

# GROUP OVERVIEW

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## PROFILE

### Unique residential property company with a nationwide real estate services business

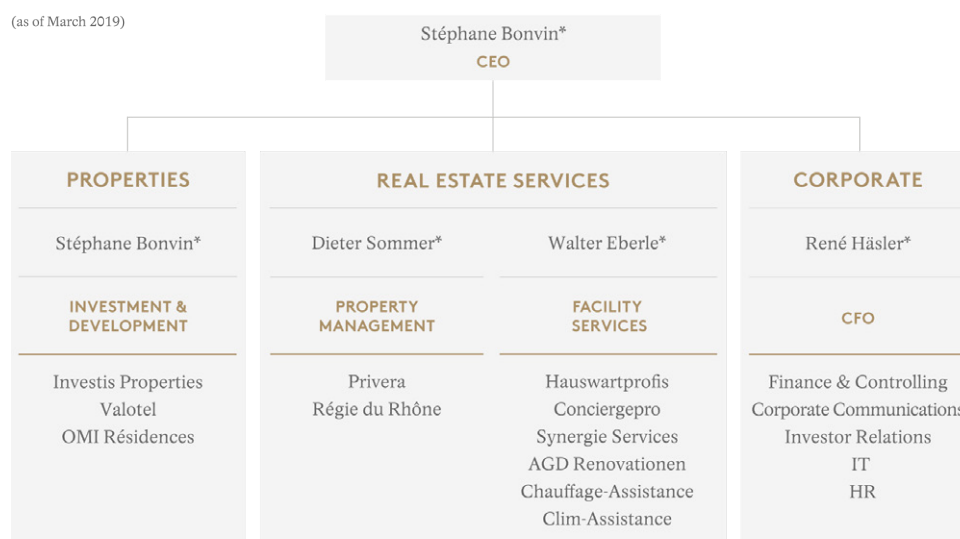
Founded in 1994, the Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in both property management and facility services. Investis **Properties** has a portfolio of predominantly residential properties in the middle price segment. Investis **Real Estate Services** works with well-known local brands throughout Switzerland. The Group has been listed on the SIX Swiss Exchange in Zurich since June 2016.



## HIGHLY ENTREPRENEURIAL MANAGEMENT

The Executive Board consists of Chief Executive Officer Stéphane Bonvin, who founded Investis in 1994, Chief Financial Officer René Häsler, as well as Head of Property Management Dieter Sommer and Head of Facility Services Walter Eberle. Investis is characterised by a lean structure and a highly entrepreneurial and experienced management.

(as of March 2019)



\* Member of the Executive Board

## REPORT TO SHAREHOLDERS

### An excellent financial year for Investis

Dear Shareholders  
Dear Sir or Madam

Investis can look back on an excellent financial year. Its success in the Properties segment was based on investments in the portfolio and an organic growth in rental income, as well as the recurrence of a positive revaluation effect and disposal gains. The Real Estate Services segment is on track and also generated organic growth. Financing costs were further reduced as planned.



Location: OurPlace, Morges ([www.our-place.ch](http://www.our-place.ch))

#### INVESTIS GROWS NET PROFIT EXCLUDING REVALUATION EFFECT

Investis generated CHF 197 million of revenue in 2018 (prior year CHF 190 million). EBITDA before revaluations and disposal gains rose by 6% to CHF 39.7 million (prior year CHF 37.3 million). Including the gain on revaluations and disposals, EBIT increased by 23% to CHF 74.6 million (prior year CHF 60.9 million).

The average interest rate was further reduced to 0.5% (prior year 0.7%). Consequently, financial expenses decreased to CHF 3.9 million (prior year CHF 4.1 million) despite higher financial liabilities. Tax expense was CHF 16.4 million in the year under review, corresponding to a normalised effective tax rate of 23.1%.

Group profit was CHF 54.4 million (prior year CHF 57.6 million) and earnings per share were CHF 4.27 (prior year CHF 4.49). Net profit excluding revaluation effect grew significantly, increasing by 33% to CHF 35.6 million (prior year CHF 26.8 million).

Net asset value (NAV) per share excluding deferred taxes with regard to properties rose to CHF 59.59 (prior year CHF 55.91).

## PROPERTIES: RENTAL INCOME INCREASES TO CHF 55 MILLION

Investis achieved a very good result in the Properties segment, where it made further sustainable investments in the portfolio and in development projects (CHF 242 million, prior year CHF 131 million). Rental income rose by 16% to CHF 55.0 million in the year under review (prior year CHF 47.5 million), corresponding to an increase of 1.7% (prior year 1.9%) on a like-for-like basis. Compared to the prior year (3.5%), the vacancy rate was further reduced to 2.9%, representing a low level compared to the industry in general.

Property costs reflected the slightly higher need for renovation of several acquired properties. Based on increased rental income and lower discount rates, the revaluation gain was CHF 24.2 million (prior year CHF 25.0 million). The sale of individual properties resulted in disposal gains of CHF 12.8 million (prior year CHF 0.7 million).

Overall, operating profit (EBIT) in the Properties segment rose by 24% to CHF 71.9 million (prior year CHF 58.0 million). The portfolio value increased by 20% to CHF 1,345 million at the end of 2018 (prior year CHF 1,121 million) and is based on an annualised full occupancy property rent of CHF 57.7 million. The portfolio contained 157 properties with 2,911 residential units as of 31 December 2018.

## REAL ESTATE SERVICES SEGMENT ON TRACK – REORGANISATION COMPLETED

Revenue in the Real Estate Services segment totalled CHF 148 million, a slight increase compared to the prior year. While the results generated by the **Property Management** activity for 2018 exceeded expectations, **Facility Services** had a challenging year that was dominated by the rebranding of all caretaker services under a single brand and the corresponding reorganisation costs. The Real Estate Services segment produced an operating profit (EBIT) of CHF 7.7 million (prior year CHF 7.8 million) and the EBIT margin was 5.2% (prior year 5.3%).

In **Property Management**, organic revenue growth of 1.9% was achieved despite the adjustment of its portfolio of mandates. The measures initiated in prior years to improve results led to a renewed increase in operating profitability. Following the conclusion of new mandate agreements, rents under management rose to CHF 1.74 billion (prior year CHF 1.68 billion).

The **Facility Services** activity recorded slower revenue growth, as expected. With organic growth of 0.4%, revenue was virtually unchanged from the prior year. The costs resulting from the brand mergers had a corresponding impact on the EBIT margin. The reorganisation of this activity was thus successfully completed, creating the basis for further growth and higher profitability.

## VERY SOLID BALANCE SHEET – LOAN-TO-VALUE RATIO REMAINS LOW AT 41%

Total assets increased by 15% to CHF 1.4 billion as of 31 December 2018, with Investis retaining its comfortable equity ratio of over 40%. Interest-bearing financial liabilities resulted in a loan-to-value ratio of 41%, which is comparatively low by industry standards. The relevant deferred tax liabilities increased to CHF 178 million (prior year CHF 155 million).

**ANNUAL GENERAL MEETING 2019**

At the Annual General Meeting that will be held on 29 April 2019 in Zurich, a dividend of CHF 2.35 per share in the form of a repayment from reserves from capital contributions – unchanged from the prior year – will be proposed to Investis shareholders. This corresponds to a dividend payout ratio of 55%. All members of the Board of Directors and the Compensation Committee are standing for re-election.

**EVENTS AFTER THE BALANCE SHEET DATE**

In February 2019, Investis placed another bond issue with a volume of CHF 140 million and a coupon of 0.773% on the market. The issue has a tenor of two years. The proceeds were used to refinance the bond with the same amount that matured in February 2019.

The financing strategy based on unsecured senior debt was successfully implemented in the first quarter of 2019. The first unsecured credit agreement was concluded in mid-March 2019.

The previously announced sale of the 100% subsidiary Régie du Rhône Crans-Montana SA, Lens, was completed on 28 February 2019, as planned. In addition, Investis sold half of its shares in the project company La Foncière de la Dixence on 25 March 2019. Following this sale, Investis continues to hold 41.7% of the project company.

Investis has appointed CBRE (Geneva) SA as the independent external valuation expert for the entire real estate portfolio. CBRE will perform the valuations for the first time as part of the 2019 half-year results. CBRE will thus succeed Wüest Partner AG after six years of excellent collaboration in this function.

**MARKET ENVIRONMENT AND 2019 OUTLOOK**

The Investis portfolio consists primarily of residential properties in the mid-price segment at central locations in the Lake Geneva region. Strong demand due to continued migration, coupled with demographic change and the low proportion of new properties being realised in central areas, is continuing to have a positive impact on the rental situation.

The environment remains challenging for the Real Estate Services segment. Increased automation of business processes is leading to shorter and more efficient workflows. In the year under review, Investis acquired stakes in various innovative start-ups in the real estate sector to allow for the joint development of digital solutions.

The employment world is currently also in a transition phase. The need for flexible working has clearly grown and traditional offices are increasingly being replaced by co-working spaces. Investis is also addressing this trend and has created its first pilot project with the “OurPlace” brand. It recently held the official opening of the first OurPlace office, which is located in an Investis property in Morges.

Investis is celebrating its 25th anniversary in 2019 and can thus look back on an exciting success story. The Board of Directors and the Executive Board believe that with its business model as well as its strategy and investment policy, Investis remains well positioned to achieve continued success in a challenging market environment.

Investis is planning to acquire investment properties at attractive locations with a focus on the Lake Geneva region in order to drive the further sustainable growth of its real estate portfolio. It is confirming its remaining mid-term target for 2019: the generation of a high single-digit EBIT margin in the Real Estate Services segment.

The Board of Directors and Executive Board of Investis Holding SA would like to express their sincere thanks to our valued shareholders for the trust they have placed in us, and to our staff for their great commitment and loyalty.



**Riccardo Boscardin**  
Chairman of the Board of Directors



**Stéphane Bonvin**  
CEO

## MILESTONES

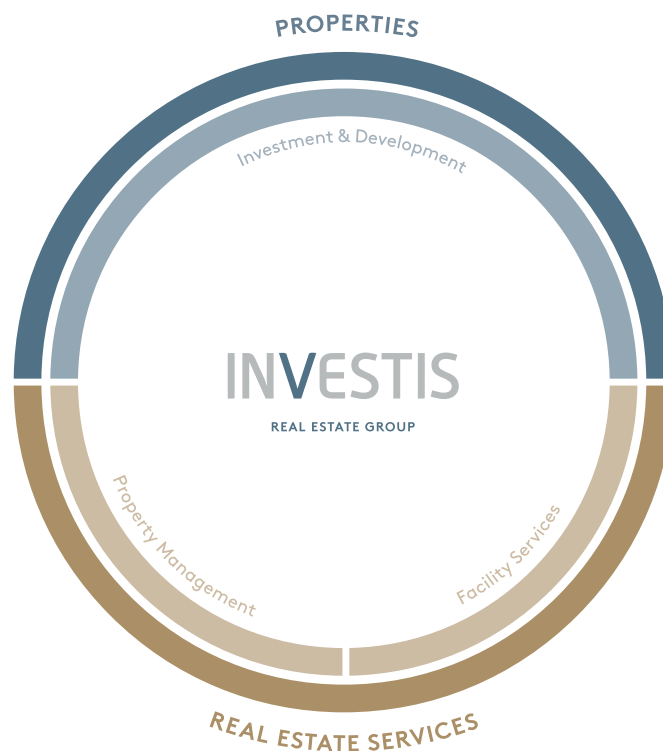
Since its foundation in 1994, Investis has been driven by an entrepreneurial approach and has focused on value creation with a long-term perspective.

- 2018** • Issue of a fourth fixed-rate bond of CHF 100 million  
 Acceleration of the digital transformation through selected investments in start-ups  
 Acquisition of two large property portfolios in Geneva
- 2017** • Investment in Polytech Ventures Holding SA (50%)  
 Issue of a third fixed-rate bond of CHF 180 million  
 Issue of a second fixed-rate bond of CHF 140 million  
 Acquisition of Hauswartprofis AG
- 2016** • Issue of a first fixed-rate bond of CHF 100 million  
 Acquisition of Clim-Assistance SA  
 Acquisition of the minority stake in Investis Patrimoine SA  
 Entry onto the capital market on 30 June 2016 through the successful initial public offering (IPO) with an issue volume of CHF 148.4 million
- 2015** • Acquisition of Valotel SA, SI Clovil SA, Rey'novtoit, Imhoff.ch Sàrl, La Pomardière SA
- 2014** • Acquisition of Privera AG, Treos AG, AGD Renovationen AG, Bufag SA and Chauffage-Assistance SA. Investis Group expands its real estate services offering across the whole of Switzerland
- 2012** • Acquisition of Synergie Services Facility Management SA
- 2011** • Entry into the real estate services market with the completion of the acquisition of Régie du Rhône SA
- 2009** • The company name was changed to Investis
- 2007** • Creation of a Holding structure
- 2002** • Consolidation of the property portfolio
- 1997** • Compagnie Foncière de la Cité SA acquires its first buildings in the Canton of Geneva
- 1996** • Compagnie Foncière de la Cité SA accumulates residential properties in the Canton of Vaud
- 1994** • Foundation of Compagnie Foncière de la Cité SA



## STRATEGY

Investis aims to be the market leader for residential property in the Lake Geneva region and for real estate services throughout Switzerland. The Company is also targeting continued successful growth with a conservative financing profile in its “**Properties**” business, as well as further expansion of its “**Real Estate Services**” business, both organically and through acquisitions, by means of the following measures:



### CONTINUATION OF BUY-AND-HOLD STRATEGY THROUGH SELECTED INVESTMENTS IN THE PROPERTIES SEGMENT

Investis is keen to continue its long-term buy-and-hold strategy, and to further expand the scope of its residential property portfolio through acquisitions and selected development projects. In view of the positive demographic trend and favourable macroeconomic factors, the Group plans to maintain its focus on residential property for target customers with mid-range incomes in the Lake Geneva region, particularly in the metropolitan areas of Geneva and Lausanne.

### PRESERVATION AND GROWTH OF PORTFOLIO VALUE THROUGH ACTIVE PORTFOLIO MANAGEMENT

The investment focus is on properties and projects with sustainable, attractive returns and long-term value enhancement potential. Investis seeks to preserve and increase the value of its real estate portfolio through active portfolio management. A high level of occupancy and constant cost optimisation enable value to be systematically preserved and increased. Investis is also involved in realising targeted and cost-efficient renovation projects, including optimising energy efficiency. This is in addition to construction measures such as extending rentable floor space by adding storeys, and conversions.



**INCOME GROWTH THROUGH A BROAD RANGE OF REAL ESTATE SERVICES ACROSS SWITZERLAND**

The Real Estate Services segment generates attractive added value for Investis and its stakeholders. The Group also seeks national recognition by offering real estate services across Switzerland. In addition, the Group intends to add further services to its Property Management and Facility Services activities.

**GREATER EFFICIENCY AND ENHANCED QUALITY THROUGH DIGITALISATION**

Digitalisation of internal processes permits shorter and more efficient process flows. Staff are thus free to concentrate on activities that add more value, such as advising clients. Investis also intends to push ahead with the digitalisation of client interfaces in order to improve its service offering.

**SOLID FINANCING STRATEGY WITH A SOUND CAPITAL BASE**

The Group is solidly financed and is targeting a gross loan-to-value ratio (LTV) of 40%. LTV is measured as the ratio of interest-bearing financial debt to portfolio value, but it does not include the value of the real estate service business. A low LTV ratio gives the company full flexibility to exploit any attractive opportunities that arise in the market. The Group continues to strive to optimise its financing structure and to use the most suitable financing sources over the long term, including opportunities presented by the capital market.

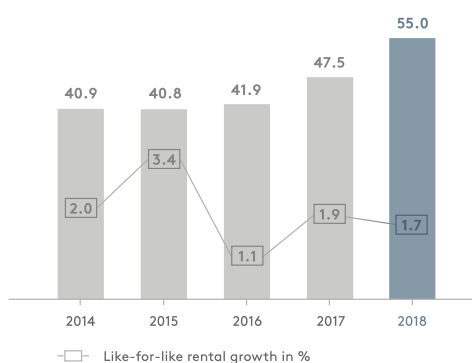
## PROPERTIES

The portfolio of Investis Properties consists predominantly of residential properties located in the Lake Geneva region.

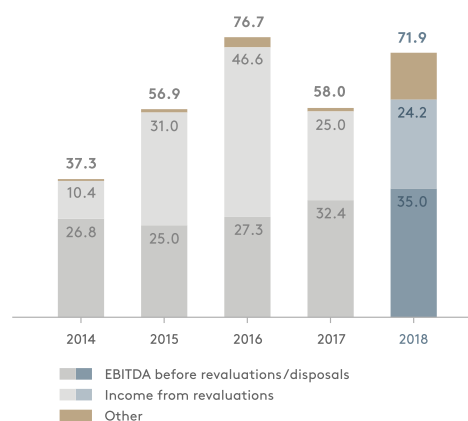


Investis has developed its Properties business line over 25 years. It generated revenues of CHF 55.0 million and an operating profit (EBIT) of CHF 71.9 million during 2018.

PROPERTIES – REVENUE  
(CHF MILLION)



PROPERTIES – EBIT breakdown  
(CHF MILLION)



### FOCUSED ON THE LAKE GENEVA REGION

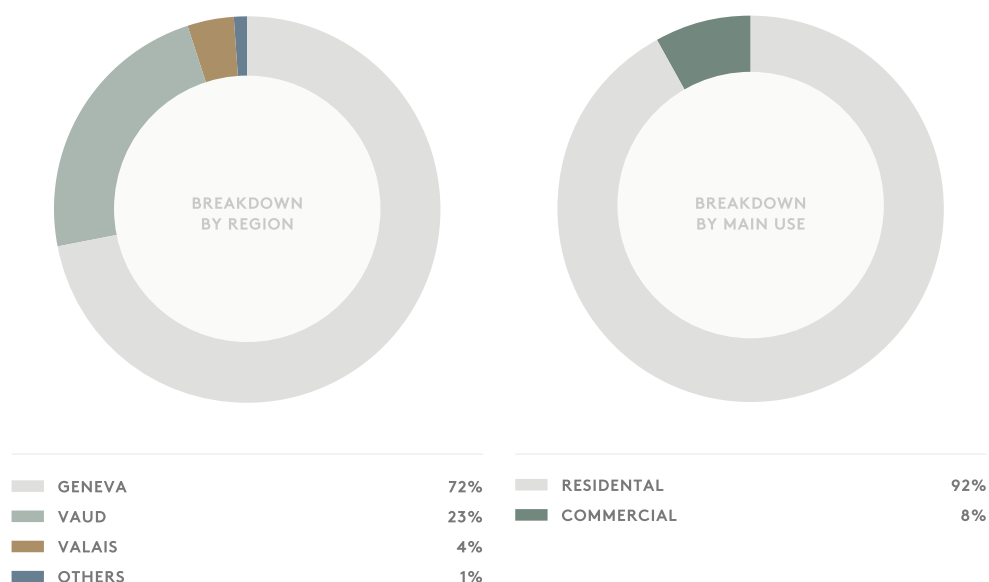
Within the Properties business segment, investing is the main activity. This consists of the ownership and development of a residential property portfolio focused on the Lake Geneva region.

The portfolio is mainly located within the Cantons of Geneva, Vaud and, to a smaller extent, Valais. In the Cantons of Geneva and Vaud, the majority of buildings are clustered around Geneva and Lausanne.

**INVESTMENT PROPERTIES —MAINLY RESIDENTIAL**

Based on market value and main use, 92% of the properties are used for residential purposes and 8% for commercial purposes.

The following graphs depict the geographical distribution and main use of the investment properties:

**DEVELOPMENTS**

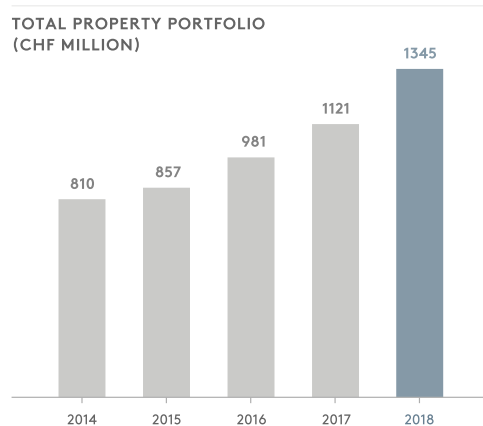
Investis carries out opportunistic developments aimed at high returns on sales. To this end, Investis selectively purchases the land, obtains the necessary construction permits, develops the properties and subsequently rents or sells them.

**SERVICED APARTMENTS**

The Serviced Apartments activity consists of the operation of 83 serviced apartments under the OMI Residences brand. The apartments are mainly located in the center of Geneva.

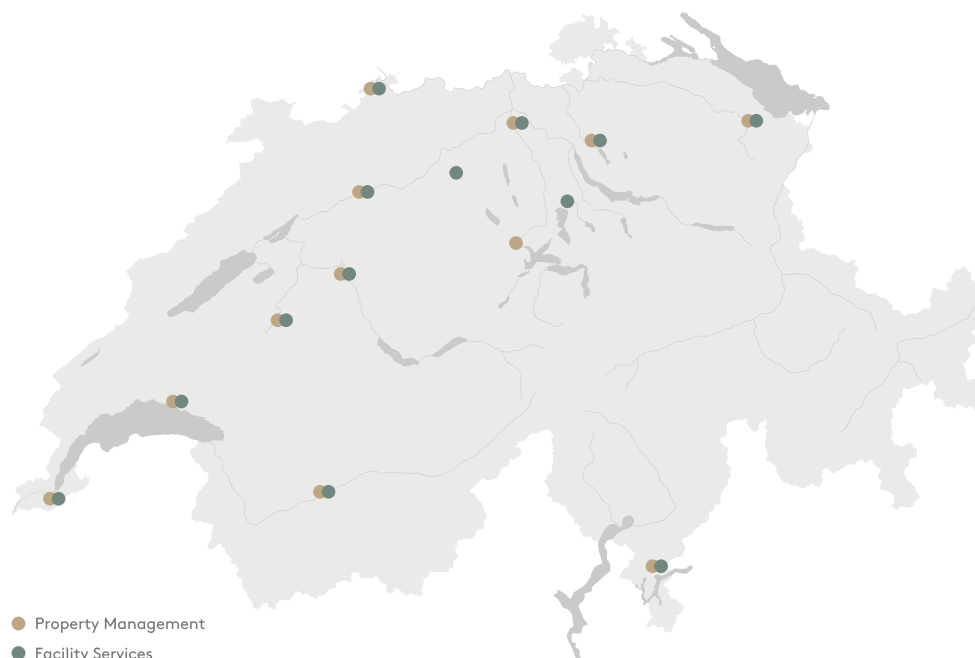
## PROPERTY PORTFOLIO

The portfolio was valued at CHF 1,345 million as at 31 December 2018 and consists of 2,911 middle-income residential units in 157 buildings as well as 13 developments. Detailed information on the properties is available on the [Company website](#) or under the [property portfolio](#) in this annual report.



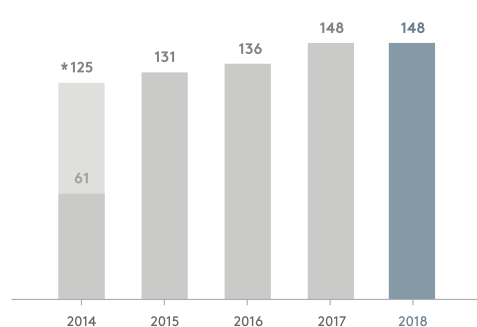
## REAL ESTATE SERVICES

Investis Real Estate Services is active through well-known local brands across Switzerland



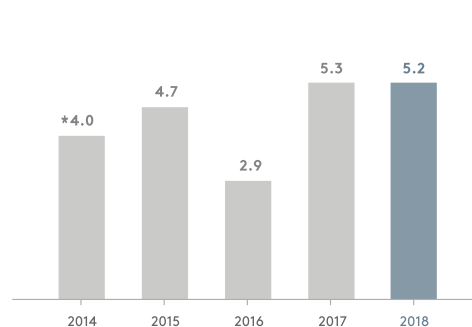
In the Real Estate Services business segment, Investis pursues two activities throughout Switzerland, namely Property Management and Facility Services. This business segment generated a revenue of CHF 148 million in 2018, with an EBIT margin of 5.2%.

REAL ESTATE SERVICES – REVENUE  
(CHF MILLION)



\* based on Like-for-Like Financial Information

REAL ESTATE SERVICES – EBIT MARGIN  
(IN %)



\* based on Like-for-Like Financial Information

Rents under management came to CHF 1.74 billion (as per 31 December 2018), representing an organic increase of CHF 60 million in 2018 (2017: increase of CHF 100 million).

## PROPERTY MANAGEMENT

Property Management activities are offered by **Privera AG** and **Régie du Rhône SA**.

Investis' Property Management covers all real estate services throughout the lifecycle of properties, whether residential buildings, commercial buildings or shopping centers. These services include:

### Property management

- Multi-storey dwellings
- Office and commercial properties
- Retail properties and shopping centers
- Co-ownership
- Condominium properties

### Co-ownership associations

- Complete organisation and operation of large and challenging property complexes
- Coordination of all property management services as well as accounting
- Reporting that meets the highest requirements
- Planning and implementation of building measures in the interests of the investor

### Center management

- Development of new shopping centers
- Property and market analyses, market research
- Center positioning
- Center management and operational management
- Switzerland-wide retail marketing
- Center marketing and promotional activities
- Support/guidance for tenants' associations
- Alterations and modernisations

### Letting management

- First-time, renewal and special lettings of residential and commercial properties, office, service and retail spaces
- Market and site analyses
- Property and usage analyses
- Letting and marketing concepts
- Property marketing, letting management

### Brokerage

- Procurement/sale of properties
- Valuations/surveys
- Market and site analyses
- Property and usage analyses
- Development of sales concepts
- Property search mandates

### Construction management

- Building condition assessments
- Energy-optimisation measures
- Alterations and renovations
- Construction project and general management as per SIA 102 and SIA 112
- Client fiduciary and advisory services





**FACILITY SERVICES**

The Group companies active in Facility Services are **Hauswartprofis AG, Synergie Services Facility Management SA, AGD Renovationen AG, Chauffage-Assistance SA and Clim-Assistance SA.**

Investis' Facility Services offers a wide range of services for the maintenance of buildings and outdoor services for residential, office and commercial buildings, and shopping centers. The particular services are:

**Caretaking services**

- Indoor and outdoor
- Technical maintenance
- Grounds maintenance

**Cleaning services**

- Facades
- Windows and roller shutters
- Basic and deep cleaning
- Building cleaning
- Escalators
- Offices
- Flats
- End of tenancy

**Building technology**

- Facility management
- Electrical safety plans
- Warranty
- Evacuation plans

**Technical services**

- Ventilation / air conditioning
- Heating systems / plumbing
- General renovations
- Electric appliances



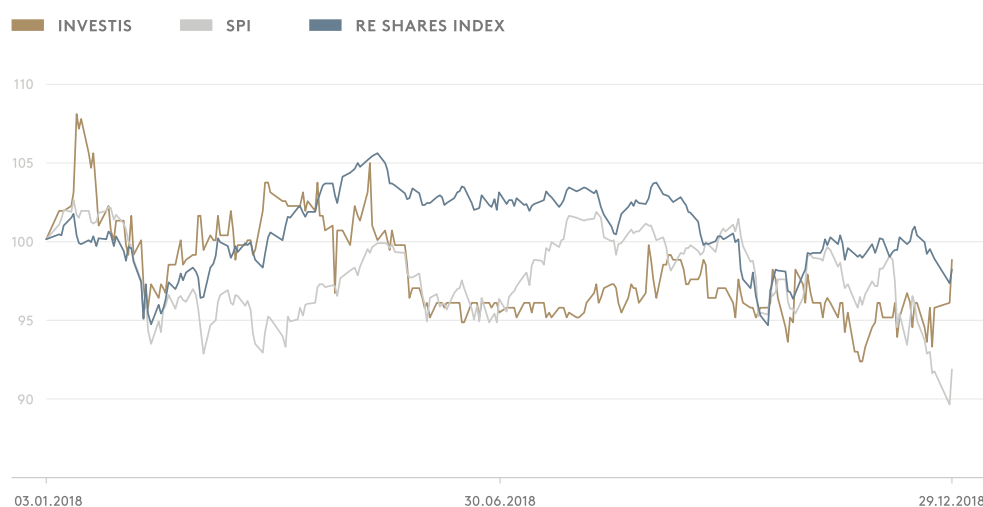


## SHARE INFORMATION, BOND INFORMATION

Investis can look back on its second full financial year as a listed company. Entering the capital market and thereby expanding the shareholder base has provided the Investis Group with a solid foundation, enabling it to accelerate its current growth.

The registered shares of Investis Holding SA are traded on the SIX Swiss Exchange in Zurich and are listed in accordance with the Standard for Real Estate Companies.

### SHARE PRICE DEVELOPMENT



The closing price at year end stood at CHF 61.80; a decrease of 1.4% vs the closing price of CHF 62.65 at the end of 2017.

### FIXED-RATE BONDS

In order to optimise the financing structure and to benefit from the attractive conditions on the capital market, Investis Holding SA successfully issued one additional fixed-rate bond in 2018. All fixed-rate bonds are traded on the SIX Swiss Exchange in Zurich.

ISIN	CH 033 764 551 6	CH 035 259 586 9 <sup>1)</sup>	CH 036 153 322 4	CH 037 347 679 2
Trading currency	CHF	CHF	CHF	CHF
Issuing volume	100 million	140 million	180 million	100 million
Listing	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Coupon	0.55%	0.25%	0.75%	0.35%
Tenor	5 years	2 years	5 years	2 years
Payment date	15 November 2016	14 February 2017	3 October 2017	12 June 2018
Redemption date	15 November 2021	14 February 2019	3 October 2022	12 June 2020

1) Refinanced with a coupon of 0.773% for a tenor of 2 years (14 February 2019 – 15 February 2021).