

Investis Holding SA

IR-PRESENTATION FULL-YEAR 2016 RESULTS

INVESTIS

REAL ESTATE GROUP



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Agenda

1. Over-delivering on IPO promises
2. Key highlights 2016
3. Financials FY 2016
4. New EB members and way forward in Real Estate Services
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6. Q&A
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Over-delivering on promises made during IPO process – Usage of proceeds

- Acquisition of the Investis Patrimoine SA minority for CHF 41.4m – for less than anticipated
- Acquisitions done in Real Estate Services to foster positioning:
 - Clim Assistance – acquisition as at 31 October 2016
 - Hauswartprofis – acquisition as at 1 January 2017
- Purchase of property all with a gross yield of > 5%
- Higher revaluation gains reflect the excellent portfolio quality
- Half of the interest rate swaps settled – rest recognized as per 31.12.2016
- Successful and efficient refinancing underlying conservative financing strategy:
 - 1st Bond CHF 100m issued in November 2016, 5y tenor, 0.55% coupon
 - 2nd Bond CHF 140m issued in February 2017, 2y tenor, 0.25% coupon
- Dividend payment of CHF 30m as announced or CHF 2.35 per registered share will be proposed to the upcoming AGM – payout ratio of 68%

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Highlights 2016 – delivered on profitable growth

- **Investis Group:**
 - Top line growth by +2.9%
 - Improved operating performance by +26.8%
- **Properties** focuses on residential properties (88%) in the mid-market segment in the lake Geneva region with a gross rental yield above market average
 - High quality portfolio - no exposure to luxury segment
 - 99% occupancy (excluding renovation and strategic vacancies)
 - Like-for-like rental increase of 1.1%
 - Annualized full occupancy property rent at CHF 46.9m as per 31.12.2016
- **Real Estate Services** top line growth achieved
 - Property Management +4.3% – solid performance with high recurring business
 - Facility Management +7.9% – expansion of complementary services
 - Construction Management – disappointing results leading to discontinuing as general contractor

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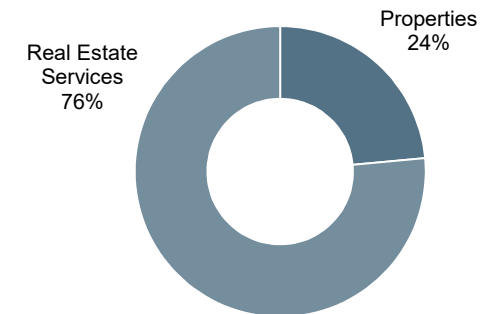
Solid performance in both segments

(CHFm)	2016	Δ in %	2015	2014 ¹⁾	2013 ¹⁾
Revenue	161.9	+2.9	157.4	155.6	150.8
EBITDA before revaluation/disposals	28.7	-4.0	29.9	32.1	26.8
Income from revaluations	46.6	n/a	31.0	10.4	16.6
EBIT	76.4	+26.8	60.2	41.3	43.0
<i>EBIT margin</i>	<i>47.2%</i>		<i>38.3%</i>	<i>26.5%</i>	<i>28.5%</i>
Net financial expenses	-17.7	-179.2	-6.3	-6.0	-6.3
Income taxes	-13.6	-46.1	-9.3	-7.9	-8.9
Net Profit	45.1	+1.1	44.6	27.4	27.8

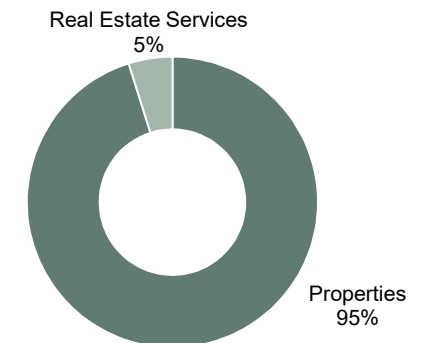
- Headcount 1,146 as per 31.12.2016, FTE 902 (avg of the period)

Note: ⁽¹⁾ Based on like-for-like financials (major acquisitions as per 1.10.2014)

2016 Revenues



2016 EBIT

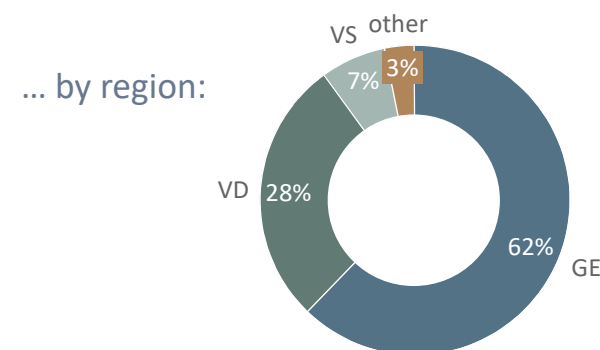
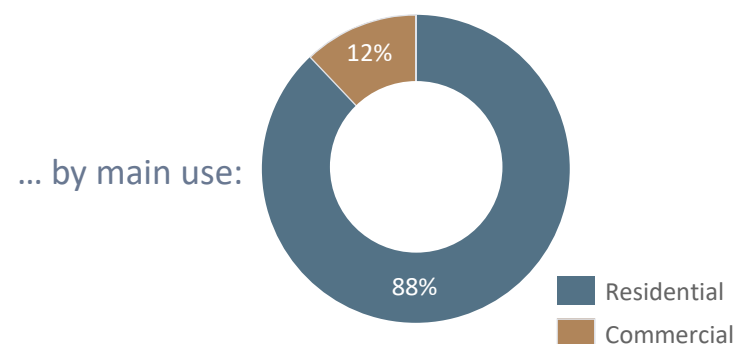


Property key figures FY 2016

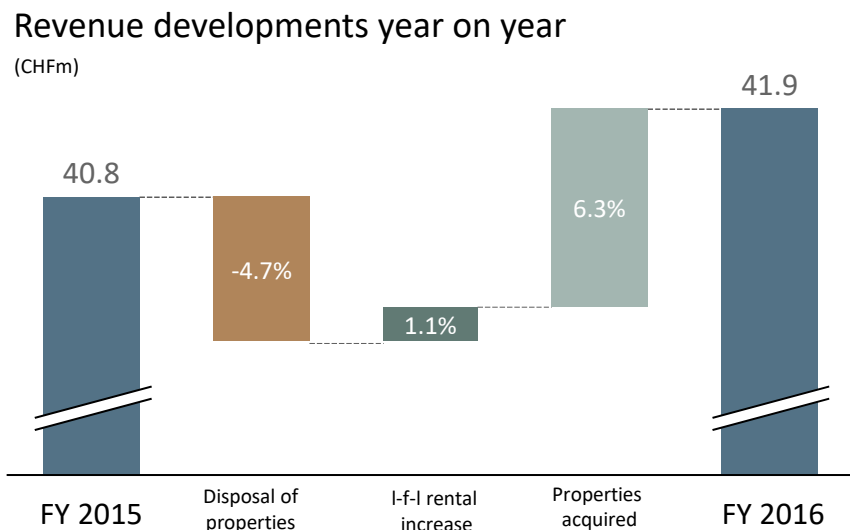
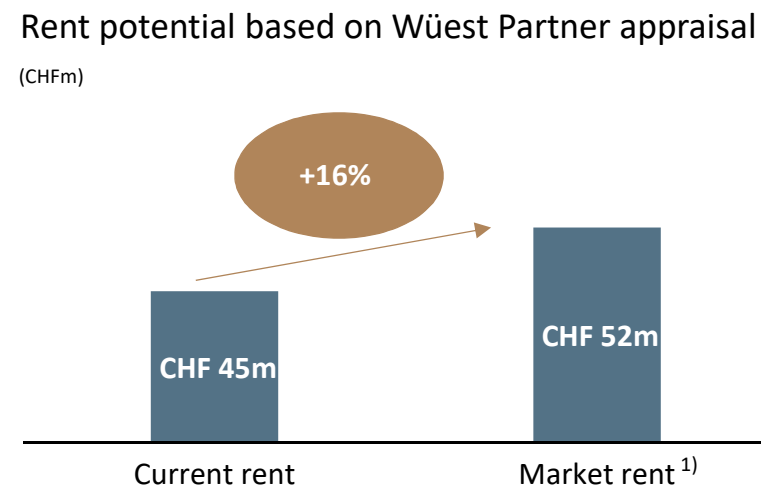
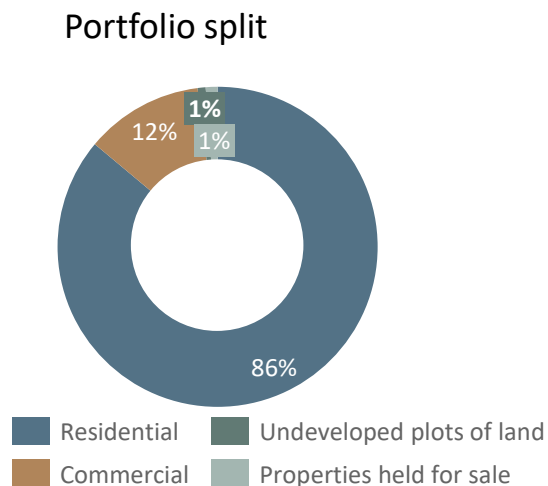
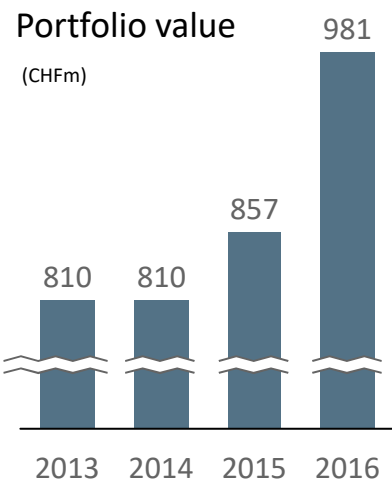
(CHFm)	FY 16	FY 15	Δ%
Revenue from letting of properties	41.9	40.8	+2.7
EBITDA before revaluations/disposals	27.3	25.0	+9.1
Revaluations & disposals	49.6	32.1	+54.5
EBIT	76.7	56.9	+34.8

- 2,334 middle-income residential units
- 136 buildings
- Like-for-like rental increase of 1.1%
- Annualised full occupancy property rent CHF 46.9m
- Vacancy rate 3.7% at 31.12.2016 (3.3% PY) increased as a result of properties acquired or completed, the latter not yet fully rented and the overhaul of one building
- Reduced property expenses (-15%) due to lower needs of renovation and cost savings
- Revaluation gains predominately on residential properties
- Average discount rate at 3.71% vs 4.04% according to Wüest Partner
- No exposure to properties in the luxury segment

Property Portfolio ...
136 properties – 2,334 residential units



Stable operating performance in Properties



- 83% of rental income indexed with annual adjustment to the Swiss Consumer Price Index
- 10% tenant turnover representing an opportunity to increase rents to market level
- 1-2% like-for-like rental growth

Note:
¹⁾ Based on Wüest Partner appraisal FY 2016 excluding single family homes and condominiums

Robust and well-maintained residential portfolio further expanded in one of Switzerland's most dynamic regions

A robust, large and

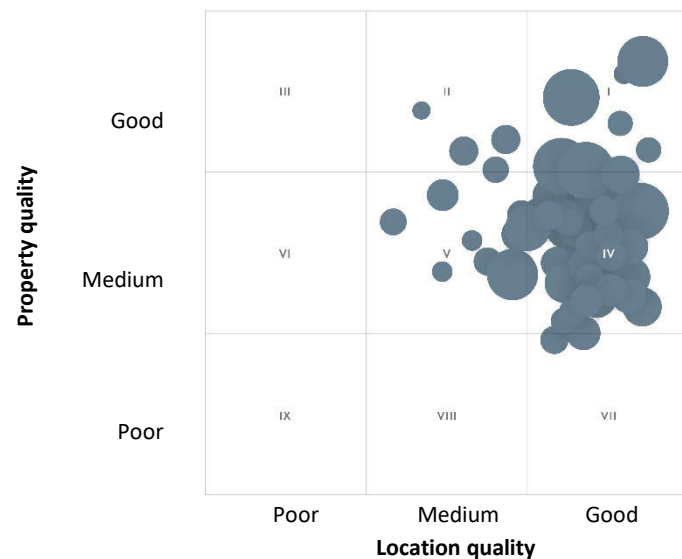
90% located in the wealthy and stable Lake Geneva region

88% share of residential⁽¹⁾

99% occupancy⁽²⁾ (96% including renovation and strategic vacancies)

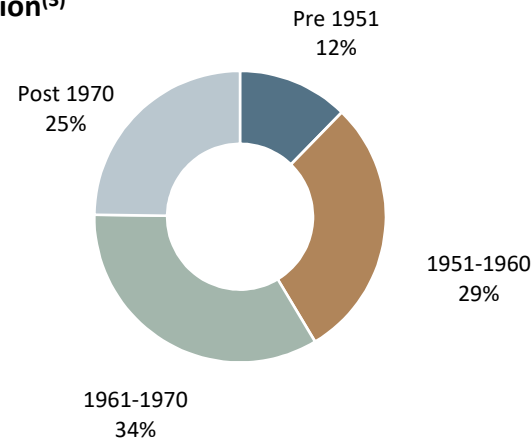
Efficient management out of the Régie du Rhône offices in Geneva and Lausanne

... high quality portfolio based on WP appraisals

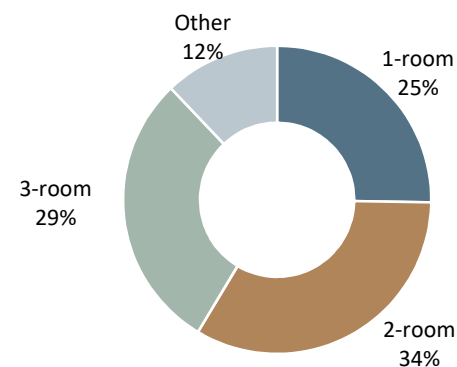


Portfolio structure

Year of construction⁽³⁾



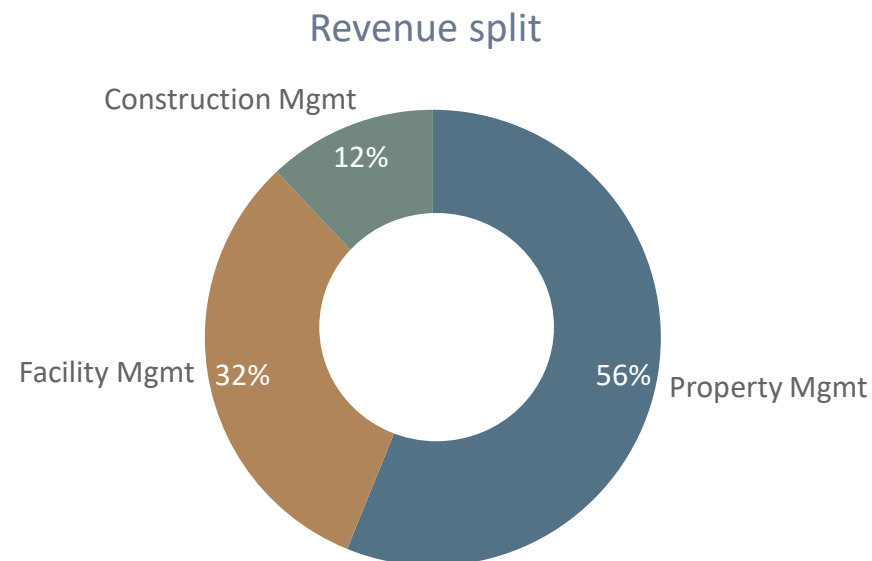
Apartment type⁽⁴⁾



Note: (1) Based on market value and main use as of 31 December 2016.
 (2) Occupancy rate based on rental income FY 2016.
 (3) Based on market value as of 31 December 2015.
 (4) 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.

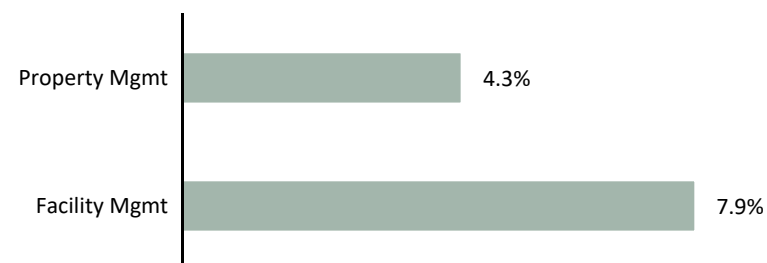
Real Estate Services key figures FY 2016

(CHFm)	FY 16	FY 15	Δ%
Revenue	136.1	131.3	+ 3.7
Personnel expenses	-86.4	-79.2	-9.1
EBIT	3.9	6.2	-37.2
EBIT margin	2.9%	4.7%	
Average FTEs	889	839	+6.0



- Lower growth of top line in the 2nd HY as anticipated
- Successful year in Property Management
 - Rents under Management further increased to CHF 1.58 bln (vs CHF 1.38 bln as at 31.12.2015)
- FM revenue improved mainly due to the expansion of complementary services
- Construction Management: decline in turnover by 10.6%, poor operating result
- Over proportional growth in personnel expenses as a result of new mandates entailing initial costs

Sustainable growth in:



Change of financing strategy impacting Financial expenses

(CHFm)	FY 16	FY 15	%
EBIT	76.4	60.2	+26.8
Financial income	2.0	1.3	49.2
Financial expenses	-19.7	-7.7	-156.8
EBT	58.7	53.9	+8.9
Income taxes	-13.6	-9.3	+46.1
Income tax rate	23%	17%	
Net profit	45.1	44.6	+1.1

- Average interest costs decreased to 2.0% in 2016 (from 2.2% in 2015)
- Change of the financing strategy resulting in higher financial expenses for 2016:
 - CHF 5.9m from premature termination of interest rate swaps
 - CHF 6.6m from recognition of the remaining interest rate swaps
 - Substantial lower financial charges expected as of 2017
- Positive tax effect in prior year on reported deferred taxes of CHF 3.4m as a result of lower tax rates
- Intended distribution per share in accordance with the proposal to the AGM of 27 April 2017
 - Gross dividend CHF 2.35
 - Dividend yield 4.1%
 - Payout ratio 68%

Sound Balance Sheet prevails – conservative financing strategy

Balance Sheet (CHFm)	31.12.16	31.12.15	31.12.14	31.12.13 ¹⁾
Cash and cash equivalents	53	48	53	48
Properties portfolio	981	857	810	810
Total assets	1,100	984	935	917
Financial liabilities	338	366	357	311
Deferred tax liabilities ²⁾	146	133	126	123
Shareholders equity	558	427	394	427
Equity ratio	51%	43%	42%	47%
Gross LTV ³⁾	33%	39%	38%	36%

- Property Portfolio value +14.5%
- Total assets to surpass CHF 1 bln for the first time
- Mortgages to be replaced by bond financing i.e. no preferred bank debts (mortgages)
- First bond (CHF 100m / Coupon 0.55% / maturing Nov 2021) placed in November 2016
- Share capital increased at IPO date from CHF 1m to CHF 1.28m
- CHF 7.3m of the total IPO costs of CH 7.6m recognized in equity
- NAV per share CHF 43.48
- NAV per share CHF 54.85 excl. deferred taxes with regard to investment properties
- Outstanding shares 12.8m
- Nominal value per share CHF 0.10

Note: (1) Based on like-for-like financials.

(2) Not discounted.

(3) Interest bearing financial debt over investment properties.

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Broadening competencies through expanded EB as at 1.4.2017



- The Management of Real Estate Services to be spread across PM and FM
- Dieter Sommer (CEO of Privera since 2014) and Walter Eberle (CEO of Hauwartprofis since 2009 and Treos since January 2017) both to join the EB
- Catherine Dubey to step down from EB and to concentrate on the development activities in the Properties segment

Highly entrepreneurial and experienced 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 Häslér
CFO Investis Group



Dieter Sommer
Head Property Management



Walter Eberle
Head Facility Management

Discontinuing Construction Management as General Contractor

- Change in business proposition
- To withdraw as general contractor – considerable risk reduction / exposure
 - Actual projects will be processed as planned
- Impact on group financials in 2017, as a result of the above
 - lower revenues
 - lower direct costs
 - Higher operating margin

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Acquisition of Hauswartprofis as at 1.1.2017



- Established 1990 – 240 employees
- Annual turnover of CHF 18m
- Above average EBIT margin
- Will continue to operate under its own name as an independent company but together with Treos under the same management
- Integration costs 2017 to be in the magnitude of CHF 1m

Note: (1) The goodwill calculation from this transaction has not yet been finalized because the closing measurement of the balance sheet items will be carried out after publication of the consolidated annual financial statements.

Outlook – AGM 27 April 2017

- Board of Directors:
 - All Board Members to stand for re-election

- 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 2 May 2017
 - Value date 4 May 2017

Outlook – solid performance expected for 2017

Investis Group:

- Financing to be further optimized
 - 2nd Bond CHF 140m, issued in February 2017, 2y tenor, 0.25% coupon
 - Mid-term targets remain unchanged

Properties:

- Further property acquisitions done / in the pipeline
- Continued cost control

Real Estate Services:

- Discontinuing of Construction Management as general contractor will impact top line
- Excellent market position in both activities Property and Facility Management
 - Good progress seen in 2017 ytd

Q&A



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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

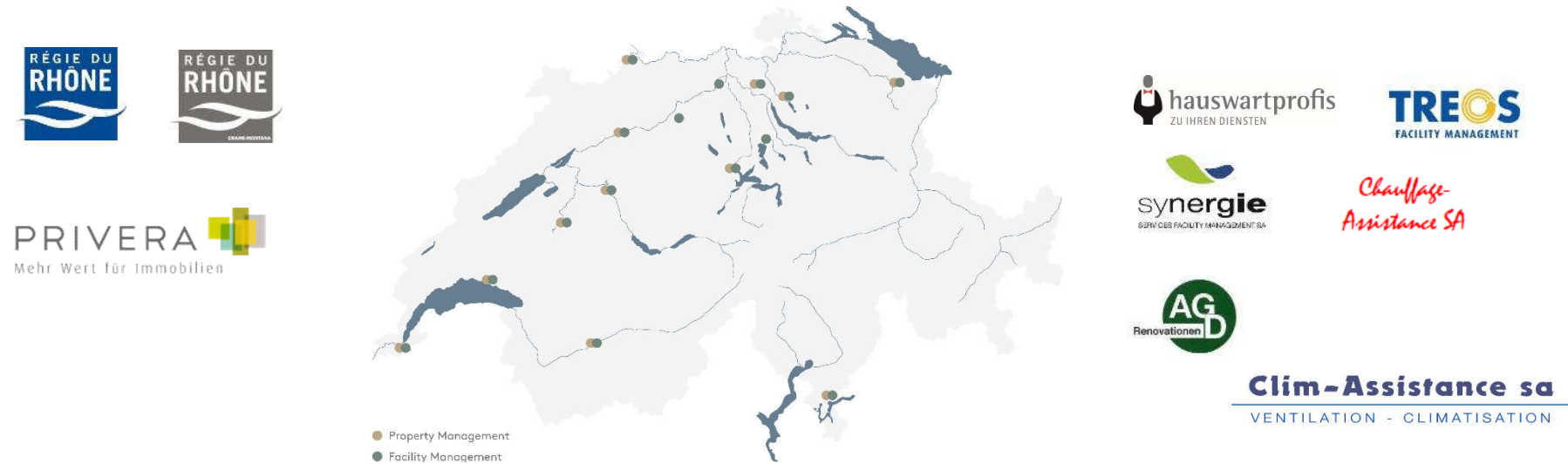
Investis Properties: Robust residential portfolio located in one of the world's most attractive regions



- Portfolio valued at CHF 981m – annualised full occupancy property rent at CHF 46.9m
- Focused on the Lake Geneva region
- Mainly residential properties 2,334 middle income residential units in 136 buildings
- Buy and hold strategy
- Selective developments
- Serviced apartments (77 apartments under the brand of OMI Residences)

Investis Real Estate Services is active throughout Switzerland with well-known local brands

Focus on two activities: Property Management and Facility Management



Property Management

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

Facility Management

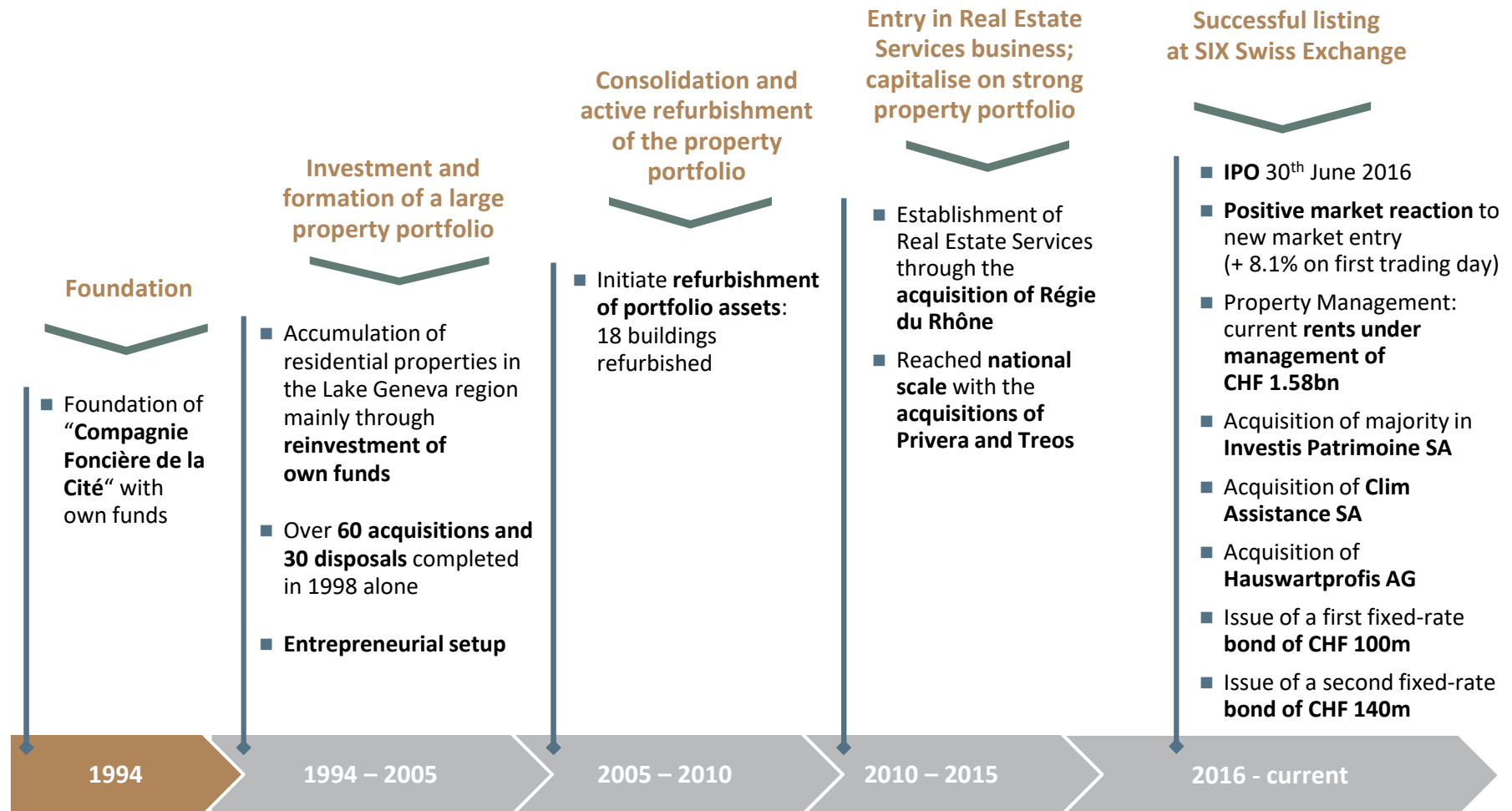
- Caretaking services
- Management Services
- Cleaning services
- Building technology
- Concepts
- Project management
- Building services
- Concierge services

A compelling investment case for investors

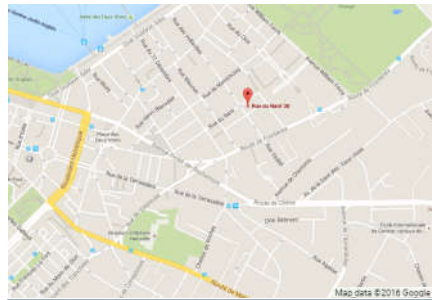
Why invest in INVESTIS?

- Largest listed residential portfolio in the Swiss market
- Robust and well maintained portfolio focused on the Lake Geneva region
- Low vacancy
- Pure Swiss player
- Attractive and stable return profile
- Value creation through execution on rent upside potential in Properties
- 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

Investis Group has been an entrepreneurial business since 1994



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



Acquisition in December 1998 for CHF 1.9m Residential block built in 1986 with 40 residential units and two retail units

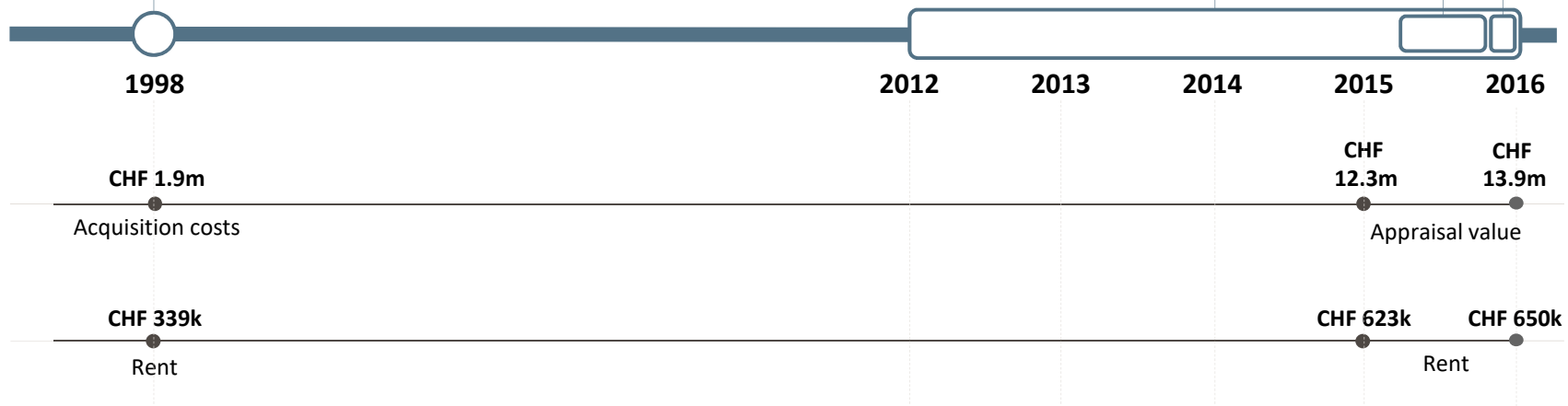


Renovation of the bathrooms and kitchens for CHF 1.7m. Additional energy efficiency renovation works for CHF 15,590 in 2014-2015



New lifts for CHF 112,000

Stairs painting for CHF 25,000



Thank you for your attention!

