



INVESTIS

REAL ESTATE GROUP

FULL YEAR RESULTS 2019

25th March 2020

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Agenda

1. Highlights of the financial year 2019

2. IPO achievements

3. Strategy

4. Market trends

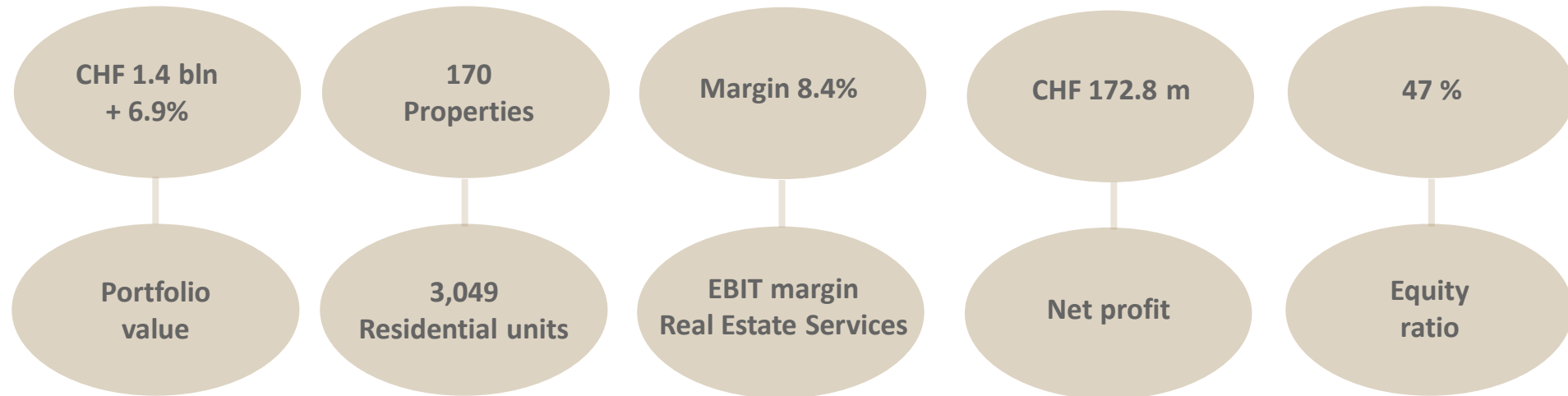
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Strong year with excellent operating performance



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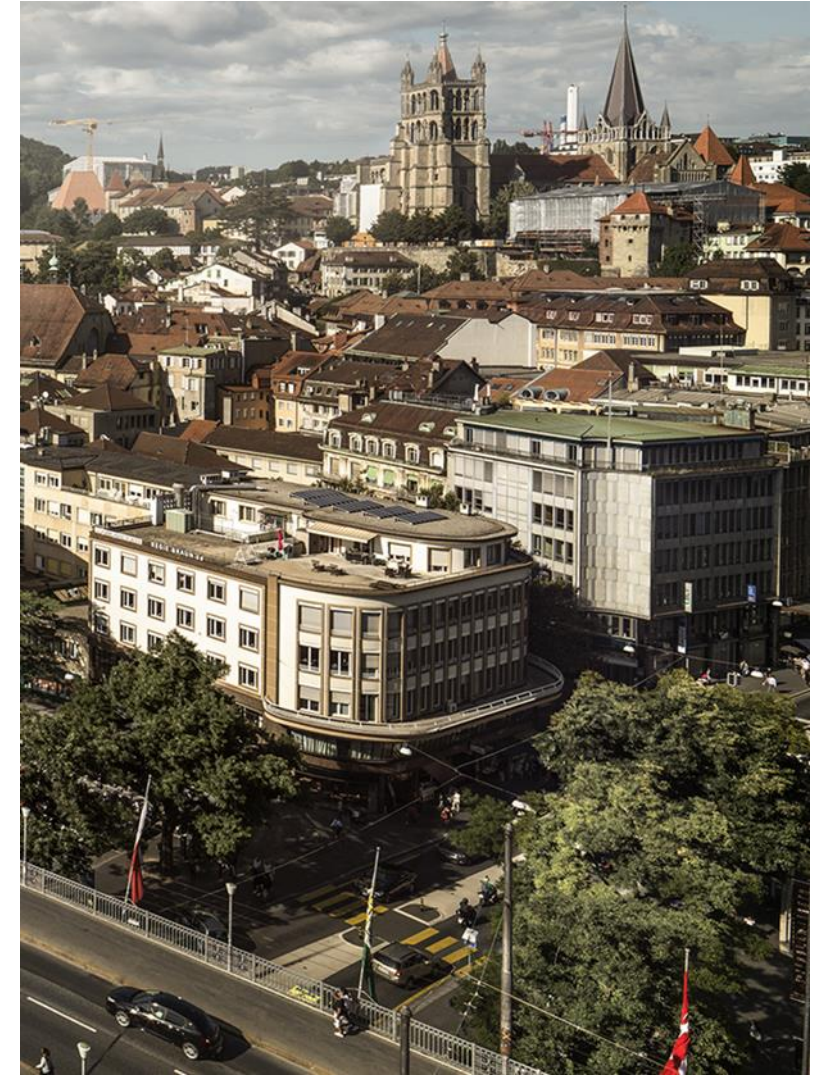
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IPO Commitments done back in June 2016

..... have been achieved in time

- 1. Investments into Portfolio: achievement of rental income of > CHF 50m by 2019 
- 2. Strengthening Real Estate Services: achievement 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) 

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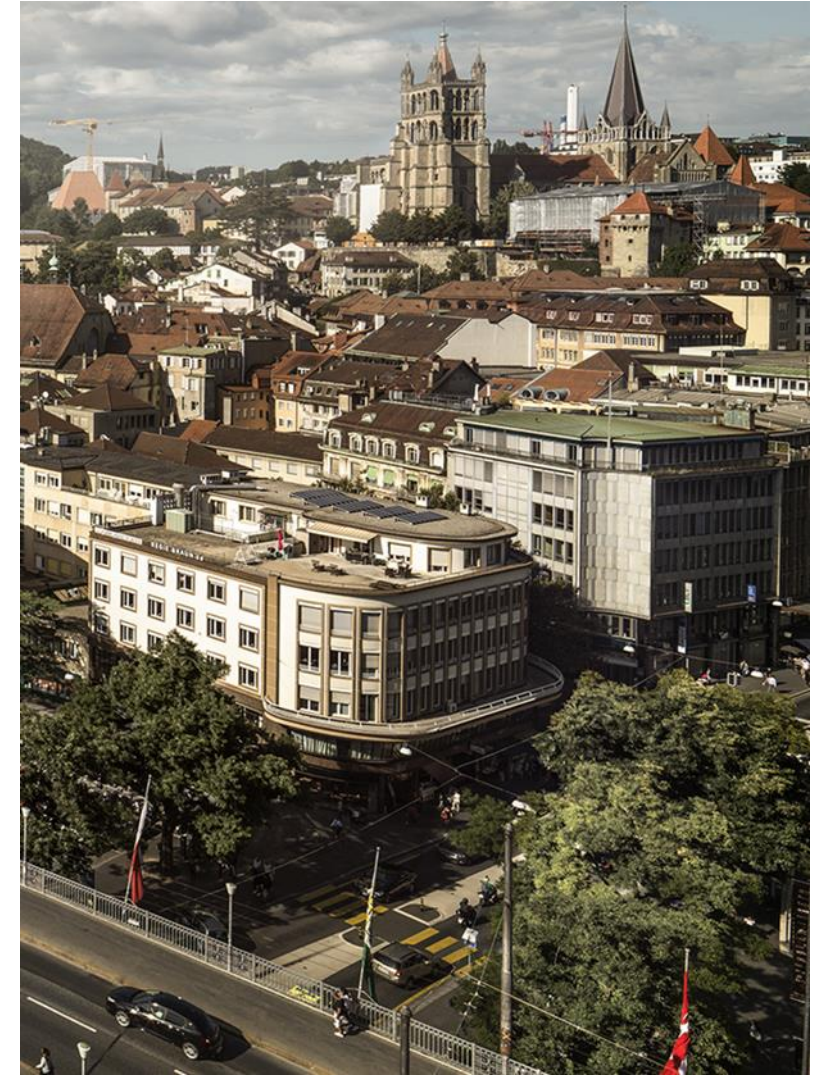
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Investis Group is a leading Swiss residential property company in the Lake Geneva region and a national real estate services provider

Strategy and investment policy



- Focus on residential properties in GE and VD
- Buy and hold
- Continuous reduction on developments
- Expansion of portfolio through targeted acquisitions
- Growth through realisation of rent potential

- Profitable revenue growth in both activities
- In PM: – Focus on national recurring services
- In FS: – Growth through organic and targeted bolt-on acquisitions
– Focus on institutional clients

Strategy: Buy and hold

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

*Acquisition costs/ appraisal value
in CHF/m*

1.9

12.3

+13%

13.9

+7%

14.9

+6%

15.8

+15%

18.2

*Rent
in CHF/k*

339

623

+4%

650

+1%

657

+1%

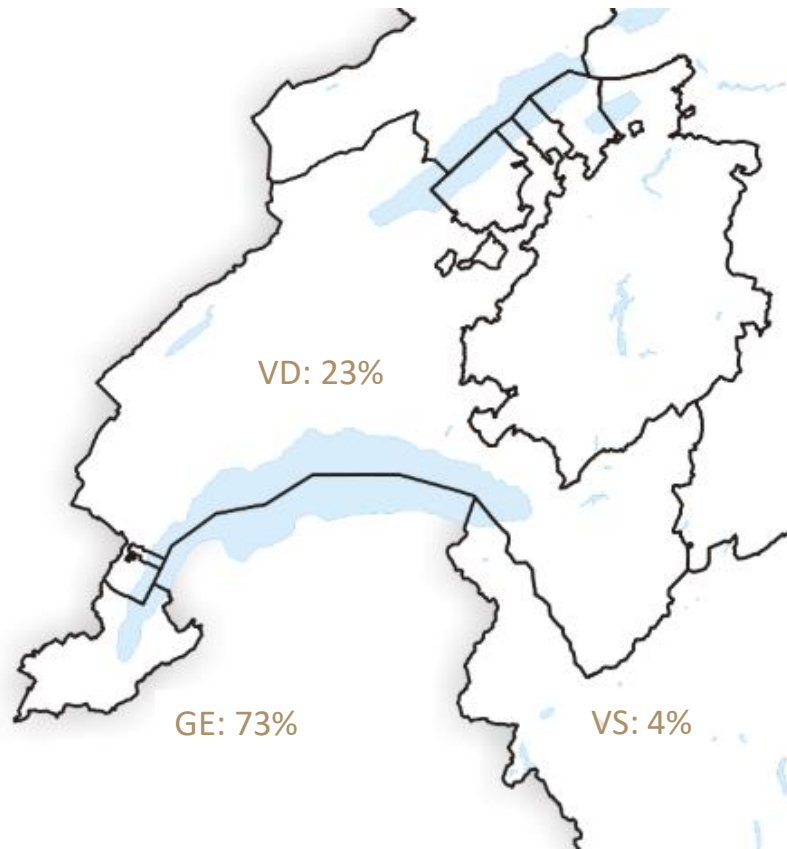
661

+16%

770

Very focused and attractive portfolio around the Lake Geneva

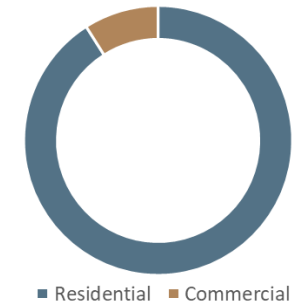
Strategy buy and hold – realise rent upside potential



Focus is on:

- Residential

- 91% Residential
- 9% Commercial



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

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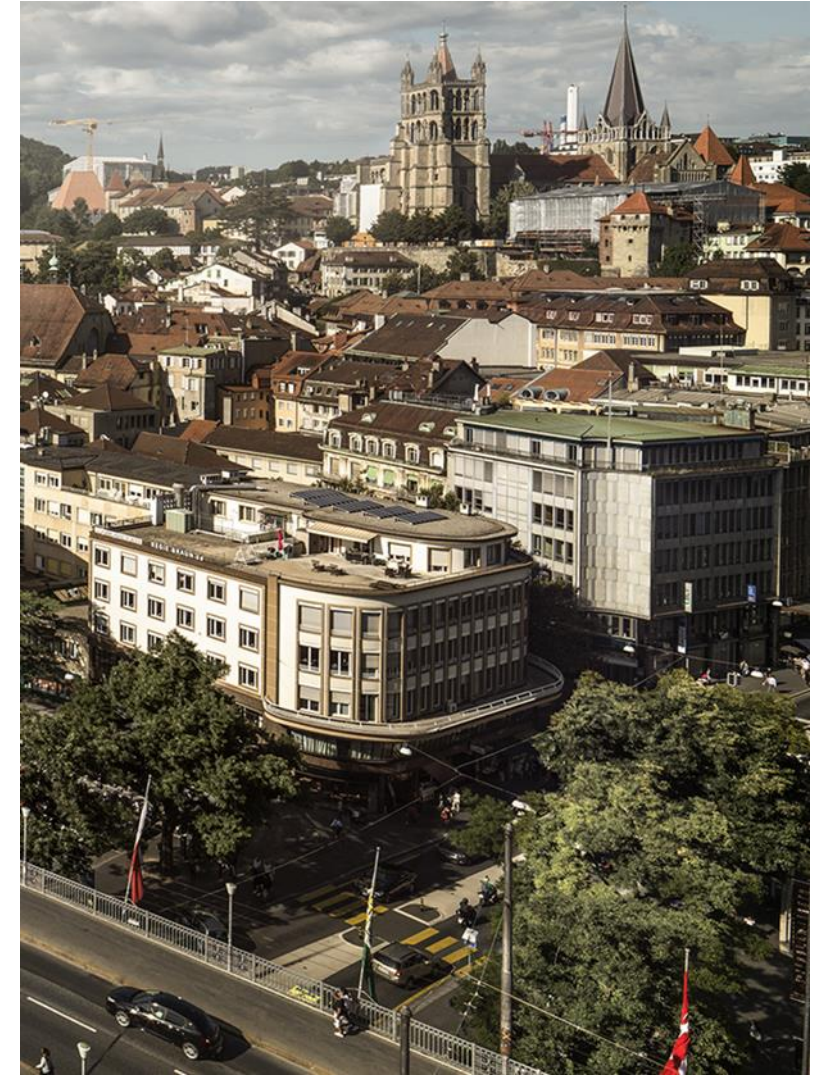
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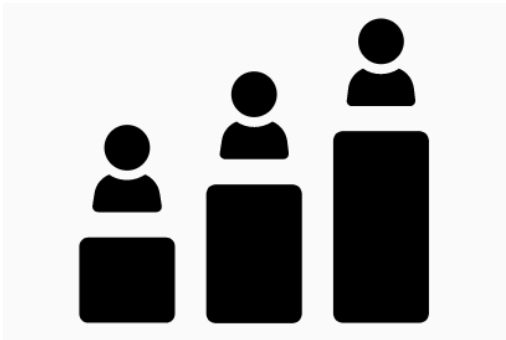
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Real Estate Market in Geneva

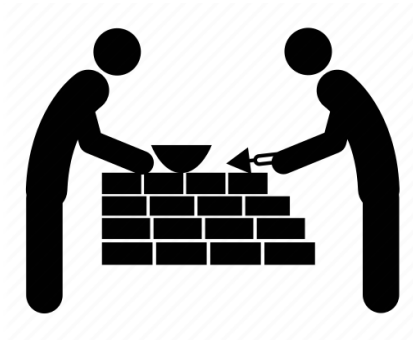
Basic parameters influencing the real estate market in the Lake Geneva region

Migration/ Demography



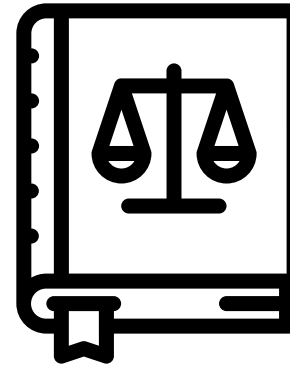
- Into Switzerland
- From other cantons into the Canton of Geneva
- Population getting older requiring more smaller apartments

Construction activity



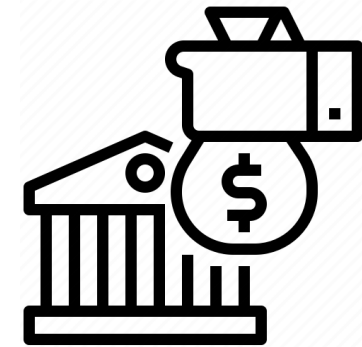
- Limited activity especially in GE
- Scarce free building land
- Tight regulations
- Constant undersupply in residential

Regulations



- Tax regime for corporations has changed for 2020

Capital Markets



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

Continuous positive net migration is an asset in a very regulated environment

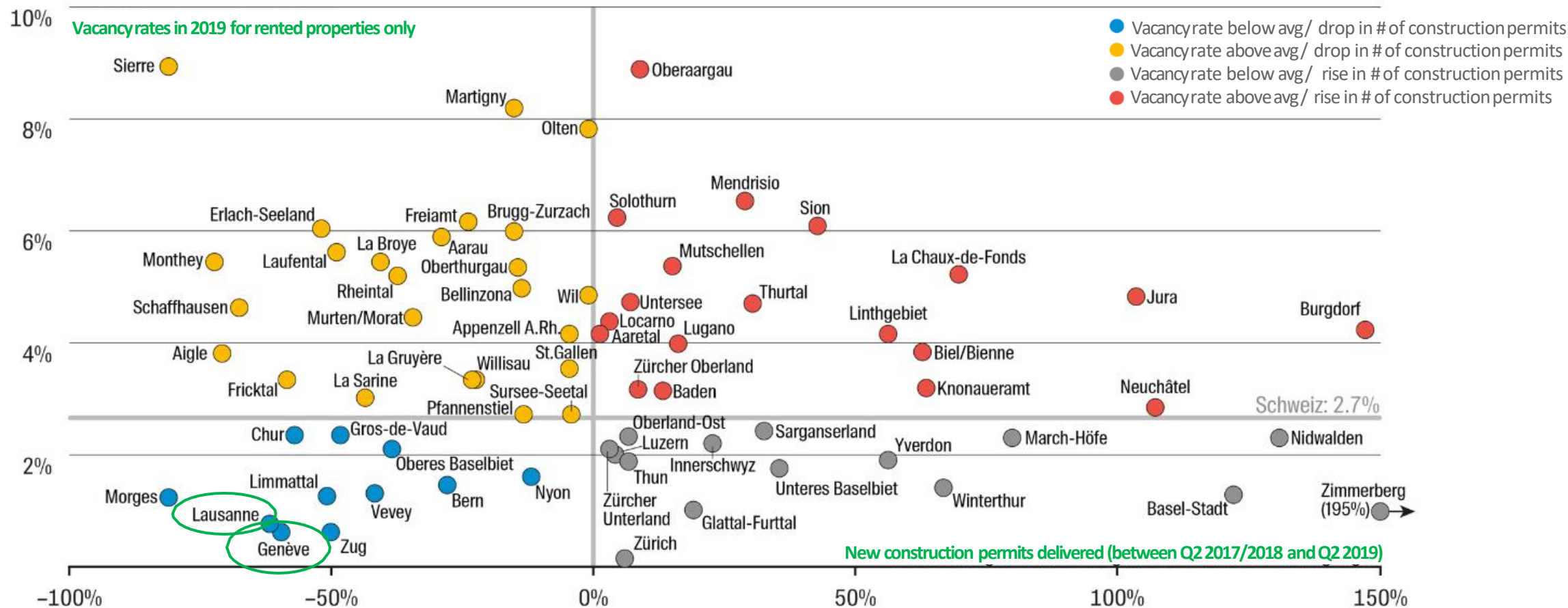
The ongoing immigration cannot cover the demand

- 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 -> in general rents are below market in the Lake Geneva region
- 2019: Highest population growth in Geneva in the last three years: +1% / + 5'017 to a total of 506'765
 - 2018: +0.7% / 2017: +0.9% / 2016: 0.6%
 - 65% or + 3'278 migration growth – 35% natural fluctuation (i.e. death vs. birth rate)
- In 2019, 2'131 new housing units were created (net of newly built, transformations, destroyed)
 - by far not covering the demand

Source: Office cantonal de la statistique (OCSTAT), March 2020

Real Estate Market Switzerland

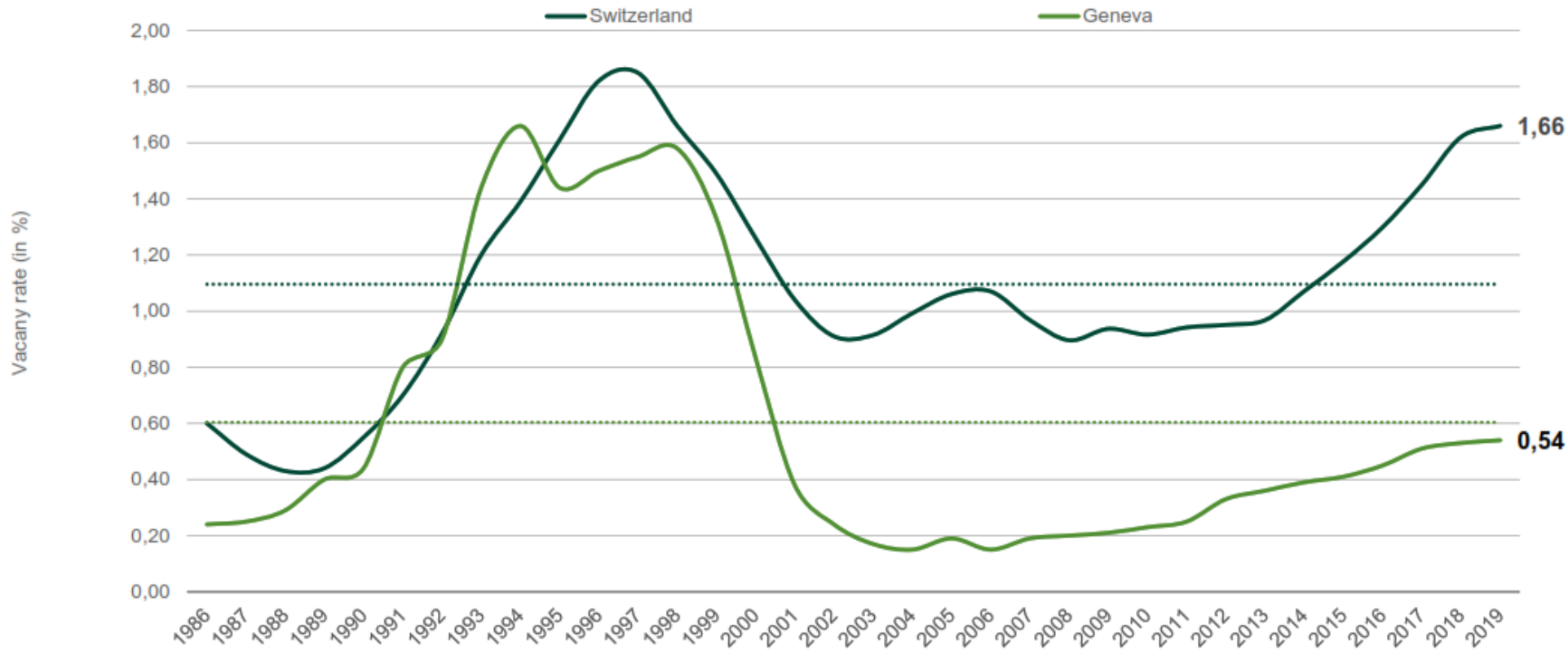
Very low vacancy rates in Investis' key markets – no signs of trend reversal



Residential Real Estate Market in Switzerland

Geneva's vacancy rate growing at a slower pace than the national trend

(Vacancy rates for rented and owned properties combined)

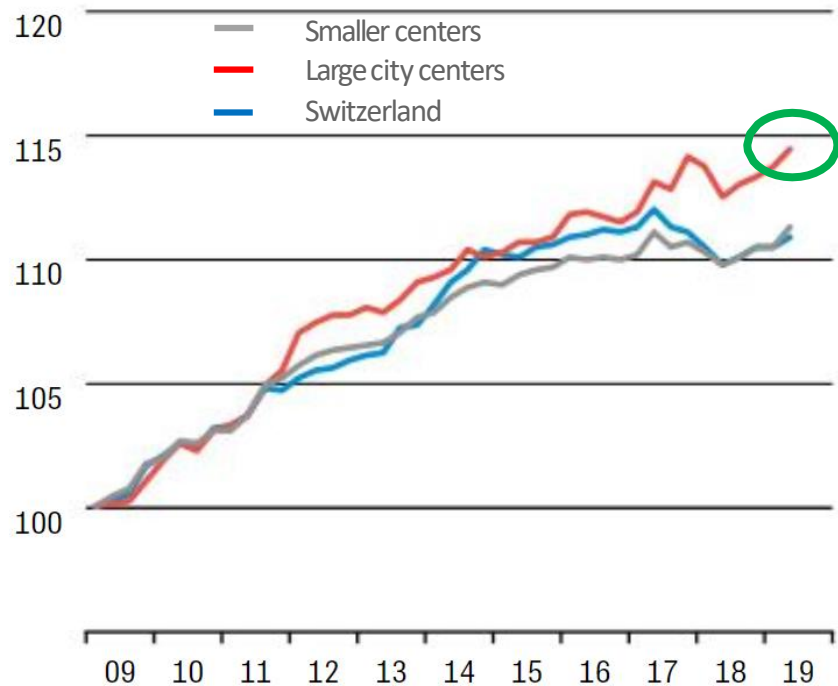


Source: BFS, OCSTAT

Residential Real Estate Market in Switzerland

More significant rebound in rental growth in big city centers

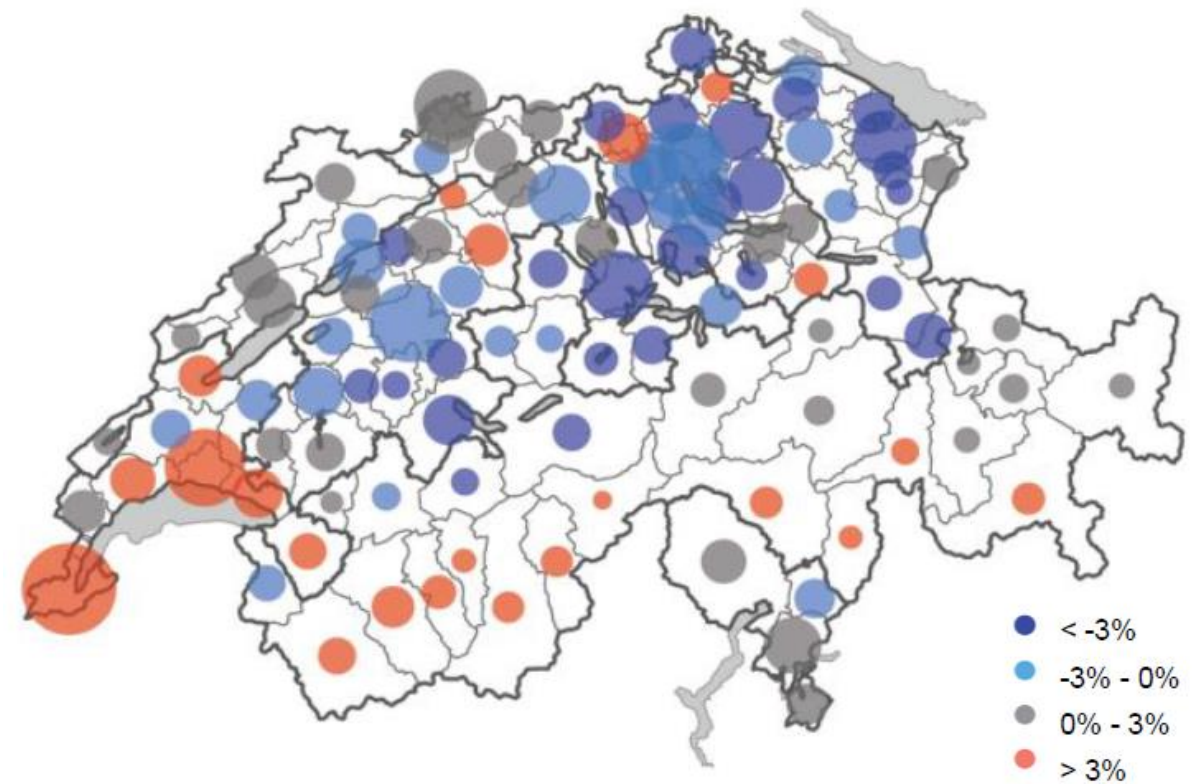
New leases
Index Q1 2009 = 100



Source: Wüest Partner

Positive outlook on residential prices in the Lake Geneva region

Capital growth forecasts (2017-2021) in rental apartments
The size of the circles is proportional to the number of residential units rented in 2015



Source: Fahrlander Partner

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:

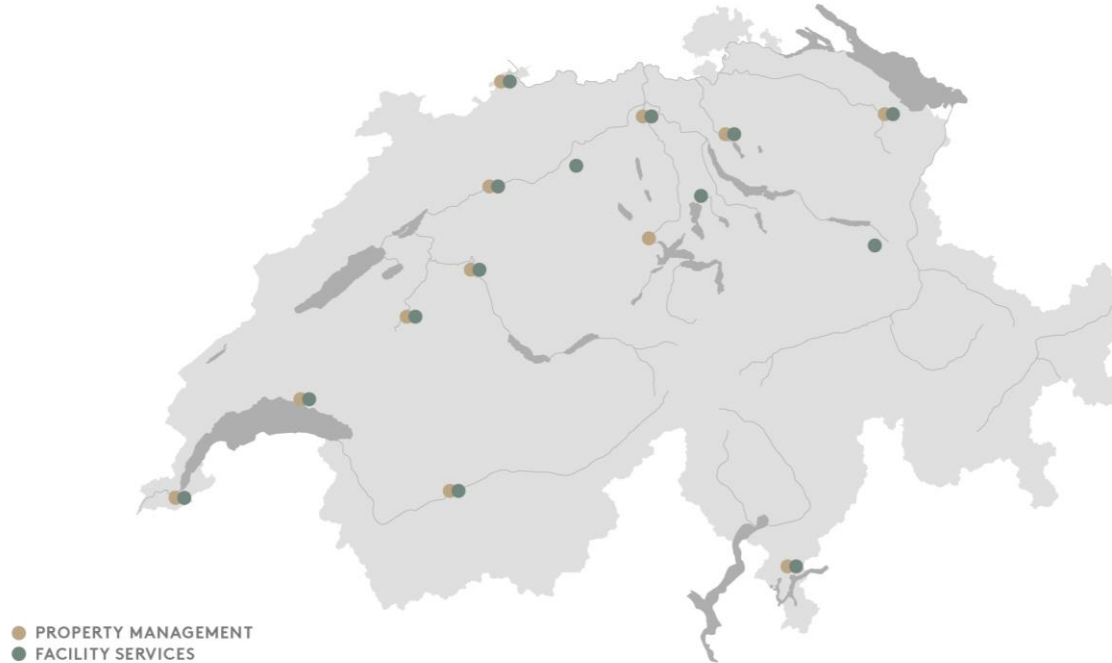
- Residential properties in city centers do not grow
- Highest demand
- Higher rental growth
- Highest average asking rents per square meter
- Low vacancy rates

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



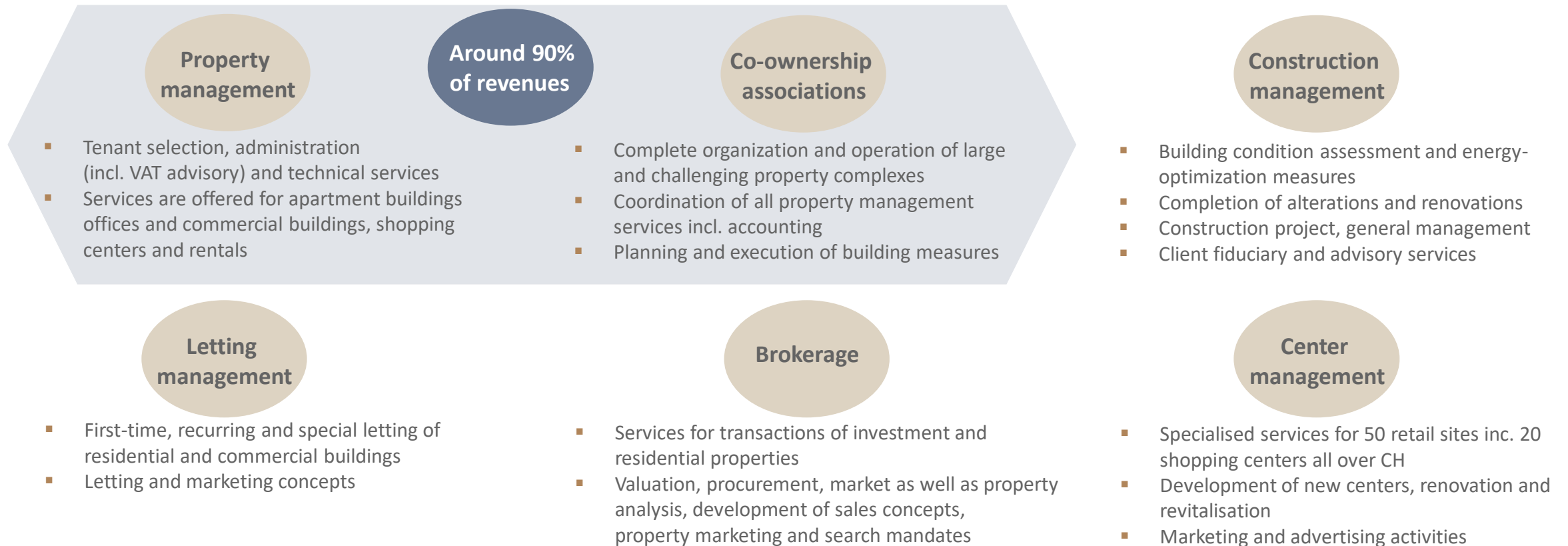
FACILITY SERVICES

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



Property Management – PRIVERA

.... the leading independent Property Management company in Switzerland offers an integrated service throughout the lifecycle of a property with ...



Property Management – PRIVERA

..... focuses on institutional clients due to its nationwide presence



- Rents under Management at CHF 1.41bln
- 12 offices across the country, HC of around 450
- Top 10 clients generate just over 1/3 of the total revenues
- Top 20 clients generate around 50% of the revenues
- Due to its nationwide presence -> focus on institutional clients – Privera is only one of five companies offering their services across the country
- Extraordinary market position thanks to its business model
- Majority of income is generated through recurring, contract-based income
- Recurring income is based on actual rent and contracts with long-lasting customer relationships

- Ever since it was acquired in 2014, EBIT margin has grown from 2% to double digit at the end of 2019

Facility Services – hauswartprofis/conciergepro

.... 900 experts have been taking care of the inside and outside of buildings for > 30 years

Maintenance

- Inhouse maintenance for apartment buildings, office buildings, commercial buildings and shopping centers
- Maintenance on the surroundings
- Building services / technical support
- Gardening

**Around 80%
in residential
buildings**

Cleaning

- Apartments
- Relocation
- Face of the building
- Blinds
- Escalators

Building services

- Guarantee daily operation
- Evacuation processes
- Energy optimization
- Fire
- Warranties
- Technical support

Facility Services – hauswartprofis

..... focus on innovation with experienced staff

- 13 offices across the country, with HC of around 900
- Diversified business model with recurring, contract-based revenues
- Major player in the market combining all activities of facility services
- Management of 2'000 buildings
 - Residential buildings
 - Commercial buildings
 - Shopping malls
 - Office buildings
- Business restructuring and brand merger completed
- ISO 9001 / ISO 14001 certified January 2020



hauswartprofis AG
Alte Bahnhofstrasse 7
5506 Mägenwil
Switzerland

has implemented and maintains a
Management System

for the following scope:

Further sites according to appendix SQS

which fulfills the requirements of the following standard(s):

ISO 9001:2015 / ISO 14001:2015

Issued on: 2020-01-14
Expires on: 2022-12-20

This attestation is directly linked to the IQNet Partner's original certificate and shall not be used as a stand-alone document

Registration Number: CH-1H43374



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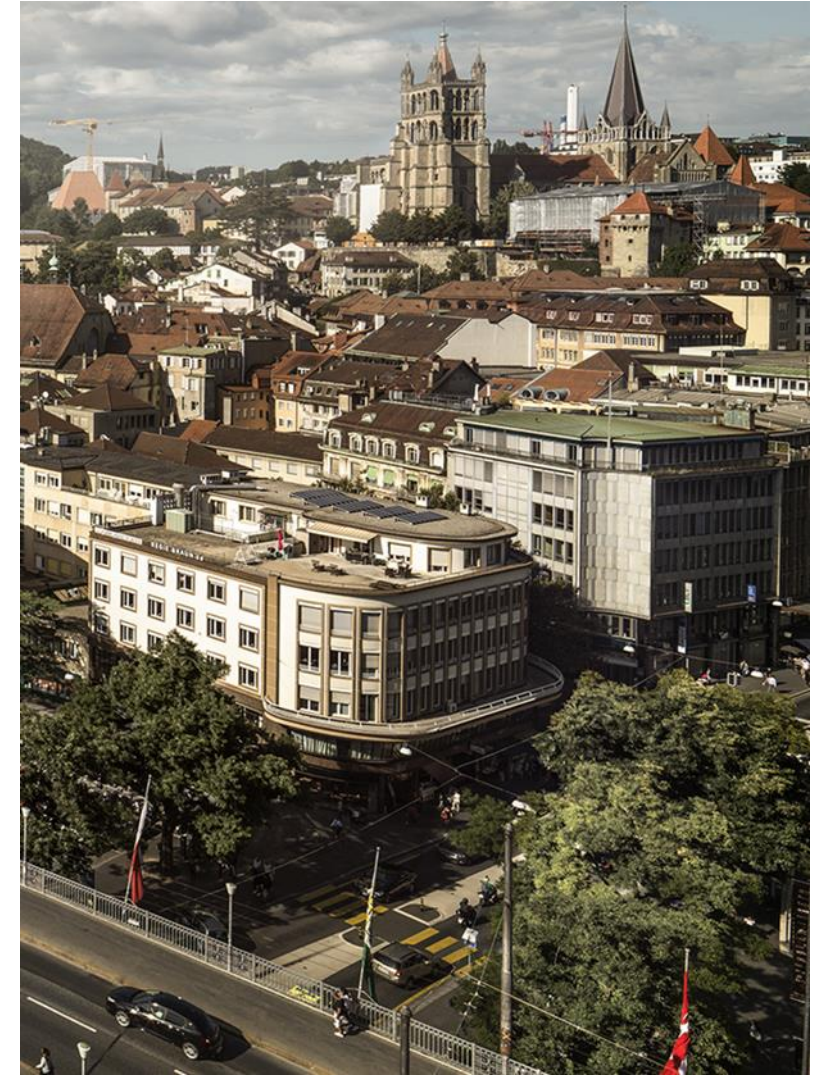
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2019 in a nutshell – excellent operating performance

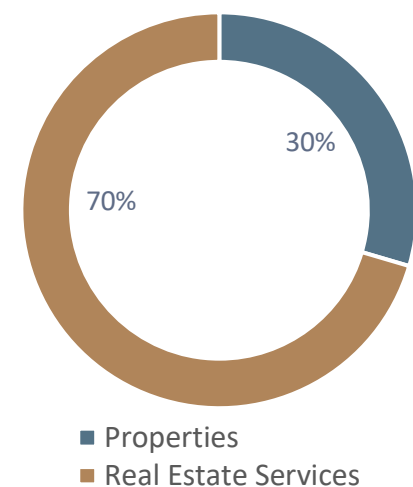
All targets set during the IPO achieved in time

- Investis Group:
 - Net profit at CHF 172.8m
 - Net profit excluding revaluation effect doubled to CHF 69.5m (CHF 35.6m)
 - NAV per share excluding deferred taxes with regard to properties considerably improved to CHF 67.61 (CHF 59.59)
 - Proposed gross dividend: CHF 2.35 / Dividend yield: 2.9% / Payout ratio: 17.4%
- Properties:
 - Like-for-like rental growth +0.4%, overall rental increase +3.6%
- Real Estate Services:
 - EBIT margin of 8.4% - target set during IPO achieved

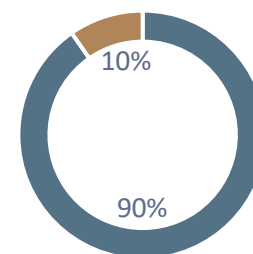
Investis Group: Overview on the financial performance for the FY 2019

(CHFm)	FY 2019	Δ in %	FY 2018	FY 2017	FY 2016
Revenue	187.5	-5.1	197.5	190.0	161.9
EBITDA before revaluations/disposals	46.7	+17.5	39.7	37.3	28.7
Income from revaluations / from disposal of properties	64.8	+75.5	36.9	25.6	49.6
Income from disposal of subsidiaries	18.2	n/a	0	0	0
EBIT	127.2	+70.5	74.6	60.9	76.4
Financial result	0.7	n/a	-3.8	-3.4	-17.7
Income taxes	45.0	n/a	-16.4	0.2	-13.6
Net Profit	172.8	+217.8	54.4	57.6	45.1
<i>Net Profit excluding revaluation effect</i>	69.5	+95.5	35.6	26.8	9.4

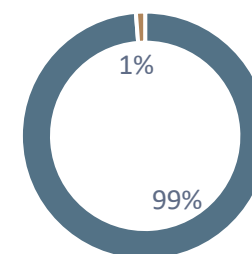
FY 2019 Revenues



FY 2019 EBIT



FY 2019 Invested Capital



Properties: The geographical concentration in the Lake Geneva region remains an ASSET...

Further growth in rental income coupled with achieved rental increases

(CHFm)	FY 2019	Δ in %	FY 2018	FY 2017	FY 2016
Revenue	57.0	+3.6	55.0	47.5	41.9
EBITDA before revaluations/disposals	37.8	+8.1	35.0	32.4	27.3
Revaluations & disposals	64.8	+75.5	36.9	25.6	49.6
EBIT	102.6	+42.7	71.9	58.0	76.7

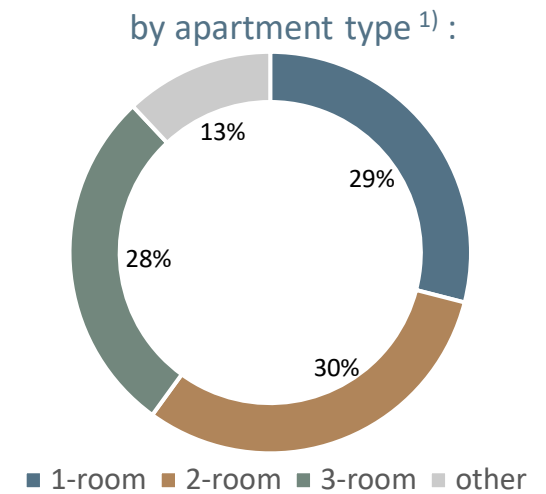
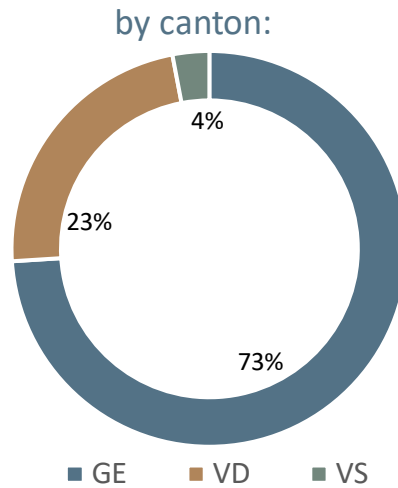
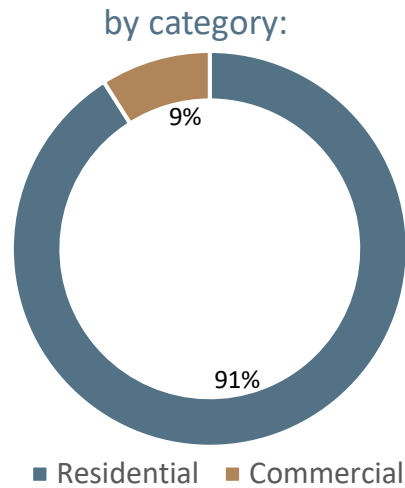
- Like-for-like rental growth +0.4% (PY 1.7%)
- Low vacancy rate at 3.2% (PY 2.9%)
- Average real discount rate at 3.43% (PY 3.49%) (nominal +0.5%)
- Revaluation gains based on positive cash flow generation and lower discount rates
- Annualised full occupancy rent at CHF 61.2m as per 31.12.2019

..... BECAUSE:

- Higher share of renting vs owning
- Limited construction activity in a highly regulated market
- 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: 170 properties – 3,049 residential units – Value CHF 1.44 bln



Low vacancy 3.2%

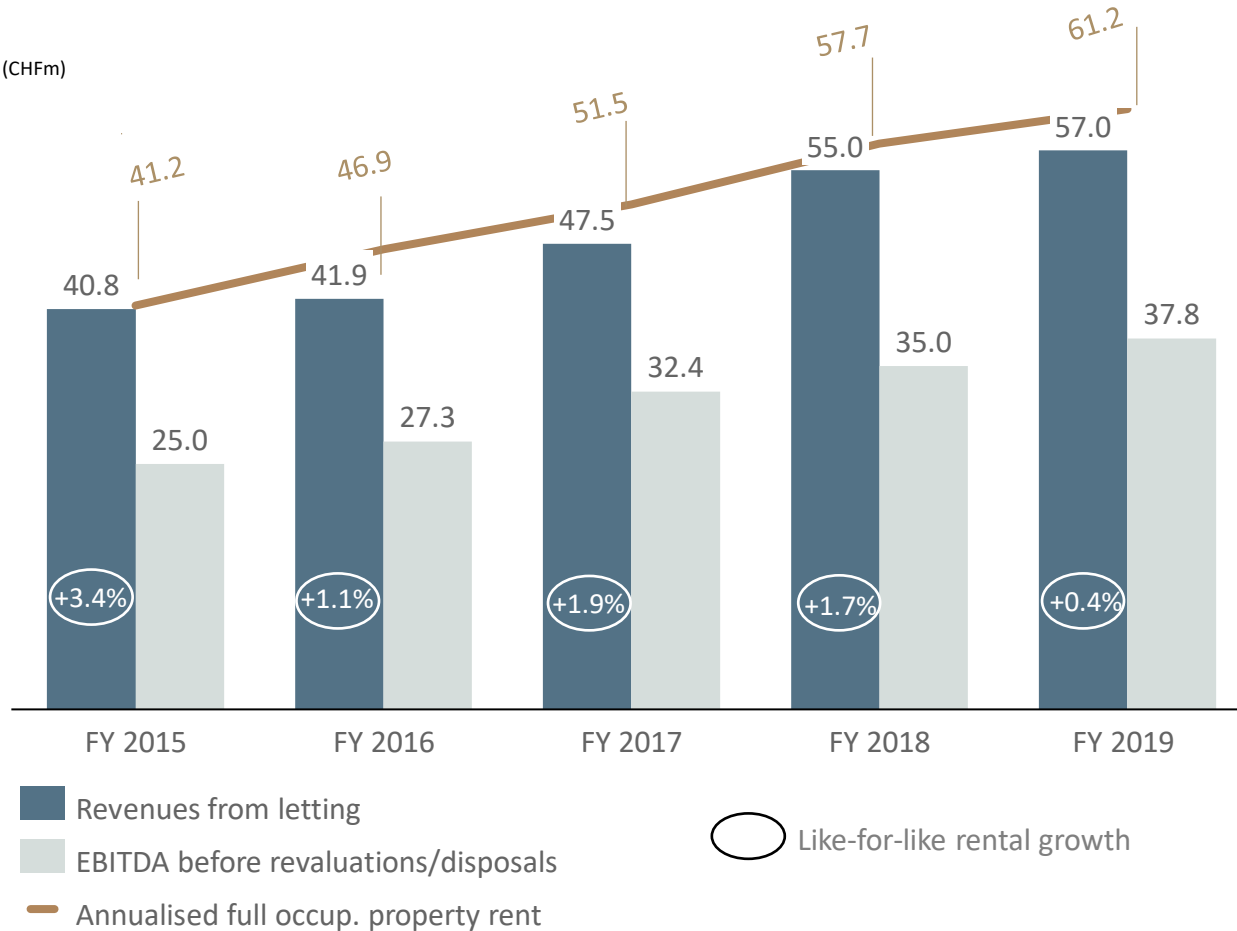


Residential GE	1.7%
Residential VD	1.8%
Furnished apartments (GE)	24.4%
Commercial properties	5.4%

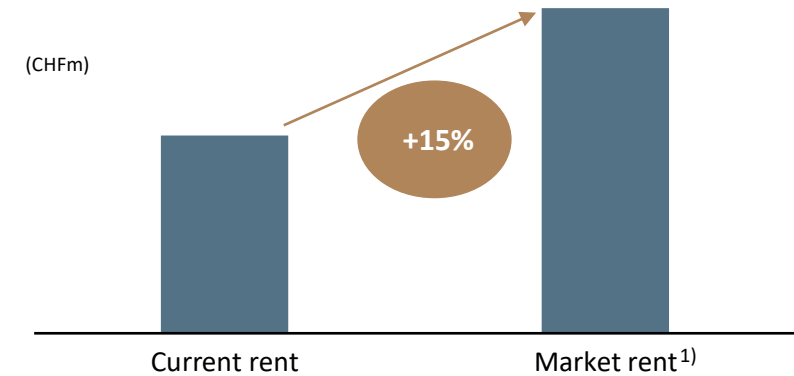
Note:

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



72% of our residential and commercial rental contracts are indexed to the CPI (Swiss Consumer Price Index)

10% tenant turnover representing opportunities to increase rents to market level

1-2% yearly like-for-like rental growth

Note:

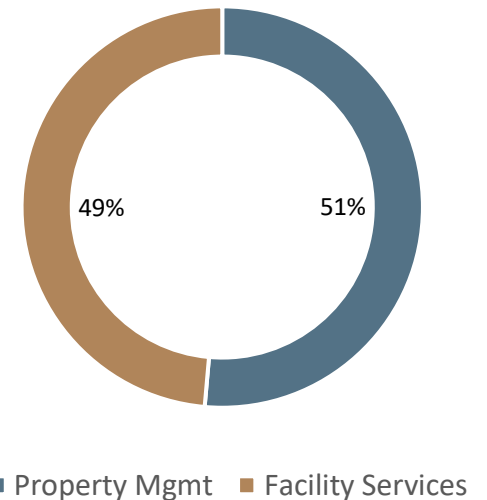
¹⁾ Based on CBRE appraisal FY 2019

Real Estate Services: target of high single digit EBIT margin achieved

Both activities achieving their respective targets – concentration to two national brands

(CHFm)	FY 2019	Δ in %	FY 2018	FY 2017	FY 2016
Revenue	136.0	-8.0	147.8	147.6	136.1
EBIT	11.5	+49.2	7.7	7.8	3.9
EBIT margin	8.4%	n/a	5.2%	5.3%	2.9%

Revenue split



- **Property Management** top line down due to the disposal of both Régie du Rhône subsidiaries
– Rents under Management at CHF 1.41bln (+2.3% organic growth)
- **Facility Services:** top line dropped by divestment of smaller subsidiaries and streamlining of mandates
- Revenue from subsidiaries disposed in 2019 amounted to CHF 20.6m (2018: CHF 34.4m)
- Both activities substantially improved their profitability to achieve EBIT margin target

Corporate: considerable gain from the disposal of subsidiaries

Gain on concentrating the Real Estate Services portfolio to two national brands

(CHFm)	FY 2019	FY 2018	FY 2017	FY 2016
Operating costs	-5.1	-5.0	-5.0	-4.2
Income from disposal of subsidiaries	18.2	n/a	n/a	n/a
EBIT	13.1	-5.0	-5.0	-4.2

- The following subsidiaries were sold in the segment Real Estate Services in 2019:
 - Régie du Rhône SA
 - Chauffage-Assistance SA
 - Clim-Assistance SA
 - Synergie Services FM SA

Investis Group: Excellent Net Profit

Positive one-off effect led to a net tax income

(CHFm)	FY 2019	Δ in %	FY 2018	FY 2017	FY 2016
EBIT	127.2	+70.5	74.6	60.9	76.4
Financial income	5.8	n/a	0.1	0.6	2.0
Financial expenses	-5.2	-30.8	-3.9	-4.1	-19.7
EBT	127.9	+80.7	70.8	57.4	58.7
Income taxes I	-16.4	n/a	-16.4	-12.1	-13.6
Income tax rate	13%	--	23%	21%	23%
Income taxes II	61.4 ¹⁾	n/a	n/a	12.3 ¹⁾	n/a
Net profit	172.8	+217.8	54.4	57.6	45.1
<i>Net profit excluding revaluation effect</i>	<i>69.5</i>	<i>+95.5</i>	<i>35.6</i>	<i>26.8</i>	<i>9.4</i>

- Financial income includes the effects of reducing the stake in Polytech Ventures Holding SA
- Average interest cost remaining low at 0.6%
- Substantial release of CHF 61m deferred tax
- Average tax rate of 16% expected as of 2020

¹⁾ Release of deferred tax liabilities Geneva (2019) and Vaud (2017)

Significant increase in NAV per share excluding deferred tax with regard to properties to CHF 67.61

Solid shareholders' equity at 47% - sound Balance Sheet

Balance Sheet (CHFm)	31.12.2019	Δ in %	31.12.2018	31.12.2017	31.12.2016
Cash and cash equivalents	66	+98.0	33	51	53
Properties portfolio	1,438	+6.9	1,345	1,121	981
Total assets	1,566	+10.0	1,424	1,238	1,100
Financial liabilities	660	+20.1	550	446	338
Gross LTV ¹⁾	46%		41%	39%	33%
Deferred tax liabilities ²⁾	127	-28.4	178	155	146
Shareholders' equity	740	+25.7	589	569	558
Equity ratio	47%		41%	46%	51%
NAV per share (in CHF)	57.74	+25.8	45.89	44.38	43.48

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



CHF >300 credit lines
available as per today

	31.12.2015	31.12.2019
Average interest cost	2.2%	0.6%
Interest coverage	4.5x	20.8x
Average maturity (in months)	7	26

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Outlook

- AGM 28 April 2020 to take place under extraordinary circumstances without physical presence of shareholders – they will have to exercise their voting rights by giving power of attorney to the independent proxy
 - All Board members to stand for re-election
 - The two members of the Compensation Committee to stand for re-election
 - A dividend of CHF 2.35 per registered share – total distribution CHF 30 million to be proposed for approval to shareholders
- Migration, demographic change, low proportion of new build properties in central locations means that there is ongoing strong demand for rental apartments
- Maintain and further expand portfolio through targeted acquisitions
- Real Estate Services to be further developed focusing on profitable revenue growth

Corona Virus (COVID-19)

What could be the impact for Investis? First thoughts ...

Investment market

- Lack of visibility - Transaction volumes might decrease
- Further decline in interest rates expected
- Rental income is less vulnerable as non-exchangeable

Rents in residential properties

- Rents in agglomeration of small cities and peripheral locations are expected to continue to fall (also due to the recent reduction of the reference interest rate)
- Rent potential might temporarily move sideways
- Expectation that Investis' portfolio not to be strongly impacted

Real Estate Services

- All our organisations were highly digitalised before the crisis
 - home office applicable to all administrative jobs with no interruption
 - application of government instructions immediately
- Majority of our revenues depend on recurring contracts in both activities
- Additional revenue opportunities (i.e. disinfecting in buildings) might partly compensate for revenue shortfalls

Q & A



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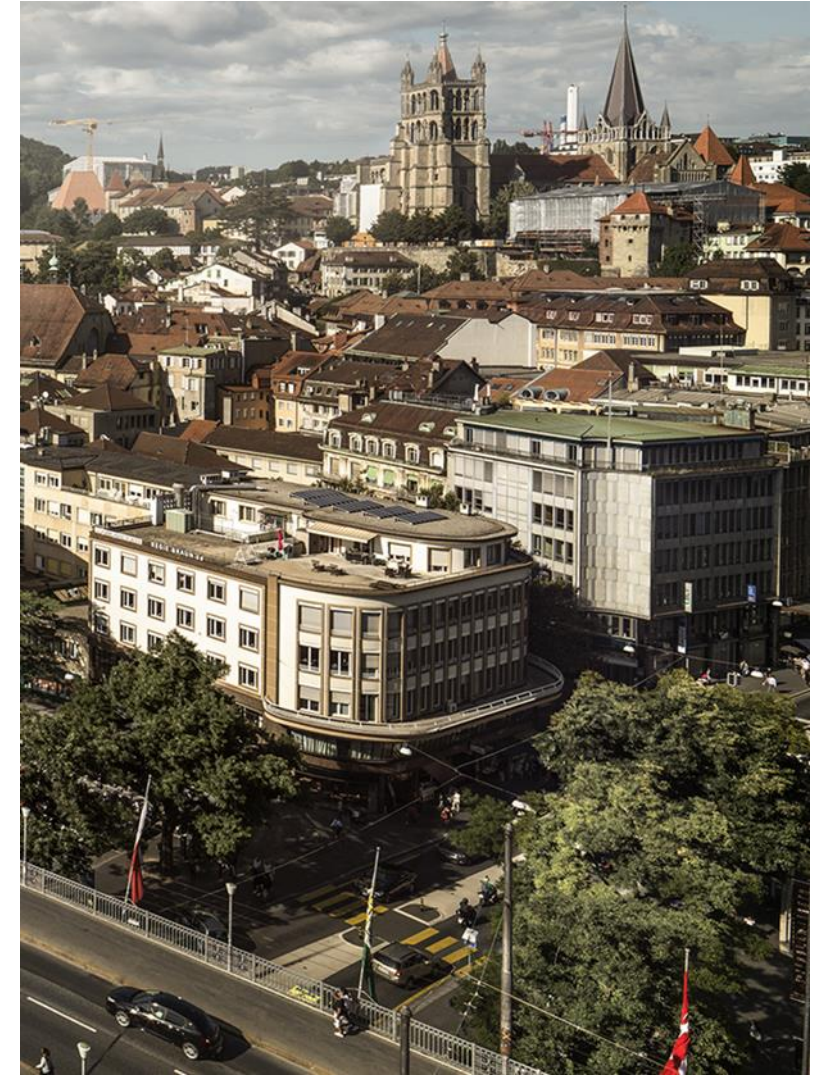
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Main achievements since IPO

▪ Development of the property portfolio

- Portfolio value up 64% since IPO to CHF 1.4 bln
- CHF 585m invested since 30.6.2016
- Annualised full occupancy property rent increased to CHF 61m from CHF 42m (June 2016)
- Revaluation gains: 2016: CHF 47m / 2017: CHF 25m / 2018: CHF 24m / 2019: CHF 57m

▪ Development of the Services Segment

- EBIT margin at 8.4%, fulfilling the target set prior the IPO
- Rents under management at CHF 1.41bln (in PM)
- Successful acquisition and integration of Hauswartprofis (in FS)
- Disposal of Régie du Rhône in 2019
- Disposal of smaller Services subsidiaries in order to concentrate on two main national brands
- Decision and execution of withdrawal from Construction Management as General Contractor

- Debt restructuring away from mortgages towards unsecured senior debt – Lowering weighted average interest expense substantially from 2% to 0.6%

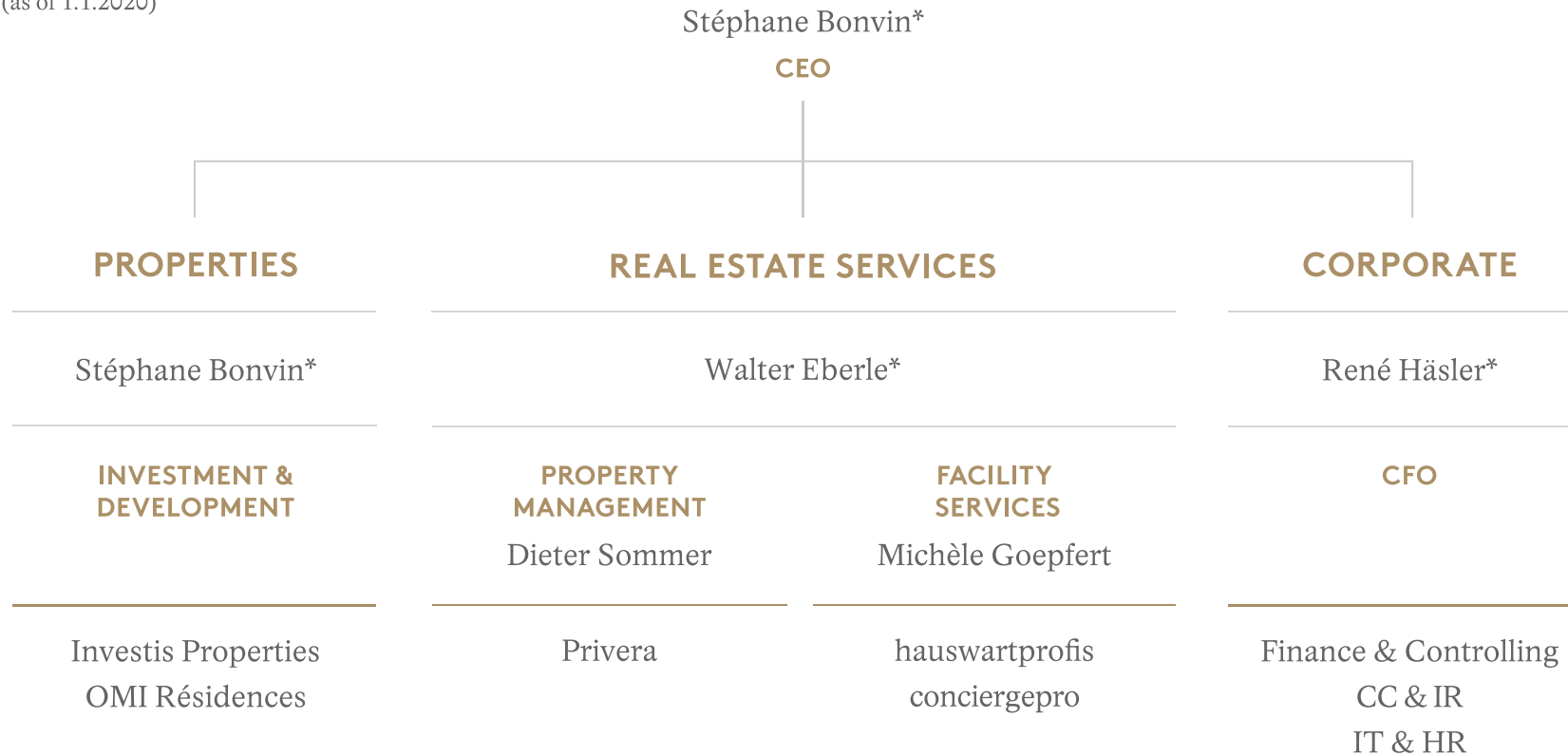
Fundamental business strengths

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 in both activities
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	Leading Facility Services company with focus on residential buildings
Value creation through execution on rent upside potential	Digitalisation leads to greater efficiency – enhanced quality and innovative products

Organisation

(as of 1.1.2020)



* Member of the Executive Board

Additional information on the Real Estate Market



Real Estate Market Switzerland

Summary of the rental apartment market in the Lake Geneva region

Region MS	Rents	Supply	Construction
Lausanne	→	↑	↘
Morges	→	→	↘
Nyon	→	↘	→
Vevey	→	↑	↘
Aigle	→	→	↓
Geneva	→	→	↘

Level : as of Q2 2019

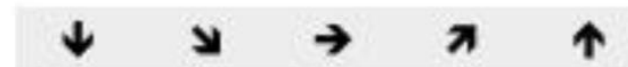


Weak

Average

High

Evolution: Q2 2019 vs. Q2 2018



Strong fall

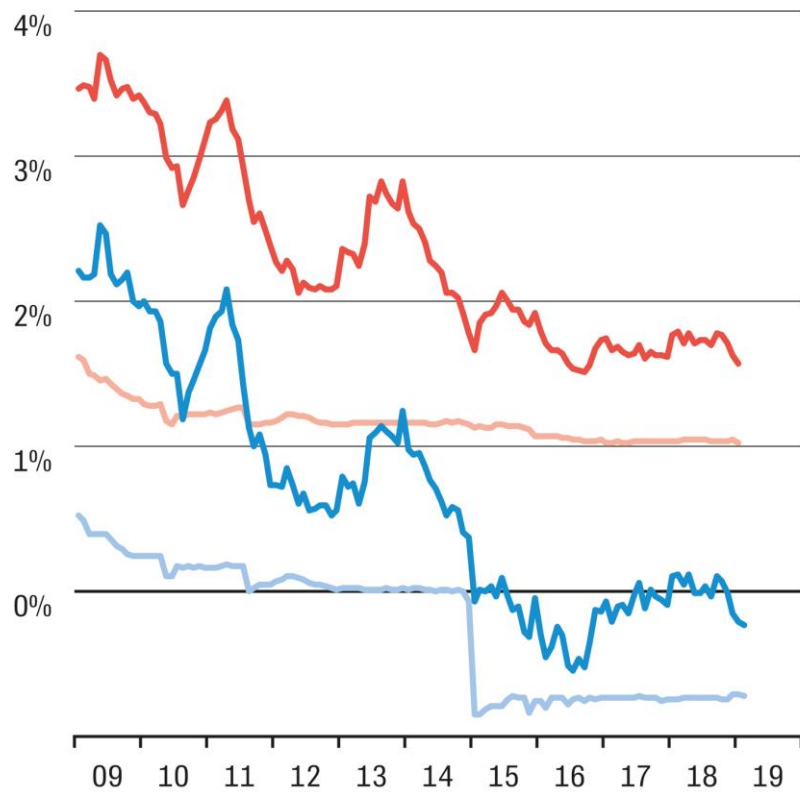
Stable

Strong rise

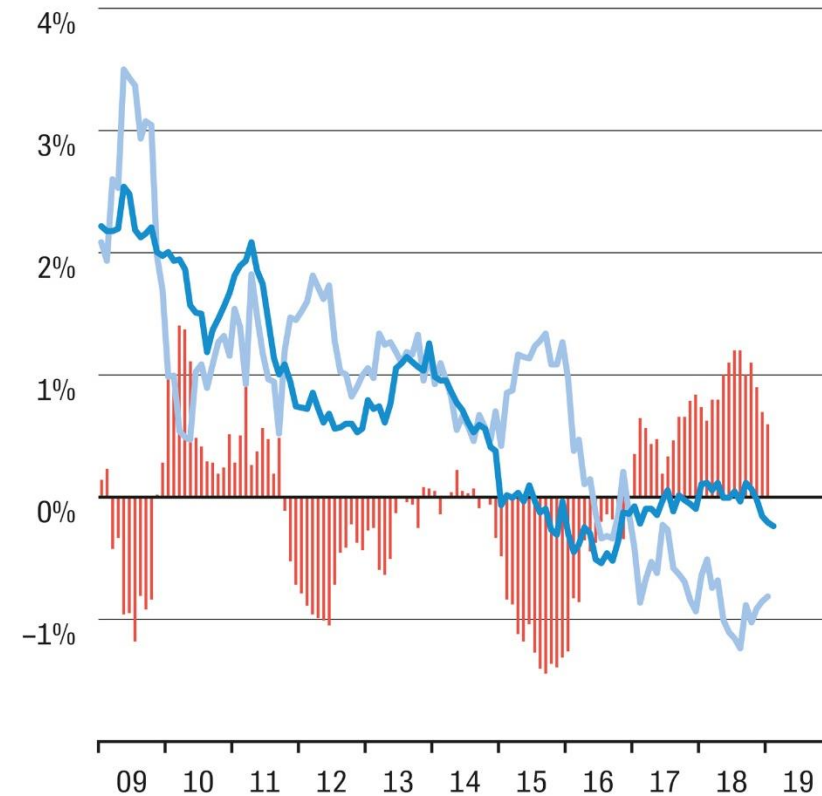
Source: Wüest Partner

Why interest rates will not rise ...

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

Thank you for your attention!

