

HALF-YEAR RESULTS 2019

Zurich – 29 August 2019



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Focus points

Agenda

- Highlights on Group performance for the HY 2019 and market trends
- Performance for the HY 2019
- Outlook
- Appendix

1994

Founded

CHF 0.9 bln

Market Cap

CHF 1.34 bln

Portfolio
value

154

Properties

98%

Focus on
Lake Geneva

8.3%

EBIT margin

Real Estate
Services

0.6 %

Average
interest
rate

CHF 112m

Net profit

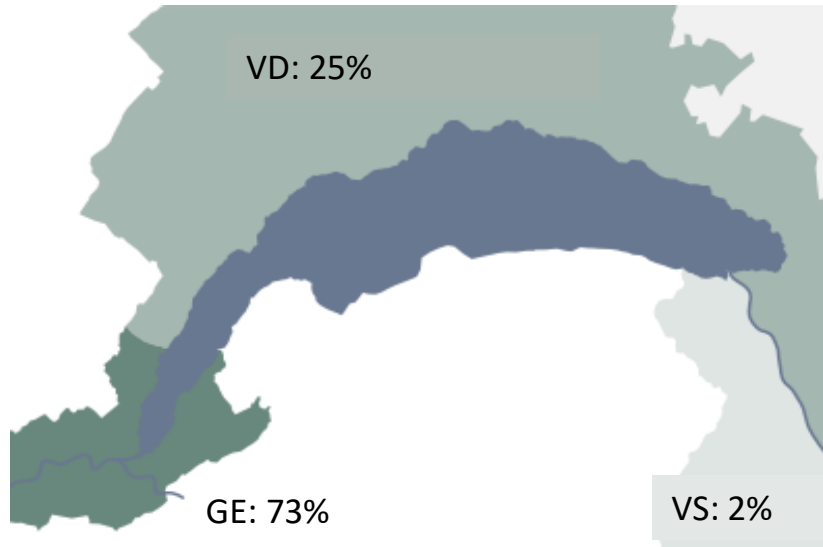
CHF 52.47

NAV
per share



Very focused and attractive portfolio around the Lake Geneva

Strategy buy and hold – realise rent upside potential



- Residential
- Middle segment (no luxury apartments)
- Low vacancy rates
- Lake Geneva region

Case study: Buy and hold strategy

Rue du Nant 30 – Geneva



- 1998** Acquisition in December 1998
Residential block built in 1986 with
40 residential units and 2 retail units
- 2014** Renovation of bathrooms and kitchens
- 2015** Additional energy efficiency renovation
- 2016** New lifts / painting of stairs
- 2017**
- 2018**
- 2019** Renovation of the face of the building

Year	Acquisition costs/ appraisal value in CHF/m	Rent in CHF/k
1998	1.9	339
2014	12.3	623
2015	13.9	650
2016	14.9	657
2017	15.8	661
2018	17.0	703

Real Estate Market in Geneva

Basic parameters influencing the real estate market 2019 in the Lake Geneva region

Im- /Migration/ Demography



- Into Switzerland
- From other cantons into the Canton of Geneva
- Population getting older requiring more smaller apartments

Construction activity



- Limited activity especially in GE
- Scarce free building land
- Tight regulations
- Constant undersupply in residential

Regulations



- Tax regime for corporations is changing

Capital Markets



- CHF interest rates expected to remain stable at very low levels

Real Estate Market in Geneva

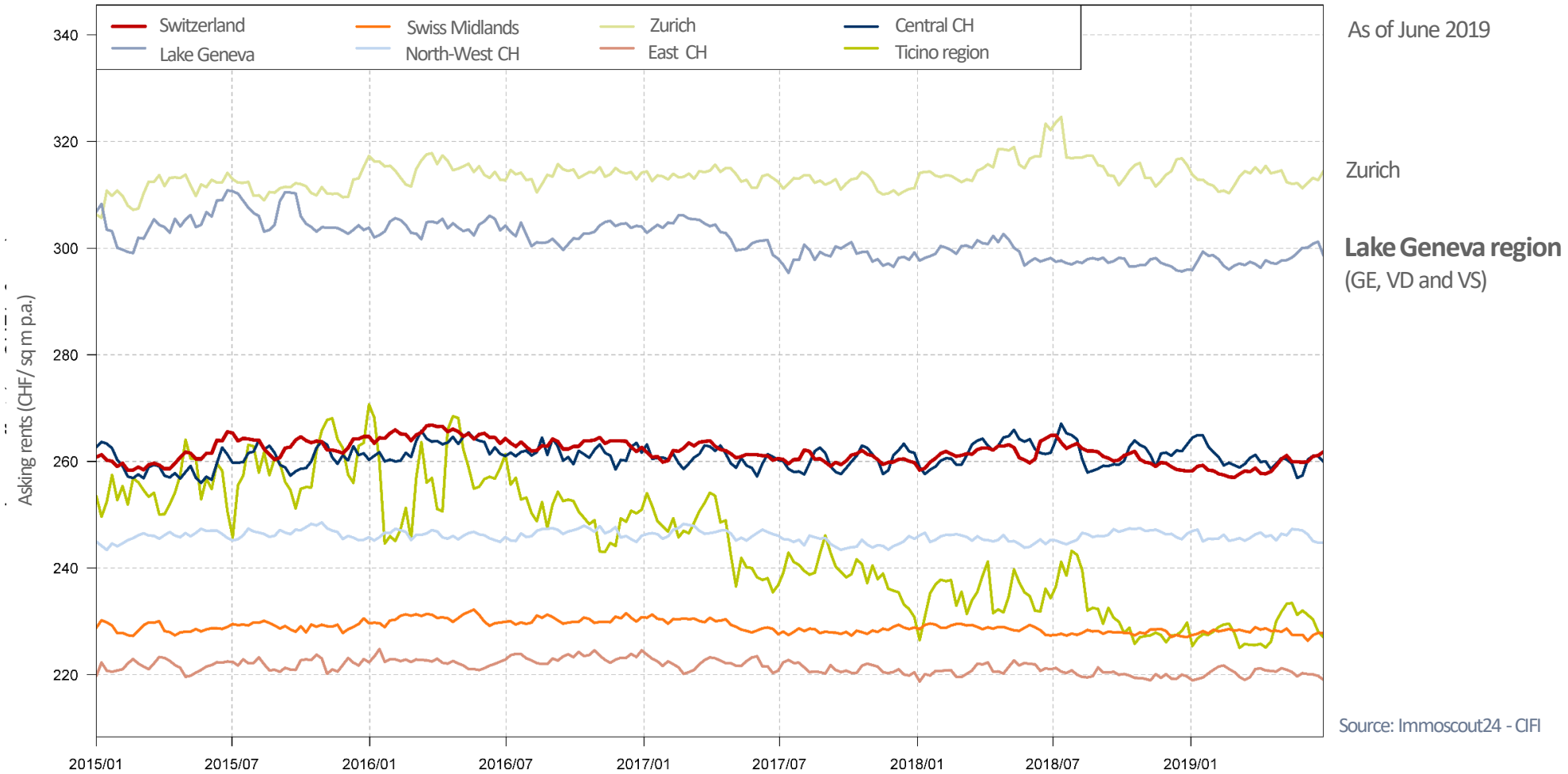
Population growth expected to continue but changes/shift in demand

1. Half of the expected household growth in Geneva until 2040 (expected anywhere between 26'000 and 43'000 households depending on different scenarios ¹⁾) will be composed of one person households – aging of the population or divorce
2. In 2018, the Canton of Geneva passed the threshold of 0.5 million inhabitants – it took 22 years to grow by 0.1 million on an annual population growth of 1.02% -> in addition, the threshold of 0.3 million Swiss inhabitants was passed i.e. not only immigration of foreigners but also influx from Swiss people grows the market
3. Geneva shows a constant undersupply in residential accommodation due to
 - a highly regulated market leading to limited construction activity
 - scarce free building land
 - higher share of renting vs ownership
 - low rate of institutional investors investing into new rental apartments

¹⁾ Source: Office cantonal de la statistique (OCSTAT), 10 January 2019

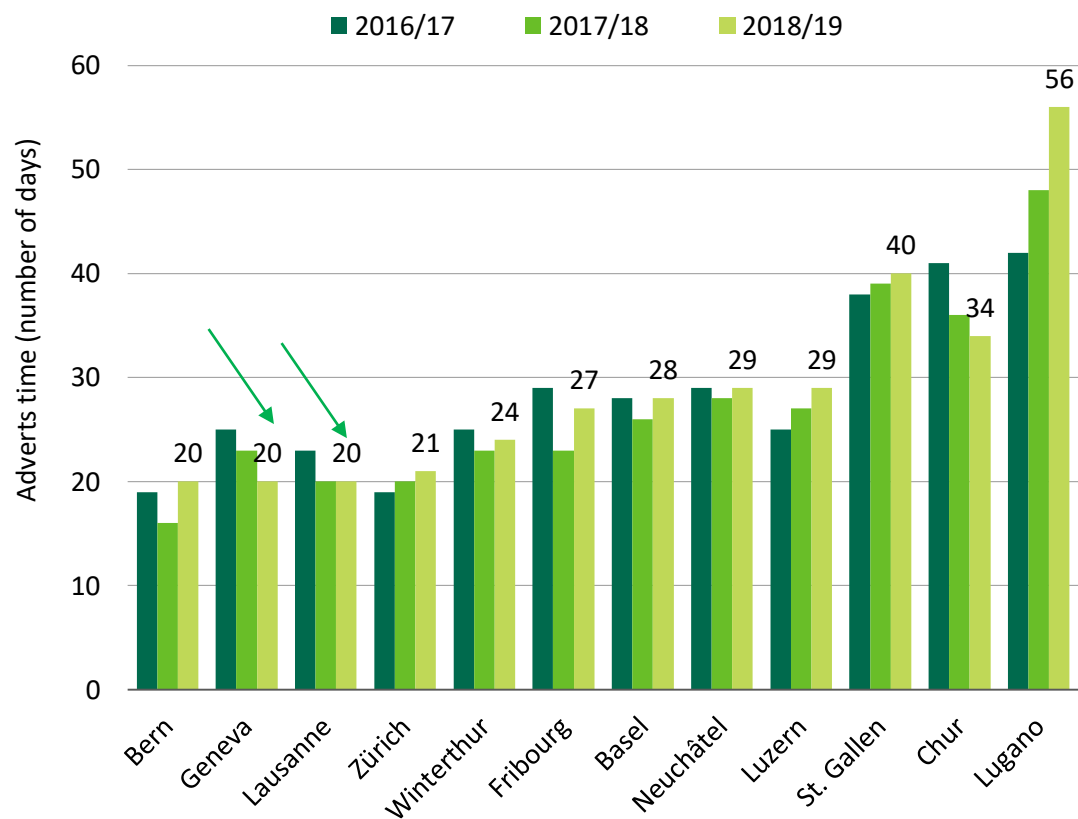
Residential Real Estate Market Switzerland

Lake Geneva region amongst the highest average asking rents at +/- chf 300/sq

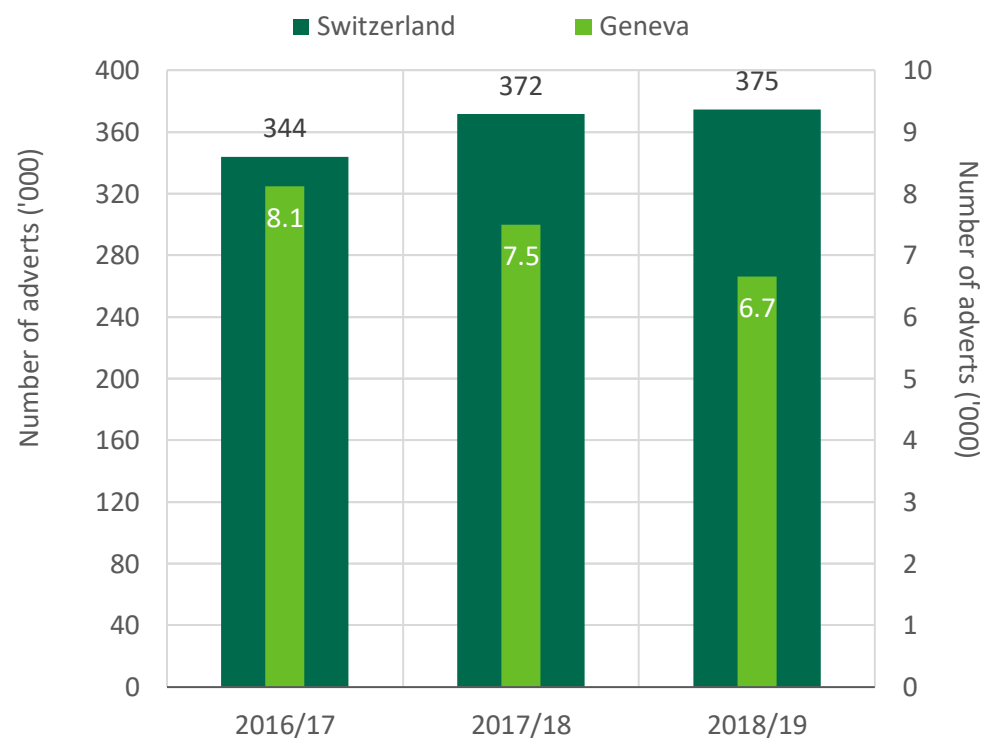


Residential Real Estate Market in Switzerland

Reduction of adverts time in Geneva and Lausanne contrasting with the trend



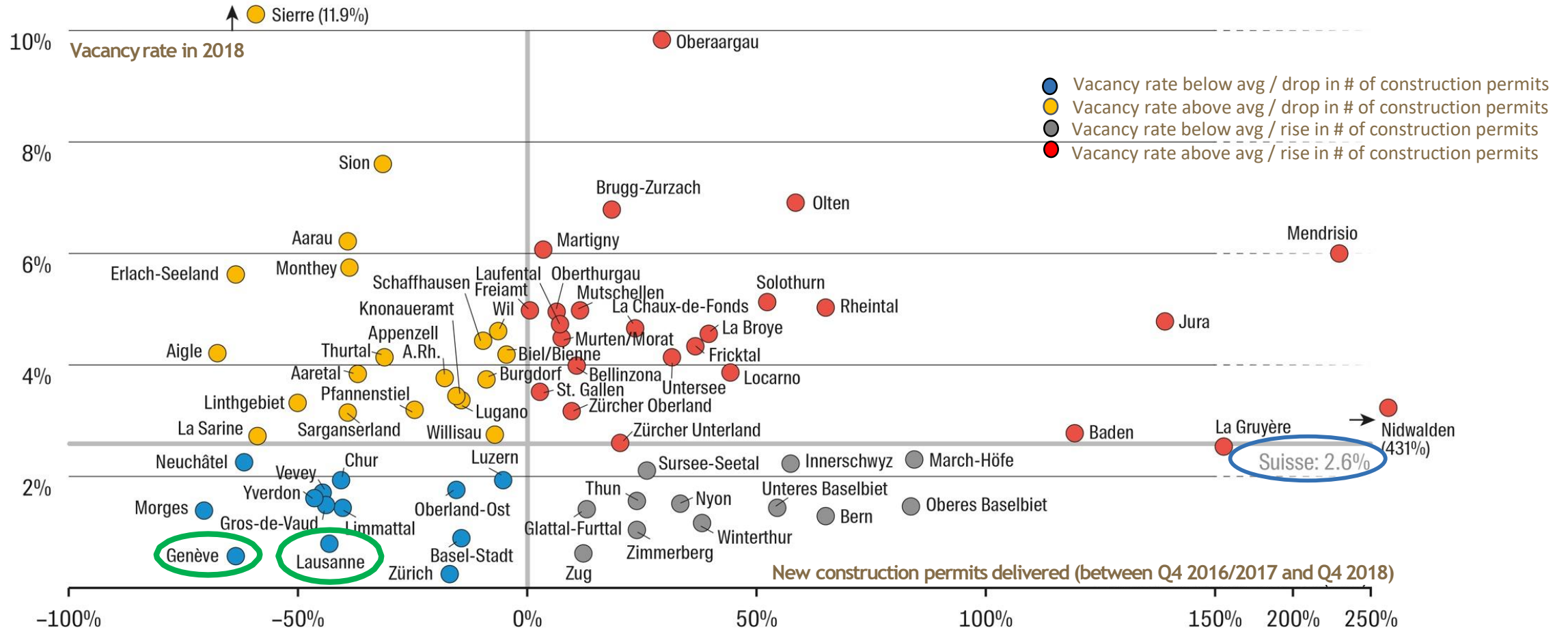
Lower number of adverts in Geneva over the last 3 y



Source: SVIT

Residential Real Estate Market in Switzerland

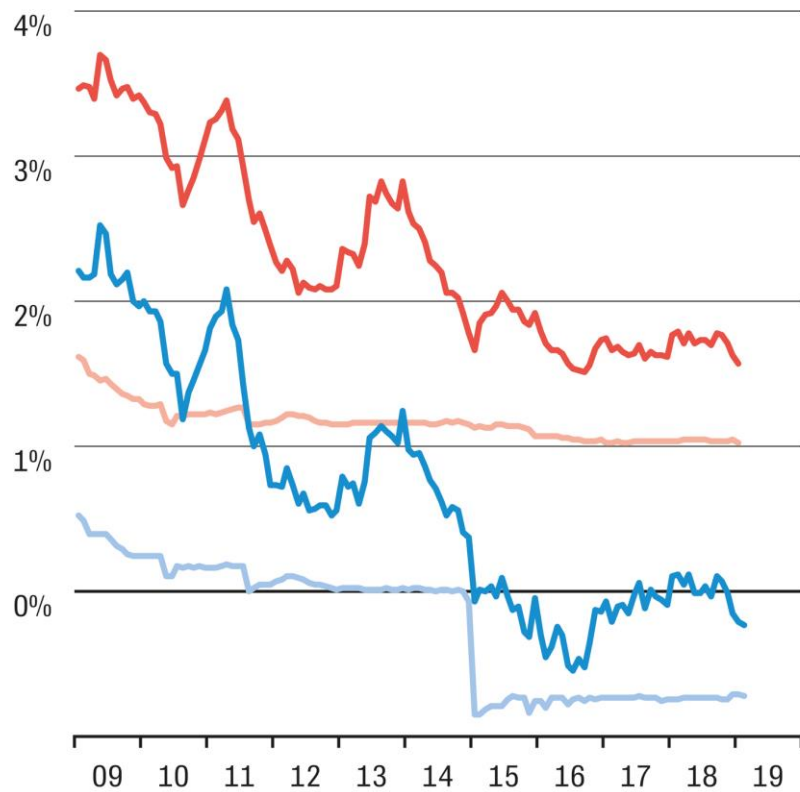
Vacancy rates are set to remain low in Investis' key markets



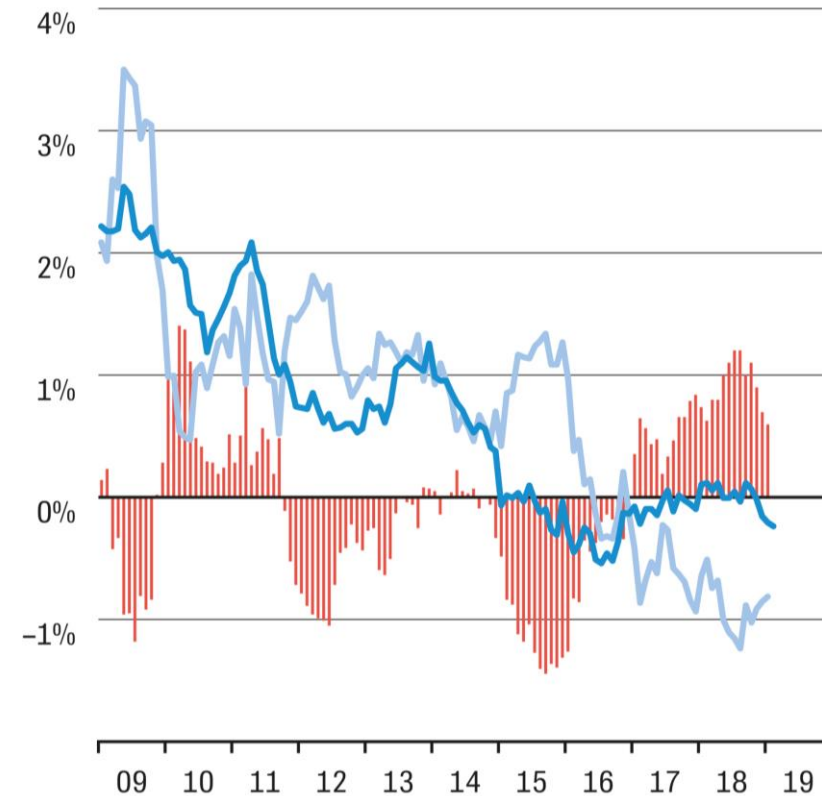
Source: Wüest Partner

Why interest rates will not increase ...

Real interest rate is to remain negative for the near future



— 10y Swiss Gvt Bond — 3m LIBOR
Mortgage rates for new business:
— 10y fix — LIBOR Roll-over 3months (3y)



■ Development of inflation month by months
— Nominal interest rate: 10y Swiss Gvt Bond
— Real interest rate: Nominal interest rate minus inflation

Real Estate Market in Switzerland – to sum up

Investis is active in markets where there is a constant situation of undersupply in the residential market – Lake Geneva region is Investis' USP and highly differentiates from its peers in the Swiss residential market:

- Residential properties in city centers do not grow
- Highest demand
- Higher rental growth
- Highest average asking rents per square meter
- Low vacancy rates
- Favourable yield spread

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Main developments in HY 2019 – very pleasing operating performance

Investis Group:

- EBITDA before revaluations at CHF 22.9m; +17% above HY 2018
- Net profit CHF 90m above HY 2018 due to
 - Excellent operating performance by both segments
 - Higher revaluation gains
 - Reversal of deferred tax

Properties:

- Portfolio value at CHF 1,340m
- Like-for-like rental growth of +0.7%
- Low vacancy rate at 2.1%

Real Estate Services:

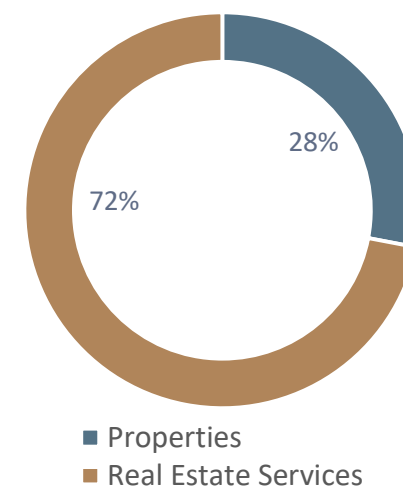
- EBIT margin of 8.3% achieved for the HY 2019
- Mid-term target of high-single digit EBIT margin for the FY 2019 on track to be achieved

Investis Group: Overview on the financial performance for the HY 2019

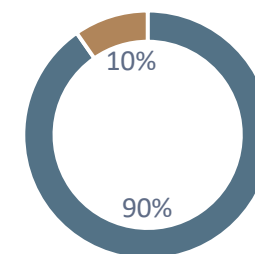
(CHFm)	HY 2019	Δ in %	HY 2018	HY 2017	HY 2016
Revenue	98.6	+0.8	97.9	93.6	79.3
EBITDA before revaluations/disposals	22.9	+16.5	19.6	17.6	13.0
Income from revaluations / from disposal of properties	34.3	+224.9	10.6	17.8	17.6
EBIT	56.0	+91.7	29.2	34.3	29.7
Financial result	2.7	n/a	-1.7	-1.5	-3.8
Income taxes	53.2	n/a	-5.8	-5.2	-6.2
Net Profit	111.9	+415.5	21.7	27.7	19.7
<i>Net Profit excluding revaluation effect</i>	33.8	+71.9	19.7	13.2	7.0

- Headcount 1,387 as per 30.06.2019; FTE 1,156 (avg of the period)

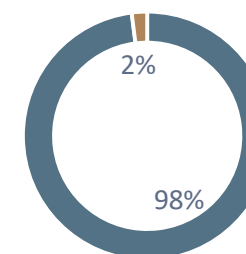
HY 2019 Revenues



HY 2019 EBIT



HY 2019 Invested Capital



Properties: The geographical concentration in the lake Geneva region is as an ASSET...

Significant growth in rental income coupled with consummated rental increases

(CHFm)	HY 2019	Δ in %	HY 2018	HY 2017	HY 2016
Revenue from letting of properties	28.1	+4.0	27.0	23.3	20.2
EBITDA before revaluations/disposals	18.1	+3.7	17.5	15.3	12.2
Revaluations & disposals	34.3	+224.9	10.6	17.8	17.6
EBIT	52.4	+87.1	28.0	33.1	29.8

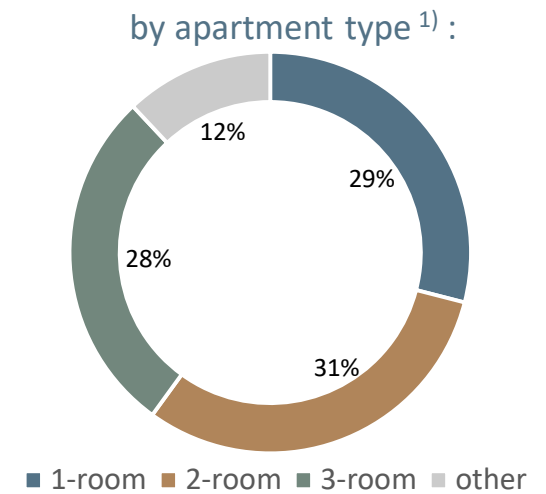
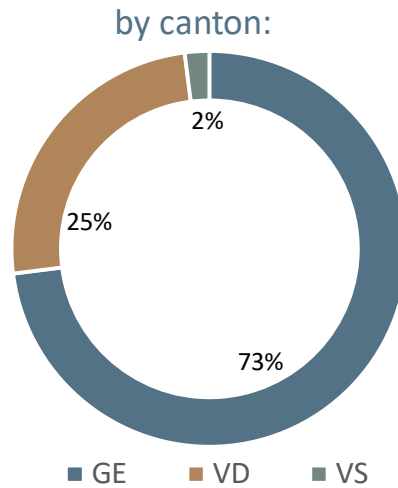
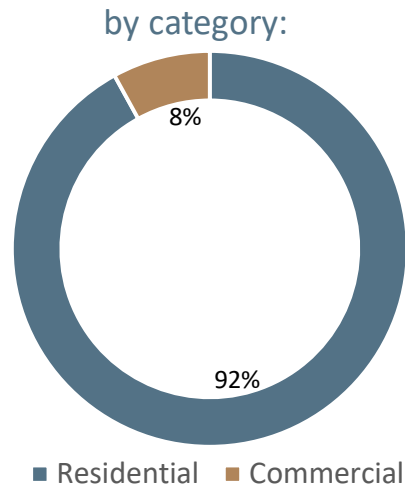
- Like-for-like rental growth +0.7% (PY 1.0%)
- Further lowering vacancy rate to 2.1% (2.5% per 30.06.2018)
- Average real discount rate at 3.44% (nominal +0.5%)
- Revaluation gains based on positive cash flow generation and lower discount rates
- Annualised full occupancy rent at CHF 56.6m

..... BECAUSE:

- Higher share of renting vs owing → middle class cannot afford to buy property in this region
- Limited construction activity in a highly regulated market / region
- Scarce free building land
- Low rate of investors investing into new rental objects of any kind

Properties: Further expanding portfolio -> adding value & rental growth -> buy and hold

Investment Properties: 154 properties – 2,872 residential units



Low vacancy 2.1%

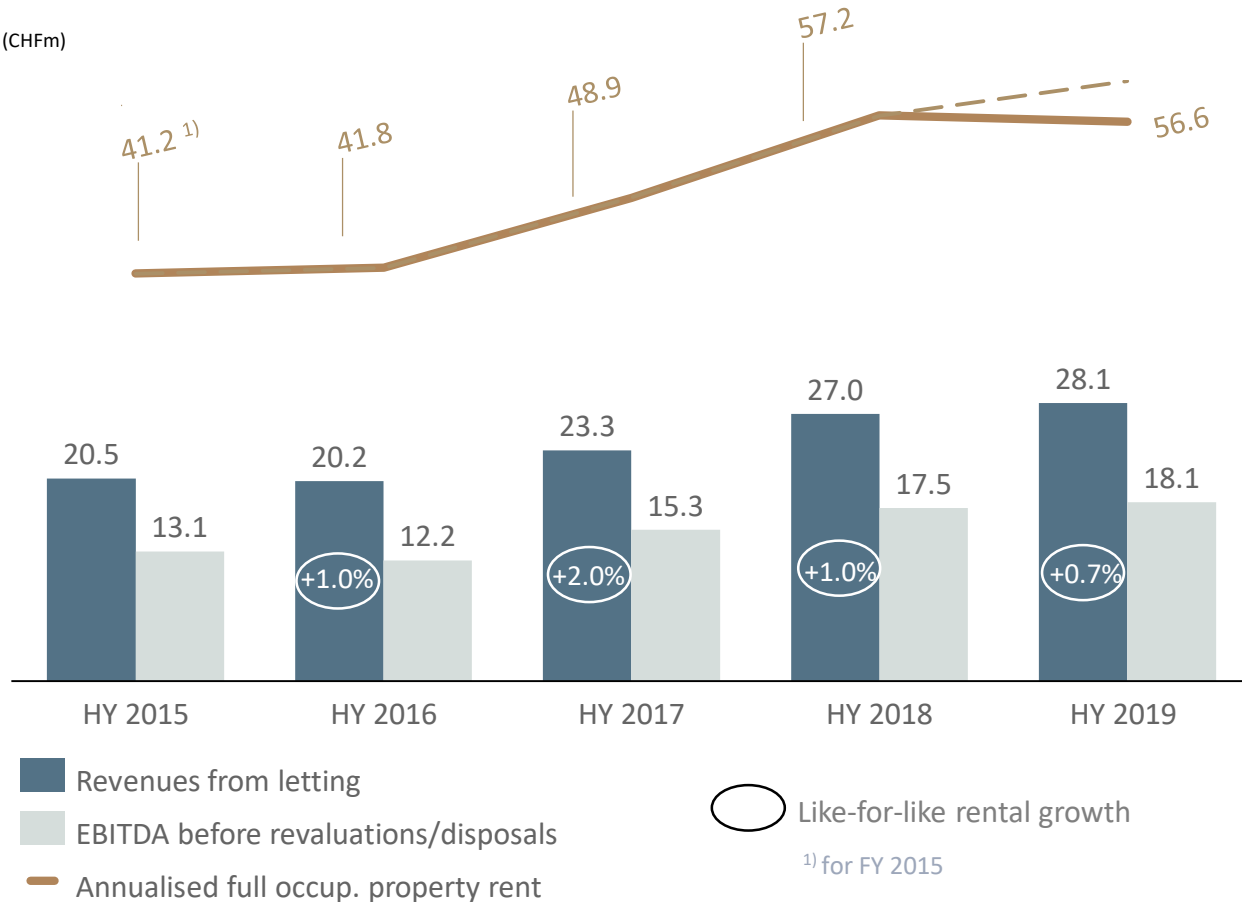


Residential GE	1.8%
Residential VD	1.2%
Furnished apartments (GE)	10.2%
Commercial properties	0.9%

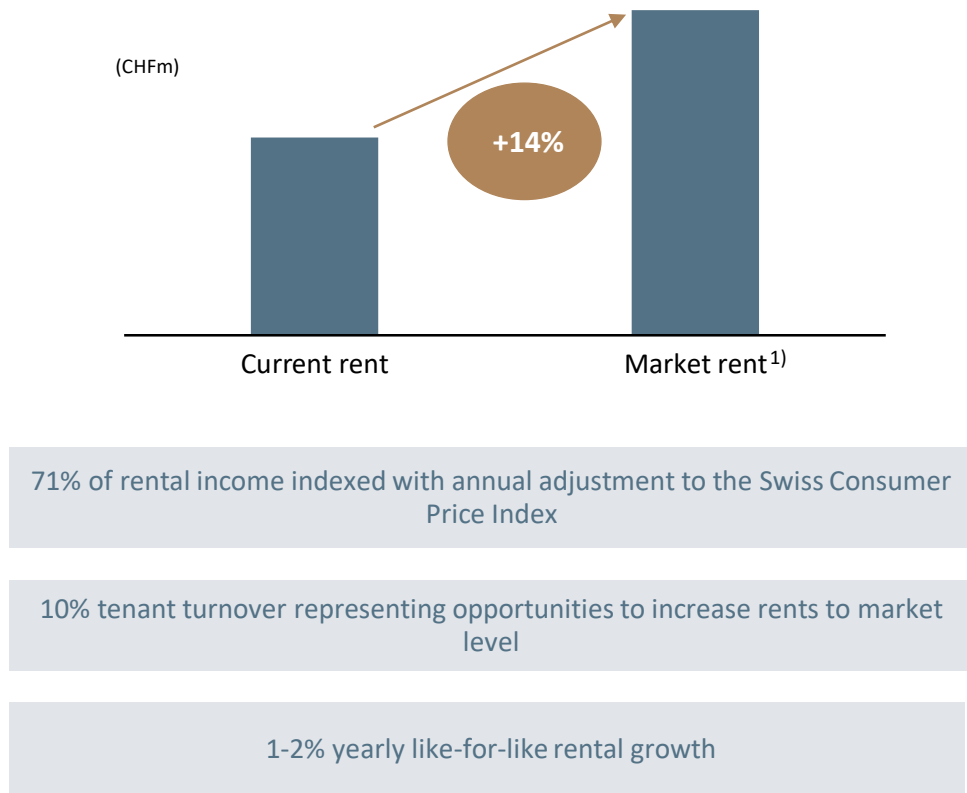
Note:

¹⁾ 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: further potential for rent increases still intact



Rent potential based on CBRE appraisal



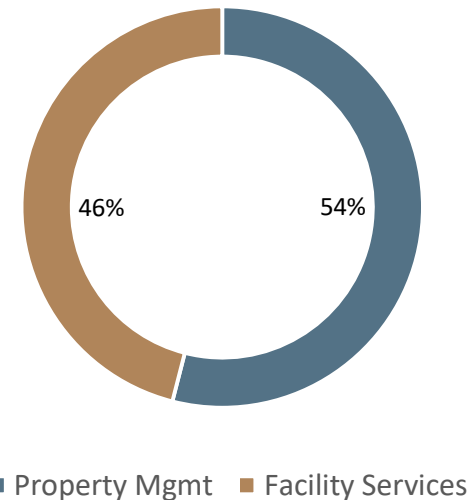
Note:
¹⁾ Based on CBRE appraisal HY 2019

Real Estate Services: target of high single digit EBIT margin to be achieved for FY2019

Both activities achieving their respective targets

(CHFm)	HY 2019	Δ in %	HY 2018	HY 2017	HY 2016
Revenue	73.6	+0.5	73.2	72.6	68.7
EBIT	6.1	+66.5	3.7	3.7	1.5
EBIT margin	8.3%		5.0%	5.0%	2.1%

Revenue split



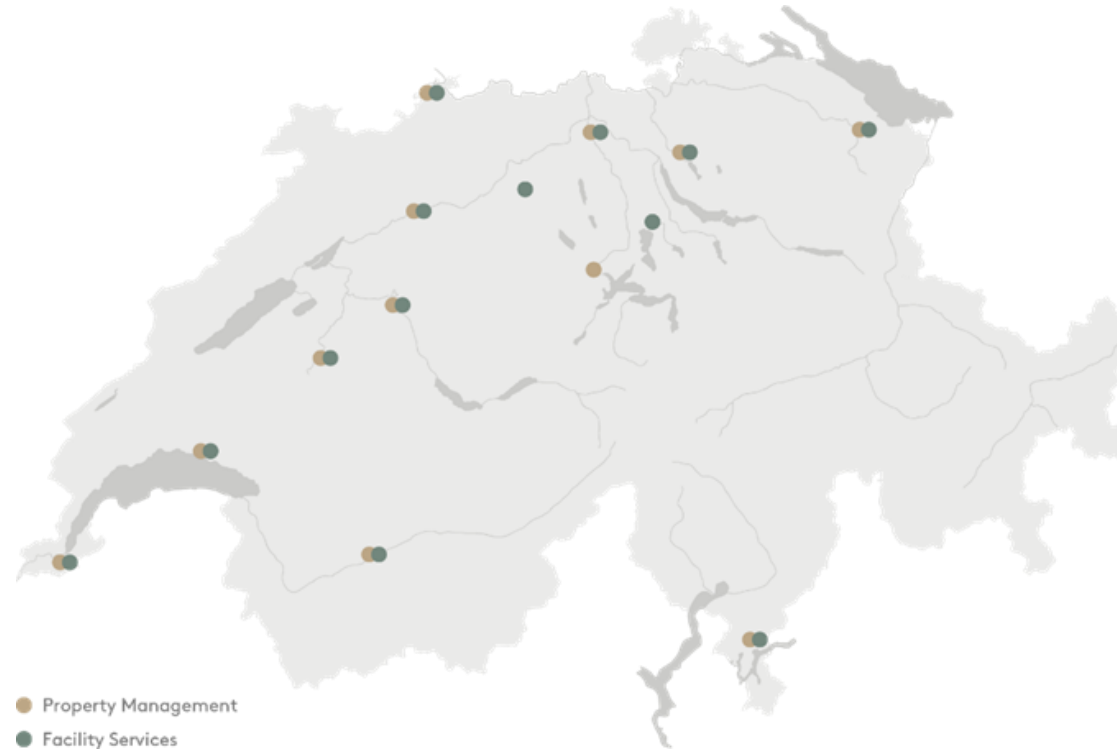
- **Property Management** top line increase:
 - Despite the disposal of Régie du Rhône SA, Crans-Montana
 - Rents under Management increased to CHF 1.76bln (vs CHF 1.74bln as per 31.12.2018)
- **Facility Services:** adjustment of mandates diluted top line growth

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

Focus on two Activities and two national brands for

PROPERTY MANAGEMENT

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



FACILITY SERVICES

- Caretaking services
- Cleaning services
- Building technology
- Technical services
- Concierge services



Investis Group: Positive non-recurring impact on the tax line

Release of CHF 61m of deferred taxes after popular vote on TRAF tax reform in the Canton of Geneva

(CHFm)	HY 2019	Δ in %	HY 2018	HY 2017	HY 2016
EBIT	56.0	+91.7	29.2	34.3	29.7
Financial income	5.0	n/a	0.1	0.3	0.2
Financial expenses	-2.2	-25.6	-1.8	-1.8	-4.0
EBT	58.7	+113.5	27.5	32.8	25.9
Income taxes	53.2	n/a	-5.8	-5.2	-6.2
Income tax rate	n/a	--	21.1%	15.7%	24.0%
Net profit	111.9	+415.5	21.7	27.7	19.7
<i>Net profit excluding revaluation effect</i>	<i>33.8</i>	<i>+71.9</i>	<i>19.7</i>	<i>13.2</i>	<i>7.0</i>

- Financial income includes:
 - Gain on sale of Régie du Rhône CM
 - Effect of reducing the stake in Polytech Ventures Holding AG
- Average interest rate remaining low at 0.6% as per 30.6.2019
- Substantial release of CHF 61m deferred tax
- Effective tax rate of around 15% expected as of 2020

Solid Balance sheet prevails – significant increase in NAV per share to CHF 52.47

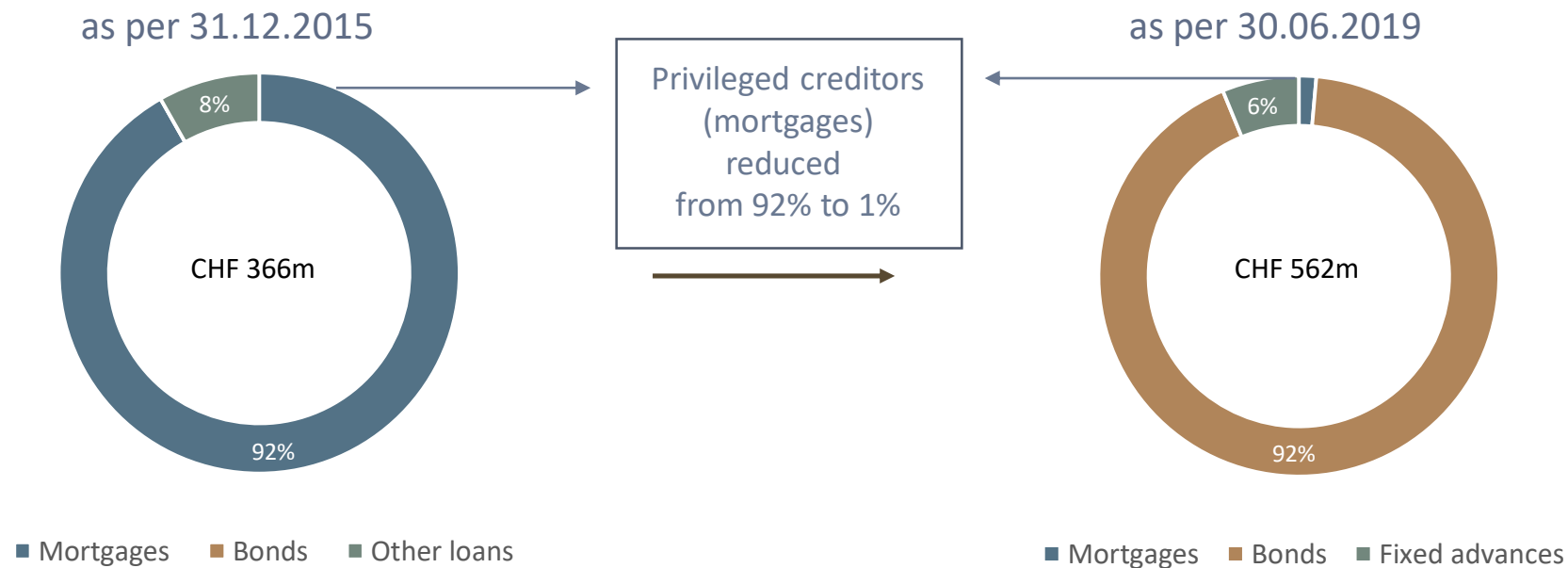
Strengthened shareholders equity to 46%

Balance Sheet (CHFm)	30.06.2019	Δ in %	31.12.2018	31.12.2017	31.12.2016
Cash and cash equivalents	17	-49.0	33	51	53
Properties portfolio	1,340	-0.4	1,345	1,121	981
Total assets	1,449	+1.8	1,424	1,238	1,100
Financial liabilities	563	2.4	550	446	338
<i>Gross LTV ¹⁾</i>	<i>42%</i>		<i>41%</i>	<i>39%</i>	<i>33%</i>
Deferred tax liabilities ²⁾	119	-32.9	178	155	146
Shareholders' equity	673	+14.3	589	569	558
<i>Equity ratio</i>	<i>46%</i>		<i>41%</i>	<i>46%</i>	<i>51%</i>
NAV per share (in CHF)	52.47	+14.3	45.89	44.38	43.48

Note:
 (1) Interest bearing financial debt over investment properties.
 (2) Not discounted

Attractive financial profile with strong resilience supported by flexibility in leverage

Translation from mortgages financing to unsecured senior debt over the last 3.5 years



	31.12.2015	30.6.2019
Avg. interest rate	2.2%	0.6%
Interest coverage ¹⁾	4.5x	16.4x
Avg. maturity (in months)	7	25

1) $\frac{\text{EBITDA excl revaluation effect}}{\text{interest income} - \text{interest expenses}}$








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IPO Commitments done back in June 2016

..... will be achieved in time

- 1. Investments into Portfolio and achieve rental income of > CHF 50m by 2019 
- 2. Strengthening Real Estate Services and achieve high single digit EBIT margin by 2019 
- 3. Debt restructuring by 2019  no subordination of bond holders 
unsecured credit lines in place 
- 4. Buyout minority shareholder 
- 5. Dividend pay-out of CHF 30m in two consecutive years 2017 and 2018 (only 50% being cash-effective) 

Outlook

- Further growth in Properties segment
- High single digit EBIT margin for Real Estate Service segment

Post Closing event

- Signing and completion of the sale Régie du Rhône SA
- Acquisition of a property portfolio of 6 residential properties in Geneva for CHF 62m with an annualised full occupancy property rent of CHF 2.89m

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Main achievements since IPO

▪ Development of the property portfolio

- Portfolio value up 53% since IPO to CHF 1.3 bln
- CHF 489m invested since 30.6.2016
- Annualised full occupancy property rent increased to CHF 56.6m from CHF 41.8m (June 2016)
- Revaluation gains: 2016: CHF 47m / 2017: CHF 25m / 2018: CHF 24m / HY 2019: CHF 28m
- Disposal of Valotel SA, Reduction of the participation in La Foncière de la Dixence SA (minority stake)

▪ Development of the Services Segment

- EBIT margin at 8.3%, corresponding to the target set prior the IPO
- Growth of the Rents under management by >CHF 200m to CHF 1.76bln (in PM) since 30.6.2016
- Disposal of Régie du Rhône Crans-Montana SA (completed in Q1 2019)
- Disposal of Régie du Rhône SA completed in August 2019 and focus on one brand in Property Management
- 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 0.6%

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 digitalisation

Solid financing strategy with a sound capital base

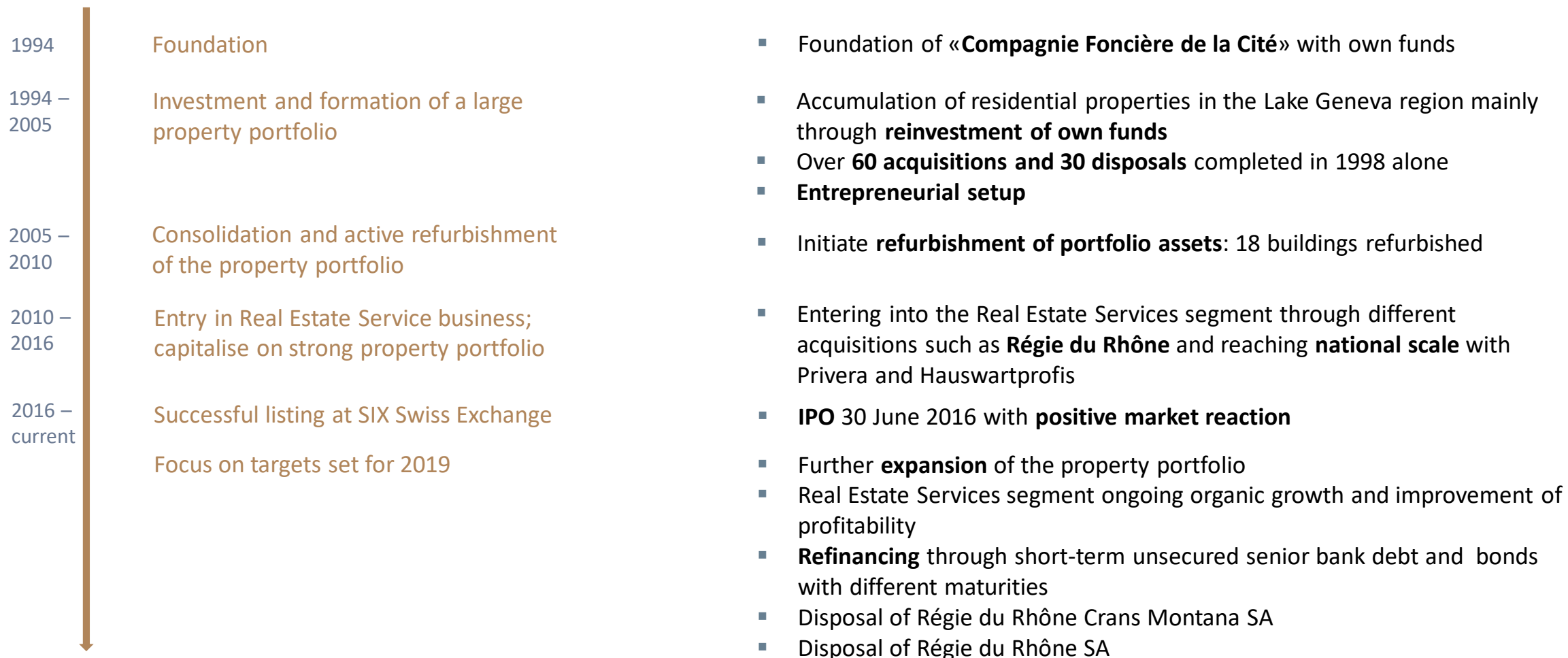
Fundamental business strengths

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 creative growth	
Attractive and stable return profile	
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 – first class location quality	Top-tier Property Management activity with largest diversified customer base of institutional clients
Low vacancy rates	Covering all aspects of Facility Services
Value creation through execution on rent upside potential	Digitalisation leads to greater efficiency – enhanced quality and innovative products

Investis Group has been an entrepreneurial business since 1994

Celebrating 25th anniversary in 2019



Highly entrepreneurial and experience management in place

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



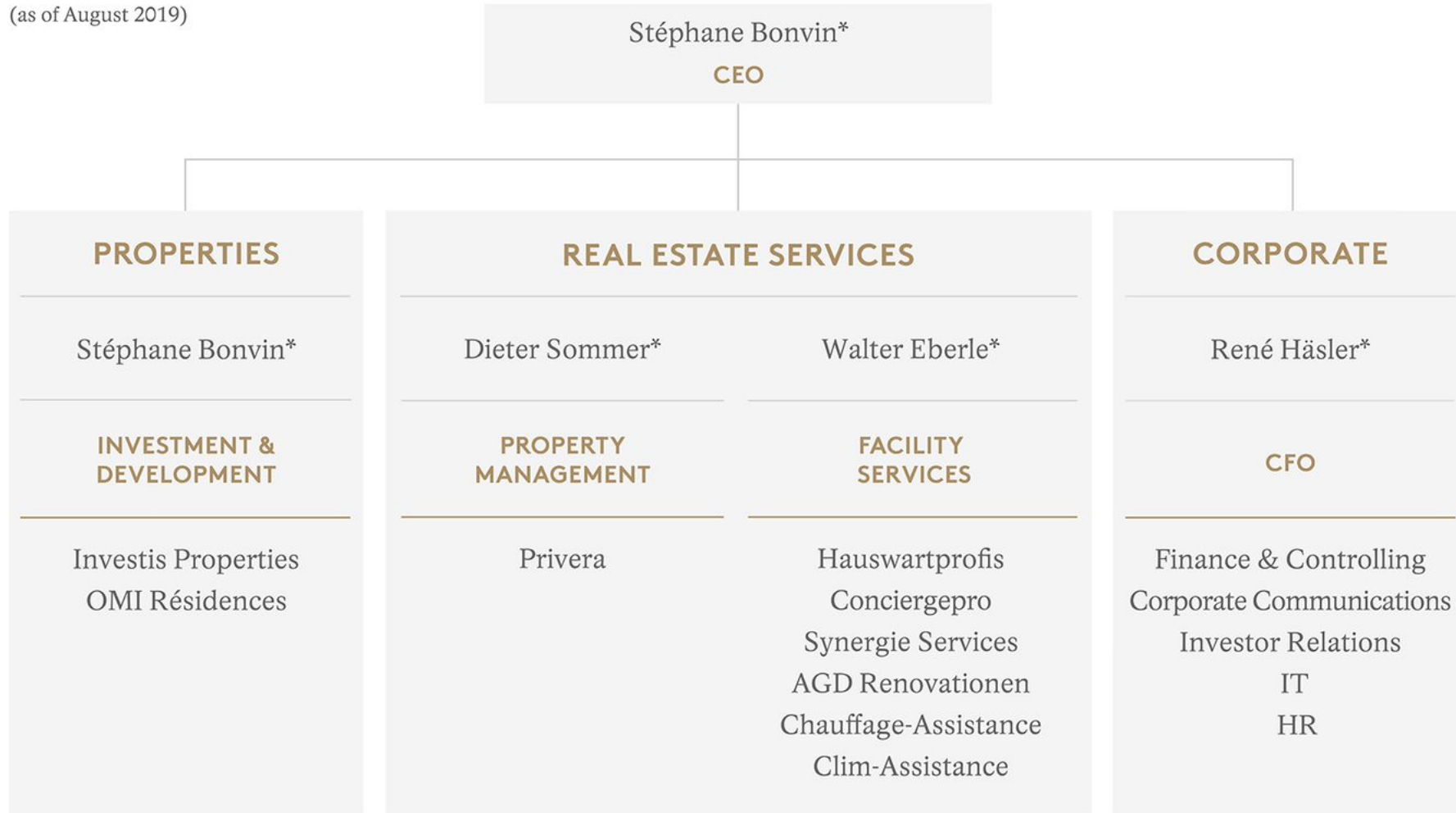
Dieter Sommer
Head Property Management



Walter Eberle
Head Facility Services

Organisation

(as of August 2019)



* Member of the Executive Board

Additional information on the Real Estate Market

Proving successful in a very regulated environment – positive net migration an asset

Although investment activity is rising in the residential sector in Geneva it cannot cover the demand

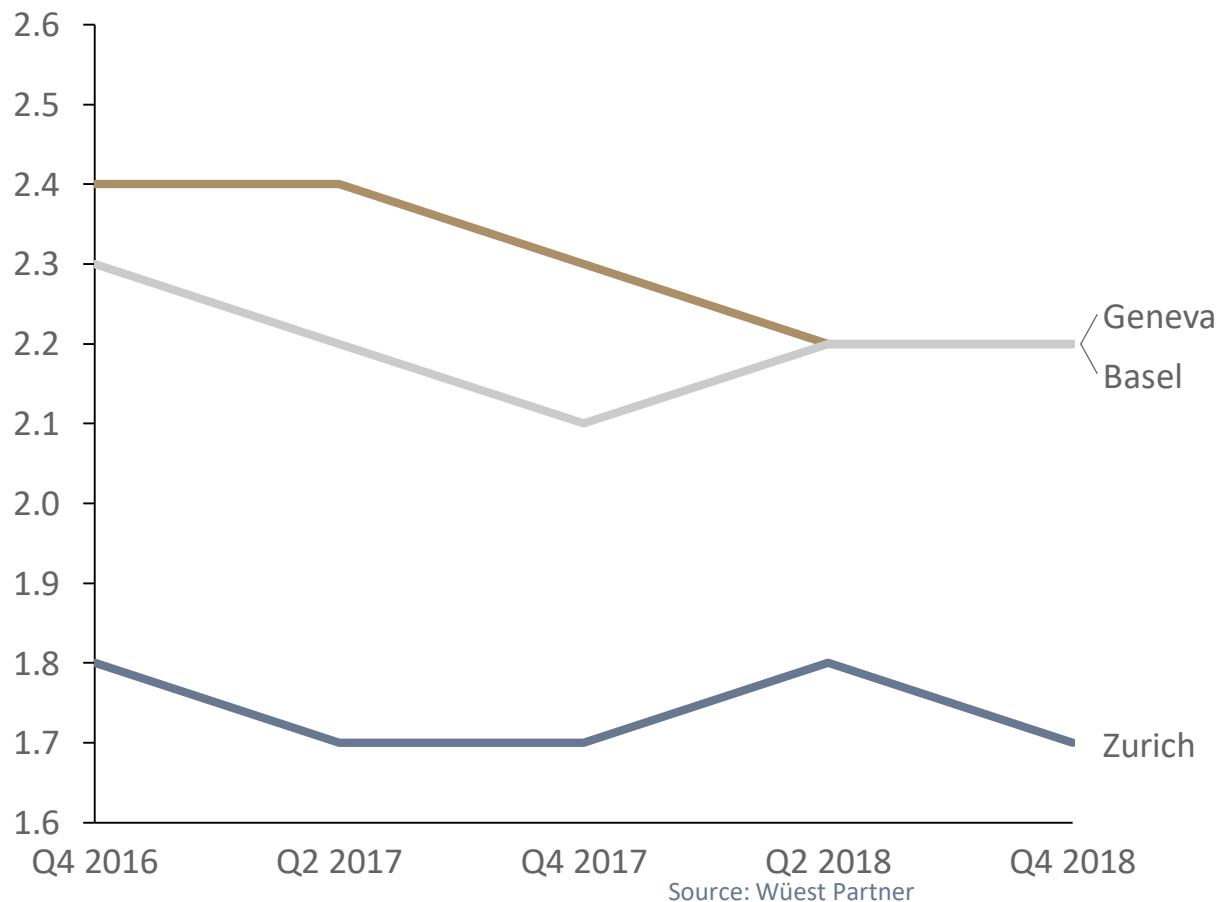


Source: CBRE

- Limited availability and high regulatory obstacles in the residential properties sector in the area increases the barriers to successfully enter the residential property investment market
- Value creation through execution on rent upside potential
- Housing supply in this region still well below ongoing population growth (in the Canton of GE: + 3,527 people in 2018 / +3.389 people from June 2018 till June 2019)
- In 2018 2'682 new apartments came onto the market (the Canton of Geneva only) (all time high since 1996 – around 1'500 on average p.a. in the last 20 years)
- For HY 2019: 504 new apartments in 1st Quarter and 519 in 2nd Quarter came onto the market well below the average since 2015 of 563 per Quarter ¹⁾

Residential Real Estate Market in Switzerland

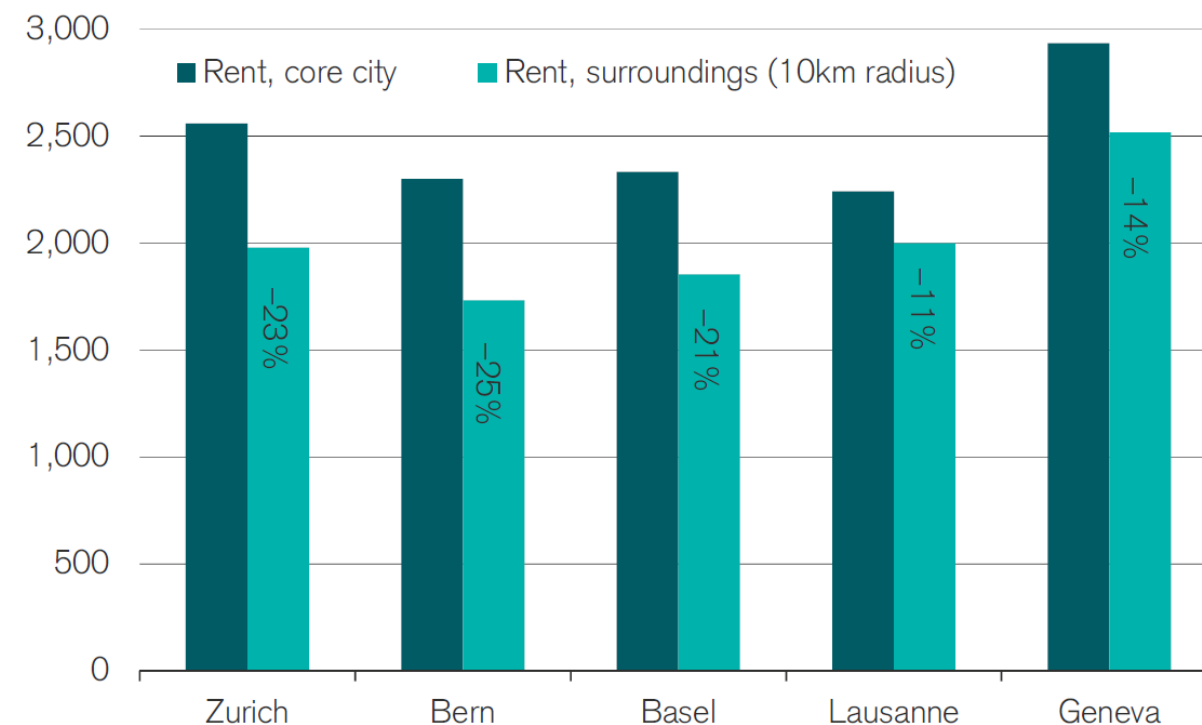
While bond yield negative - Geneva and Basel show the highest yield



Less geographic disparities in Lausanne and Geneva

Average monthly rent Q2 2018

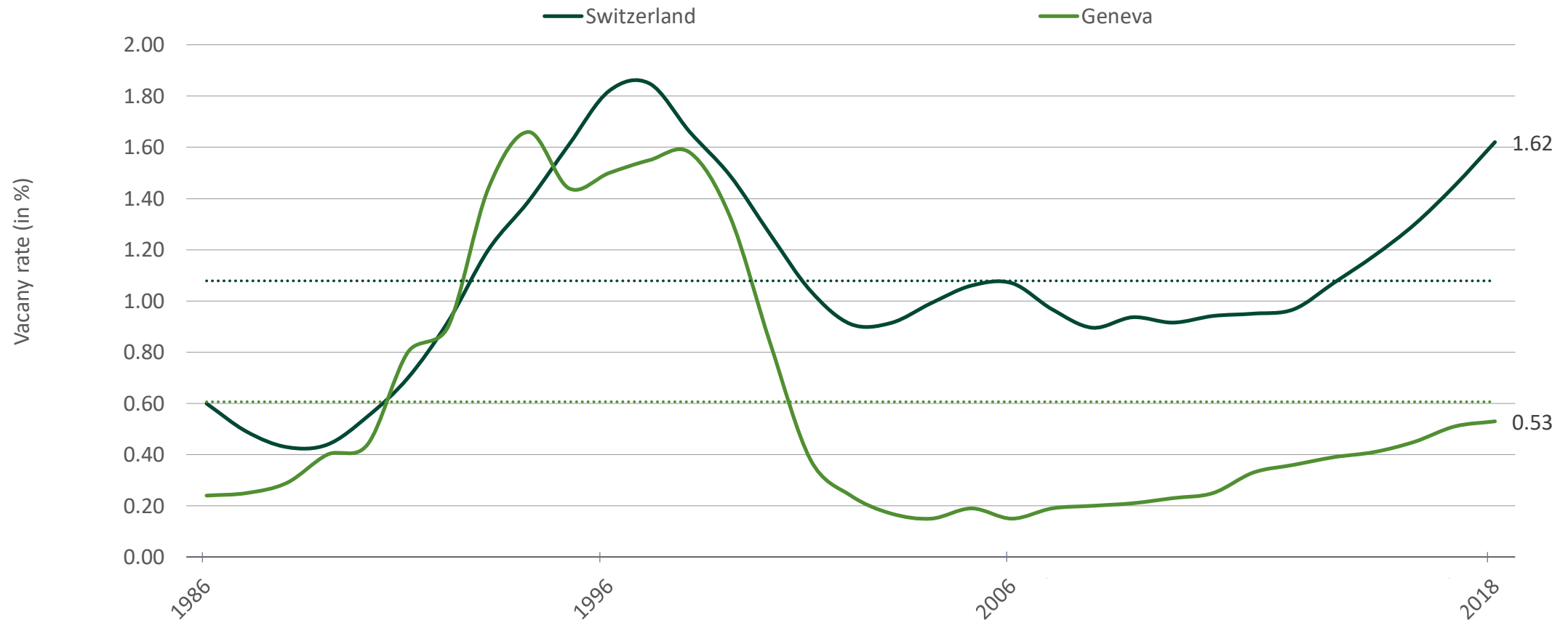
(net, in CHF for a 4 room apartment, new, 110m2, medium standard, good micro location)



Source: Credit Suisse

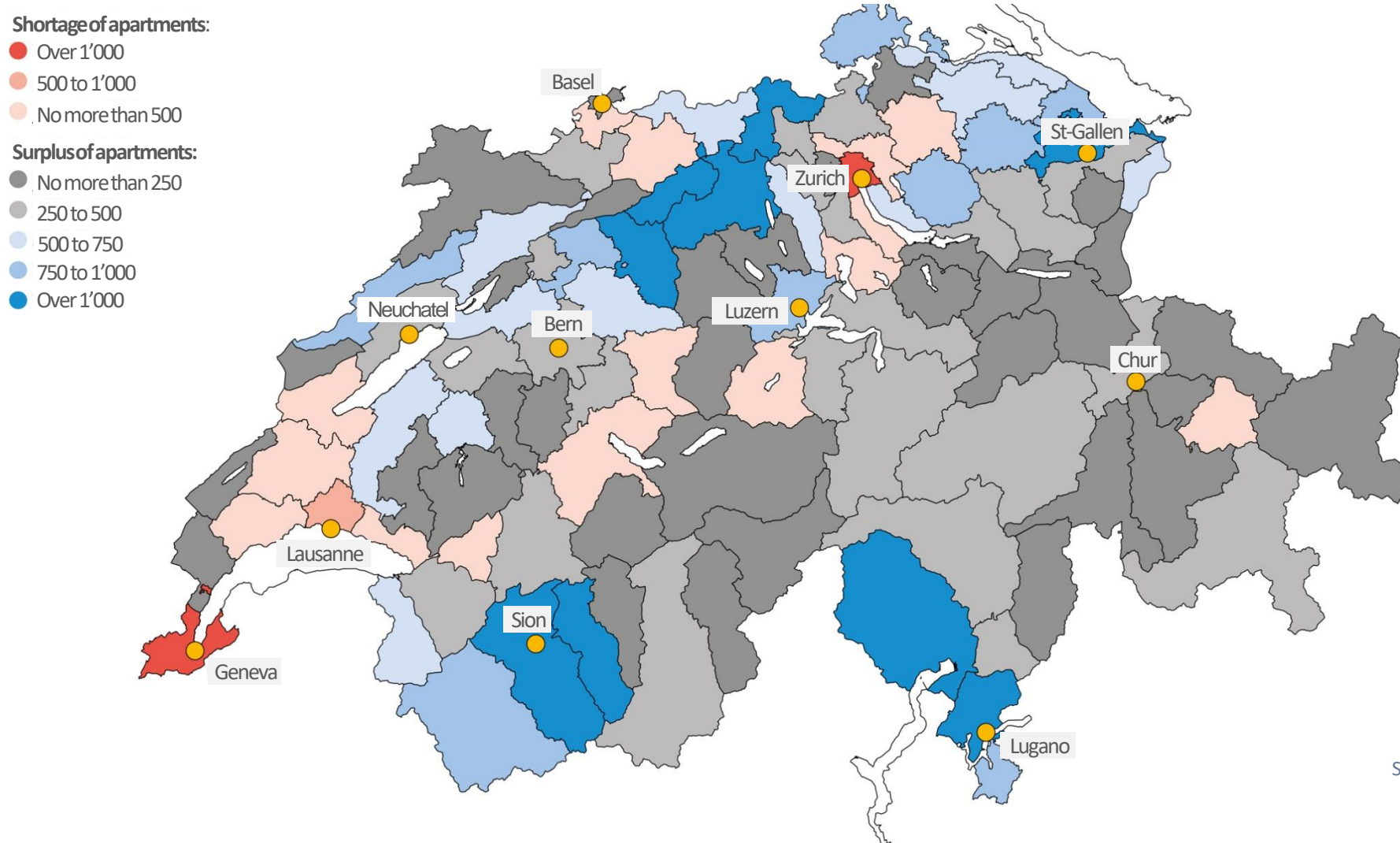
Residential Real Estate Market in Switzerland

Vacancy rate in GE still very low – approaching its long-term average level



Residential Real Estate Market in Switzerland

Undersupply situation in most Investis' key markets in 2018

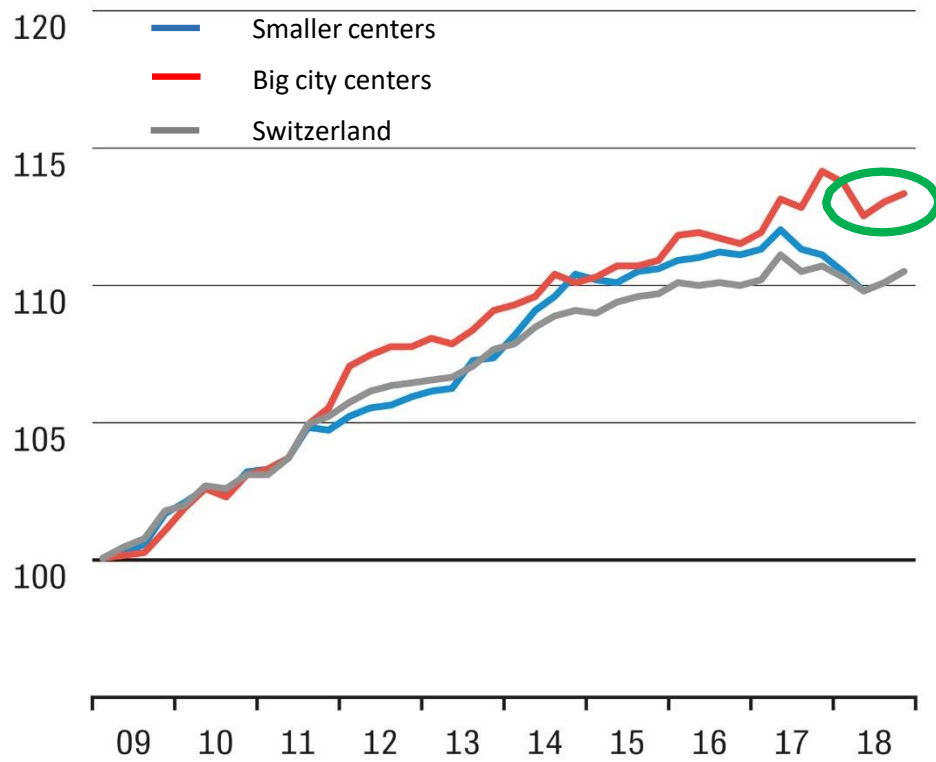


Source: WüestPartner

Residential Real Estate Market in Switzerland

Rebound in rental growth is higher in big city centers

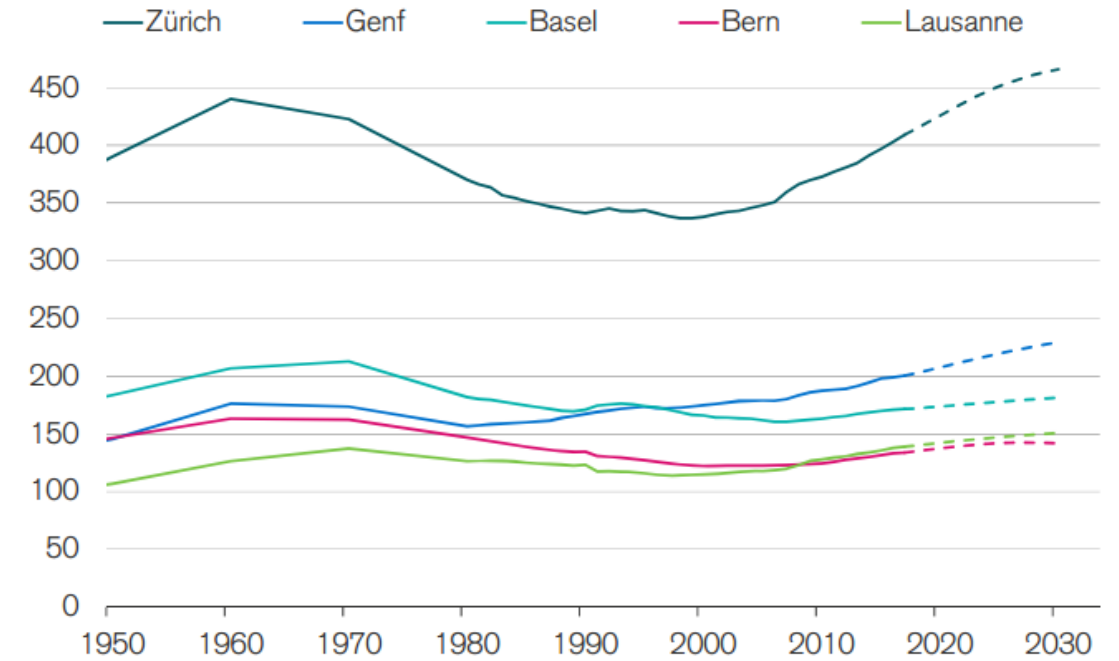
..... and overall population in these large centers are expected to grow



Source: WüestPartner

New leases Index Q1 2019=100

Population in '000

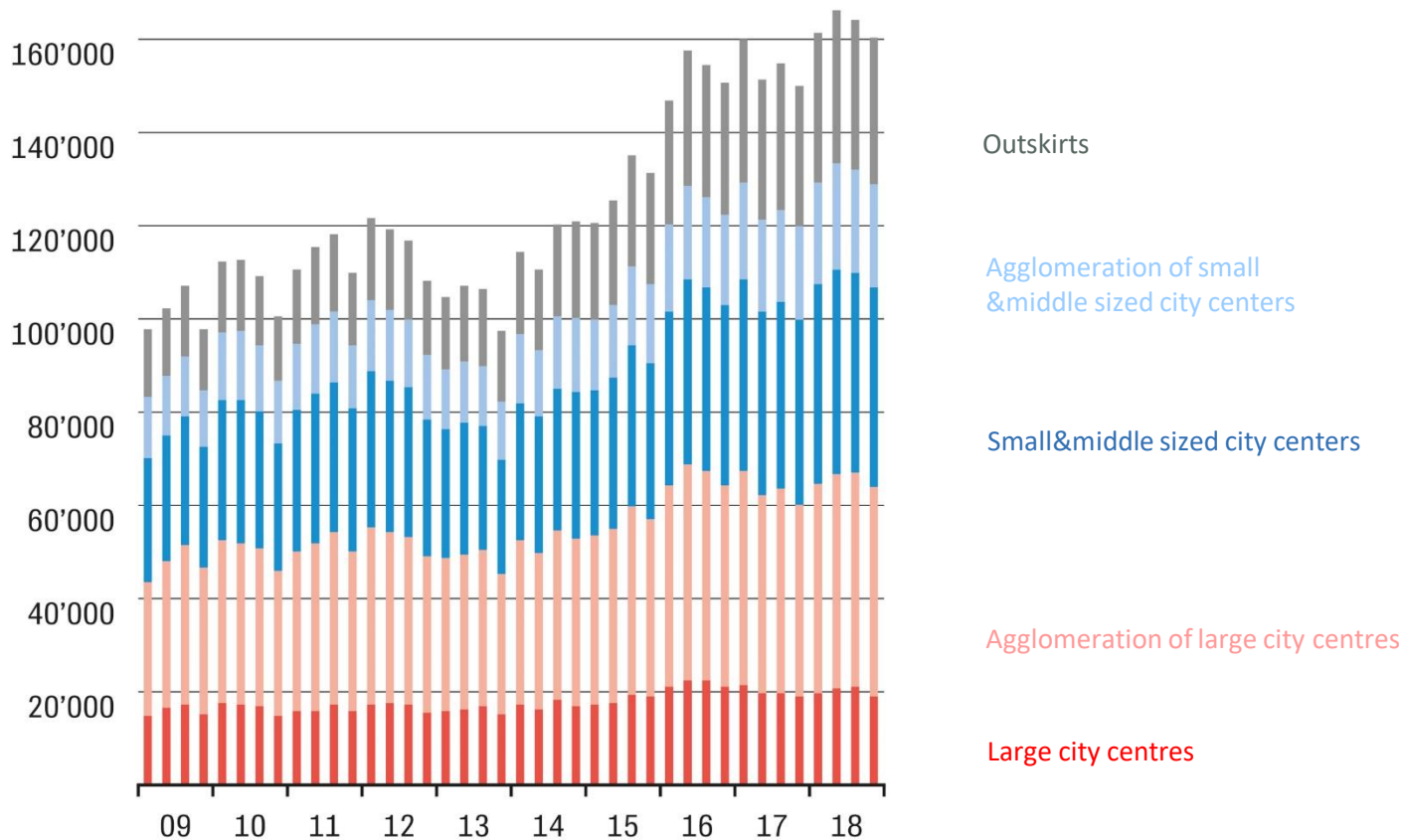


Source: Credit Suisse

Residential Real Estate Market in Switzerland

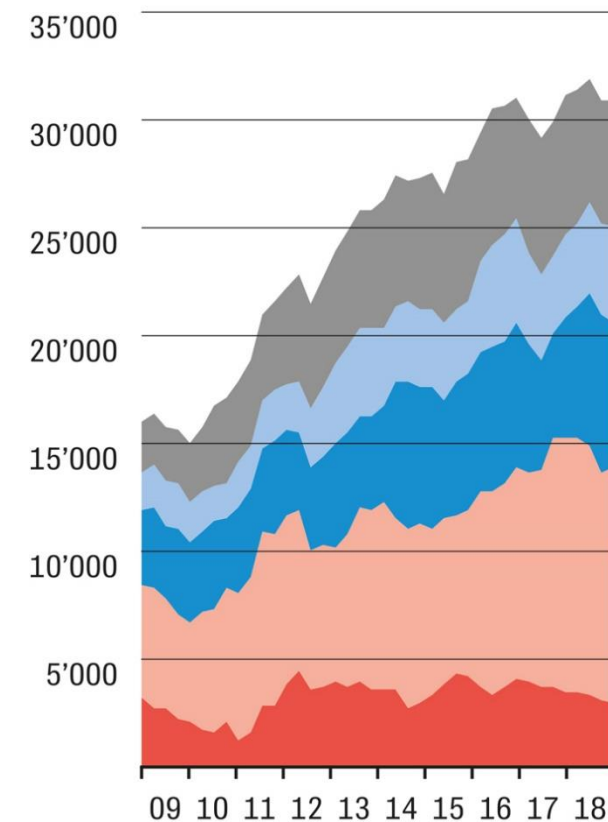
The supply of residential properties in big city centres does not grow

of apartments per quarter



.... while the construction activity is still shrinking

of apartments p.a.

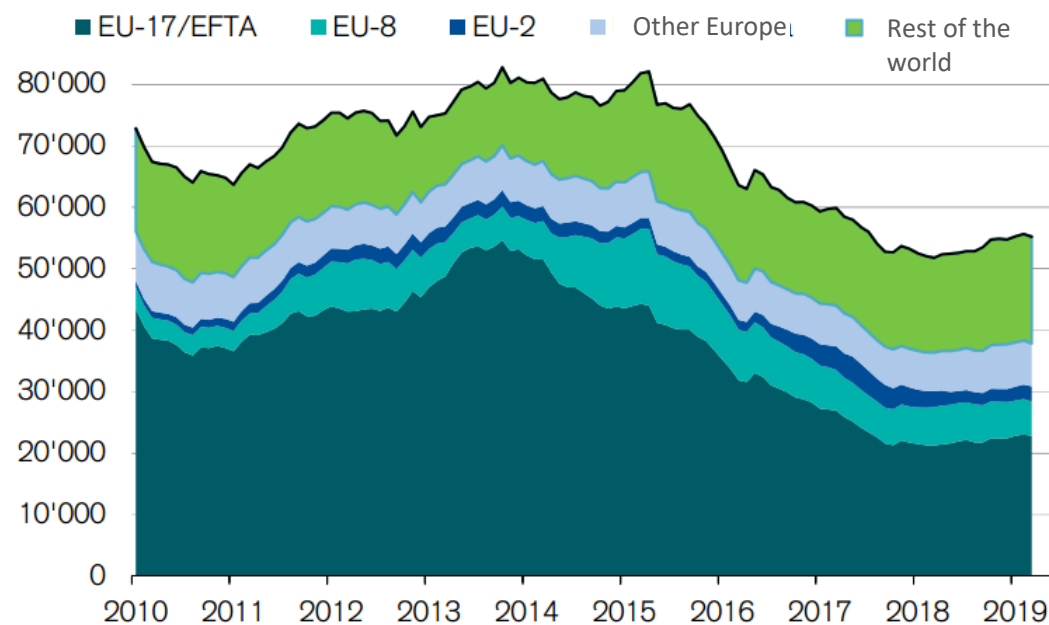


Source: WüestPartner

Residential Real Estate Market in Switzerland

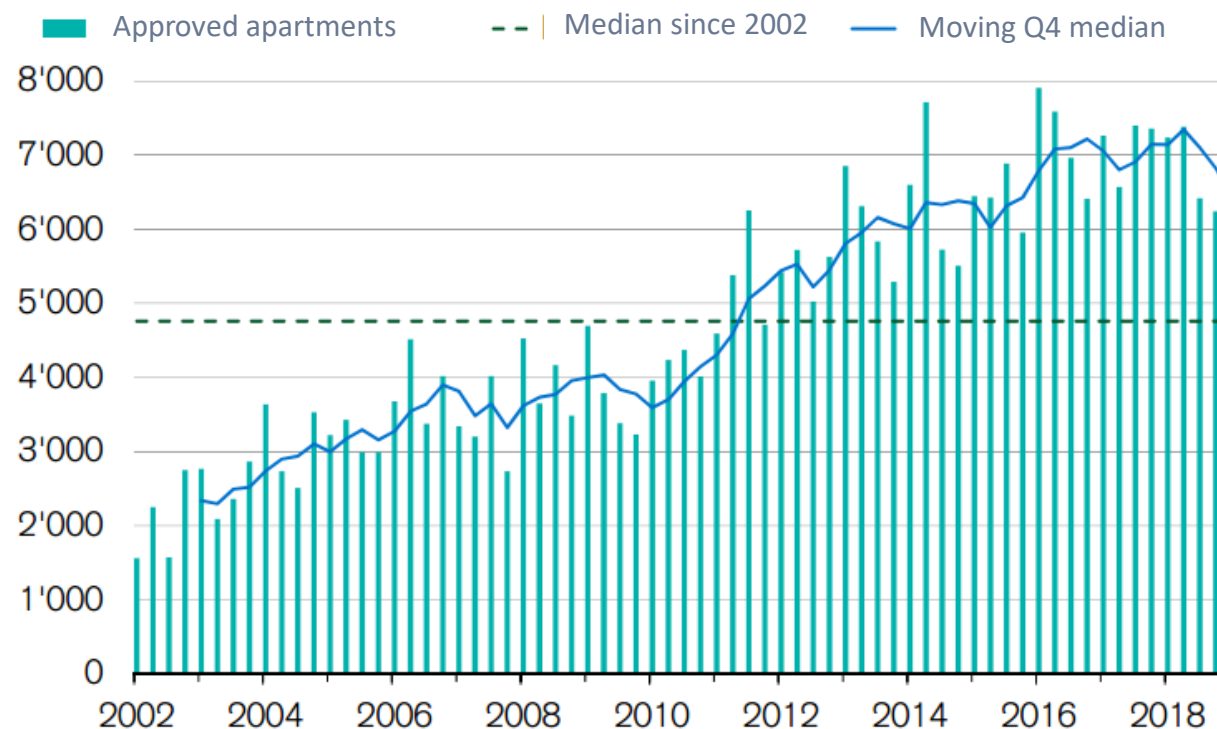
While net immigration is rising again in 2019 the number of residential property to be build (with building permission) is decreasing

Net immigration into CH per nationality



Construction permit for apartments

of accomodation unit per quarter



Thank you for your attention!

