

Press release**Zurich, 31 August 2017****Investis increases first-half net profit by 40% to CHF 28 million – Real Estate Services significantly more profitable**

- Consolidated revenue up 18% to CHF 94 million
- Significant 16% rise in operating profit to CHF 34.3 million
- Value of property portfolio tops CHF 1 billion for the first time
- Clear increase in rental income of 16% to CHF 23.3 million
- Vacancy rate remains low at 3.3%
- Substantial increase in profitability of Real Estate Services segment to 5% EBIT margin
- Considerably lower financing costs thanks to attractive capital market conditions

Investis saw its business activities perform positively as planned in the first half of 2017. Major developments in the first six months included the purchase of further residential properties in the Lake Geneva region, the acquisition of facility management company Hauswartprofis with effect from 1 January 2017, and the measures taken to enhance the profitability of the Real Estate Services segment. As well as bolstering income, the Group achieved a long-term improvement on the costs side thanks to further optimisation of its funding structure. These activities resulted in pleasing interim results.

Jump in profits thanks to revenue growth and lower financing costs

Investis recorded consolidated revenue of CHF 94 million for the first half of 2017 – a 18% increase on the previous year's CHF 79 million. This result was a combination of organic growth in both segments – **Properties** and **Real Estate Services** – additional investment properties and the acquisition of Hauswartprofis, as well as the cessation of Construction Management activities as general contractor. Investis generated EBITDA before revaluations and income from disposals of CHF 17.6 million (PY: CHF 13.0 million). Valuation gains on the property portfolio stood at CHF 17.2 million (PY: CHF 16.7 million) and the operating profit (EBIT) increased by a healthy 16% to CHF 34.3 million (PY: CHF 29.7 million).

Investis made targeted use of attractive conditions on the capital market to optimise its funding structure. Following the CHF 100 million bond issue launched in October 2016, a second issue was placed in February 2017 in order to redeem mortgages; worth CHF 140 million, it has a coupon of 0.25% and a tenor of 2 years. The average interest rate for the first half of the year was 0.7% (PY: 2.0%).

Tax expense decreased to CHF 5.2 million despite the higher pre-tax profit. Investis benefits from slightly lower cantonal tax rates, which led to a partial reversal of deferred taxes in the amount of CHF 1.5 million.

Overall, Investis Group achieved a significant 40% increase in net profit to CHF 27.7 million (PY: CHF 19.7 million).

Founder and CEO Stéphane Bonvin commented on the 2017 interims as following: “Thanks to the successful implementation of its strategy, Investis continues to gain momentum and improve its operational power. The interim results also confirm that the measures we’ve taken to increase the profitability of both the Property Management and Facility Management sides of our Real Estate Services business are paying off. At the same time, we were able to increase our share of the real estate services market. Our portfolio of residential property in the attractive Lake Geneva region guarantees a sustainable income base that we have gradually built upon. Also we are leveraging digitalisation for further growth opportunities in the Real Estate Services segment.”

Rental income rises 16% while costs remain constant in the Properties segment

At the mid-year point, the property portfolio included 138 properties and 2,354 residential units. Over the course of the first six months of the year, the value of the portfolio went above the billion-franc mark for the first time in the company’s history, rising to CHF 1,036 million (compared with CHF 981 million at the end of 2016). Net revaluation gains came to CHF 17.2 million (PY: CHF 16.7 million). CHF 47 million was invested in the portfolio in the first half of 2017. This includes purchases of additional investment properties with a gross yield of over 5%. The vacancy rate of 3.3% remains low by industry comparison. Annualised full occupancy property rent as at 30 June 2017 was up to CHF 48.9 million.

Rental income rose 16% to CHF 23.3 million (PY: CHF 20.2 million). On a like-for-like basis, rental income went up 2.0%. Thanks to successful cost optimisations, property expenditure was held at practically the same level as a year earlier – CHF 7.1 million compared with the previous year’s CHF 7.0 million. The Properties segment achieved an 11% rise in operating profit (EBIT) to CHF 33.1 million (PY: CHF 29.8 million).

Higher profitability at Real Estate Services segment

Investis generated revenue of CHF 73 million (PY: CHF 69 million) through its real estate services in the first half of 2017, an increase of 6%. This rise was due to organic growth in both – Property- and Facility Management, the acquisition of Hauswartprofis, and the discontinuation of the Construction Management activity as a general contracting service. The latter reduced revenue by CHF 9 million. Property Management and Facility Management are currently contributing an even share of revenue and both have an excellent market position.

The acquisition of Hauswartprofis also led to a much higher headcount at the Real Estate Services segment and therefore to higher personnel expenses, with employee numbers rising to 1,416 from 1,112 a year ago.

Operating profit (EBIT) was more than doubled to CHF 3.7 million (PY: CHF 1.5 million), with an EBIT margin of 5% (PY: 2.1%). This rise can be attributed to the further development of high quality services

and to the initiatives taken to increase profitability in the Real Estate Services segment. The total integration costs of CHF 1.0 million in the Facility Management business will mainly fall in the second half of the year.

Thanks to new mandates, rents under management by the Property Management business increased to CHF 1.64 billion (CHF 1.58 billion at end of 2016).

Financial stability thanks to a comfortable equity base

Total assets stood at CHF 1.2 billion, which represents an increase of 5%. Around 90% of this is tied up in the property portfolio. The loan-to-value (LTV) ratio is unchanged on the previous year at 38%. Deferred taxes came to CHF 152 million on the balance sheet date (CHF 146 million as at 31.12.2016). At CHF 540 million, the equity base remains comfortable. The equity ratio fell to 46.8% during the period under review as a consequence of charging the goodwill from the Hauswartprofis acquisition against retained earnings.

Outlook

Investis will continue to pursue its growth strategy, and expects EBITDA for the full financial year 2017 (before revaluations and income from disposals) to be at least 10% higher than the prior year. Investis has purchased seven further properties for a total of CHF 53 million since 1 July 2017. These acquisitions will push annualised full occupancy property rent at the Properties segment up to CHF 51.7 million. The Group plans to further decrease its mortgage debt in the course of 2017.

Investis confirms its medium-term targets for 2019:

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

Reporting

The 2017 Half-Year Report is available at <https://reports.investisgroup.com/17/hyr> and on our website at www.investisgroup.com/en under Investors / Reporting.

There will be a conference call on the half-year results for media and analysts (in English) today at 10 a.m. Following the presentation of the half-year results, Stéphane Bonvin (CEO) and René Hasler (CFO) will be available to answer questions.

The dial-in numbers are as follows:

+41 (0)58 310 50 00 (Europe)

+44 (0)203 059 58 62 (UK)

+1 (1)631 570 5613 (USA)

Please dial in 5 minutes prior to the start of the conference call. The accompanying presentation is also available on our website from 7 a.m. under Investors / Reporting (<https://www.investis-group.com/nc/en/investors/>).

Agenda

21 March 2018	Publication of 2017 results
20 April 2018	2018 Annual General Meeting

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About Investis Group

Founded in 1994, Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in the two synergetic segments of Properties and Real Estate Services. The portfolio of Investis Properties consists almost exclusively of residential properties located in the Lake Geneva region and was valued at CHF 1,036 million as at 30 June 2017. Investis Real Estate Services is active throughout Switzerland with well-known local brands. For further information: www.investisgroup.com

SELECTED KEY FIGURES

Investis financial key figures		30.06.2017	31.12.2016	30.06.2016
Revenue	CHF 1,000	93,560	161,916	79,321
EBITDA before revaluations/disposals	CHF 1,000	17,559	28,695	13,000
EBIT	CHF 1,000	34,317	76,369	29,693
Net profit	CHF 1,000	27,652	45,077	19,688
Funds From Operations (FFO) ¹⁾	CHF 1,000	10,947	17,844	9,837
Total assets				
Total assets	CHF 1,000	1,154,329	1,099,750	1,138,336
Mortgages and bonds	CHF 1,000	391,693	325,572	331,941
Gross LTV		38%	33%	38%
Deferred tax liabilities	CHF 1,000	152,054	145,579	135,859
Total shareholders' equity	CHF 1,000	540,418	557,570	562,990
Equity ratio		46.8%	50.7%	49.5%
Number of employees				
Headcount (as at period end)		1,434	1,146	1,127
Ø FTE (full-time equivalents, average over the period)		1,138	902	889

1) FFO is defined as cash flow from operating activities + investments in properties held for sale + interest received less interest paid

Data per share		30.06.2017	31.12.2016	30.06.2016
Share ratios				
Share capital	CHF 1,000	1,280	1,280	1,280
Number of registered shares issued/outstanding	Number	12,800,000	12,800,000	12,800,000
Nominal value per share	CHF	0.10	0.10	0.10
Share data				
NAV per outstanding share	CHF	42.14	43.48	41.43
NAV per outstanding share not including deferred tax with regard to investment properties	CHF	54.02	54.85	52.03
Earnings per share (basic/diluted)	CHF	2.16	3.88	1.75
Share price				
Share price – high	CHF	61.00	61.95	
Share price – low	CHF	56.50	53.00	
Share price at end of period	CHF	59.05	57.00	57.30
Average number of shares traded per day	Number	4,364	9,094	
Market capitalisation at end of period	CHF 1,000	755,840	729,600	733,440

INVESTIS GROUP
 HALF-YEAR REPORT 2017

Properties key figures		30.06.2017	31.12.2016	30.06.2016
Residential investment properties	CHF 1,000	873,990	841,961	766,399
Commercial investment properties	CHF 1,000	127,822	113,129	76,111
Investment properties under construction	CHF 1,000	6,416	64	5,508
Undeveloped plots of land	CHF 1,000	1,688	7,328	12,292
Properties held for sale	CHF 1,000	26,452	18,141	14,236
Total property portfolio	CHF 1,000	1,036,367	980,622	874,545
Total buildings		138	136	122
Total residential units		2,354	2,334	2,219
Average discount rate		3.6%	3.7%	3.9%
Revenue		CHF 1,000	23,339	41,852
Like-for-like rental growth		2.0%	1.1%	1.0%
Vacancy rate		3.3%	3.7%	3.2%
EBITDA before revaluations/disposals		CHF 1,000	15,333	27,293
EBIT		CHF 1,000	33,116	29,758
Annualised full occupancy property rent		CHF million	48.9	46.9
Annualised property rent		CHF million	47.3	45.2
Real Estate Services key figures		30.06.2017	31.12.2016	30.06.2016
Rents under management	CHF billion	1.64	1.58	1.54
Revenue	CHF 1,000	72,635	136,094	68,717
of which property management		53%	56%	55%
of which facility management		46%	32%	31%
of which construction management		1%	12%	14%
EBIT	CHF 1,000	3,661	3,892	1,451
EBIT margin		5.0%	2.9%	2.1%