

Press release**Zurich, 27 August 2020****Excellent half-year results**

- **Organic growth in revenue for first half of 2020**
- **Operating profit before revaluations +3.3%**
- **Further revaluation effects of +CHF 36 million**
- **Like-for-like rental income up 0.9% – vacancy rate remains low at 2.8%**
- **Excellent EBIT margin of 8.7% at Real Estate Services**
- **NAV per share further increased to CHF 59.24**

Investis has posted very good results for the first half of 2020. The extraordinary COVID-19 situation had only a minor impact on the half-year results. To date, all challenges of this crisis have been well overcome in both segments. The **Properties** segment saw another rise in rental income, which also led to a further rise in the value of the portfolio. The **Real Estate Services** segment increased its EBIT margin to a healthy 8.7%. Group profit was CHF 51.2 million. The prior-year figure (CHF 112 million) was positively influenced by CHF 61 million from the release of deferred taxes caused by implementation of the TRAF tax law change.

Healthy revenue growth despite influence of COVID-19

Investis Group generated revenue of CHF 89.2 million in the first half of 2020 (prior year: CHF 98.6 million). The prior-year figure included revenue contributions totalling CHF 16.5 million from subsidiaries sold in 2019.

Revenue at the **Properties** segment grew by 3.5% to CHF 29.0 million (prior year: CHF 28.1 million). This gratifying increase was the result of another like-for-like increase in rental income of +0.9%, as well as acquisitions. The vacancy rate was reduced to 2.8%. This was achieved despite the higher vacancy rates in furnished apartments affected by COVID-19. Annualised full occupancy property rent came to CHF 60.3 million (as at 30.6.2020).

Within the **Real Estate Services** segment, Property Management revenue decreased by 24.5% owing to the disposal of the two subsidiaries Régie du Rhône in 2019. Privera generated a healthy 3.6% increase in revenue, although its complementary services were affected by COVID-19. Rents under management, however, went up again and stood at CHF 1.43 billion (31.12.2019: CHF 1.41 billion). The Facility Services business posted a decline in revenue of 8.1%, which was due again to various disposals in 2019.

Excellent operating profit in both segments

Operating profit (EBIT) stood at CHF 61.9 million, an increase of 8.5%. The Properties division improved its operational performance (before revaluation effects and disposals) by 8.2%. Higher rental income and a lower average real-term discount rate of 3.29% (31.12.2019: 3.43%) contributed to the substantial revaluation gains of CHF 35.9 million (prior year: CHF 27.6 million). The property sales generated disposal gains of CHF 3.6 million (CHF 6.7 million).

In this difficult environment, Real Estate Services still managed to increase its EBIT margin by another 46bp to 8.7%.

In the 2019 half-year report, income from disposal of subsidiaries (CHF 1.0 million) was recognised as financial income. At the end of the year, income from disposal of subsidiaries was recognised as a separate line item in the income statement within operating result. In order to enhance comparability with the 2019 annual financial statements, prior-year figures have been restated accordingly in the 2020 half-year report.

Financial result

Financial expenses amounted to CHF 2.0 million, which is slightly down on last year's figure. The average interest expense in the first half of 2020 remained low at 0.5% (0.6% in 2019).

Financial income stood at CHF 0.2 million. Last year's higher figure of CHF 3.9 million included the effect of reducing the stake in Polytech Ventures Holding SA.

Income taxes

The tax bill of CHF 8.8 million and the average tax rate of 14.7% were in line with expectations. In the prior year, CHF 61 million of deferred tax liabilities were released. This positive one-off effect led to total net tax income of CHF 53.2 million in the first half of 2019.

Net profit

Net profit came to CHF 51.2 million (prior year: CHF 111.9 million) and earnings per share to CHF 4.02 (prior year: CHF 8.80). In the 1st half 2019, the release of deferred tax liabilities influenced earnings per share positively by CHF 4.83. Net profit excluding revaluation effect stood at CHF 20.0 million (prior year: CHF 33.8 million).

Very solid capital structure and prudent financing policy

Total assets came to CHF 1.6 billion as at 30 June 2020, with a very comfortable equity ratio of 48.9% (31.12.2019: 47.3%). The property portfolio was valued at CHF 1,476 million. It comprised 170 properties with 3,020 residential units on the balance sheet date. In relation to the value of the property portfolio, loan-to-value was conservative at 42% (interest-bearing financial liabilities of CHF 620 million). Deferred tax liabilities came to CHF 131 million (31.12.2019: CHF 127 million).

Net asset value (NAV) per share was up at CHF 59.24 (31.12.2019: CHF 57.74).

Market environment and outlook for 2020

The Investis portfolio is mainly made up of residential properties in central locations with apartments in the mid-price segment in the Lake Geneva Region. Its concentration in this region is the Investis Group's USP. According to OCSTAT (Office Cantonale de la statistique de Genève) demand for these residential properties in Canton Geneva remains high. Between May 2019 and May 2020, rents for all non-new homes rose by 0.9%. In the core Investis market of small apartments, the rise was higher, ranging from +1.8% for studios to +1.4% for two- and three-room apartments. Larger apartments showed significantly lower rent increases.

The increase in rents in the city of Geneva – +1.0% in the city centre and +0.9% in the more central districts – was greater than in the immediate suburban municipalities (+0.7%) and outer suburbs (+0.5%). The highly regulated market keeps new investments at a low level, which also has a positive effect on demand. Investis plans to maintain its sustainable expansion by acquiring investment properties in attractive locations mainly in the Lake Geneva Region.

Immigration into Switzerland remains an important driver of demand and of vacancy rates. According to a Federal Report dated 29th June 2020 even in the months of March-May the balance of migration was slightly positive in comparison to the previous year. The development of migration movements is still very difficult to assess at present, but it can be assumed that activities will normalise again in the medium term. The Geneva residential market should again benefit from such a trend.

Business environment remains challenging for the Real Estate Services segment. The level of digitalisation within the group is high and being driven higher. When lockdown happened, all office employees in both activities were able to work from home without any restrictions. All assignments and additional challenges could be fulfilled at any time and with high quality. We expect to see a normalisation of the real estate service market going forward.

Thanks to its solid business model and stable finances, as well as the efficiency gains created by the digitalisation in various areas and the great commitment of its employees, Investis is confident that it will cope with the current difficult economic situation and emerge stronger when market conditions begin to recover.

We expect a solid performance in the second half of 2020 at around the level of the strong prior year. This outlook for the current year is subject to uncertainty due to the pandemic.

Reporting

The 2020 Half-Year Report is available at <https://reports.investisgroup.com/20/hyr> and on our website www.investisgroup.com under Investors / Reporting.

There will be a conference call on the half-year results for the media and analysts (in English) today at 11 a.m. Following the presentation of the half-year results, Stéphane Bonvin (CEO) and René Häsler (CFO) will be available to answer questions.

The dial-in numbers are as follows:

+41 (0)58 310 50 00 (Europe)

+44 (0)207 107 06 13 (UK)

+1 (1)631 570 56 13 (USA)

Please dial in 5 minutes prior to the start of the conference call. The accompanying presentation is also available on our website from 7 a.m. under Investors / Reporting (<https://www.investisgroup.com/nc/en/investors/>).

Interested parties are also invited to follow the media and analysts conference call via live webcast on our website (www.investisgroup.com) under Investors / Reporting.

Agenda

24 March 2021	Publication of 2020 annual results
27 April 2021	2021 Annual General Meeting
1 September 2021	Publication of half-year results 2021

Contact

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About Investis Group

Founded in 1994, Investis group is a leading real-estate company in the Lake Geneva region and a national real estate services provider active in the two segments of Properties and Real Estate Services. The portfolio of Investis consists almost exclusively of residential properties with apartments in the mid-price segment in the Lake Geneva region and was valued at CHF 1,476 million as at 30 June 2020. Investis Real Estate Services is active throughout Switzerland with well-known brands.

For further information: www.investisgroup.com

SELECTED KEY FIGURES

Investis financial key figures		30.06.2020	31.12.2019	30.06.2019
Revenue	CHF 1,000	89,217	187,509	98,615
EBITDA before revaluations/disposals ¹⁾	CHF 1,000	23,628	46,665	22,879
EBIT	CHF 1,000	61,858	127,159	57,015
Net profit	CHF 1,000	51,202	172,825	111,903
Net profit excluding revaluation effect ¹⁾	CHF 1,000	20,037	69,535	33,804
Funds from operations (FFO) ¹⁾	CHF 1,000	20,073	16,093	-532
Total assets				
Total assets	CHF 1,000	1,551,430	1,565,564	1,448,884
Interest-bearing financial liabilities				
Interest-bearing financial liabilities	CHF 1,000	620,000	660,000	562,231
Gross LTV ¹⁾				
Gross LTV ¹⁾		42%	46%	42%
Deferred tax liabilities				
Deferred tax liabilities	CHF 1,000	131,148	127,197	119,164
Shareholders' equity				
Shareholders' equity	CHF 1,000	759,343	739,981	672,704
Equity ratio				
Equity ratio		48.9%	47.3%	46.4%
Number of employees				
Headcount (as at period end)				
Headcount (as at period end)		1,365	1,229	1,387
FTE (full-time equivalent, average over the period)				
FTE (full-time equivalent, average over the period)		1,038	1,081	1,156
Data per share				
Share data		30.06.2020	31.12.2019	30.06.2019
Share capital				
Share capital	CHF 1,000	1,280	1,280	1,280
Number of registered shares issued				
Number of registered shares issued		12,800,000	12,800,000	12,800,000
Nominal value per share				
Nominal value per share	CHF	0.10	0.10	0.10
NAV per share ¹⁾				
NAV per share ¹⁾	CHF	59.24	57.74	52.47
NAV per share excluding deferred taxes with regard to properties ¹⁾				
NAV per share excluding deferred taxes with regard to properties ¹⁾	CHF	69.41	67.61	61.62
Earnings per share (basic/diluted)				
Earnings per share (basic/diluted)	CHF	4.02	13.59	8.80
Share price				
Share price – high				
Share price – high	CHF	91.00	81.60	69.60
Share price – low				
Share price – low	CHF	70.20	60.20	60.20
Share price at end of period				
Share price at end of period	CHF	86.20	81.20	68.00
Average number of shares traded per day				
Average number of shares traded per day		2,768	4,497	5,359
Market capitalisation at end of period				
Market capitalisation at end of period	CHF 1,000	1,103,360	1,039,360	870,400

INVESTIS GROUP
HALF-YEAR REPORT 2020

Properties key figures		30.06.2020	31.12.2019	30.06.2019
Residential investment properties	CHF 1,000	1,295,410	1,260,330	1,157,912
Commercial investment properties	CHF 1,000	123,262	127,713	101,240
Investment properties under construction	CHF 1,000	19,563	8,765	16,699
Properties held for sale	CHF 1,000	37,412	40,965	45,340
Total property portfolio	CHF 1,000	1,475,647	1,437,774	1,339,677
Total buildings		170	170	154
Total residential units		3,020	3,049	2,872
Average discount rate		3.29%	3.43%	3.44%
Revenue		CHF 1,000	29,041	56,980
Like-for-like rental growth ¹⁾			0.9%	0.4%
EBITDA before revaluations/disposals ¹⁾		CHF 1,000	19,603	37,768
EBIT		CHF 1,000	59,113	102,549
Annualised full occupancy property rent		CHF million	60.3	61.2
Annualised property rent		CHF million	58.6	59.2
Vacancy rate			2.8%	3.2%
Real Estate Services key figures		30.06.2020	31.12.2019	30.06.2019
Rents under management	CHF billion	1.43	1.41	1.76
Revenue		CHF 1,000	62,063	135,967
of which property management			48%	51%
of which facility services			49%	48%
of which other			2%	1%
EBIT		CHF 1,000	5,412	11,489
EBIT margin			8.7%	8.4%

1) The section "Alternative Performance Measures" includes definitions of performance measures that are not defined under Swiss GAAP FER.