



VZ Group

**1H 2015**

# **Results and Outlook**

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# Disclaimer

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## **Forward-looking statements**

This presentation contains forward-looking statements that involve known and unknown risks, uncertainties or other factors that may cause the actual results to be materially different from any future results, performance, or achievements expressed or implied by such statements. Against the background of these uncertainties, readers should not rely on such forward-looking statements. The company assumes no responsibility to up-date forward-looking statements or to adapt them to future events or developments.

# Agenda

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## **1. Facts and figures**

2. Financials

3. Outlook



# Summary 1H15

## Business development

- Growth momentum maintained in 1H15
  - volatile market environment (EUR peg lifted against CHF, GREXIT)
  - unchanged new client inflow
  - positive development in all business units
- Capacity increase continued
  - consulting FTEs +9.8% to 112 FTE (average 2015)
  - mid-term target of 160 by the end of 2018
- Annualized NNM inflow of CHF 20.1 million in 1H15 (target range: 17-20 million)
- New initiatives
  - 1 new branch office in CH
  - operational start of VZ InsurancePool as per 1 July
  - confirmed demand of occupational benefit solution for corporates

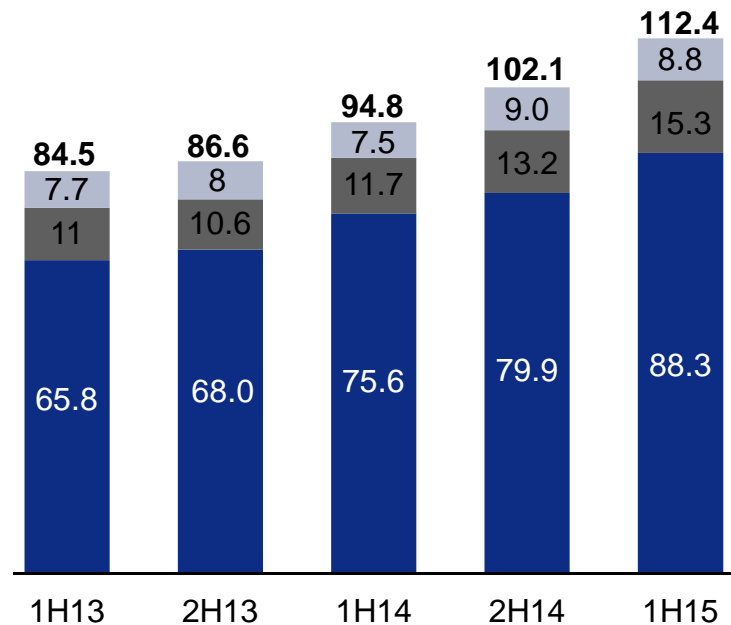
## Financials

- Top line
  - +18.5% to CHF 112.4 million yoy
  - excl. one-off due to enhanced FX-activities in the aftermath of 15 January 2015: approx. +14-15%
- Operating expenses +11.0% to CHF 58.3 million yoy
  - personnel expenses +11.8%
  - other operating expenses +8.9%
- EBITDA margin: 48.1% (1H14: 44.6%)
- Bottom line
  - +30.4% to CHF 42.9 million yoy
  - excl. FX-effect: approx. +20%
- Solid balance sheet
  - equity ratio: 17.2%
  - BIS CET 1: 26.8%
- NNM: 1'124 million (1H14: 905 million)
- Assets under management: CHF 15'403 million (30.6.2014: CHF 13'290 million)



# Revenues: Strong growth supported by FX-one-off

in CHF million



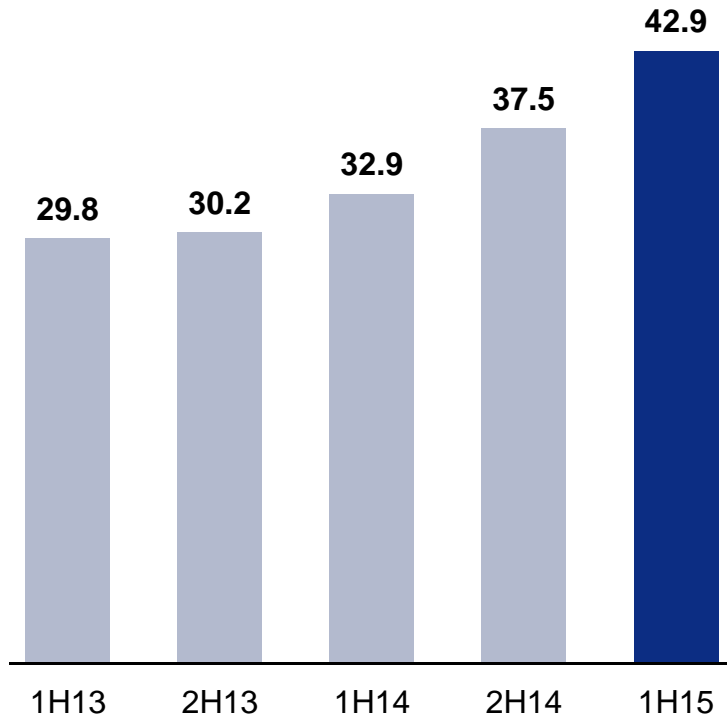
- Consulting fees and other revenues
- Banking revenues
- Management fees

- Revenues
  - +18.5% yoy
  - excl. FX-effect approx. +14-15%
- Management fees +16.8% yoy
  - AuM +15.9% yoy (as per 30.6.)
  - portfolio management mandates +15.7%
  - other AuM +16.3%
- Banking revenues +31.2% yoy
  - unchanged balance sheet total
  - unusually high FX-trading-activities
- Consulting fees +16.5% yoy
  - effect of re-energizing consulting activities



# Net profit: Overproportional leverage effect

in CHF million



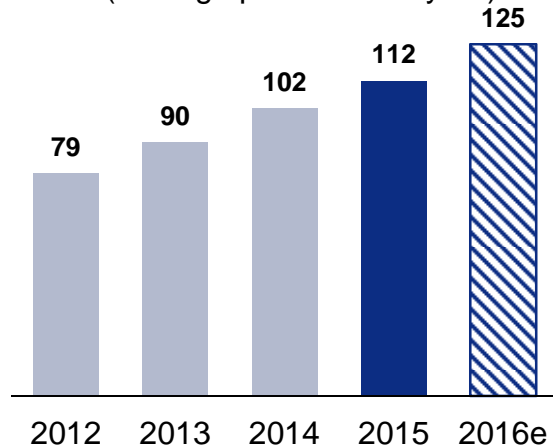
- Net profit
  - +30.4% yoy
  - excl. FX-effect: approx. +20%
- Operating margin (EBITDA) at 48.1% vs. 44.6% yoy (long-term target: 45%)
  - revenues +18.5%
  - operating expenses +11.0%
  - approx. 46% adj. for FX-effect
- Net profit margin
  - 38.2% vs. 34.7% yoy
  - approx. 37% adj. for FX-effect
  - long-term target 35%



# Financial Consulting: NNM at top end of target range

## Capacity growth

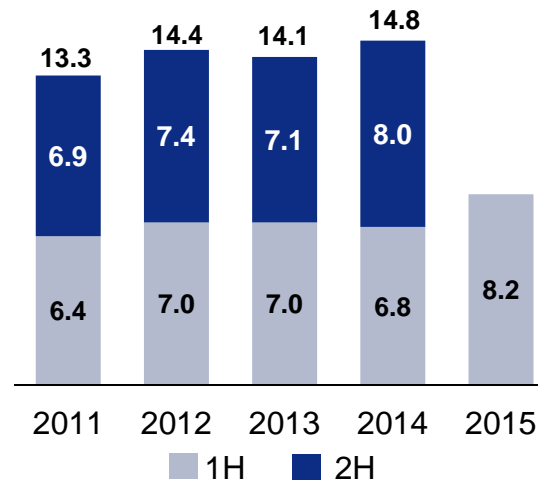
in FTE (average per calendar year)



- Full-time equivalents (FTE) with client and budget responsibility
- Wealth managers not included
- target per year-end 2018: 160

## Consulting fees

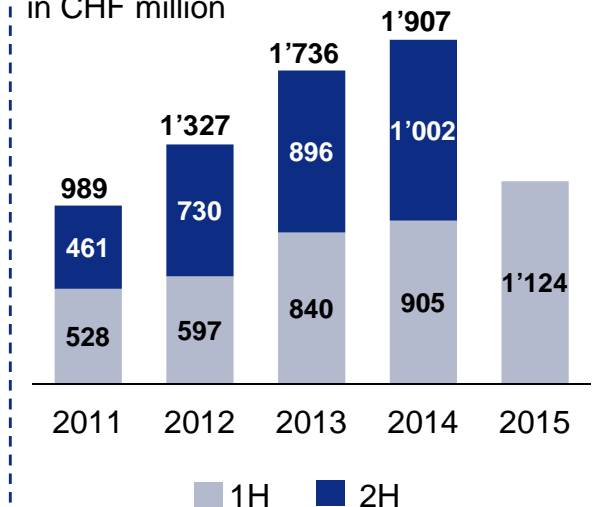
in CHF million



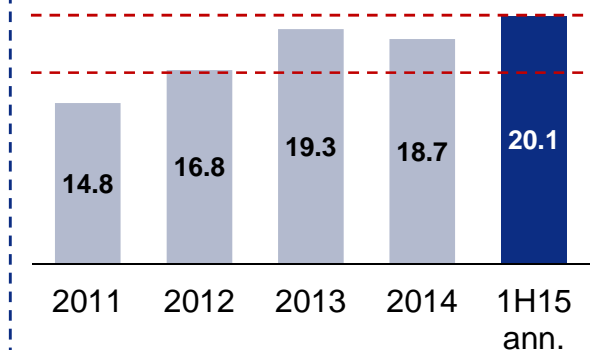
- Consulting projects enable introduction to wealth management services

## Net new money (NNM)

in CHF million



per FTE in CHF million



--- target range 17-20 million per FTE



# Wealth Management: NNM +24% yoy

in CHF million

	30.06.13	31.12.13	30.06.14	31.12.14	30.06.15	yoy
AuM total	11'002	12'114	13'290	14'549	15'403	+15.9%
• PM mandates	7'169	7'813	8'483	9'319	9'814	+15.7%
<i>Share of total AuM</i>	65.2%	64.5%	63.8%	64.1%	63.7%	
• Others*	3'833	4'301	4'807	5'230	5'589	+16.3%
<i>Share of total AuM</i>	34.8%	35.5%	36.2%	35.9%	36.3%	
<b>NNM total</b> (6 month)	<b>840</b>	<b>896</b>	<b>905</b>	<b>1'002</b>	<b>1'124</b>	<b>+24.2%</b>
<b># Wealth management clients</b>	<b>18'384</b>	<b>19'949</b>	<b>21'318 **</b>	<b>22'973</b>	<b>24'503</b>	<b>+14.9%</b>

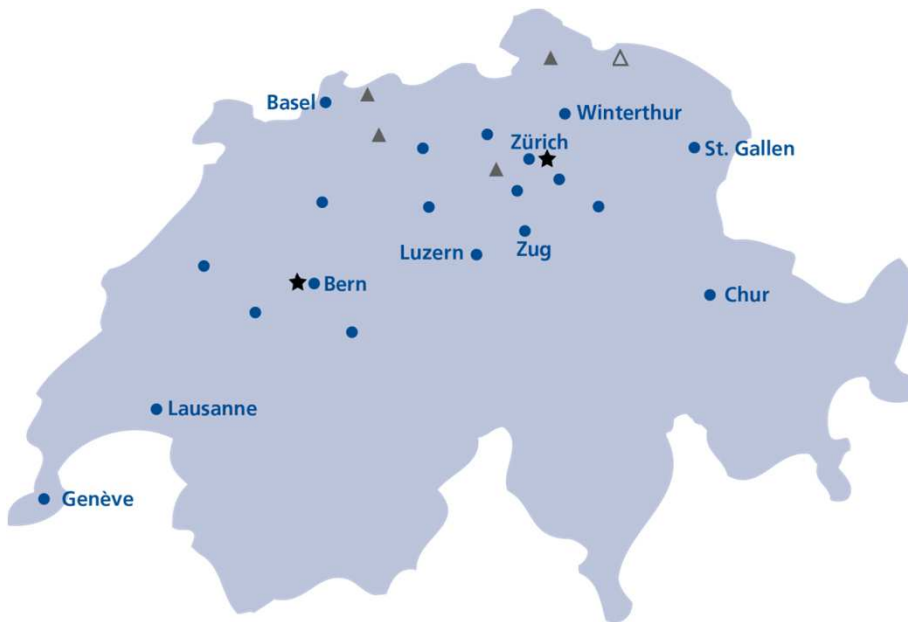
\* Incl. mortgages under management and portfolios under client management

\*\* Amended due to adjusted attribution



# Branch offices

## Switzerland



- branch office
- ★ VZ financial portal lounge
- ▲ satellite
- △ new satellite

## Germany



# Agenda

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1. Facts and figures

**2. Financials**

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# Income statements – unaudited (1)

in CHF million\*

	1H 13	2H 13	1H 14	2H 14	1H 15	yoy
Consulting fees	7.5	7.7	7.4	8.7	8.6	+16.5%
Management fees	65.8	68.0	75.6	79.9	88.3	+16.8%
Banking revenues	11.0	10.6	11.7	13.2	15.3	+31.2%
Other operating revenues	0.2	0.3	0.1	0.3	0.2	-
<b>Total operating revenues</b>	<b>84.5</b>	<b>86.6</b>	<b>94.8</b>	<b>102.1</b>	<b>112.4</b>	<b>+18.5%</b>
Personnel expenses	34.3	35.3	38.3	39.3	42.8	+11.8%
Other operating expenses	12.3	12.5	14.2	13.8	15.5	+8.9%
<b>Total operating expenses</b>	<b>46.6</b>	<b>47.8</b>	<b>52.5</b>	<b>53.1</b>	<b>58.3</b>	<b>+11.0%</b>
<b>EBITDA</b>	<b>37.9</b>	<b>38.8</b>	<b>42.3</b>	<b>49.0</b>	<b>54.1</b>	<b>+27.9%</b>

\* numbers may differ slightly from the published income statements due to rounding differences



## Income statements – unaudited (2)

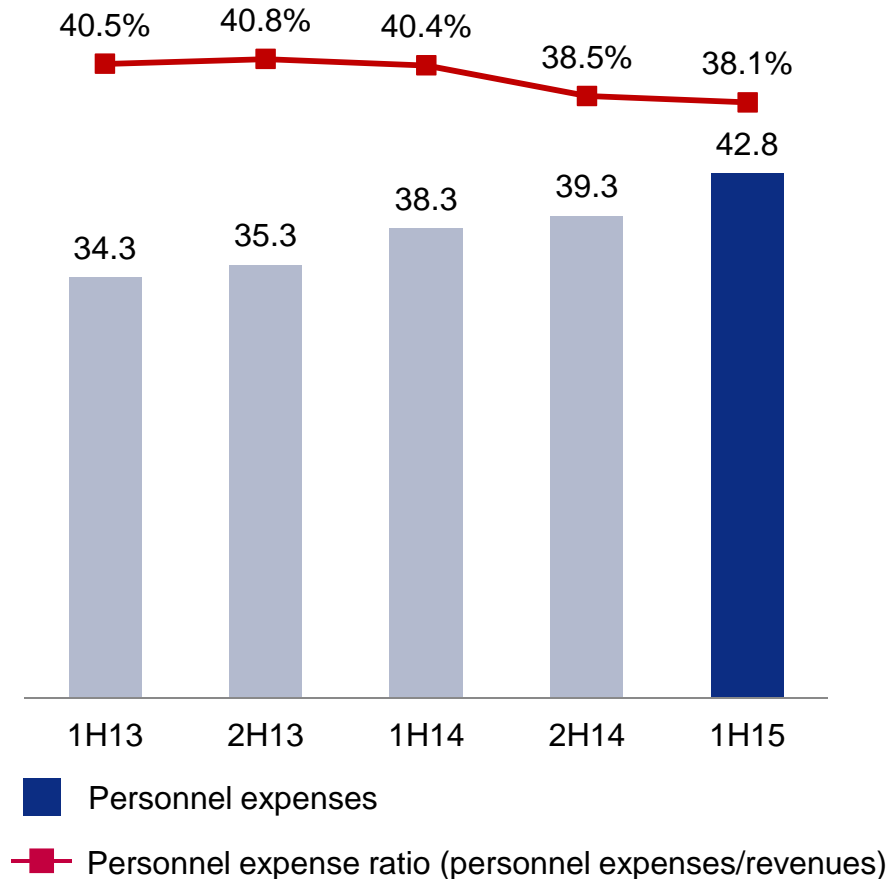
in CHF million\*

	1H 13	2H 13	1H 14	2H 14	1H 15	yoy
<b>EBITDA</b>	<b>37.9</b>	<b>38.8</b>	<b>42.3</b>	<b>49.0</b>	<b>54.1</b>	<b>+27.9%</b>
Depreciation and amortisation	1.9	2.1	2.5	2.6	2.9	+17.6%
<b>EBIT</b>	<b>36.0</b>	<b>36.7</b>	<b>39.8</b>	<b>46.4</b>	<b>51.2</b>	<b>+28.5%</b>
Net finance income	0.0	0.1	0.0	0.1	-0.2	-
<b>Profit before income tax</b>	<b>36.0</b>	<b>36.8</b>	<b>39.8</b>	<b>46.5</b>	<b>51.0</b>	<b>+28.1%</b>
Income tax	6.2	6.6	6.9	9.0	8.1	+17.3%
<b>Net profit</b>	<b>29.8</b>	<b>30.2</b>	<b>32.9</b>	<b>37.5</b>	<b>42.9</b>	<b>+30.4%</b>

\* numbers may differ slightly from the published income statements due to rounding differences

# Personnel expenses

in CHF million\*



- +11.8% yoy
- Personnel development

	30.06.14	31.12.14	30.06.15
HC**	686	708	773
FTE**	600.0	613.3	666.5

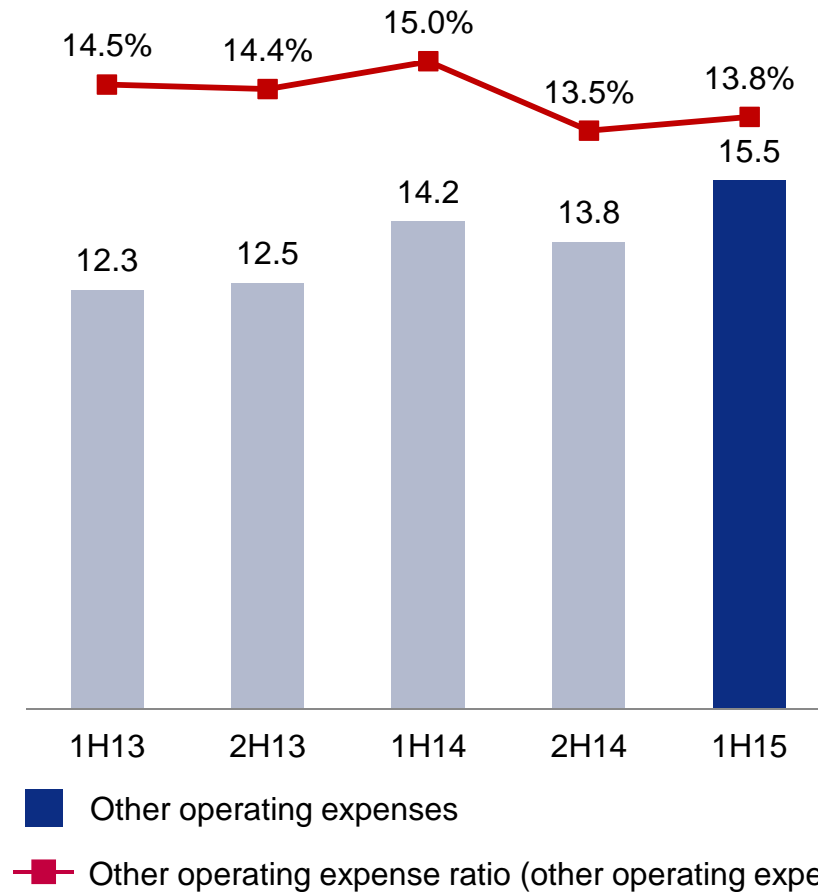
- 2H14: +13.3 FTE  
1H15: +53.2 FTE
- Personnel expense ratio
  - 38.1% vs. 40.4% yoy
  - approx. 39% adj. for FX-effect
  - long-term target 40%

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\*\* HC: Headcount, FTE: Full-time equivalent

# Other operating expenses

in CHF million\*

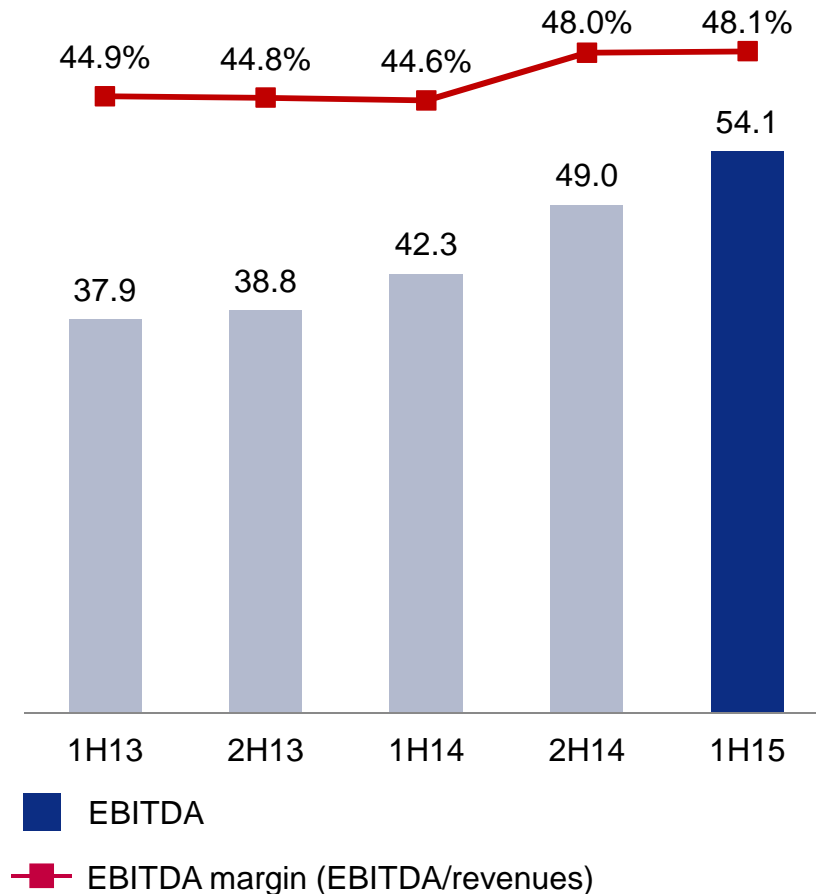


- +8.9% yoy
  - increased capacity
  - investments in IT infrastructure
  - online platform and other new initiatives
- Other operating expense ratio stable at around 13 to 15%

\* numbers may differ slightly from the published income statements due to rounding differences

# EBITDA and margin

in CHF million\*

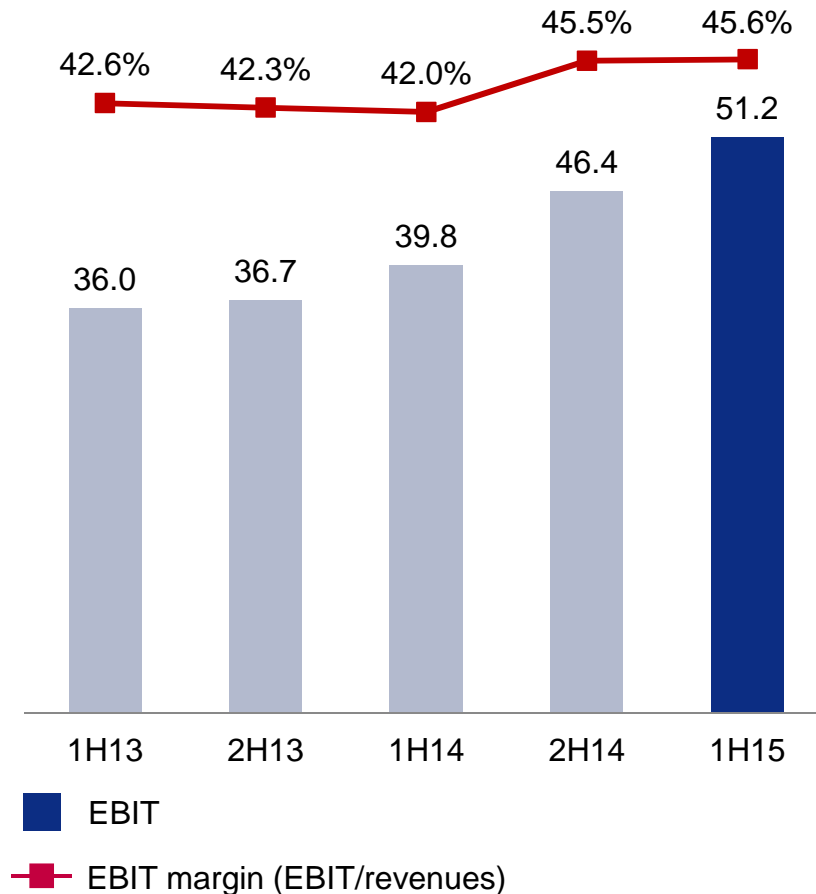


- EBITDA
  - +27.9% yoy
  - excl. FX-effect approx. +19% yoy
- EBITDA-margin
  - 48.1%
  - approx. 46% adj. for FX-effect
  - long-term target 45%

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# EBIT and margin

in CHF million\*



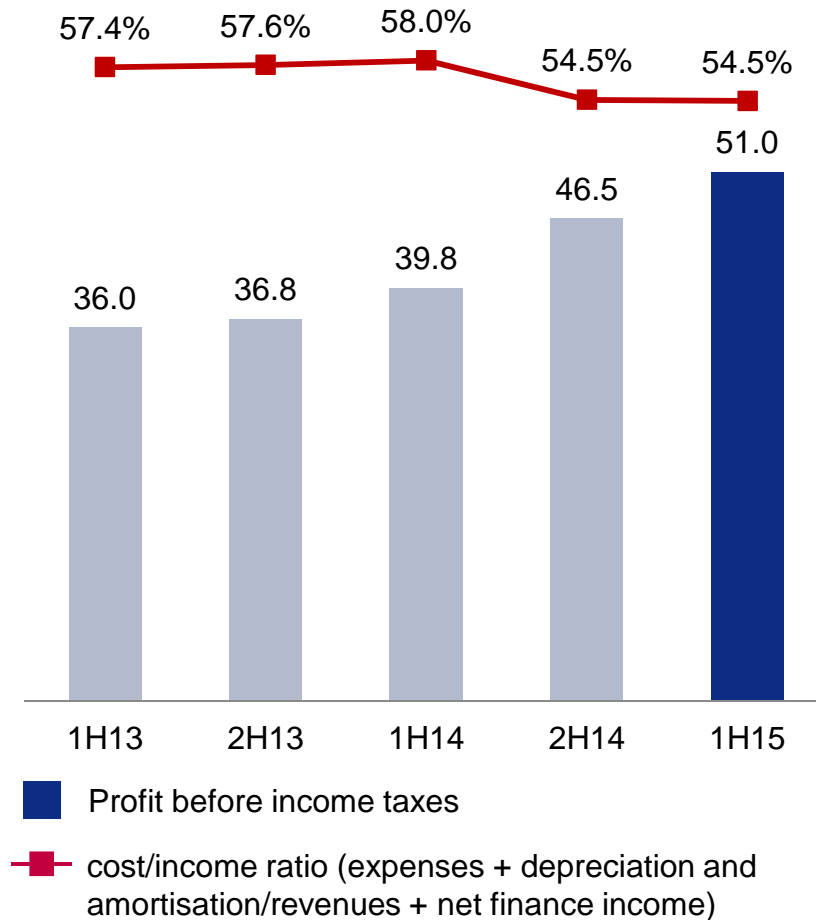
- EBIT
  - +28.5% yoy
  - excl. FX-effect approx. +19% yoy
- EBIT-margin
  - 45.6%
  - approx. 44% adj. for FX-effect
  - long-term target 43%

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# Profit before income taxes and C/I ratio

in CHF million\*



- C/I ratio excl. FX-effect: approx. 56%

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# Balance sheets

in CHF million\*

	30.06.14	31.12.14	30.6.15
Cash & cash equivalents	217.2	607.9	596.6
Short-term investments	399.5	438.8	297.6
Swiss prime residential mortgages	594.4	624.0	691.0
CHF bonds, marketable securities	173.0	200.3	299.5
<b>Subtotal financial investments</b>	<b>1'384.1</b>	<b>1'871.0</b>	<b>1'884.7</b>
Property, equipment and intangibles	13.1	15.6	17.9
Other assets	48.7	42.2	65.6
<b>Total assets</b>	<b>1'445.9</b>	<b>1'928.8</b>	<b>1'968.2</b>
Customer deposits	1'036.6	1'472.1	1'484.2
Long-term debts	96.6	106.2	114.7
Other liabilities	31.5	31.6	31.8
<b>Total liabilities</b>	<b>1'164.7</b>	<b>1'609.9</b>	<b>1'630.7</b>
<b>Total equity</b>	<b>281.2</b>	<b>318.9</b>	<b>337.5</b>

- Financial investments:
  - low risk profile
  - average time to maturity 1.8 years (30.6.14: 1.6 years)
- Net cash position of CHF 286m whereof CHF 261m vested with VZ Depository Bank

\* numbers may differ slightly from the published balance sheets due to rounding differences



# Equity and payout ratios

<b>Payout ratios</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Equity ratios</b>	<b>30.06.14</b>	<b>31.12.14</b>	<b>30.06.15</b>
in CHF million							
Net profit	54.3	60.0	70.4	Total equity in CHF million	281.2	318.9	337.5
Retained earnings	33.5	36.3	42.6				
Dividend total	20.8	23.7	27.8	Equity ratio <sup>1</sup>	19.5%	16.5%	17.2%
<i>Dividend per share</i>	<i>2.65</i>	<i>3.00</i>	<i>3.50</i>	BIS CET 1	25.4%	28.0%	26.8%
<b>Payout ratios</b>	<b>39%</b>	<b>40%</b>	<b>39%</b>	BIS CET 1 & AT 1	25.4%	28.0%	26.8%

<b>Treasury shares</b>	<b>30.06.14</b>	<b>31.12.14</b>	<b>30.06.15</b>
Number (in '000)	108	103	52
Book value in CHF million	14.5	14.6	8.1

<sup>1</sup> Equity compared to balance sheets' total

# Agenda

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1. Facts and figures
2. Financials
- 3. Outlook**



- Positioning in the market
  - unchanged strategy with focus on 50+/wealthy/on-shore
  - outstanding consulting expertise in retirement topics
  - attractive wealth management services
- Business development
  - further increase front-end consulting capacities
  - sustain NNM inflow per consultant FTE within target range
  - develop wealth management activities into an all-encompassing platform for all financial needs of a post-retirement private household
- Financials
  - FX-effect of 1H15 unlikely to be repeated in 2H15
  - operational activities on track for longer term growth path
  - unchanged targets for operational margins
  - unchanged payout policy, dividends likely to be increased