

Press release**Zurich, 30 August 2018****Significant increase in net profit excluding revaluation effect in first six months**

- Revenue up 5% to CHF 98 million
- Further 16% increase in rental income to CHF 27.0 million
- Vacancy rate lowered further to 2.5%
- EBIT margin at Real Estate Services segment remains at year-back level
- Loan-to-value ratio still within target range at 41%

Investis continued to perform positively in the first half of 2018. The acquisition of two property portfolios in Geneva led to a sustainable increase in rental income, while the Real Estate Services segment consolidated the level of profitability it achieved in the previous year.

Sustainable revenue growth – improved operating margin

The Group's consolidated revenue went up by 5% in the first half of 2018 to CHF 98 million (previous year CHF 94 million). Both segments – **Properties** and **Real Estate Services** – contributed to this revenue growth. Like-for-like rent increases of 1.0% resulted in further valuation gains on the portfolio of CHF 2.7 million (previous year CHF 17.2 million). The sale of individual properties produced gains on disposal of CHF 7.9 million (previous year CHF 0.6 million). Operating profit (EBIT) came to CHF 29.2 million (previous year CHF 34.3 million).

Investis successfully launched its fourth bond issue in June. Worth CHF 100 million, the bond has a coupon of 0.35% and a two-year term; it was used to refinance in part the purchase of residential properties. The average interest rate in the first half year fell further to 0.5% (previous year 0.7%). Overall, net financial expense was slightly higher than the previous year. Tax expense and the tax ratio remained slightly lower than the average expected tax rate of 23%. Net profit came to CHF 21.7 million (previous year CHF 27.7 million). Net profit excluding revaluation effect went up to CHF 19.7 million (previous year CHF 13.2 million), representing an increase of 49% in the first half year.

“As well as being on the right track operationally, Investis is also embracing the digital age,” says CEO Stéphane Bonvin. “By collaborating actively with innovative start-up companies, we are exploiting the opportunities created by digitalisation, thus creating digital solutions that offer added value to our stakeholders. We continued this work by investing in more start-ups in the first half of 2018.”

Properties: Attractive portfolio acquisitions – Further 16% rise in rental income

During the first half of 2018, Investis acquired two real estate portfolios containing a total of 16 properties in Geneva for a purchase price of CHF 160 million. As a result of these acquisitions and various individual divestitures, as at 30 June the total portfolio consisted of 159 properties and 2,911 residential units, with a value of CHF 1,289 million (31.12.2017: CHF 1,121 million).

Rental income rose 16% to CHF 27.0 million (previous year CHF 23.3 million). On a like-for-like basis, rental income went up 1.0%. Continuous cost optimisations resulted in a higher gross margin of 71.1% (previous year 69.7%). The Properties segment achieved an operating profit (EBITDA) before revaluations and disposals of CHF 17.5 million (previous year CHF 15.3 million).

Thanks to the attractive locations of the properties and active portfolio management, the vacancy rate was further reduced to 2.5% as at 30 June 2018 (31.12.2017: 3.5%), while the annualised full occupancy property rent stood at CHF 57.2 million.

Real Estate Services: Further organic growth – EBIT margin consolidated

Revenue for the Real Estate Services segment went up to CHF 73.2 million in the first half-year (previous year CHF 72.6 million). The Construction Management activity, which has since been stopped, generated revenue of CHF 0.8 million in the previous year. Operating profit (EBIT) came to CHF 3.7 million, while the EBIT margin remained at the previous-year level of 5%.

Revenue at **Property Management** rose by 1.3% and the EBIT margin increased further. This top-line growth could be achieved despite the deliberate withdrawal from unprofitable mandates. Rents under management remained constant at CHF 1.68 billion (31.12.2017: CHF 1.68 billion).

At **Facility Services**, revenue went up 2.4% with a slightly lower EBIT margin owing to continuing integration costs and the rebranding of all caretaker services under one brand – **hauswartprofis** in German-speaking Switzerland and **conciiergepro** in French-speaking Switzerland (CHF 0.4 million).

Solid balance sheet and comfortable equity base

Total assets were up 10% at CHF 1.4 billion, while the equity ratio remained solid at 41% (equity: CHF 556 million compared to CHF 569 million at 31.12.2017). The loan-to-value ratio (gross LTV) rose to 41% and remained within the strategic range that allows Investis to keep making transactions at short notice. The nominal value of deferred taxes increased to CHF 170 million (CHF 155 million at 31.12.2017).

Outlook

The Investis Group expects another rise in revenue and net profit excluding revaluation effect in the second half of 2018 versus previous year, though growth rates are likely to be slower than in the first six months. The Properties segment's targeted annualised rental income of over CHF 50 million will already have been achieved – one year ahead of schedule – by the end of the 2018 financial year.

Investis has reaffirmed its other medium-term targets for 2019:

- Real Estate Services: high single-digit EBIT margin
- Financing: through unsecured senior debt

Reporting

The 2018 Half-Year Report is available at <https://reports.investisgroup.com/18/hyr> and on our website at www.investisgroup.com/en under Investors / Reporting.

There will be a conference call on the half-year results for media and analysts (in English) today at 10 a.m. Following the presentation of the half-year results, Stéphane Bonvin (CEO) and René Hasler (CFO) will be available to answer questions.

The dial-in numbers are as follows:

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DE: +49 6922 22 29 043

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PIN code: 10102151#

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.investis-group.com/nc/en/investors/>).

Agenda

28 March 2019	Publication of 2018 results
29 April 2019	2019 Annual General Meeting

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About Investis Group

Founded in 1994, Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in the two synergetic segments of Properties and Real Estate Services. The portfolio of Investis Properties consists almost exclusively of residential properties located in the Lake Geneva region and was valued at CHF 1,289 million as at 30 June 2018. Investis Real Estate Services is active throughout Switzerland with well-known local brands. For further information: www.investisgroup.com

SELECTED KEY FIGURES

Investis financial key figures		30.06.2018	31.12.2017	30.06.2017
Revenue	CHF 1,000	97,852	189,987	93,560
EBITDA before revaluations/disposals	CHF 1,000	19,637	37,311	17,559
EBIT	CHF 1,000	29,211	60,871	34,317
Net profit	CHF 1,000	21,706	57,604	27,652
Net profit excluding revaluation effect	CHF 1,000	19,663	26,789	13,194
Funds From Operations (FFO) ¹⁾	CHF 1,000	26,089	29,460	10,947
Total assets				
Total assets	CHF 1,000	1,362,172	1,238,222	1,154,329
Mortgages and bonds	CHF 1,000	533,727	436,357	391,693
Gross LTV		41%	39%	38%
Deferred tax liabilities	CHF 1,000	170,071	154,977	152,054
Total shareholders' equity	CHF 1,000	555,662	568,989	540,418
Equity ratio		40.8%	46.0%	46.8%
Number of employees				
Headcount (as at period end)		1,399	1,420	1,434
FTE (full-time equivalent, average over the period)		1,162	1,143	1,138

1) FFO is defined as cash flow from operating activities + investments in properties held for sale + interest received less interest paid.

Data per share		30.06.2018	31.12.2017	30.06.2017
Share ratios				
Share capital	CHF 1,000	1,280	1,280	1,280
Number of registered shares issued		12,800,000	12,800,000	12,800,000
Nominal value per share	CHF	0.10	0.10	0.10
Share data				
NAV per share	CHF	43.34	44.38	42.14
NAV per share excluding deferred tax with regard to investment properties	CHF	56.48	55.91	54.02
Earnings per share (basic/diluted)	CHF	1.70	4.49	2.16
Share price				
Share price – high	CHF	67.80	64.95	61.00
Share price – low	CHF	59.00	55.40	56.50
Share price at end of period	CHF	59.60	62.65	59.05
Average number of shares traded per day		1,844	5,562	4,364
Market capitalisation at end of period	CHF 1,000	762,880	801,920	755,840

INVESTIS GROUP
HALF-YEAR REPORT 2018

Properties key figures		30.06.2018	31.12.2017	30.06.2017
Residential investment properties	CHF 1,000	1,113,964	940,629	873,990
Commercial investment properties	CHF 1,000	103,674	127,784	127,822
Investment properties under construction	CHF 1,000	16,933	14,826	6,416
Undeveloped plots of land	CHF 1,000	1,673	1,673	1,688
Properties held for sale	CHF 1,000	52,489	35,805	26,452
Total property portfolio	CHF 1,000	1,288,732	1,120,717	1,036,367
Total buildings		159	139	138
Total residential units		2,911	2,508	2,354
Average discount rate		3.58%	3.62%	3.62%
Revenue	CHF 1,000	26,970	47,492	23,339
Like-for-like rental growth		1.0%	1.9%	2.0%
EBITDA before revaluations/disposals	CHF 1,000	17,473	32,394	15,333
EBIT	CHF 1,000	28,035	58,039	33,116
Annualised full occupancy property rent	CHF million	57.2	51.5	48.9
Annualised property rent	CHF million	55.8	49.6	47.3
Vacancy rate		2.5%	3.5%	3.3%
Real Estate Services key figures		30.06.2018	31.12.2017	30.06.2017
Rents under management	CHF billion	1.68	1.68	1.64
Revenue	CHF 1,000	73,168	147,637	72,635
of which property management		53%	53%	53%
of which facility services		47%	46%	46%
of which construction management		0%	1%	1%
EBIT	CHF 1,000	3,650	7,839	3,661
EBIT margin		5.0%	5.3%	5.0%