

Half Year Results Presentation – September 2019



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Financials

AEVIS VICTORIA – HIGHLIGHTS HY 2019

CHF

202.1m

Net profit AEVIS

- Excellent result on AEVIS Holding level after the sell down of a further 61% stake in Infracore
- Important step towards pure investment company

CHF

510.0m

NAV Infracore

- Completion of independence strategy of Infracore with MPT and Bâloise as new co shareholders alongside AEVIS
- Attractive market valuation and development potential confirmed

EBITDAR margin
hospitals

19.0%

- EBITDAR margin of 19% thanks to cost cutting program and operational improvements
- 9.8% net revenue growth (new doctors, acquisitions of Siloah and MHC)
- Acquisition of Klinik Belair in Schaffhausen announced in August 2019

Revenue growth of

3.5%

in running hotels

- Hotels of Victoria-Jungfrau Collection performed very well
- Re-opening of Eden au Lac in December as La Réserve Eden au Lac Zurich
- Very attractive growth pipeline in the hospitality division

AEVIS P&L key figures

(In thousands of CHF)	HY 2018 (restated)	HY 2018 (adjusted)	HY 2019
Revenue from operations	312'893	312'693	345'102
Other revenue	6'232	6'221	200'485
Total revenue	319'125	318'914	545'587
Net revenue	280'566	280'355	501'182
EBITDAR	38'828	38'899	241'676
<i>EBITDAR margin</i>	13.8%	13.9%	48.2%
EBITDA	31'807	28'395	229'988
<i>EBITDA margin</i>	11.3%	10.1%	45.9%
EBIT	5'926	3'083	201'083
<i>EBIT margin</i>	2.1%	1.1%	40.1%

- Strong revenue increase due to participation gain from sale of 61% stake in Infracore
- Operational revenue growth of 10.3% to CHF 345.1m mainly due to hospitals
- Strong operational margin increase to 15.6% thanks to cost cuttings and operational improvements
- Second half year will show much lower interest expenses thanks to deleveraging and further efficiency improvements

Adjustments 2018

1) Impact Infracore June 2018 (one month)

AEVIS P&L segment break down

HY 2019 (In thousands of CHF)	Hospitals	Hospitality	Real estate	Others	Corporate	Elimination	Total
Net revenue	268'908	29'229	26'326	9'202	193'977	(26'460)	501'182
EBITDAR	51'107	4'014	23'637	(1'196)	187'820	(23'706)	241'676
<i>EBITDAR margin</i>	<i>19.0%</i>	<i>13.7%</i>	<i>89.8%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>48.2%</i>
Rental expenses	(27'279)	(5'410)	(727)	(1'607)	(371)	23'706	(11'688)
EBITDA	23'828	(1'396)	22'910	(2'803)	187'449	-	229'988
<i>EBITDA margin</i>	<i>8.9%</i>	<i>-4.8%</i>	<i>87.0%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>45.9%</i>

HY 2018 (In thousands of CHF)	Hospitals	Hospitality	Real estate	Others	Corporate	Eliminations	Total
Net revenue	244'959	28'244	28'934	6'321	148	(28'040)	280'566
EBITDAR	42'204	3'860	24'922	(967)	(4'788)	(26'403)	38'828
<i>EBITDAR margin</i>	<i>17.2%</i>	<i>13.7%</i>	<i>86.1%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>13.8%</i>
Rental expenses	(26'420)	(5'535)	(727)	(523)	(219)	26'403	(7'021)
EBITDA	15'784	(1'675)	24'195	(1'490)	(5'007)	-	31'807
<i>EBITDA margin</i>	<i>6.4%</i>	<i>-5.9%</i>	<i>83.6%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>11.3%</i>

AEVIS BS key figures

(In thousands of CHF)	31.12.2018	30.06.2019
Cash and cash equivalents	34'366	34'530
Available credit lines	195'200	232'370
Total cash available	229'566	266'900
Short-term financial liabilities	164'896	68'578
Long-term financial liabilities	917'939	329'106
Total financial liabilities	1'082'835	397'684
Cash and cash equivalents	34'366	34'530
Total net financial liabilities	1'048'469	363'154
Shareholder's equity*	445'026	596'355
Total assets	1'854'878	1'234'848
Equity ratio	24.0%	48.3%
Leverage ratio	56.5%	29.4%

* Including minority interests

- Deconsolidation of Infracore as well as reimbursement of a CHF 145m bond in June 2019 led to a strong decrease in leverage for AEVIS
- At the same time the equity ratio more than doubled
- The new balance sheet structure gives a lot of flexibility to AEVIS with substantial amounts of liquidity at hand

AEVIS organic growth decomposition

Year on year growth rates

Total revenue
*excluding
extraordinary items*

5.8%

4.4%

Net revenue
*excluding
extraordinary items*

5.2%

3.5%

EBITDAR
*excluding
extraordinary items*

25.0%

11.9%

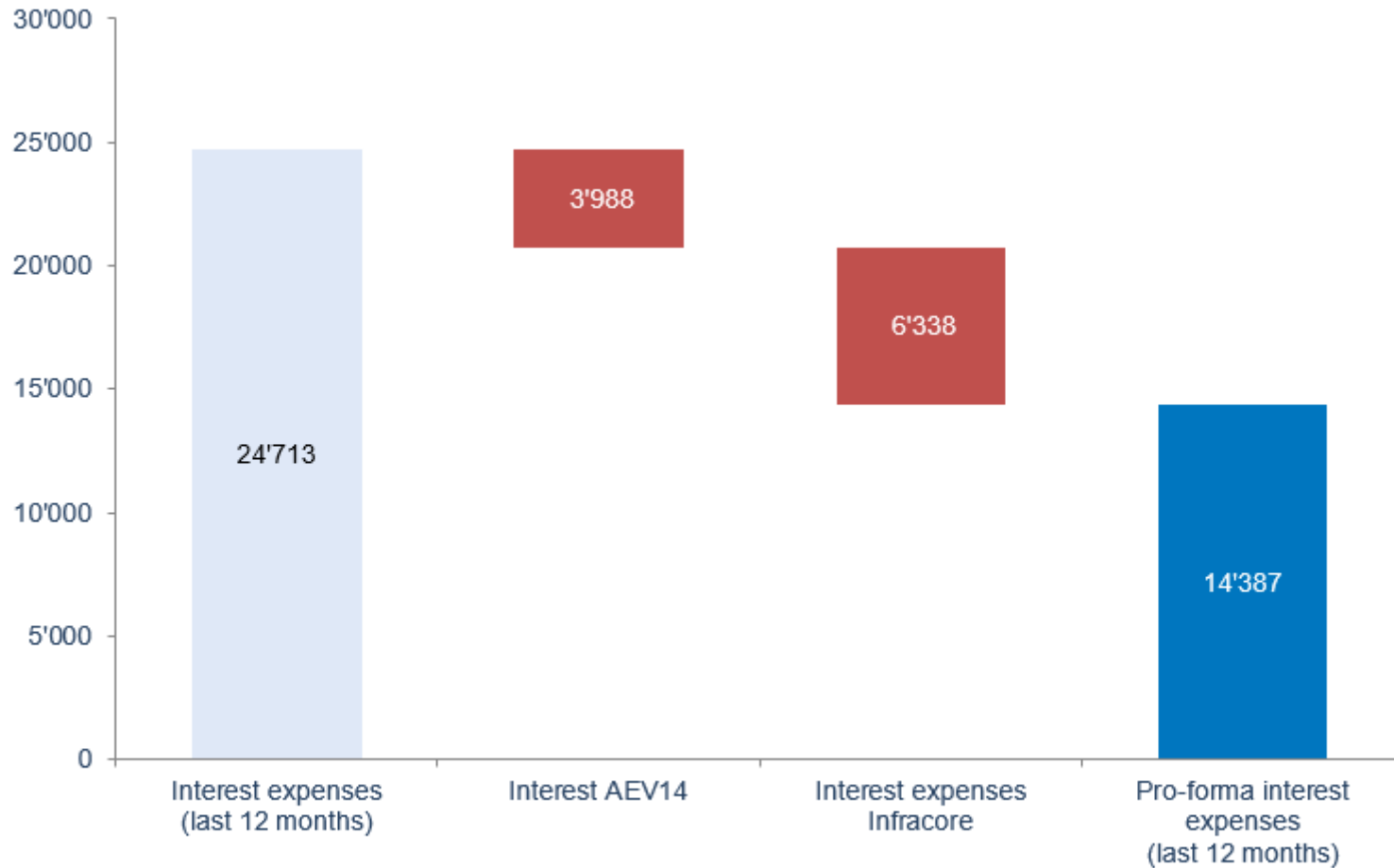
EBITDA
*excluding
extraordinary items*

33.6%

15.2%

- The organic growth decomposition factors out the capital gain from the sale of Infracore
- Revenue growth stems mainly from the expanding hospital activities of Swiss Medical Network
- Extraordinary items comprise the sale of BEAT in 2018 as well as the effects from the TARMED 1.08 provision

Analysis of change in financing expenses



Strategy

Our long-term vision

AEVIS
VICTORIA

- ***Investing for a better life*** – We invest in services to people
- ***Creating value*** – We grow and manage companies for long term value
- ***Partnerships*** – Our expertise and culture makes us a preferred investment partner

Our focus sectors

Healthcare

Hospitality
& Lifestyle

Infrastructure



SWISS MEDICAL
NETWORK

medgate_

nescens⁺
swiss anti-aging science



SWISS
AMBULANCE
RESCUE

ava

AIDA



VICTORIA-JUNGFRAU COLLECTION



Exited in July 2019



INFRACORE



Swiss Hospitality Properties

Générale Beaulieu
Immobilière SA

Transformation into a pure play investment company

Vision

- Investing for a better life (healthcare, hospitality & lifestyle, infrastructure)
- Portfolio of actively managed participations with stakes of 20% to 50%

Step plan



Healthcare

Swiss Medical Network

100% participation of AEVIS



Swiss Medical Network



HOSPITALS /
HEALTH CENTERS

18 / 22

PHYSICIANS

2'213

NET REVENUE
IN CHF MIO

268.9

INTERVENTIONS
(HALF-YEAR BASIS)

27'253

EBITDAR
IN CHF MIO

51.1

BEDS

1'080

Buy & build strategy

- Successful **recruitment of medical talent**
- Integration process for **Siloah** in Berne and **Rosenklinik** in Rapperswil advancing very well
- Acquisition of **Klinik Belair in Schaffhausen** announced in August 2019
- **Attractive pipeline** of further growth projects (hospitals and health centers)

Continuation of growth path with attractive pipeline

Upgrading activity

- **Heavy renovation activity** being completed
 - Day hospital in **Générale-Beaulieu (open: Q1 2019)**
 - Radiology and medical center in **Valère** opening soon
 - New hospital building for **Privatklinik Villa im Park** opening in December
- Excellent **foundation for future growth**

Phase of important renovation works completed in 2019

Operating improvements

- **Organic growth of 6.8%** despite lower TARMED tariffs
- Execution of **optimization** strategy visible in HY 2019
- Restructuring measures will continue to **positively influence operating margins**
- Ongoing implementation of more decentralized structures
- Establishment of **strong regional platforms** advancing well

CHF 15m annualized savings realized

Hospitality & Lifestyle

Victoria-Jungfrau Collection

100% participation of AEVIS



Victoria-Jungfrau Collection

ROOMS IN
OPERATION

400

OVERNIGHT STAYS
(HALF-YEAR BASIS)

54'809

NET REVENUE
IN CHF MIO

29.2

AVERAGE ROOM RATE
IN CHF

383

EBITDAR
IN CHF MIO

4.0

EMPLOYEES

662

Significant investment activity

- **Complete makeover of the Eden au Lac in Zurich** ongoing as one of the most comprehensive projects of the entire Group
- Reopening of the Eden au Lac as La Réserve Zurich in December
- **Around 20 million** expected revenues at maturity
- **Attractive acquisition pipeline**

Strategic focus on development of hospitality activities

Results of modernization program

- **Completion of extensive renovation program** at Victoria-Jungfrau Grand Hotel & Spa in Interlaken
- Modernization of last 42 rooms in Interlaken
- Materialization of first **positive results** : rise in number of guests from North America and China

Solid growth expected going forward

Performance of ongoing operations

- **Increased occupancy** at Bellevue Bern for the third consecutive year
- **Increase in ARR to CHF 383** (from CHF 364 in 1H2018)
- Results in the second semester are expected to be **positively impacted by seasonality effect and good performance during the summer months**

Hotels in operation improve results

Infrastructure

Infracore

19% participation of AEVIS



MARKET VALUE 2018 IN CHF MIO	PROPERTIES INCL. DEV. PROJECTS
891.4	35
NET REVENUE* IN CHF MIO	SITES
19.0	15
WAULT** IN YEARS	RENTAL SURFACE IN SQM
23.6	157'499

**5 months revenue until deconsolidation*
***weighted average unexpired lease term*

Highlights HY 2019

Sale of a 20% participation to Baloise in Q4 18

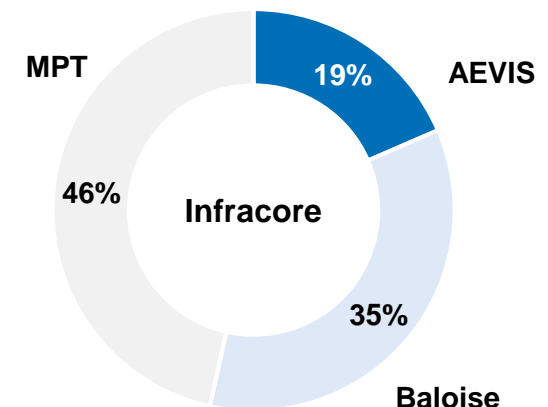
- Sale proceeds of CHF 86.5m
- NAV Infracore: CHF 432.5m
- Additionally, **Baloise Group provided a CHF 100m 3 year straight bond at 1.5% coupon** to finance the further growth of Infracore
- The transaction was a first step in the process to increase the degree of independence to Infracore and tap into new growth opportunities
- Positive effects on AEVIS' balance sheet

Important milestone preparing the HY 2019 deconsolidation

Sale of 61% participation to MPT and Baloise in Q2 19

- Sale proceeds of CHF 313.1m
- NAV Infracore: CHF 510.0m
- **Baloise increases its participation to 35%**
- **Medical Properties Trust, a leading global healthcare infrastructure investor, takes a 46% participation**
- AEVIS remains an important minority shareholder and will further develop Infracore alongside MPT and Baloise with a long term vision

Capital gain of CHF 193.8m for AEVIS



Swiss Hospitality Properties – Générale Beaulieu Immobilière

100% participation of AEVIS – 69% participation of AEVIS



MARKET VALUE 2018 IN CHF MIO	INVESTMENT PROPERTIES
196.8	10
SITES	RENTAL SURFACE IN SQM
3	40'170

MARKET VALUE 2018 IN CHF MIO	INVESTMENT PROPERTIES
196.3	3
SITES	RENTAL SURFACE IN SQM
1	19'005

Highlights HY 2019

Swiss Hospitality Properties

- **Heavy capex activity** both in Zurich and Interlaken
- **Repositioning of Swiss Hospitality Properties ongoing** – both structurally and organizationally
- **Substantial deal pipeline**

Portfolio value increasing

Générale Beaulieu Immobilière

- Substantial investments were made into the **modernization of medical practices, medical infrastructure and specialized centers**:
 - New urology center opened in March 2018
 - A new maternity center was inaugurated in autumn 2018
 - Remodeling of hospital entrance with a new restaurant and lounge
 - New day hospital with two operating blocks and an upgraded recovery room extension opened in Q1 2019

CHF 6m invested into Geneva properties

Outlook

Outlook 2019/2020

AEVIS

- Vision to actively invest in healthcare, hospitality & lifestyle and infrastructure mainly via minority participations
- Active management of subsidiaries with a strong focus on healthcare and hospitality

Infracore

- Positioning as independent healthcare infrastructure platform to tap the vast growth opportunities in both public and private sector
- Attractive projects in pipeline

Swiss Medical Network

- Completion of construction activities in Geneva, Sion and Rothrist
- Completion of cost saving program until end of 2019
- Continuation of growth strategy (Belair announced in August, others in pipeline)
- Further build up of medical centers footprint in Switzerland

VJC / SHP

- Completion of construction activity and launch of Eden au Lac in Zurich
- Continued improvements in the offering in every hotel of the group
- Attractive pipeline both on OpCo and PropCo level

Thank you for your
attention