to CHF 1.1 bln – 88% residential
- Like-for-like rental growth of 1.9%
- Unchanged underlying occupancy rate at 99%

▪ Real Estate Services

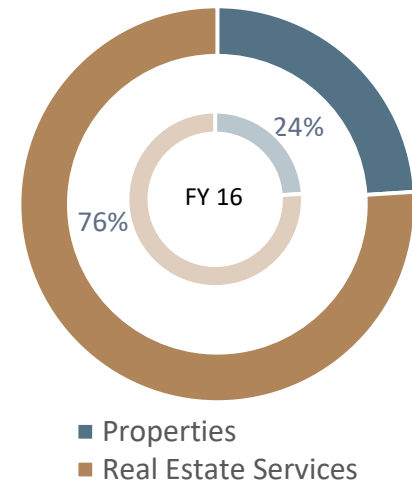
- EBIT margin noticeably improved to 5.3% for FY (PY 2.9%); EBIT margin of 5.6% in H2 2017
- Rents-under-Management +7% to CHF 1.68 bln

Investis Group: Solid performance in Properties – substantial operating profit improvement in Services

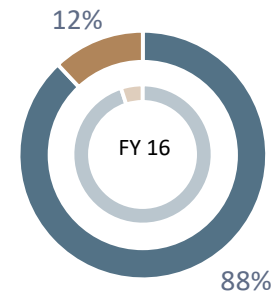
(CHFm)	FY 17	FY 16	Δ in %
Revenue	190.0	161.9	+17.3
EBITDA before revaluation/disposals	37.3	28.7	+30.0
Income from revaluations	25.0	46.6	-46.4
EBIT	60.9	76.4	-20.3
Net financial expenses	-3.4	-17.7	+80.6
Income taxes	0.2	-13.6	n/a
Net Profit	57.6	45.1	+27.8
<i>Net Profit excluding revaluation effects</i>	26.8	9.4	+184.4

- Headcount 1,420 as per 31.12.2017, FTE 1,143 (avg of the period)

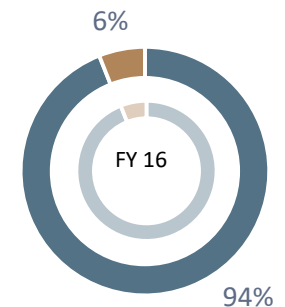
FY 2017 Revenues



FY 2017 EBIT

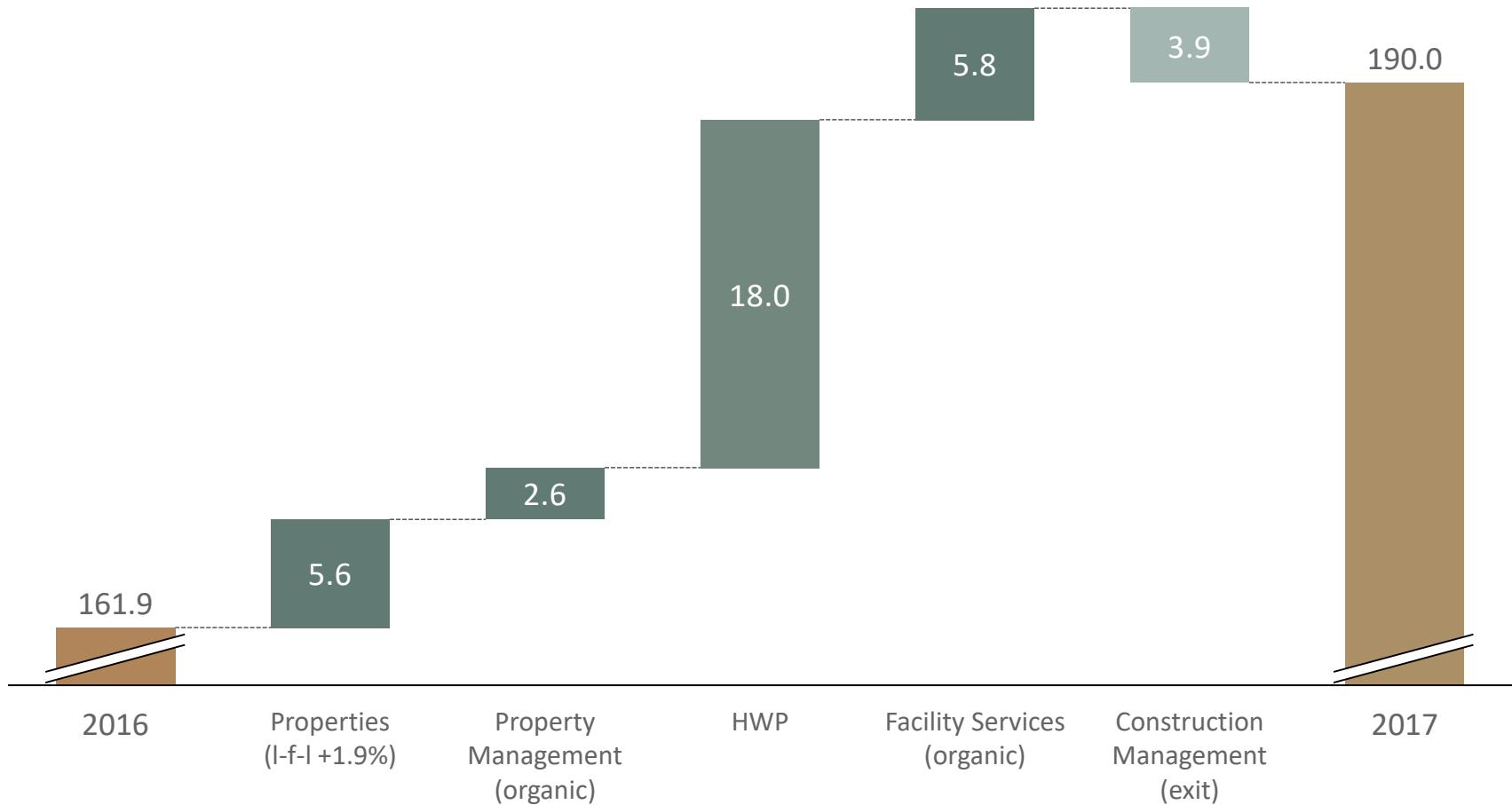


FY 2017 Invested Capital

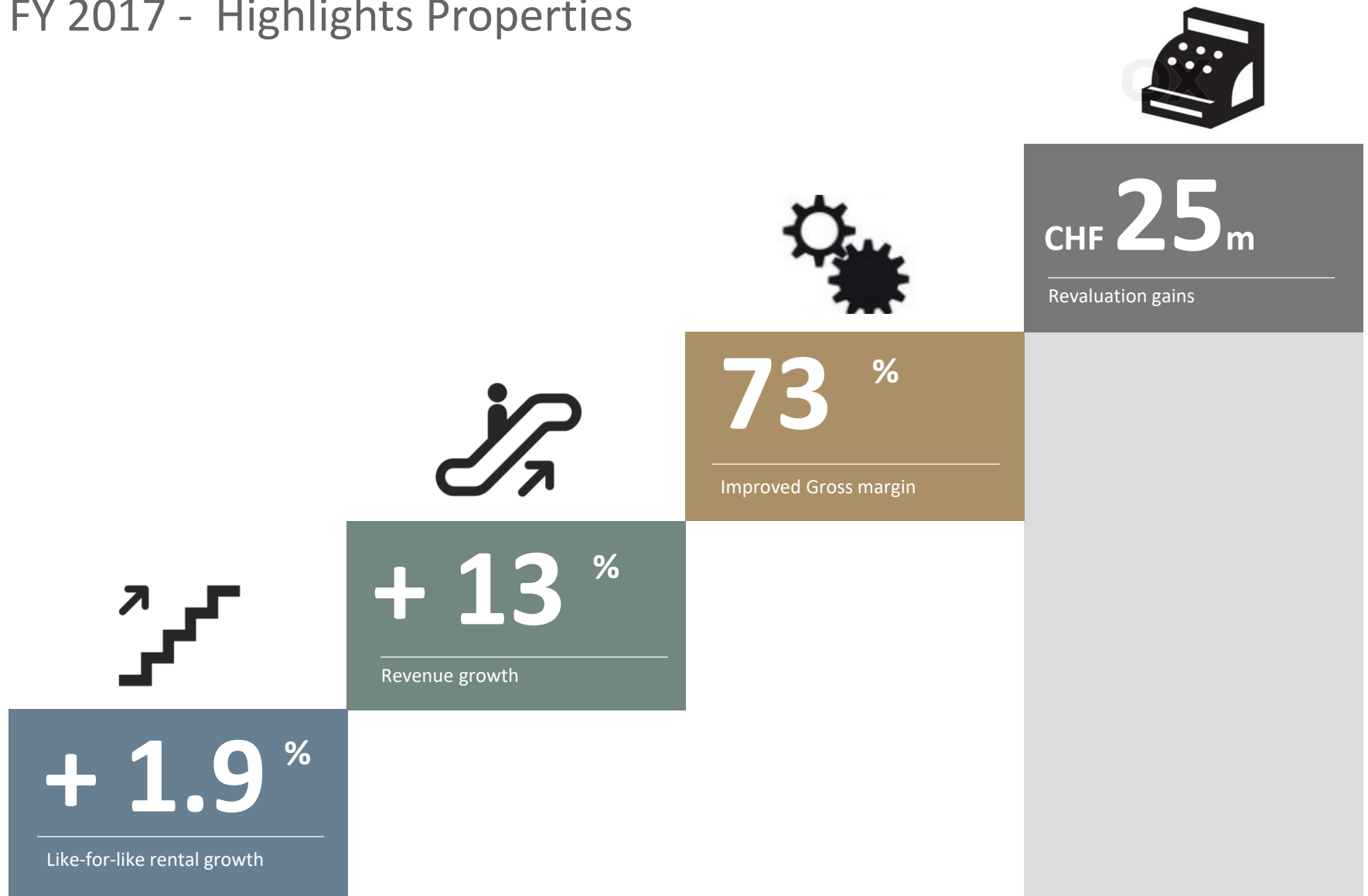


Top line driven by organic growth and acquisitions

(CHFm)



FY 2017 - Highlights Properties

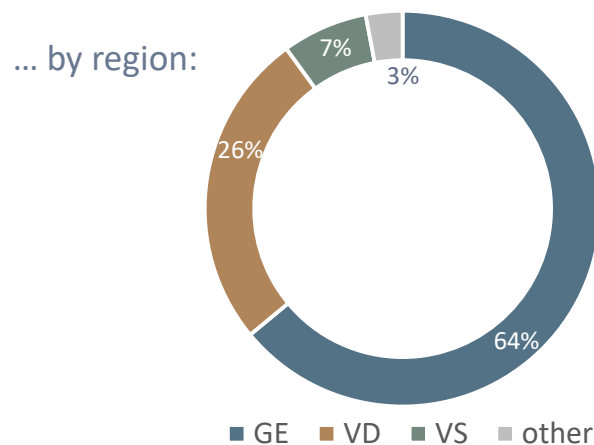
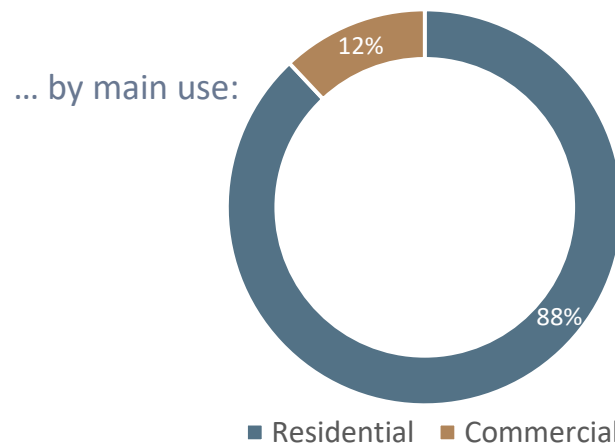


Substantial increase in rental income

(CHFm)	FY 17	FY 16	Δ%
Revenue from letting of properties	47.5	41.9	+13.5
EBITDA before revaluations/disposals	32.4	27.3	+18.7
Revaluations & disposals	25.6	49.6	-48.3
EBIT	58.0	76.7	-24.3

- Improved GoP margin to 73% (vs 70%) as a result of a double digit top line growth coupled with lower growth of cost base
- 139 buildings – 2,508 middle-income residential units
- CHF 131m invested into the portfolio, including additional properties
- Like-for-like rental growth of 1.9% (PY 1.1%)
- Annualised full occupancy property rent at CHF 51.5m (PY CHF 46.9m)
- Vacancy rate 3.5% (PY 3.7%)
- Average real discount rate at 3.62% (PY 3.71%) according to Wüest Partner (nominal discount rate +0.5%)
- No exposure to properties in the luxury segment

Property Portfolio 139 properties – 2,508 residential units



Properties: Adding value by expanding the portfolio

A robust, large and

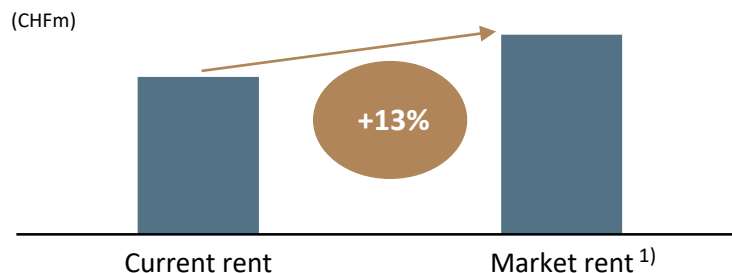
90% located in the wealthy and stable Lake Geneva region

88% share of residential

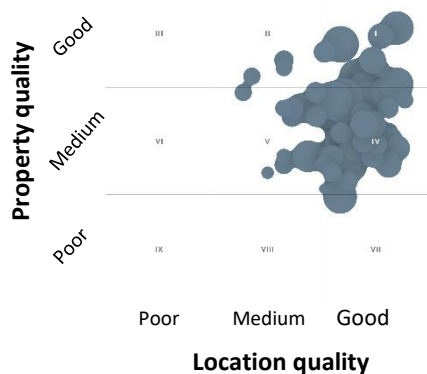
99% underlying occupancy
(96.5% including renovation and strategic vacancies)

Efficient management out of own offices

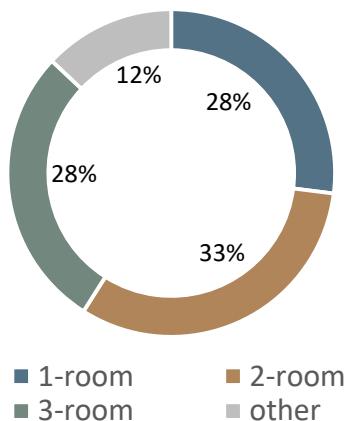
Rent potential based on Wüest Partner appraisal



.... high quality portfolio ¹⁾



Apartment type ²⁾



77% of rental income indexed with annual adjustment to the Swiss Consumer Price Index

10% tenant turnover representing opportunities to increase rents to market level

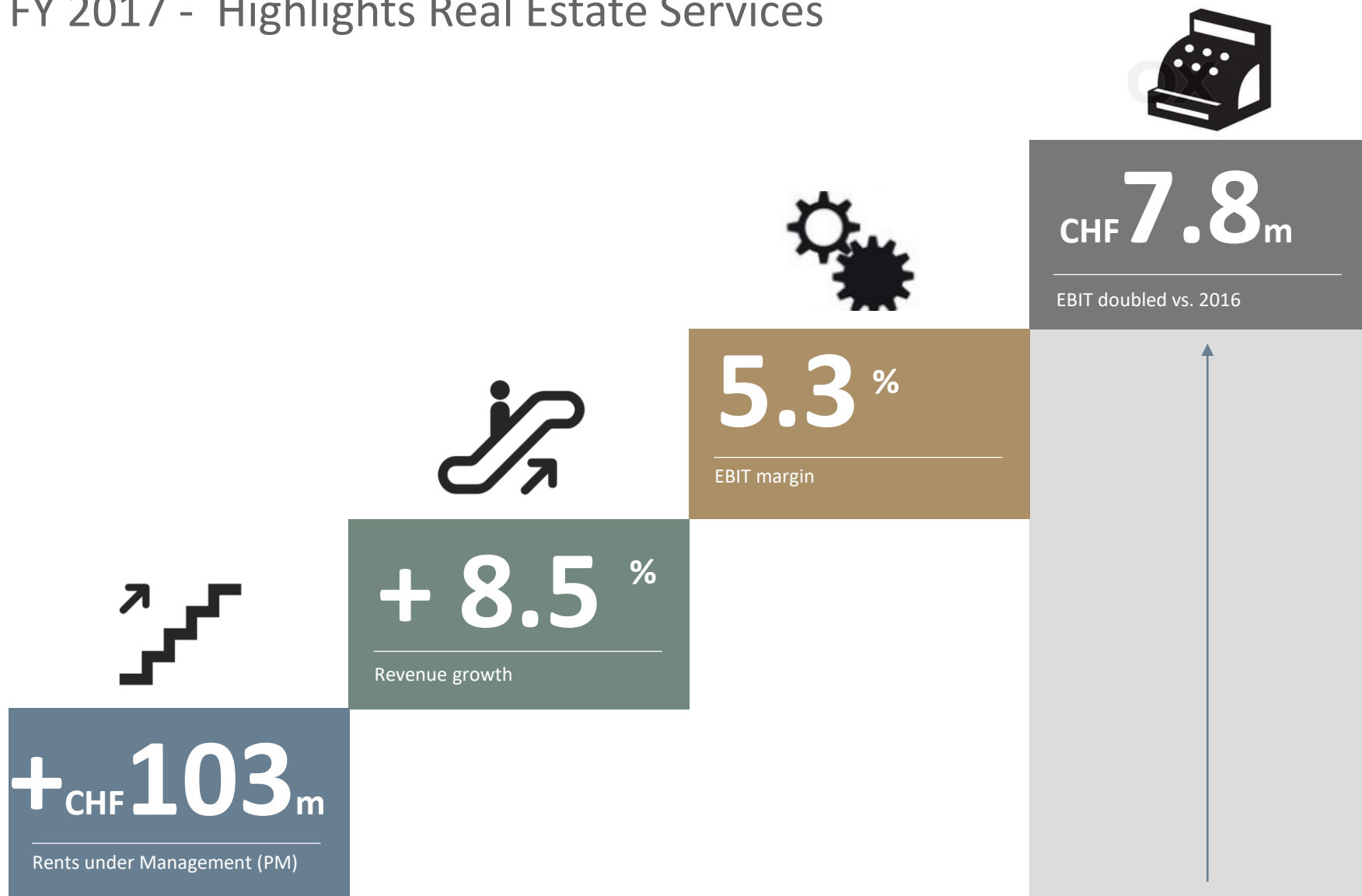
1-2% yearly like-for-like rental growth

Note:

¹⁾ Based on Wüest Partner appraisal FY 2017

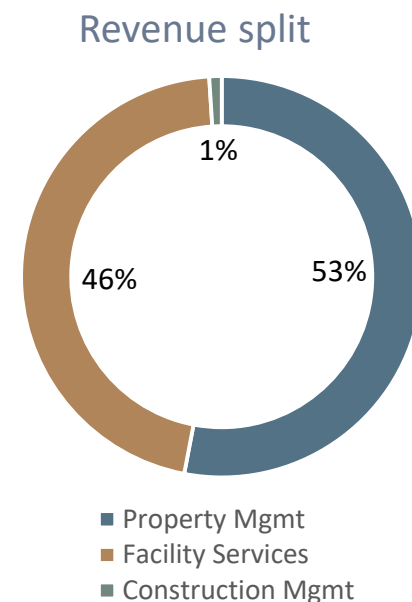
²⁾ Based on number of apartments. In the canton of Geneva the kitchen is considered as one room whilst it is not in other cantons. To allow for a comparison, the figures for the canton of Geneva have been adjusted to the system of calculation prevalent in other cantons.

FY 2017 - Highlights Real Estate Services



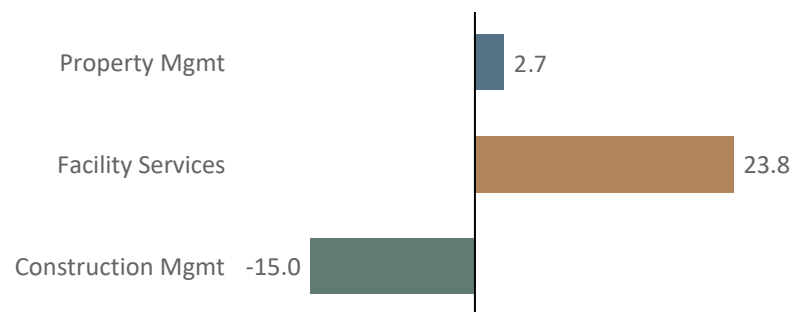
Real Estate Services – developments above expectations in 2nd HY

(CHFm)	FY 17	FY 16	Δ%
Revenue	147.6	136.1	+8.5
Direct expenses	-14.2	-25.3	+44.0
Personnel expenses	-101.9	-86.4	-18.0
EBIT	7.8	3.9	+101.3
EBIT margin	5.3%	2.9%	



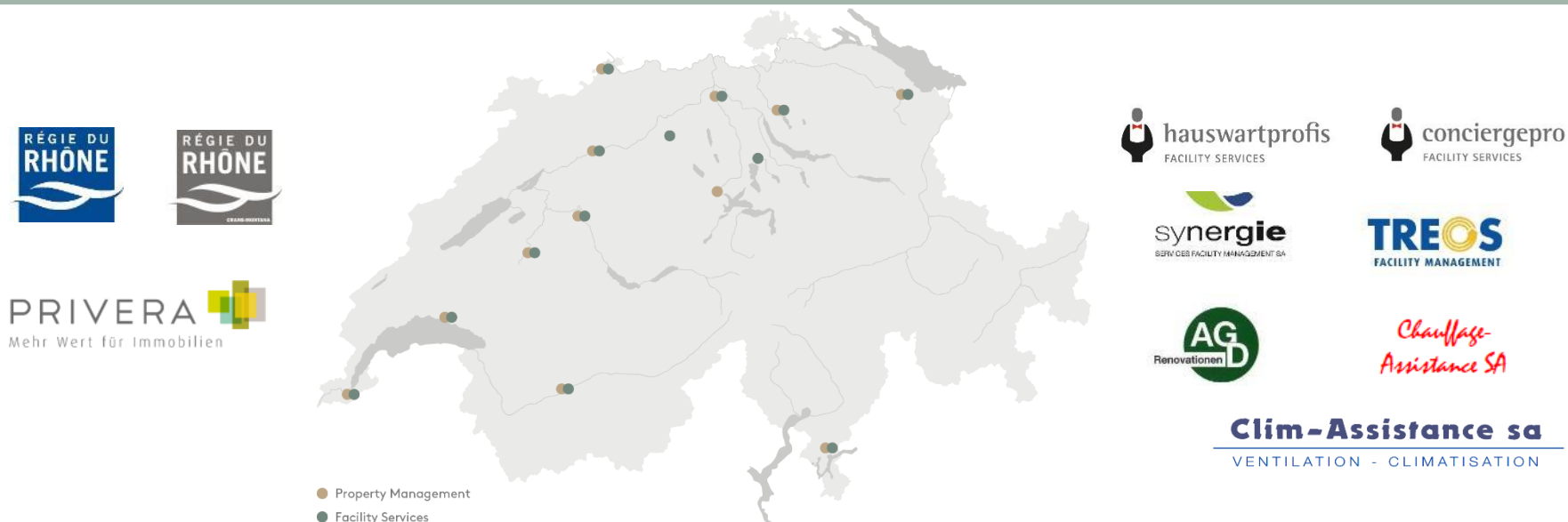
- Successful year in Property Management
 - Rents under Management further increased to CHF 1.68 bln (vs CHF 1.58 bln as at 31.12.2016)
- HWP acquisition positively impacted top line and profitability
- Withdrawal from Construction Management (CM) as general contractor made its top line share reduced to 1% (prior year 14%)
 - In return considerable decrease in direct expenses
 - Substantially reduced risk profile
- Sizeable improvement in EBIT margin to 5.3%
- Average FTEs 1,126 (vs 889 in prior year; up 26.7%)

A combined growth (in CHFm):



Real Estate Services active nationwide with well-known local brands

Focus on two activities: Property Management and Facility Services



Property Management

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

Facility Services

- Caretaking services
- Management services
- Cleaning services
- Building technology
- Concepts
- Project management
- Concierge services

Investis Group: Considerable lower interest expenses and partial reversal of deferred taxes

(CHFm)	FY 17	FY 16	Δ%
EBIT	60.9	76.4	-20.3
Financial income	0.6	2.0	-68.3
Financial expenses	-4.1	-19.7	-79.4
EBT	57.4	58.7	-2.1
Income taxes	0.2	-13.6	+101.3
Income tax rate	0%	23%	
Net profit	57.6	45.1	+27.8
<i>Net Profit excluding revaluation effects</i>	26.8	9.4	+184.4

- Substantial decrease of average interest rate to 0.7% (from 2.0% in 2016)
 - Exit from mortgages and interest derivatives
- Partial reversal of deferred taxes – lower tax rate in VD
 - Lower actual tax rate in Canton VD
 - Early implementation of tax reform in Canton VD as per 1.1.2019; tax rate 13.79%
- Net profit improved by 28%
- EPS at CHF 4.49 (PY 3.88)
- Intended distribution per share in accordance with the proposal to the AGM of 20 April 2018
 - Gross dividend CHF 2.35
 - Dividend yield 3.8%
 - Payout ratio 52%

Change in financing strategy – sound Balance Sheet prevails

Balance Sheet (CHFm)	31.12.17	31.12.16	$\Delta\%$
Cash and cash equivalents	51	53	-4.5
Properties portfolio	1,121	981	+14.3
Total assets	1,238	1,100	+12.6
Financial liabilities	446	338	+32.2
<i>Gross LTV ¹⁾</i>	<i>39%</i>	<i>33%</i>	
Deferred tax liabilities ²⁾	155	146	+6.5
Shareholders equity	569	558	+2.1
<i>Equity ratio</i>	<i>46%</i>	<i>51%</i>	

- Property Portfolio value +31% since IPO
- Mortgages to be replaced by unsecured senior debt financing (i.e. no preferred bank debts (mortgages))
 - 1st Bond (CHF 100m / Coupon 0.55% / Tenor 5y) maturing in Nov 2021
 - 2nd Bond (CHF 140m / Coupon 0.25% / Tenor 2y) maturing in Feb 2019
 - 3rd Bond (CHF 180m / Coupon 0.75% / Tenor 5y) maturing in Oct 2022
- Release of CHF 1.5m in H1 and CHF 10.8m in H2 deferred taxes as announced due to newly adopted tax regime in VD
- NAV per share CHF 44.38
- NAV per share CHF 55.91 excl. deferred taxes with regard to properties
- Outstanding shares 12.8m
- Nominal value per share CHF 0.10

Note: (1) Interest bearing financial debt over investment properties.
 (2) Not discounted, not active in cantons with tax on property gains

Outlook – mid-term targets 2019 confirmed

Post Closing Events

- Acquisition of a portfolio in GE for CHF 108m as published

For the Mid-term 2019

- Targets confirmed:
 - Properties: annualised rental income > CHF 50m
 - Real Estate Services: High single digit EBIT margin
 - Financing: through unsecured senior debt

Outlook – AGM 20 April 2018

Board of Directors

- All Board Members to stand for re-election

Dividend

- Distribution from statutory capital contribution reserves of CHF 2.35 per registered share or CHF 30.08 million recommended to shareholders
 - Free of withholding tax
 - Ex-date 24 April 2018
 - Value date 26 April 2018

Conditional Capital

- Proposal to create conditional share capital in the amount of CHF 128,000 divided into 1,280,000 registered shares with a par value of CHF 0.10 each in order to have the option to issue bonds or similar debt instruments with conversion rights and/or warrants

A compelling investment case for investors – why invest in INVESTIS?

VALUE PROPOSITION

PROPERTIES	REAL ESTATE SERVICES
Pure Swiss Player	
Largest listed residential portfolio in the Swiss market	Nation wide service with own local offices
Robust and well maintained portfolio focused on the Lake Geneva region	Top-tier Property Management activity with largest diversified customer base of institutional clients
Low vacancy rates	Wide range of Facility Services; Caretaking, Cleaning and management services, Building technology, Concierge services, Project management and concepts (i.e. Safety and evacuation concepts, black-out /fire control tests)
Value creation through execution on rent upside potential	Digitalisation leads to greater efficiency – enhanced quality and innovative products
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 creative growth	
Attractive and stable return profile – high dividend	

Q&A



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Major development projects are:

Héremence

Time of construction: 2016-2026

Total costs: CHF 90m (current project)

Land size: 25'088 m²

To be built: 1 Hotel (60 rooms)

1 Spa area (approx. 3'300 m²)

5 Chalets (individual)

7 buildings with 99 apartments to be sold
individually or en bloc

Ownership: Investis with a majority of 75%



Saanen

Time of construction: 2017-2019

Total costs: CHF 22m (current project)

Land size: 2'346 m²

To be built: 3 Chalets with 18 condos and 5 shops to be sold



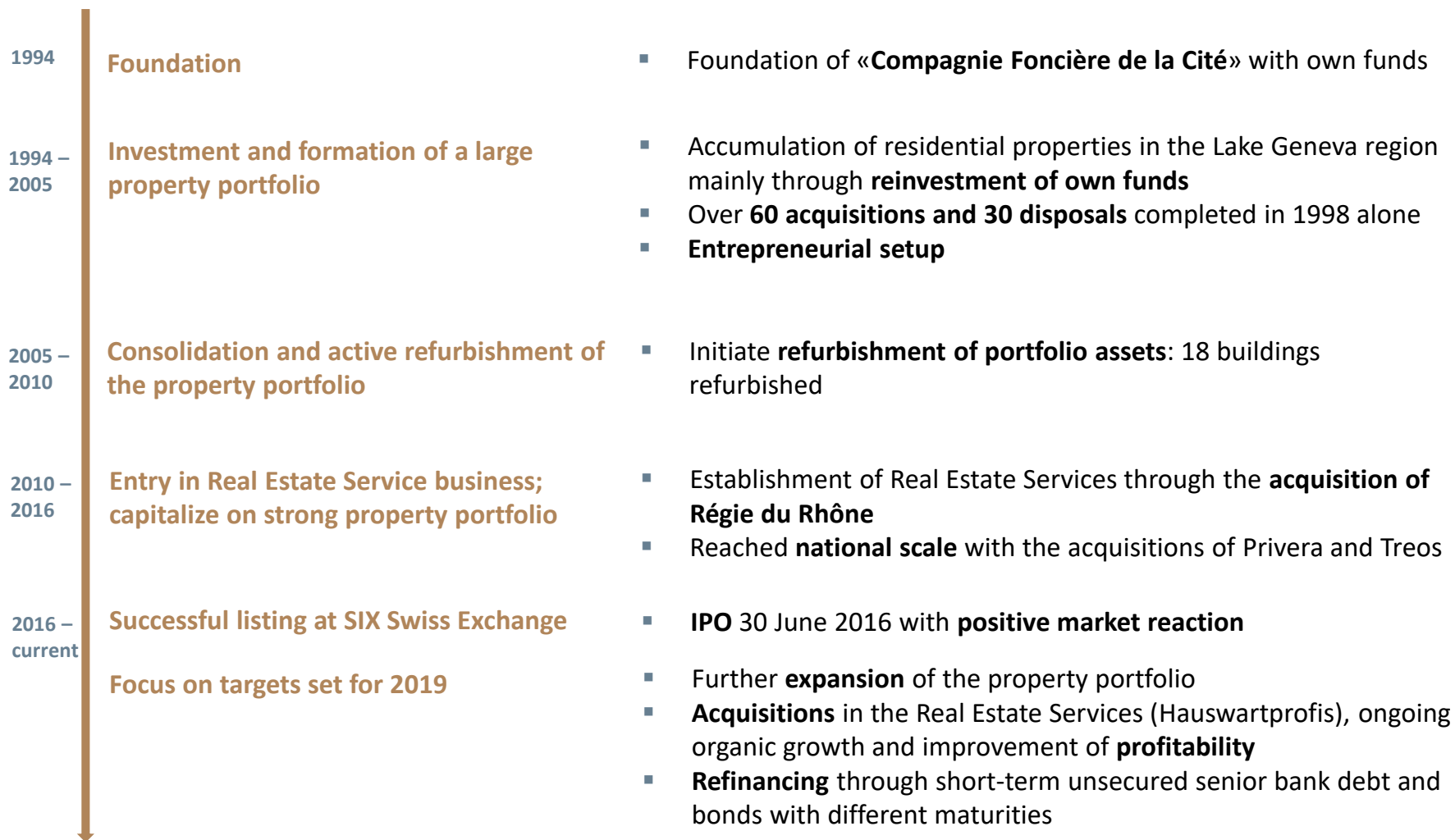
Investis Group is a leading Swiss residential property company in the Lake Geneva region and a national real estate services provider



STRATEGY AND INVESTMENT POLICY

- Continuation of the buy-and-hold strategy through selected investments in the properties segment
- Preservation and increase of portfolio values through active portfolio management
- Income growth through a broad range of Real Estate Services across Switzerland
- Greater efficiency and enhanced quality through digitalization
- Solid financing strategy with a sound capital base

Investis Group has been an entrepreneurial business since 1994



Entrepreneurial Management

Board of Directors



Riccardo Boscardin
Chairman
Independent member
Member of the Audit and
Compensation Committee



Albert Baehny
Vice-Chairman
Independent member
Chairman of the Compensation
Committee



Thomas Vettiger
Independent member
Chairman of the Audit Committee



Stéphane Bonvin
Executive member

Executive Board



Stéphane Bonvin
CEO Investis Group
Head of Properties



René Häsler
CFO Investis Group

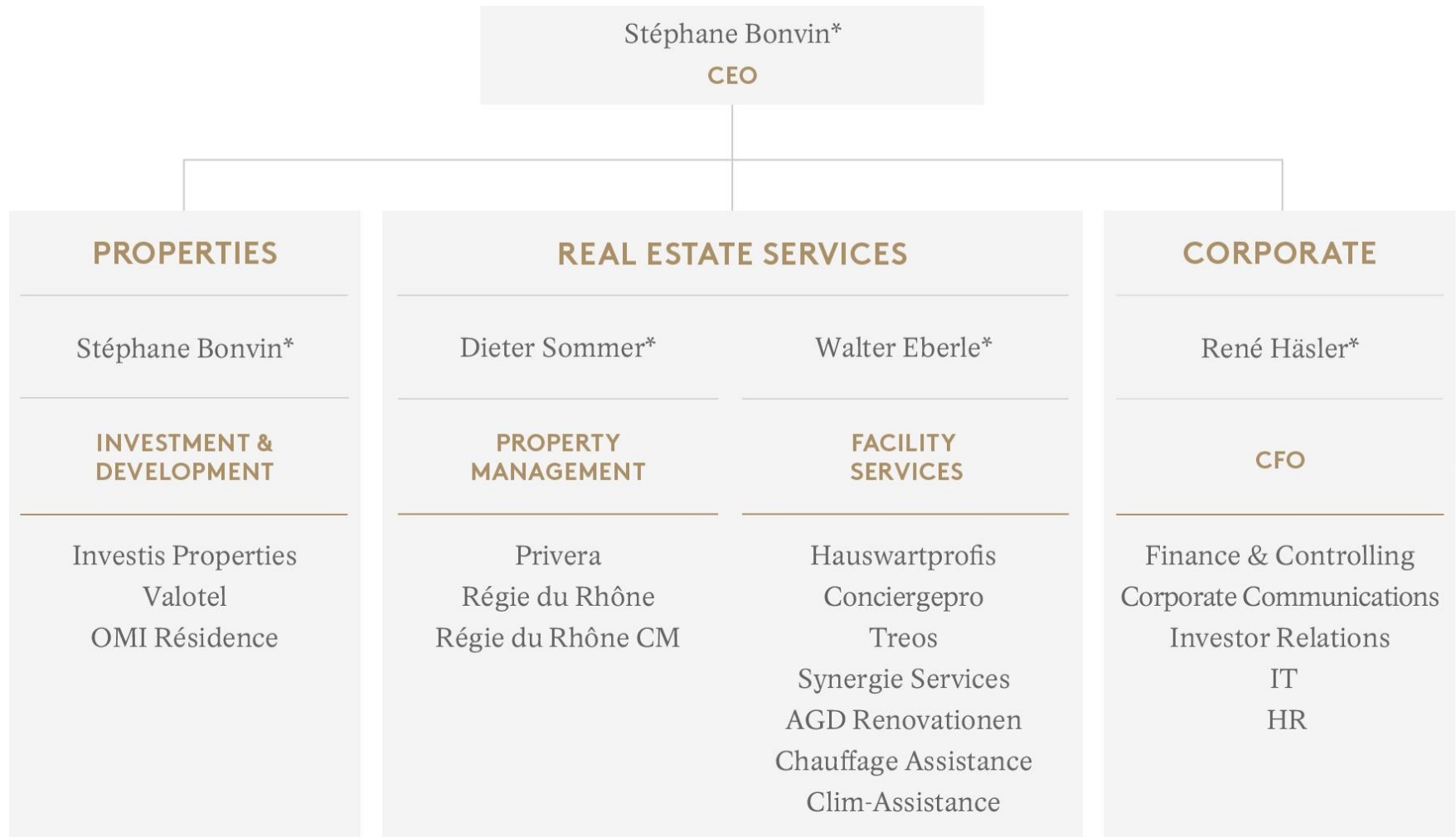


Dieter Sommer
Head Property Management



Walter Eberle
Head Facility Services

Organisation

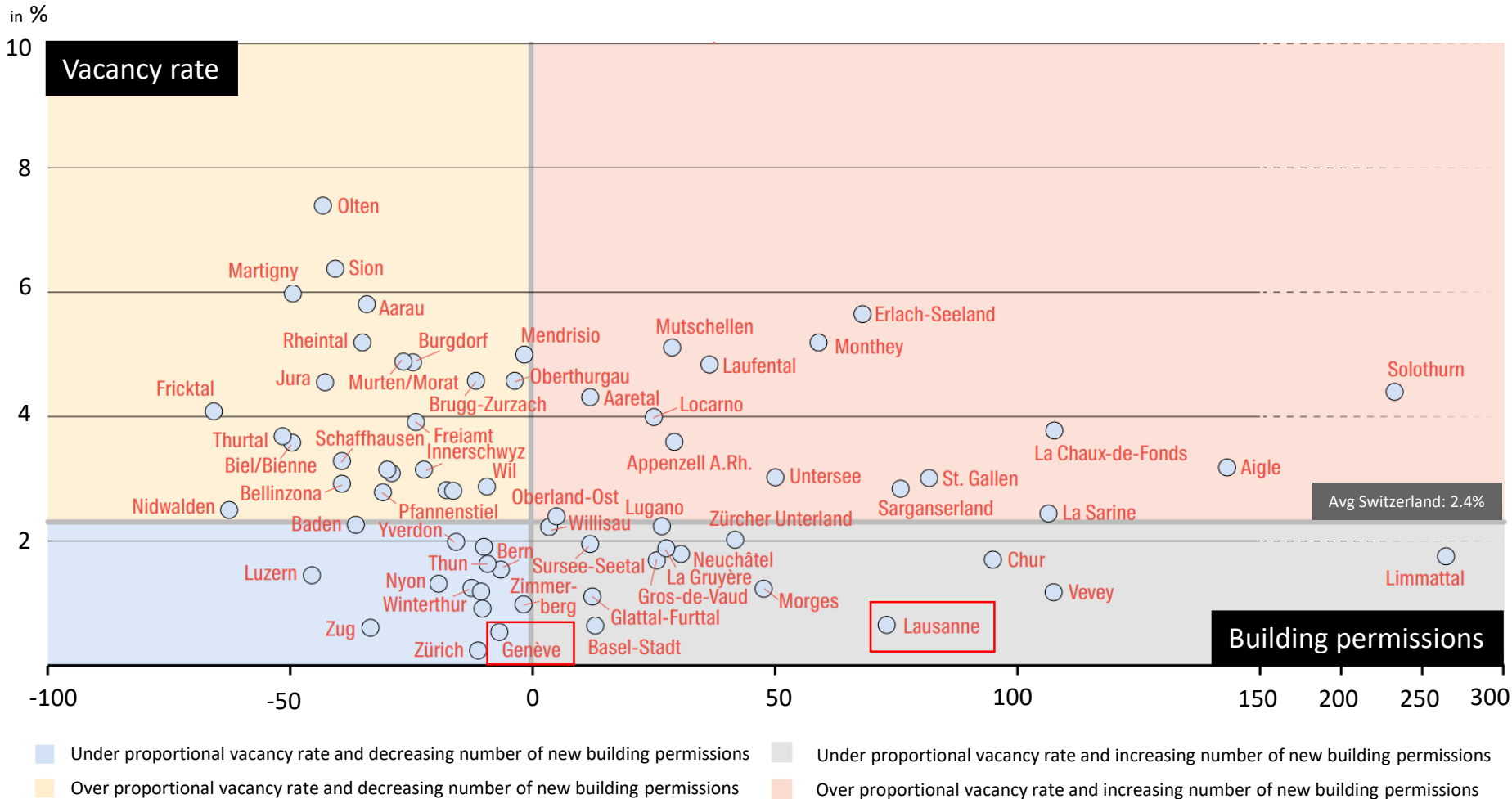


* Member of the Executive Board

Real Estate Market in Lake Geneva Region remains top tier

Dynamic in the rental apartments market in the most populous regions of Switzerland:

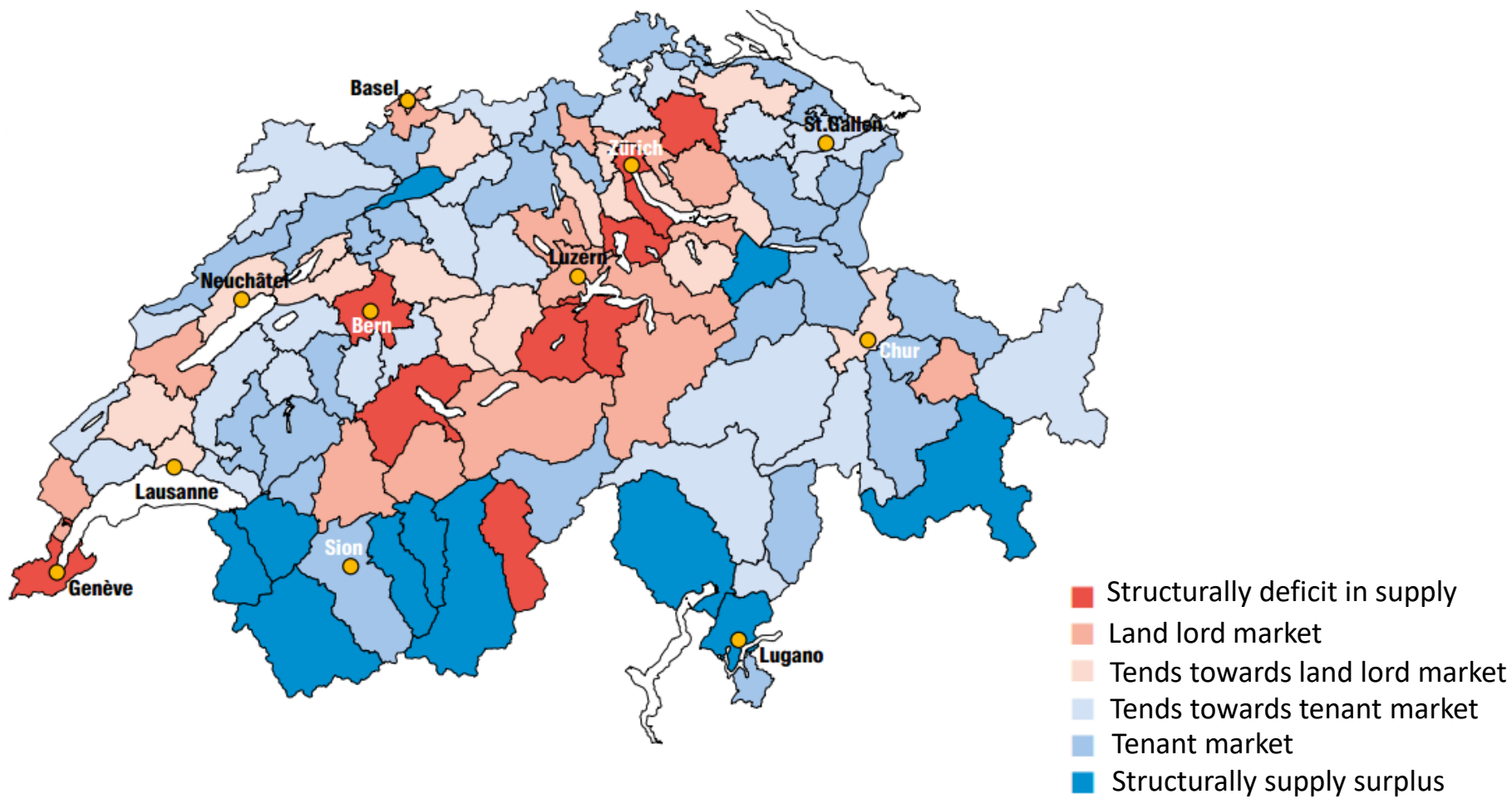
Vacancy rate (2017) and new building permissions change between 2Q 2015 and 2Q 2017 in %



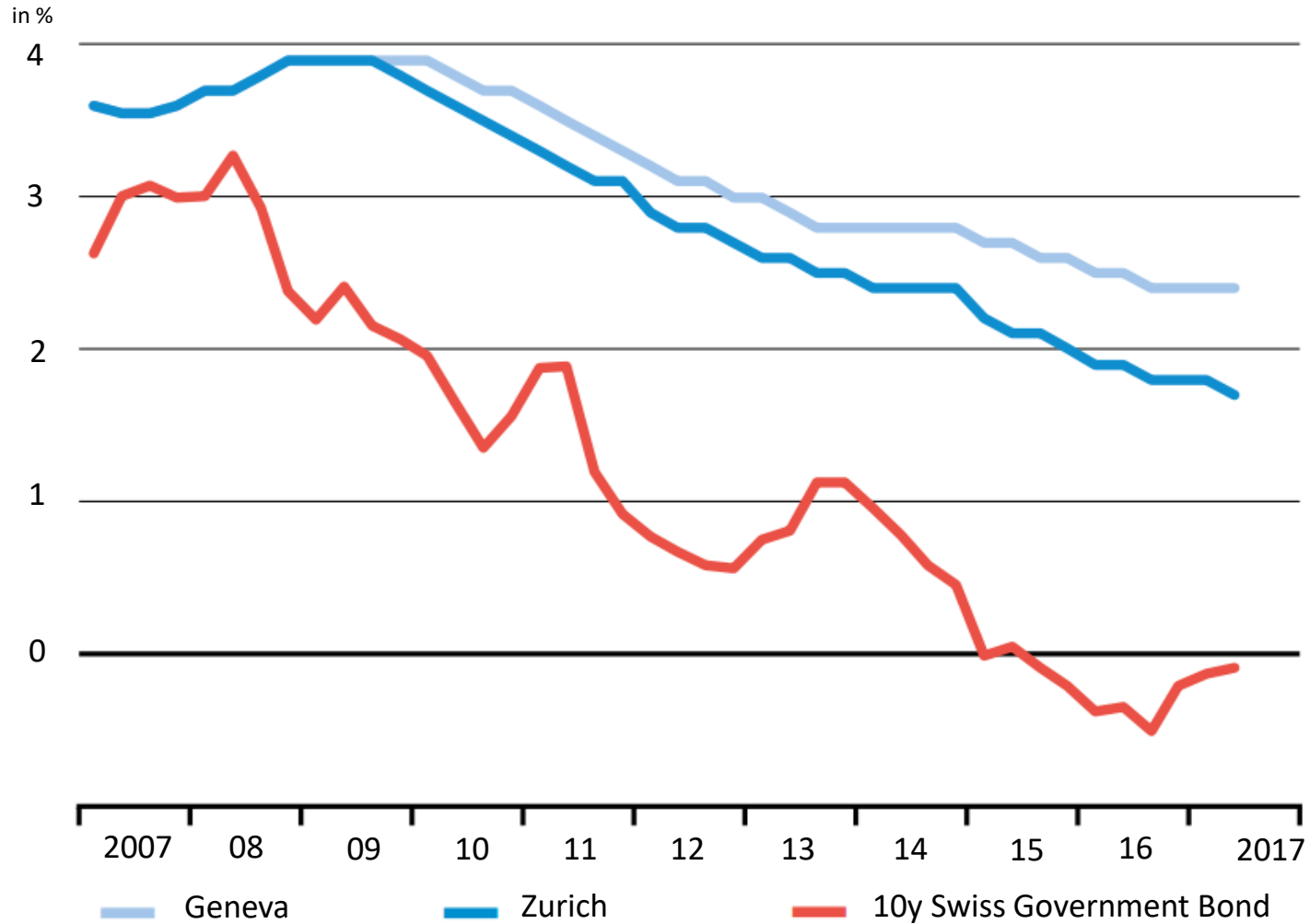
Source: WüestPartner

Highlights on Lake Geneva Real Estate Market

Regional indicator for rental apartments

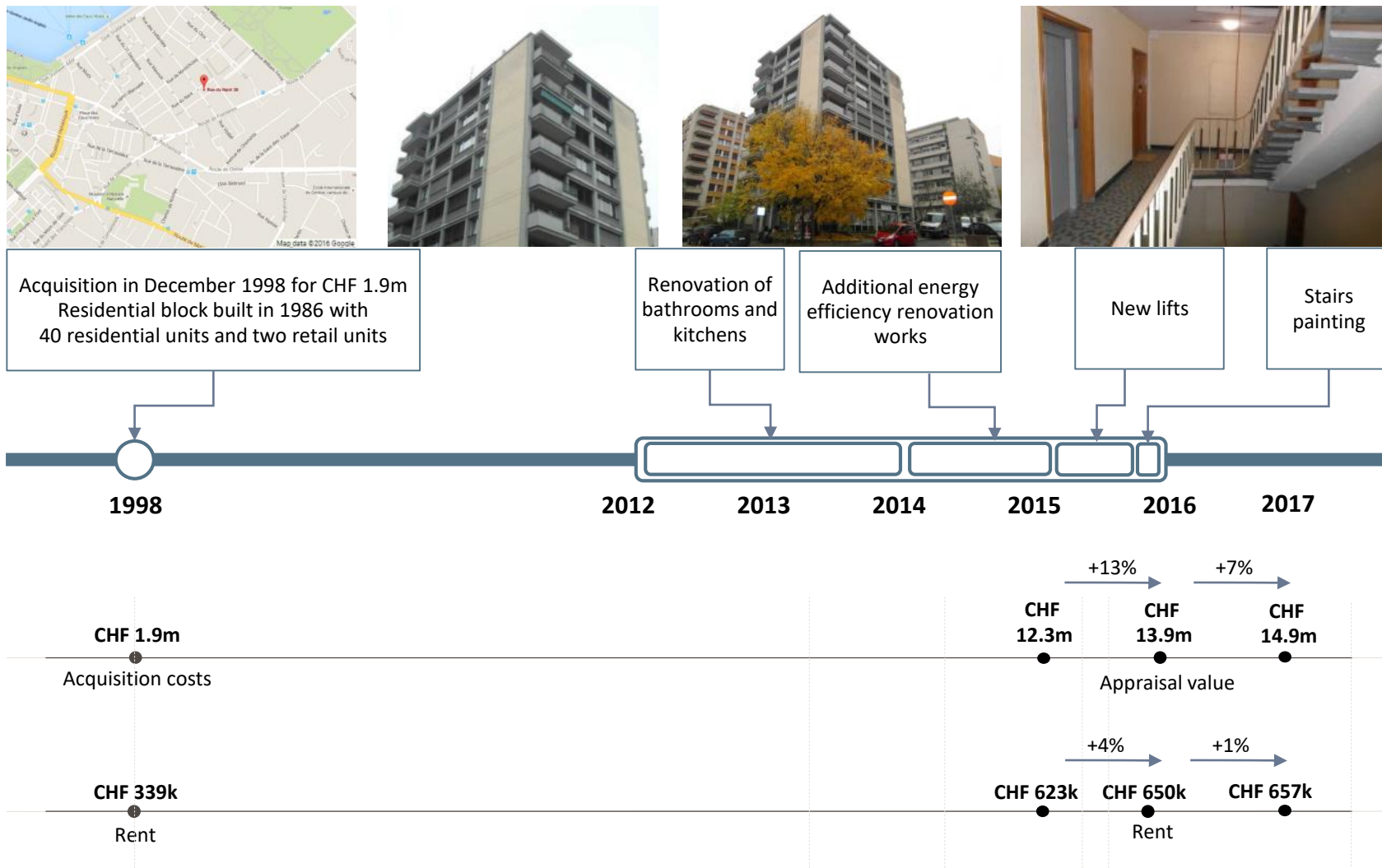


Yield comparison for apartment buildings vs 10 y gvt bond – highest yields in Geneva



Source: Wüest Partner

Case study: Buy and hold strategy / Rue du Nant 30 – Geneva



Thank you for your attention!

