



# Annual Results 2016 Presentation



27 March 2017

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# AEVIS VICTORIA – Group Structure

## AEVIS VICTORIA SA

- AEVIS VICTORIA is an investment company investing in services to people, healthcare, hospitality, life sciences and lifestyle
- AEVIS VICTORIA is listed on the Swiss stock exchange SIX (AEVS) and part of the SPI, SLIFE and SBIO indices

### Hospital Segment

- Second largest group of private hospitals in Switzerland
- 15 hospitals, one affiliated hospital and one clinic
- Present in the three main linguistic regions

### Hospitality Segment

- Five leading five-star hotels (4 consolidated, one managed) situated in the most sought-after locations in Switzerland
- Diversification strategy in the area of services to people

### Telemedicine Segment

- AEVIS VICTORIA holds a 40% stake in Medgate group - the leading telemedical services provider in Switzerland
- AEVIS VICTORIA holds a 11.9% stake in LifeWatch AG a leading provider of Ambulatory Cardiac Telemetry services

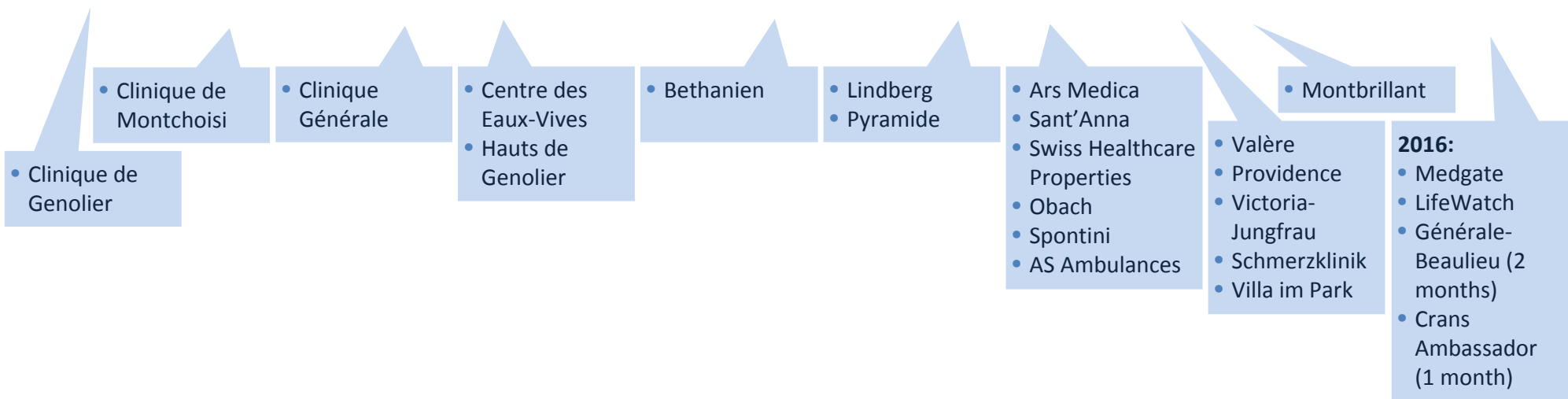
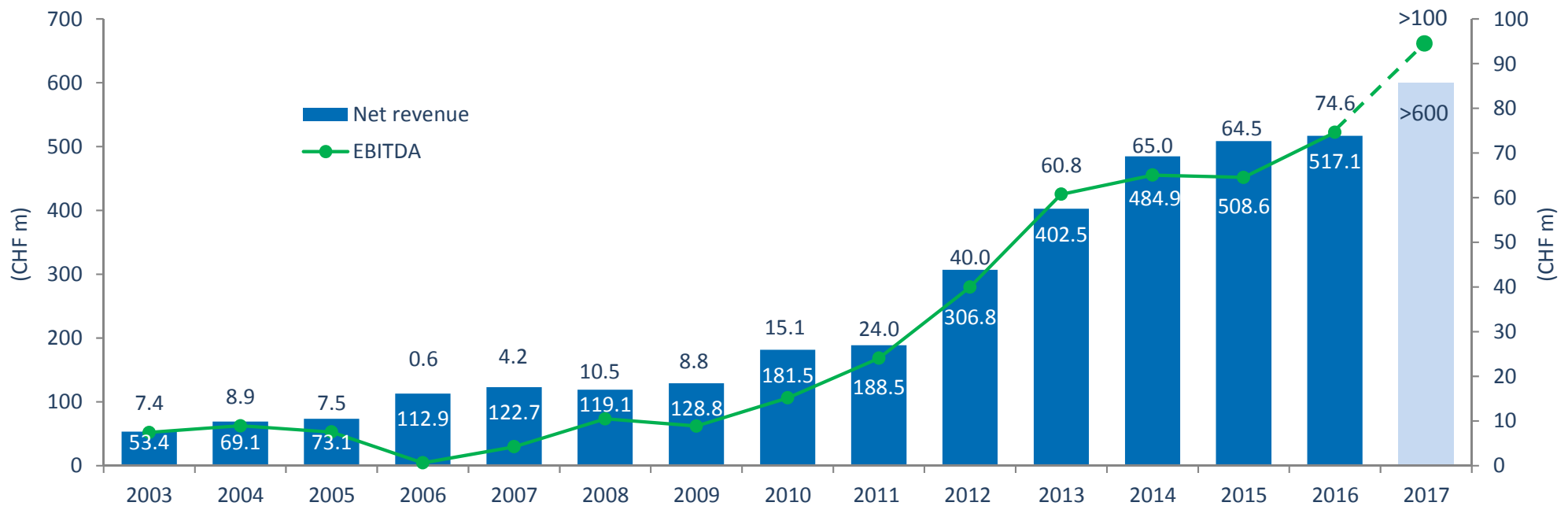
### Real Estate Sub-Segment

- Composed of healthcare and hotel real estate and organised in two dedicated entities
- The portfolio comprises 44 properties on 17 sites

### Incubator

- AEVIS VICTORIA invests in various other activities along the value chain of its main segments. Activities range from early-stage (such as AEVIS VICTORIA's participation in the field of stem cells) to companies under restructuring (such as AEVIS VICTORIA's ambulance services)

# AEVIS VICTORIA – Value Creation through M&A



# AEVIS VICTORIA – Highlights 2016

- ✎ Continuation of AEVIS VICTORIA's growth strategy with three acquisitions:**
  - Clinique Générale-Beaulieu in Geneva integrated in Swiss Medical Network
  - Hotel Crans Ambassador in Crans-Montana integrated in Victoria-Jungfrau Collection
  - Diversification of investment portfolio through a minority participation of 40% in Medgate, the leading Swiss telemedicine provider
- ✎ Strong improvement of profitability with improved EBITDA and EBIT margins of 14.4% and 6.1% respectively (2015: 12.7% and 4.7%)**
- ✎ Substantial increase of operating cash flow from CHF 36.6m to CHF 55.6m**
- ✎ EBITDAR margins of the hospital and hospitality main segments exceeded 20.0% for the first time**
- ✎ Pro forma total revenues and EBITDA including 12 months of Générale-Beaulieu amounted to CHF 664.9m and CHF 86.7m**
- ✎ 2017 guidance (based on unchanged perimeter):**
  - Total revenues of more than CHF 700m
  - Net revenues of more than CHF 600m
  - EBITDA of more than CHF 100m

# AEVIS VICTORIA – Share Price Development

☞ The AEVIS VICTORIA share price looks attractive

- Current spot price (24.03.2017): CHF 58.50
- 60 days VWAP (24.03.2017): CHF 61.25
- 12-month price target by Kepler Cheuvreux: CHF 68.00
- Valuation by Ernst&Young (mid-point): CHF 71.40

☞ AEVIS VICTORIA shares are part of the Swiss Performance Index SPI, the SXI Life Sciences Index (SLIFE) and the SXI Bio+Medtech Index (SBIOM)



# AEVIS VICTORIA – Key Financials

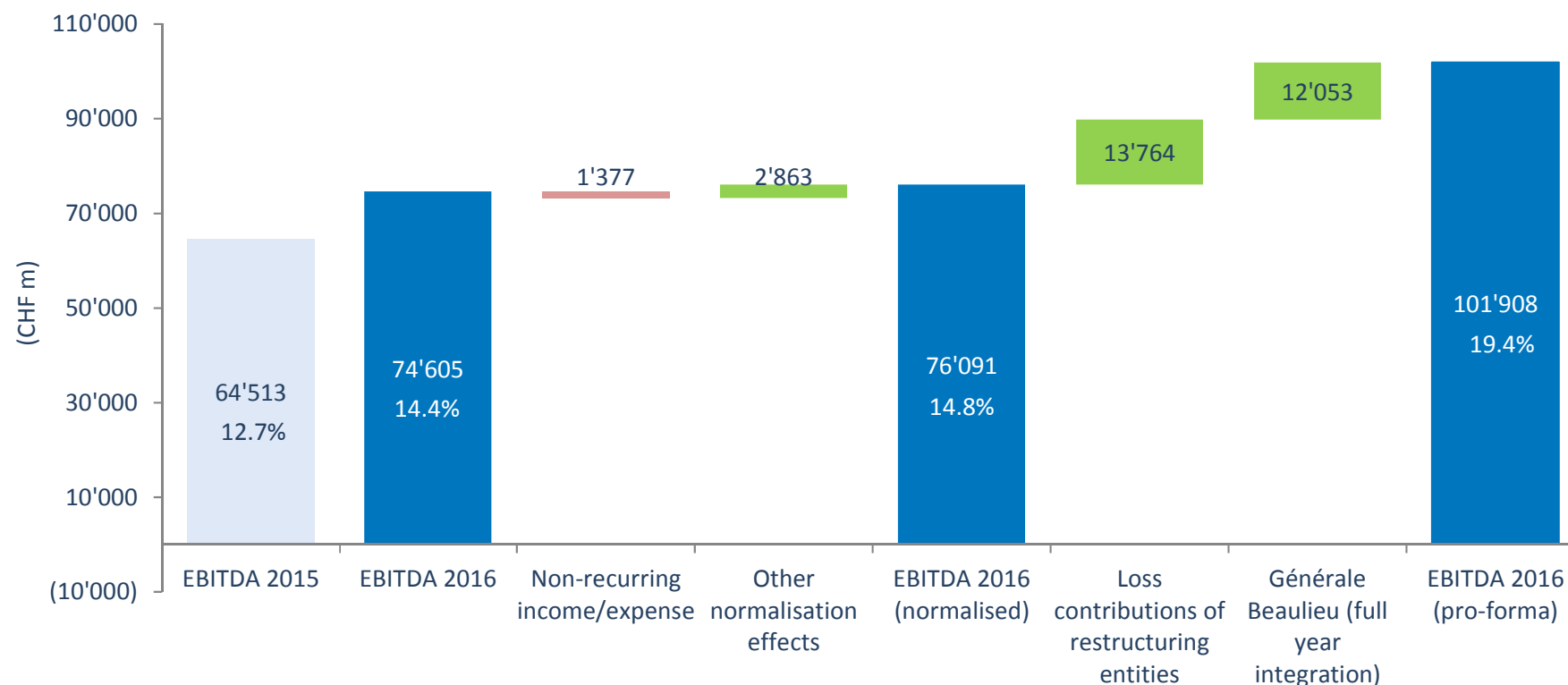
Key figures 2016 (In thousands of CHF)	FY2016 Pro Forma*	FY2016	FY2015 Restated
Total revenue	664'870	592'595	576'058
<b>Net revenue</b>	<b>583'055</b>	<b>517'106</b>	<b>508'607</b>
<b>EBITDAR</b>	<b>101'432</b>	<b>87'141</b>	<b>78'452</b>
<i>EBITDAR margin</i>	<i>17.4%</i>	<i>16.9%</i>	<i>15.4%</i>
<b>EBITDA</b>	<b>86'658</b>	<b>74'605</b>	<b>64'513</b>
<i>EBITDA margin</i>	<i>14.9%</i>	<i>14.4%</i>	<i>12.7%</i>
<b>EBIT</b>	<b>37'928</b>	<b>31'448</b>	<b>23'862</b>
<i>EBIT margin</i>	<i>6.5%</i>	<i>6.1%</i>	<i>4.7%</i>
<b>EBT</b>	<b>8'755</b>	<b>4'599</b>	<b>480</b>
<i>EBT margin</i>	<i>1.5%</i>	<i>0.9%</i>	<i>0.1%</i>
<b>Profit for the period</b>	<b>5'791</b>	<b>2'692</b>	<b>3'747</b>
<b>Operating cash flow</b>		<b>55'600</b>	<b>36'575</b>
<b>Total assets</b>		<b>1'719'761</b>	<b>1'386'058</b>
Thereof real estate		1'046'313	850'589
<b>Total liabilities</b>		<b>1'338'261</b>	<b>1'085'507</b>
Thereof mortgage debt		396'354	400'232
<b>Total equity</b>		<b>381'500</b>	<b>300'551</b>
<b>Market price per share at 31.12. in CHF</b>		<b>64.00</b>	<b>40.95</b>
Number of outstanding shares		15'016'768	15'010'091
<b>Market capitalisation</b>		<b>961'073</b>	<b>614'663</b>

## Comments

- Total revenues reached CHF 592.6m for the first time and net revenues (medical fees excluded) amounted to CHF 517.1m
- Excluding the revenue of Palace Lucerne in 2015, net revenue growth amounted to 5.4%
- Substantial efficiency gains led to an 11.1% increase in EBITDAR to CHF 87.1m corresponding to a solid EBITDAR margin of 16.9%
- Pro forma consolidation of Générale-Beaulieu for 12 months brings total revenues to CHF 664.9m and EBITDAR to more than CHF 100m
- Real estate portfolio grew to over CHF 1 billion

\* 12 months consolidation of Générale-Beaulieu

# AEVIS VICTORIA – EBITDA Bridge Analysis



- The above bridge analysis shows the EBITDA 2016 normalised for one-time items in 2016
- Furthermore, a pro forma EBITDA was calculated :
  - The loss contributions of the entities still being restructured were excluded to provide a picture of the profitability of the Group’s mature activities\*
  - Générale-Beaulieu was consolidated for 12 months (instead of 2) in order to illustrate the full impact of the integration of the hospital

\* Includes Lindberg, Montbrillant, Schmerzlinik, Nescens Genolier and the companies of the incubator segment



# AEVIS VICTORIA – Segment Reporting

Annual results 2016 (In thousands of CHF)	Hospitals	Hospitality	Real estate	Others	Corporate	Eliminations	Total 2016
Net revenue 3rd	443'187	59'888	3'525	10'483	23	-	517'106
Net revenue IC	3'046	782	47'705	285	1'093	(52'911)	-
<b>Net revenue</b>	<b>446'233</b>	<b>60'670</b>	<b>51'230</b>	<b>10'768</b>	<b>1'116</b>	<b>(52'911)</b>	<b>517'106</b>
<b>EBITDAR</b>	<b>91'948</b>	<b>12'196</b>	<b>42'425</b>	<b>(4'093)</b>	<b>(7'629)</b>	<b>(47'706)</b>	<b>87'141</b>
<i>EBITDAR margin</i>	<i>20.6%</i>	<i>20.1%</i>	<i>82.8%</i>	-	-	-	<i>16.9%</i>

Annual results 2015 (In thousands of CHF)	Hospitals	Hospitality	Real estate	Others	Corporate	Eliminations	Total 2015
Net revenue 3rd	416'116	76'686	2'933	12'872	-	-	508'607
Net revenue IC	-	342	33'477	237	157	(34'213)	-
<b>Net revenue</b>	<b>416'116</b>	<b>77'028</b>	<b>36'410</b>	<b>13'109</b>	<b>157</b>	<b>(34'213)</b>	<b>508'607</b>
<b>EBITDAR</b>	<b>70'856</b>	<b>15'922</b>	<b>32'453</b>	<b>(3'315)</b>	<b>(3'987)</b>	<b>(33'477)</b>	<b>78'452</b>
<i>EBITDAR margin</i>	<i>17.0%</i>	<i>20.7%</i>	<i>89.1%</i>	-	-	-	<i>15.4%</i>

# Key Figures Hospital Segment

HOSPITALS \*/ CLINICS

15/1

\*Plus one affiliated hospital

PHYSICIANS

1'782

BEDS

988

NET REVENUE (in CHF million)

446.2

INTERVENTIONS

52'785

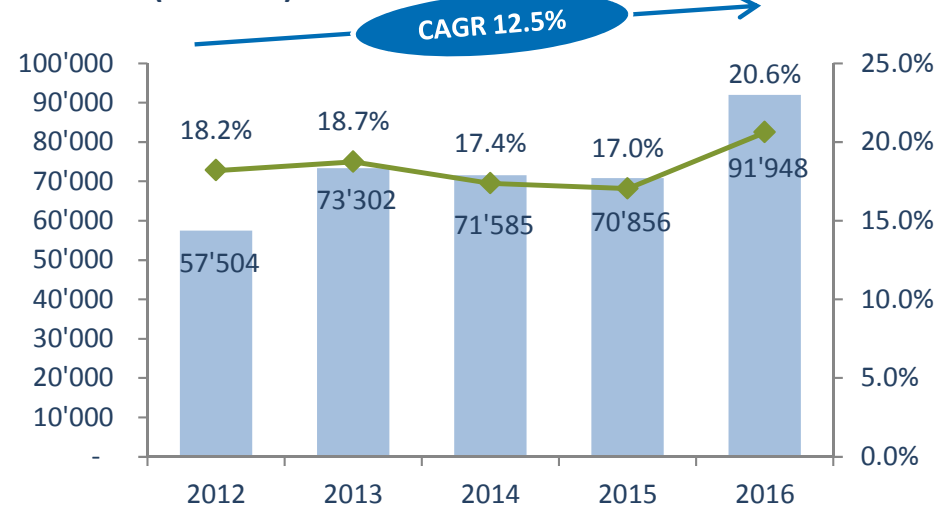
EBITDAR (in CHF million)\*

91.9



- Revenue growth of 7.9% (with organic growth of 4.3% excluding acquisitions):
  - Higher number of patients
  - Increase in foreign patients of nearly 10%
  - Successful recruitment of 76 new physicians
  - Integration of Clinique Générale-Beaulieu (2 months)
- Synergies and efficiency gains led to an improved EBITDAR margin of 20.6%, bringing the group closer to its long-term targeted EBITDAR margin of 22%

EBITDAR (CHF'000)



# Key Figures Hospitality Segment

OVERNIGHT STAYS

169'000

NET REVENUE (in CHF million)

60.7

ROOMS

587

EBITDAR (in CHF million)

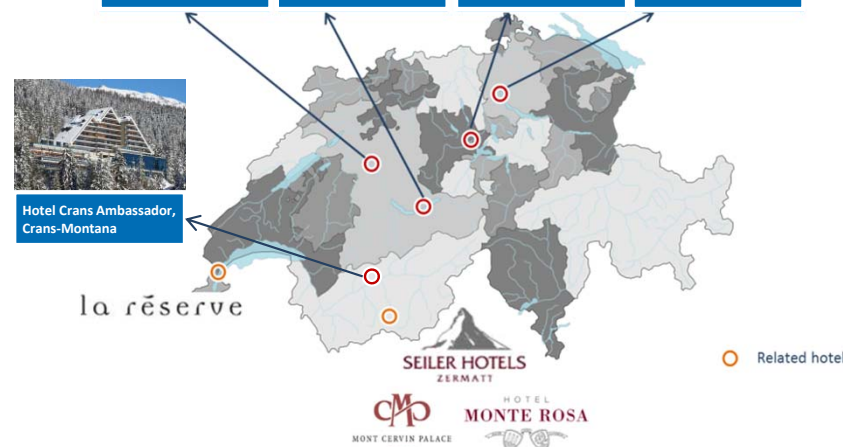
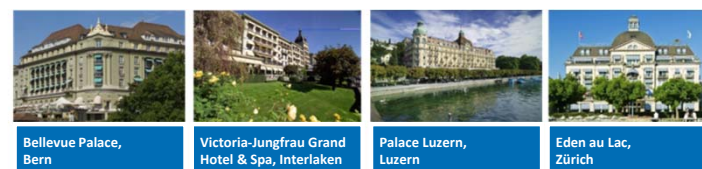
12.2

EMPLOYEES

575

AVERAGE ROOM RATE (in CHF)

372



- Despite the challenges to the Swiss tourism industry, VJC hotels performed well due to its well-diversified client base
- The number of overnight stays staid constant at 169'000 while the average room rate increased from 366 last year to 372 this year (for the three 12 month consolidated hotels)
- The management fee from the Palace in Lucerne and the exploitation of synergies within the group led to an EBITDAR margin of 20.1%
- In December 2016, VJC acquired the operations of the Hotel Crans Ambassador, a luxury sport resort in Crans-Montana

Hotels	Rooms	Total surface	Employees
Victoria-Jungfrau*	224	44'269	227
Eden au Lac*	50	1'419	54
Palace Luzern	129	3'337	106
Bellevue Palace	128	3'296	128
Crans Ambassador	56	10'898	60
<b>Total</b>	<b>531</b>	<b>52'321</b>	<b>515</b>

\* Buildings fully owned by AEVIS VICTORIA

# Key Figures Real Estate Segment

MARKET VALUE (in CHF million)

1'148.3

EBITDAR (in CHF million)

42.4

PROPERTIES

44

LOCATIONS

17

RENTAL SURFACE (m<sup>2</sup>)

193'880

RENTAL INCOME (in CHF million)

51.2



- Real estate in Switzerland remains resilient to market challenges and AEVIS VICTORIA's real estate portfolio was again fully let in 2016
- With a continuing expansion in 2016 the real estate portfolio crossed the CHF 1 billion threshold:
  - Acquisition of an office building in Echandens
  - Acquisition of the Générale-Beaulieu hospital building and three adjacent buildings in Geneva
- Wüest Partner market values of real estate imply hidden reserves of CHF 111.5m compared to activated book values
- The portfolio, furthermore, comprises additional development potential of around 40'000m<sup>2</sup>



## AEVIS VICTORIA – Outlook 2017

- ✎ **AEVIS VICTORIA expects to realise a total of more than CHF 700m and net revenues of more than CHF 600m, based on an unchanged portfolio consolidated over a 12-month period**
- ✎ **EBITDA is expected to reach more than CHF 100m for the first time**
- ✎ **Continuation of the group's growth strategy with 1-2 targeted acquisitions in the current year**
- ✎ **Turnaround or exit of loss making participations of the group**
- ✎ **Objective to reach an EBITDA margin of 20% in 2018**

# Q&A

