

## REPORT TO SHAREHOLDERS

### Continued generation of sustainable returns and long-term value creation for all our stakeholders

Dear Shareholder  
Dear Reader

#### STATEMENT FROM STÉPHANE BONVIN, CEO INVESTIS GROUP

“We are presenting a strong set of results driven by both segments. Our business model, which focuses on residential properties, particularly in Geneva and Lausanne, and our geographical presence in the real estate services business throughout Switzerland, together with our strong balance sheet, continue to provide a solid basis for future growth. The real estate market in Switzerland and the residential market in the Lake Geneva region in particular have solid fundamentals. Vacancy rates have continued to fall due to immigration levels remaining high. The housing shortage is expected to increase further due to declining construction activity and persistently high demand, bringing with it rising rents, despite economic uncertainties.”

I would like to thank all our employees for their commitment and dedication to the Company.”



Stéphane Bonvin (CEO and Member of the BoD), Thomas Vettiger (Chairman of the BoD)

## STRONG GROUP RESULTS

Group revenue rose 5.3% to CHF 228 million (prior year: CHF 216 million) despite the successful sale of eleven investment properties. The net increase was achieved through a combination of organic and acquisition-based growth. EBITDA before revaluations and disposals remained unchanged at CHF 54 million.

Continued higher cash flows from properties and a lower average real-term discount rate to 2.74% (2.84% as of 31.12.2021) underline the quality of the portfolio and led to revaluation gains of CHF 67 million. Together with profits from the above-mentioned sales of CHF 63 million, the operating result (EBIT) was again impressive at CHF 180 million (CHF 235 million). The operating profit in 2021 had been bolstered by exceptionally high revaluation gains.

Net profit reached CHF 152 million (CHF 201 million) and earnings per share CHF 11.90 (CHF 15.74). Net profit excluding revaluation effects came to CHF 94 million (CHF 41 million).

## EXCELLENT OPERATING PERFORMANCE FROM BOTH SEGMENTS

### PROPERTIES

The Properties segment achieved revenue of CHF 58 million (CHF 60 million), with rental income falling slightly by 3.7% due to the partial sale of the portfolio in mid-2022, as mentioned above. Due to the higher rental income on a like-for-like basis by +1.0% (for residential +1.8%) and the further reduction in the vacancy rate to a very low 1.3% (2.2% as of 31.12.2021), an increase in the property value was realised this year. The revaluation effect of CHF 67.2 million was stable compared with the first half of 2022, but below the figure for 2021 (CHF 184 million). This highlights the end of “positive yield compression” in the wake of rising inflation and increases in key interest rates. Gross rental income as of 31.12.2022 stood at CHF 53.9 million (CHF 64.2 million as of 31.12.2021) whereby the full occupancy property rent of the sold properties was at CHF 10.6 million. The segment achieved a notable EBIT of CHF 167 million (CHF 225 million). The 2021 figure included the above mentioned extraordinarily high revaluation effects.

### REAL ESTATE SERVICES

The Real Estate Services segment saw revenue increase by 8.5% to CHF 173.5 million (CHF 159.9 million). The segment thus contributes around 40% of the Group’s EBITDA before revaluation/disposals. The EBIT margin reached an excellent 10.6% (9.3%). There was a slight 0.4% rise in revenue in the Property Management business. Rents under management went up strongly again to reach CHF 1.58 billion (CHF 1.51 billion as of 31.12.2021). Facility Services achieved revenue of CHF 112.9 million (CHF 99.5 million), a rise of 13.5%.

## VERY SOLID BALANCE SHEET – LTV OF 21%

Total assets came to CHF 1.6 billion as at 31 December 2022, with an increased and still very comfortable equity ratio of 67% (31.12.2021: 53%). Interest-bearing financial liabilities came to only CHF 319 million (CHF 649 million). The property portfolio was valued at CHF 1,508 million. On the balance sheet date, it comprised 149 buildings with 2,445 residential units. In relation to the value of the property portfolio, the loan-to-value (LTV) ratio is very low at 21%. Deferred tax liabilities fell to CHF 143 million (CHF 165 million).

The entire net proceeds of the investment property sales were used to reduce financial liabilities. This not only reduced the LTV but also increased the future investment power of the Investis Group.

Net asset value (NAV) per share excluding deferred taxes with regard to properties went up strongly again to CHF 95.07 (31.12.2021: CHF 88.73).

## ESG

In order to achieve the ambitious sustainability targets in our portfolio but also in the Services segment, a sustainability unit was created from mid-2022, reporting directly to the CFO and taking care of all ESG issues within the Group. The aim is to formulate strategies and integrate them sustainably into property life cycles and into the Group's Services segment.

Investis has been part of the SSREI index since 2022. The index structure is based on the Swiss Sustainable Construction Standard (SNBS), which provides a comprehensive assessment of a building's status with regard to environmental (e.g. primary energy, resource management, energy consumption measurement), economic (e.g. life-cycle costs, operating concept) and social (e.g. density of use, quality of use, service provision in the neighbourhood) factors. The verification of the data is carried out by SGS (Société Générale de Surveillance) on a yearly basis.

Numerous environmental measures have already been taken in recent years, such as replacing windows, installing new heating systems and replacing elevators with more energy-efficient models. In order to save water, for example, jet regulators were systematically fitted to the taps during apartment renovations. Investis also follows cantonal programs to reduce electricity consumption, such as ECO21 in Geneva. Products used to maintain common areas in buildings are also ECO21-certified.

In order to achieve the federal CO<sub>2</sub> emission targets, a detailed analysis of the potential for improving energy efficiency is required for each building. The necessary adjustments are part of our renovation strategy. For years now, Investis has ensured that its annual renovation programs follow all the specific cantonal regulations in Canton Geneva (such as SABRA, LDTR and LCI) and Canton Vaud (LPPL, LATC), as well as local initiatives (ECO21).

Alongside environmental aspects, and especially the effort to improve its energy balance associated with CO<sub>2</sub> emissions, Investis attaches great importance to specific social criteria – particularly the health and comfort of tenants (>90% of properties owned by Investis are residential).

Our service companies optimise their working methods and thereby reduce their resource consumption in their business processes and premises. In this way, we continuously reduce the negative environmental impact of our operations. A particular focus is on digitalisation in general, the digitalisation of work processes, and the reduction or optimisation of vehicle use.

In accordance with Switzerland's Ordinance on Climate Disclosure (OCD), Investis will report in detail on the status and progress of its non-financial reporting as part of its 2023 Annual Report.

## 2023 ANNUAL GENERAL MEETING OF SHAREHOLDERS

At this year's Annual General Meeting on 3 May 2023, Investis shareholders will be asked to approve an unchanged dividend of CHF 2.50 per share, which will be paid out as follows: CHF 0.45 in the form of repayment from capital contributions and CHF 2.05 as an ordinary dividend. All members of the Board of Directors are standing for re-election. In order to further strengthen the Board of Directors, it has proposed Corine Blesi as a new independent member. Corine Blesi is Managing Director of NZZ Connect & Swiss Economic Forum at the NZZ Media Group. Her previous roles included being COO of Hauswartprofis (a company of the group). The Board also plans to adjust the articles of association in line with the reform of Swiss Company Law.

## MARKET ENVIRONMENT AND OUTLOOK FOR 2023

In recent months, a lot has been happening in the Swiss real estate and housing market. The rise in inflation, the turnaround in interest rates, energy shortages, supply bottlenecks and geopolitical instability have all had an impact on the Swiss real estate sector. Lively demand is still expected thanks to the continuing strong positive demographic trend. With population growth of over 1%, Switzerland is one of the fastest-growing developed economies. The population of Canton Geneva is growing continuously (+1.2% in the twelve months to end-2022 according to OCSTAT). The shortage of building land, lengthy planning procedures for new buildings, especially in cities, and higher construction and financing costs mean that new projects are less profitable and are therefore significantly less likely to be undertaken. This exacerbates shortages in the rental market. Vacancy rates in Switzerland have reached a low of 1.31% on average, with the Canton of Geneva among the lowest with a rate of 0.38%. The Canton of Vaud saw one of the biggest declines. High demand, especially for mid-priced apartments, inevitably has an impact on rents. In Geneva between 2021 and 2022 they rose by over 7% when tenants changed. Housing and house-moving patterns in Switzerland changed only slightly during the coronavirus pandemic. There was a preference for less densely populated areas, but the effect was modest.

Investis implemented a new management organisation in the Real Estate Services segment in spring 2022. As a result, the four subsidiaries (Hauswartprofis AG, Rohr AG, Privera AG and Analysis<sup>LAB</sup> SA) are coming closer together organisationally and becoming more effective. Further consolidation is expected in this market.

A stable outlook is expected for 2023:

- In the Properties segment: further targeted optimisation of the real estate portfolio, with a focus on the Lake Geneva Region. The Investis portfolio consists of 93% residential properties in central locations with apartments in the mid-price segment in the Lake Geneva region. The concentration on this region represents the “USP” of the Investis Group;
- In the Real Estate Services segment: Focus on high-quality services and growth with a consolidation of margins as well as further push on digitalisation.

Investis remains confident that it is very well-positioned to meet the current challenges and to emerge stronger from this environment of uncertainty and risk.

The Board of Directors and the 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.



**Dr. Thomas Vettiger**  
Chairman of the Board of Directors



**Stéphane Bonvin**  
CEO