



VZ Group

**2020**

# **Results and outlook**

Appendix: company overview

Zurich, 5 March 2021

**VZ Holding Ltd**  
Innere Güterstrasse 2  
6300 Zug  
Telephone +41 58 411 80 00

[www.vzch.com](http://www.vzch.com)  
[www.vzfinanzportal.com](http://www.vzfinanzportal.com)



# Disclaimer

---

## **Forward-looking statements**

This publication originates from VZ Holding Ltd and/or its affiliated companies (hereinafter called «VZ»). This publication and the information contained herein are provided solely for information purposes, and are not to be construed as a solicitation of an offer to buy or sell any securities or other financial instruments. The present document is exclusively aimed at natural and legal persons as well as partnerships and corporations, which are not subject to a legal system forbidding the publication or, respectively, the access to such information. The content of the publication was prepared by VZ with the greatest of care and to the best of its knowledge and belief. VZ does not assume any liability as to the correctness, completeness and timelines of the information. VZ declines any liability which may arise from the use or non-use of the information provided. The facts and opinions contained in the present publication may alter at any time and without prior announcement. This publication 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 or revise forward-looking statements or to adapt them to future events or developments. Reproduction or modification in whole or in part without prior written permission from VZ is prohibited.

## **Roundings**

Numbers may differ slightly from the published income statements due to rounding differences. All financial information in this presentation ended 30 June is unaudited and is prepared under the same recognition and measurement principles applied for the audited annual financial statements.

## **Adjustments and Alternative Performance Measures (APMs)**

In 2018, the classification of revenues as «Management fees on AuM» and «Banking income from commissions and trading activities» was adjusted. For better comparability, the previous year's figures have been adjusted accordingly.

The SIX Exchange Directive on the Use of Alternative Performance Measures does not apply on this investor presentation.

# Agenda

---



## **1. Facts and figures**

2. Financials

3. Outlook

4. Appendix

# Summary 2020



## Business development

- Robust business model withstands pandemic
  - Consulting business only affected in 2<sup>nd</sup> and 3<sup>rd</sup> quarter
  - AuM-related revenues negatively impacted by the markets in 1H20
  - TX/trading volume decreased less than expected.
- Demand for platforms remains high: 6400 consulting clients converted to platform services, further improvement of platform usage per WM client.
- Pressure on AuM margin unchanged due to negative interest rate environment, more passive investments, all-in-fees, higher AuM-share of pension plan solutions.
- Growth of front-end consulting capacity +7.5% to 172 FTE (avg. 2020, 2021e: 185 FTE).
- NNM inflow per consulting FTE at CHF 18.6 million (1H: CHF 19.0 million; 2H: CHF 18.2 million).
- New initiatives
  - Launch of professional trading desktop planned within next 6 months
  - UK: ongoing work on market entry.

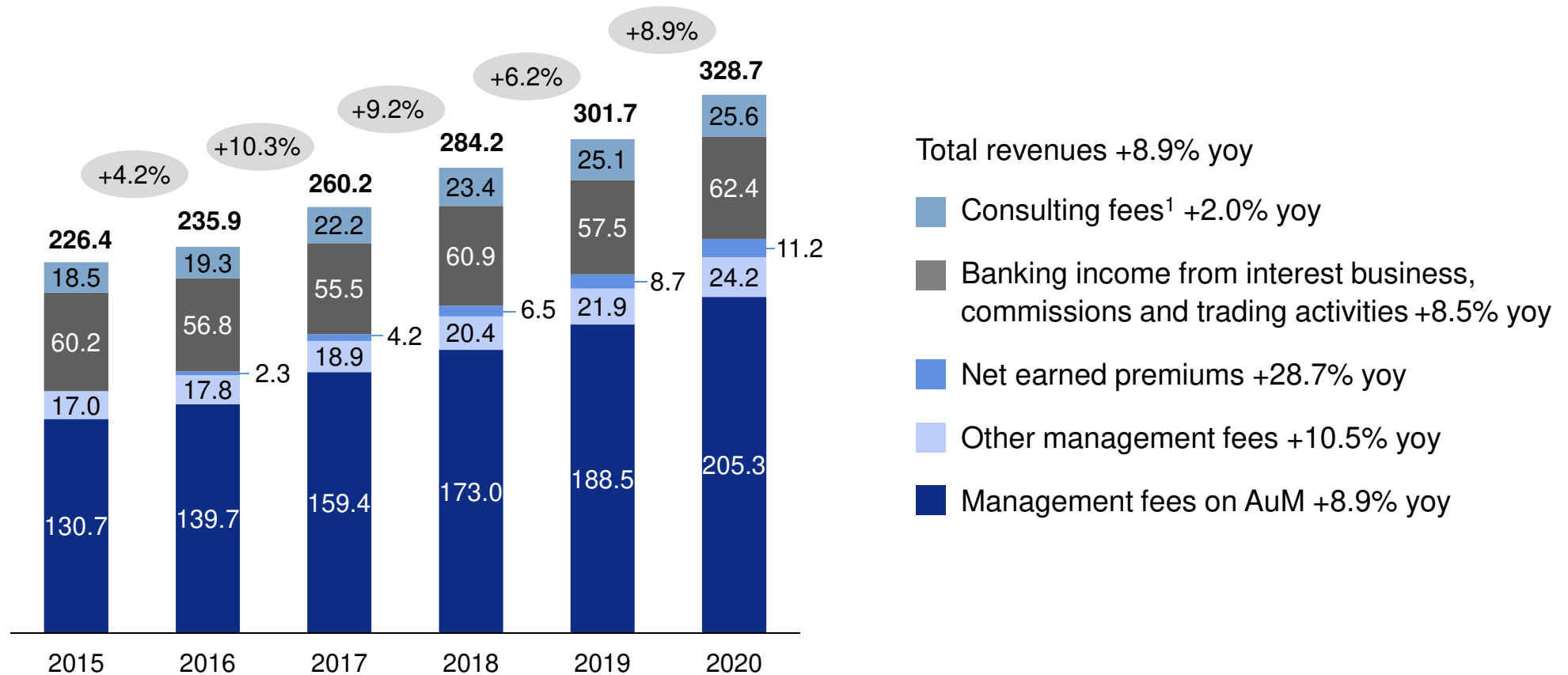
## Financials

- Top line: +8.9% to CHF 328.7 million
- Operating expenses: +9.0% to CHF 173.6 million
  - Personnel expenses: +7.6% yoy
  - Other operating expenses: +11.4% yoy
- EBIT margin: 41.7% (2019: 41.4%)
- Bottom line: +14.9% to CHF 117.5 million
- Solid balance sheet
  - Equity ratio: 12.4%
  - BIS CET 1: 26.6%
- NNM: CHF 3'206 million (2019: CHF 2'708 million)
- Assets under management: CHF 31.5 billion (2019: CHF 27.6 billion)



# Revenues: continued path of growth

in CHF million

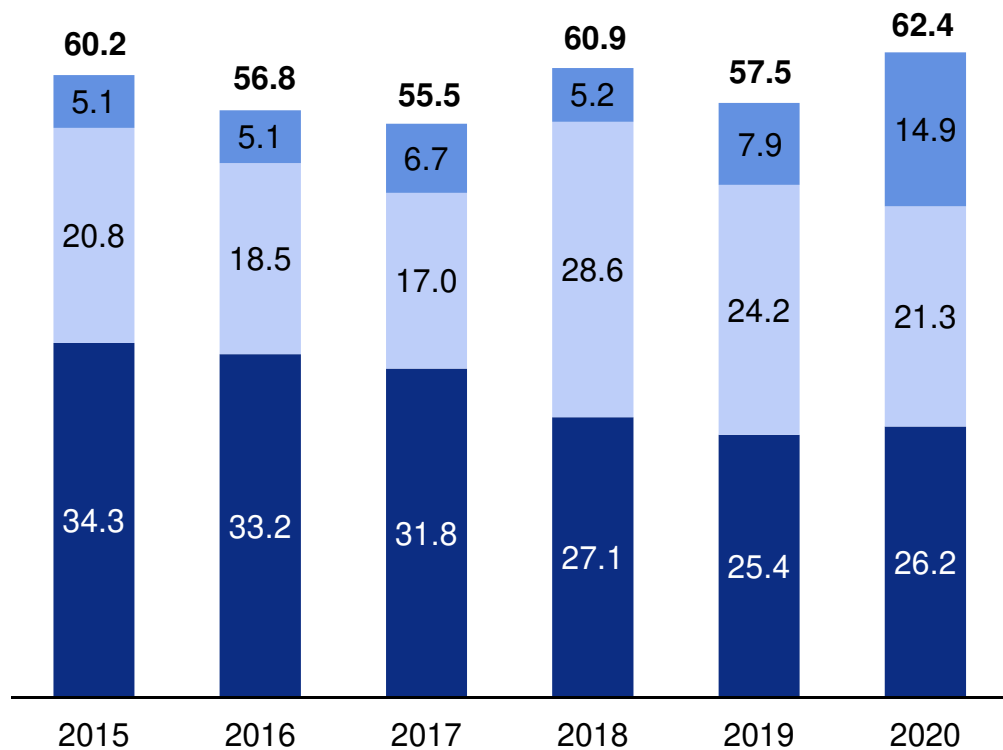


1 Incl. other revenues



# Banking income: TX/trading-revenues under pressure

in CHF million

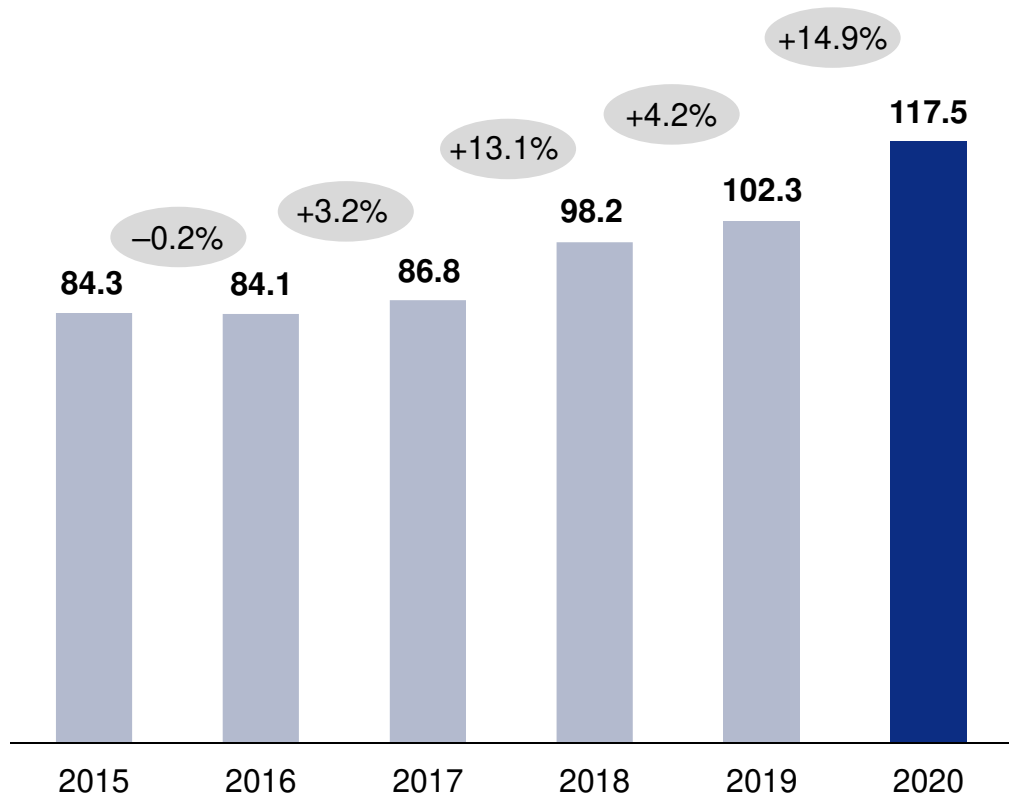


- Interest business:**  
Increased SNB exemption threshold leads to higher net interest result.
- Trading result:**  
Random development driven by market volatility. Downward pressure due to passive investment styles.
- Transaction fees:**  
High transaction volume caused by market volatility in 1H 2020 offsets ongoing decline due to strong demand for all-in fee models.



# Net profit: Margin on higher level

in CHF million



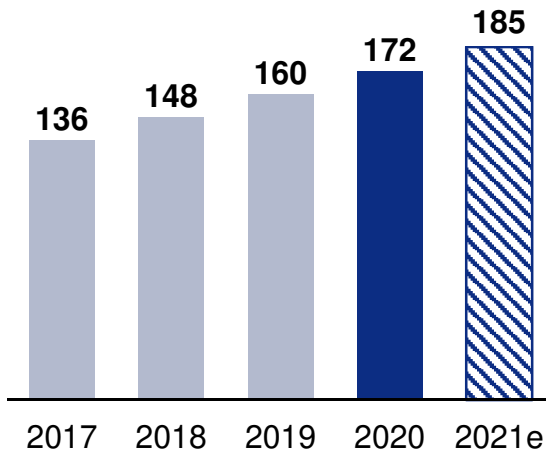
- Operating margin (EBIT) at 41.7% (2019: 41.4%, long-term target: 42%)
  - Revenues +8.9%
  - Operating expenses +9.0%
  - EBIT +9.8%
- Corporate tax reform decreased tax ratio to 14.0% (2019: 17.7%)
- Net profit margin 35.7% vs 33.9% in 2019 (long-term target: 35%)



# Financial Consulting: NNM within target corridor

## Capacity growth

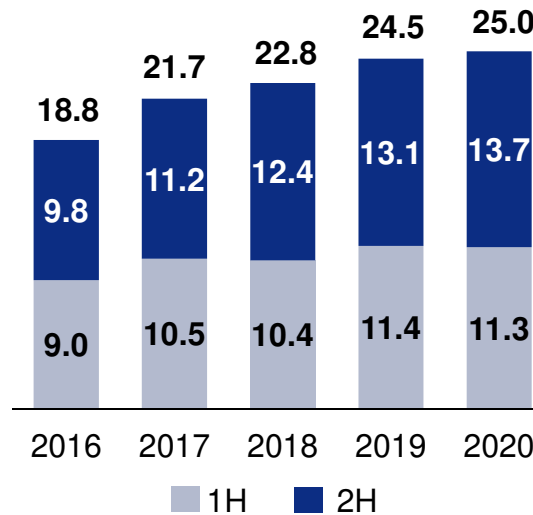
in FTE (average per calendar year)



- FC full-time equivalents (FTE) with client and budget responsibility
- PCC profile equals 50% FC profile
- Wealth managers not included
- Further capacity increase planned

## Consulting revenues

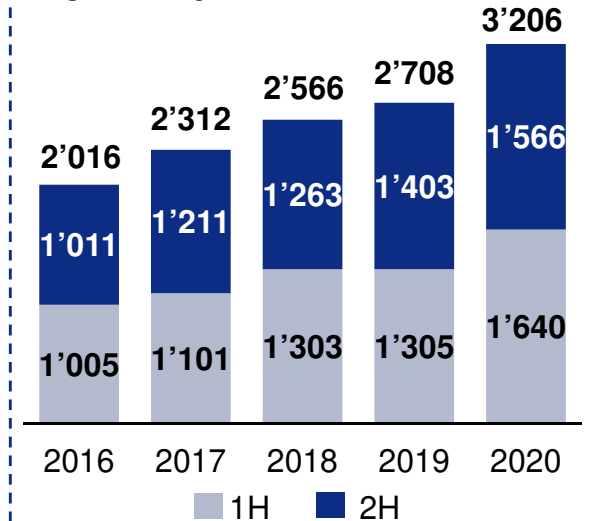
in CHF million



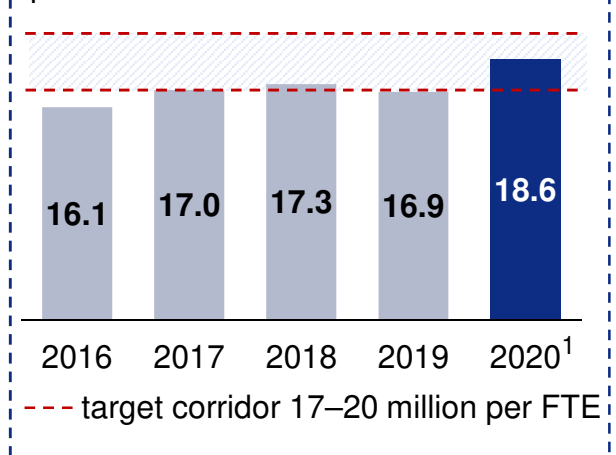
- Consulting projects enable introduction to wealth management services (“platforms”)

## Net new money (NNM)

in CHF million



per FTE in CHF million



<sup>1</sup> 1H: CHF 19.0 million annualised; 2H: CHF 18.2 million annualised





# Wealth Management: AuM +13.9%

in CHF million

	31.12.16	31.12.17	31.12.18	31.12.19	31.12.20	yoy
AuM total	18'415	21'775	23'056	27'627	31'459	<b>+13.9%</b>
• PM mandates <i>Share of total AuM</i>	11'116 60.4%	13'136 60.3%	13'641 59.2%	16'715 60.5%	19'061 60.6%	<b>+14.0%</b>
• Others <sup>1</sup> <i>Share of total AuM</i>	7'299 39.6%	8'639 39.7%	9'415 40.8%	10'912 39.5%	12'398 39.4%	<b>+13.6%</b>
NNM total	2'016	2'312	2'566	2'708	3'206	<b>+18.4%</b>
# WM clients	29'476	33'276	37'803	42'776	49'194	<b>+15.0%</b>
Δ WM clients	+3'038	+3'800	+4'527	+4'973	+6'418	<b>+29.1%</b>

1 Incl. mortgages under management and portfolios under client management

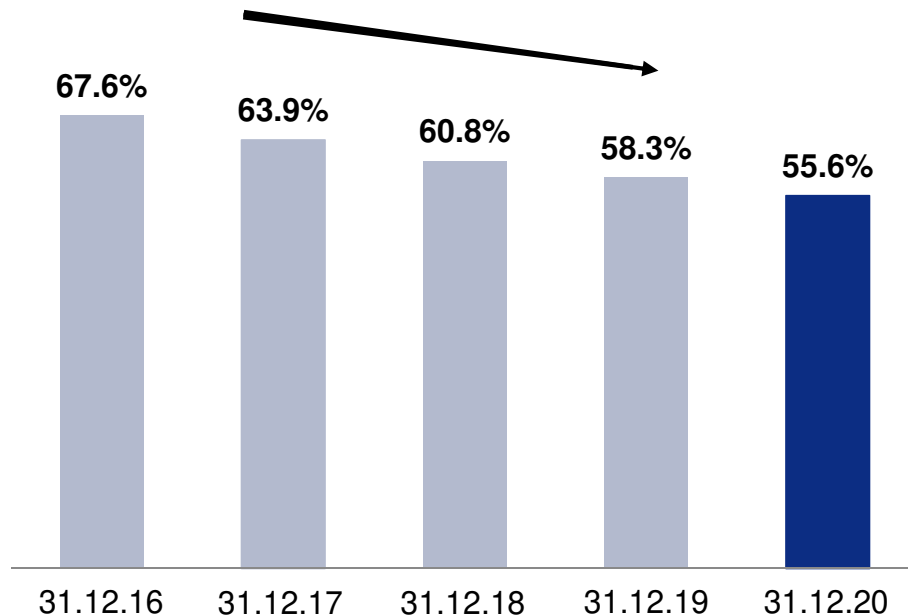


# Platform usage among WM clients

CH clients only

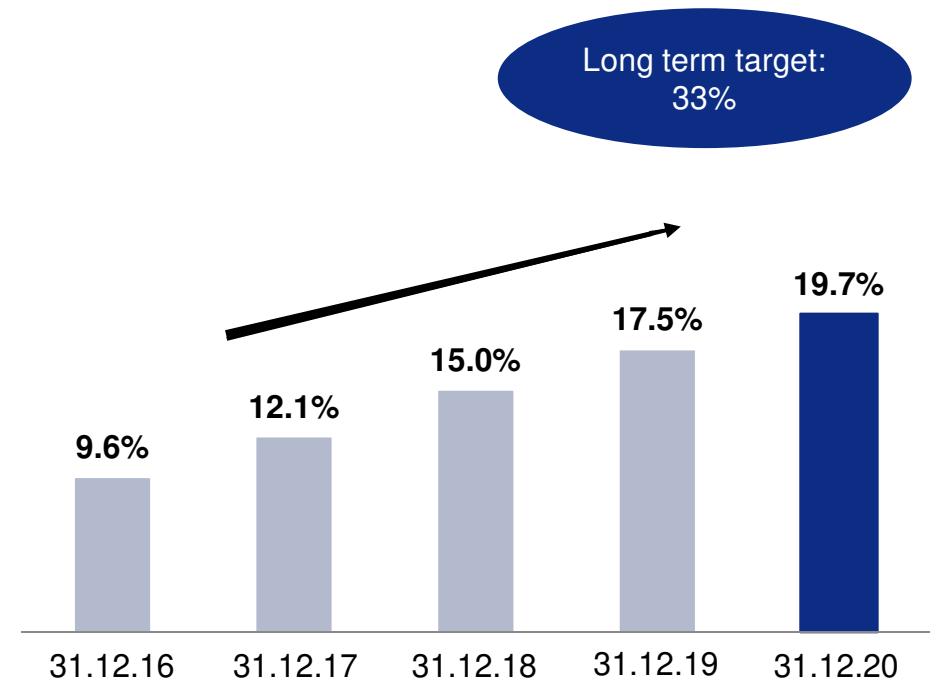
## 1 platform per client

Share of WM clients who use 1 platform only, in % of WM clients



## 3+ platforms per client

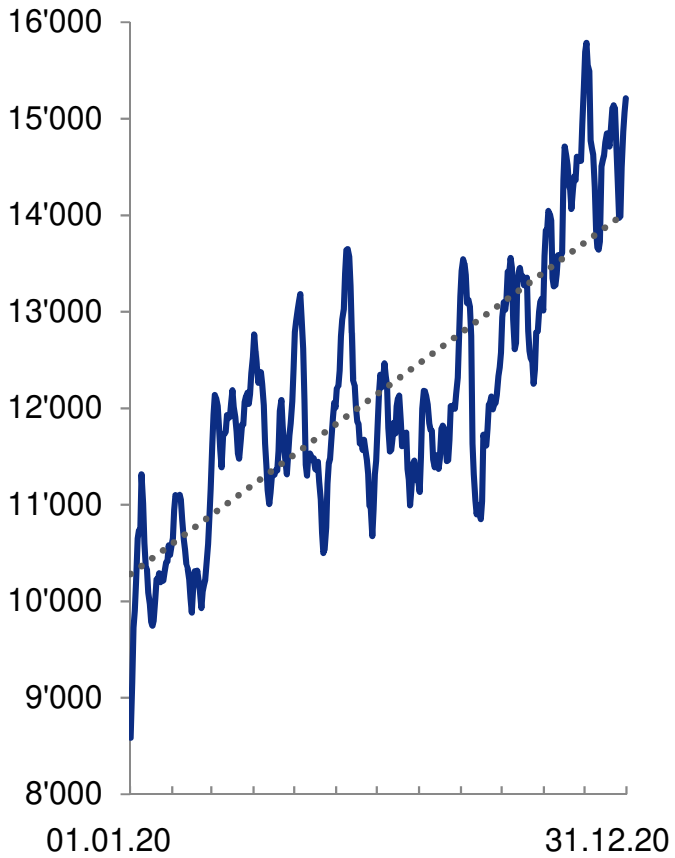
Share of WM clients who use 3+ platforms, in % of WM clients





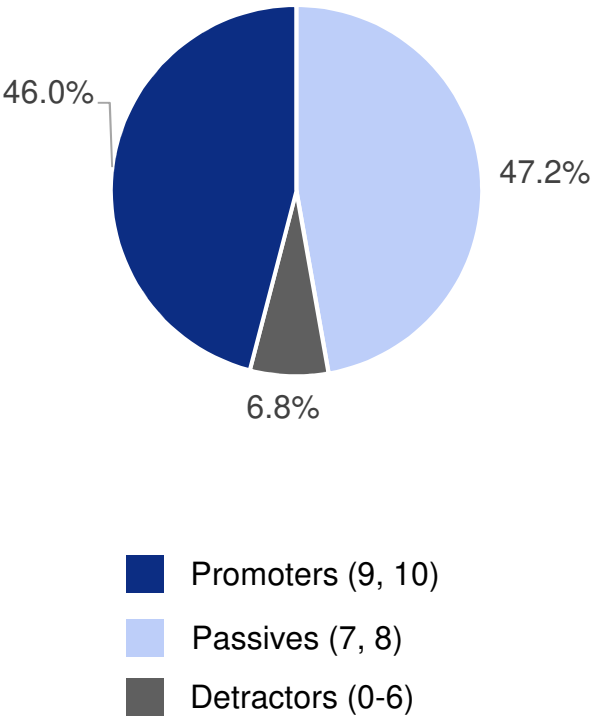
# Finanzportal Usage: Overview 2020

## Weekly active users



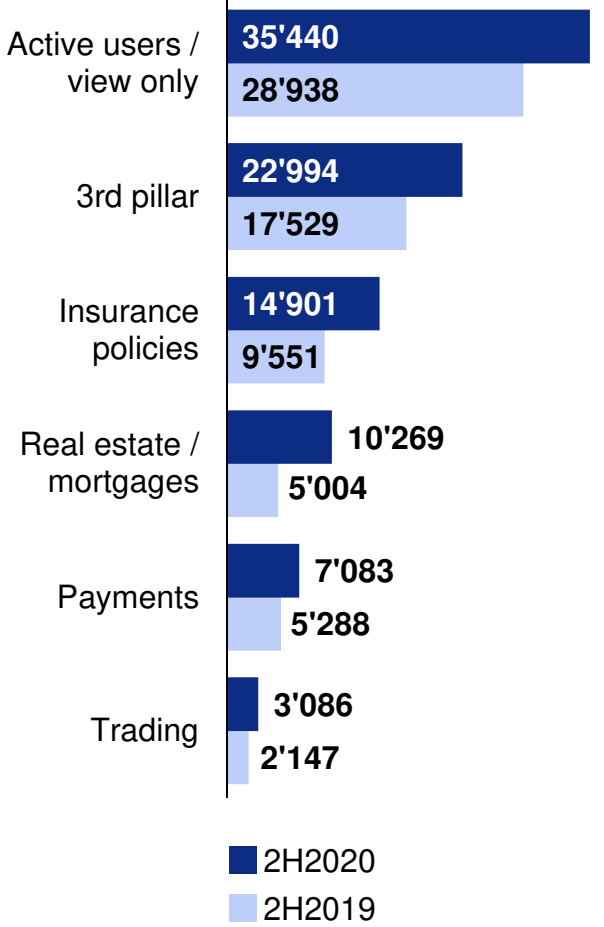
## User satisfaction

Net Promoter Score (NPS)<sup>1</sup>: 39.2



## User activities

# of users over 6 months

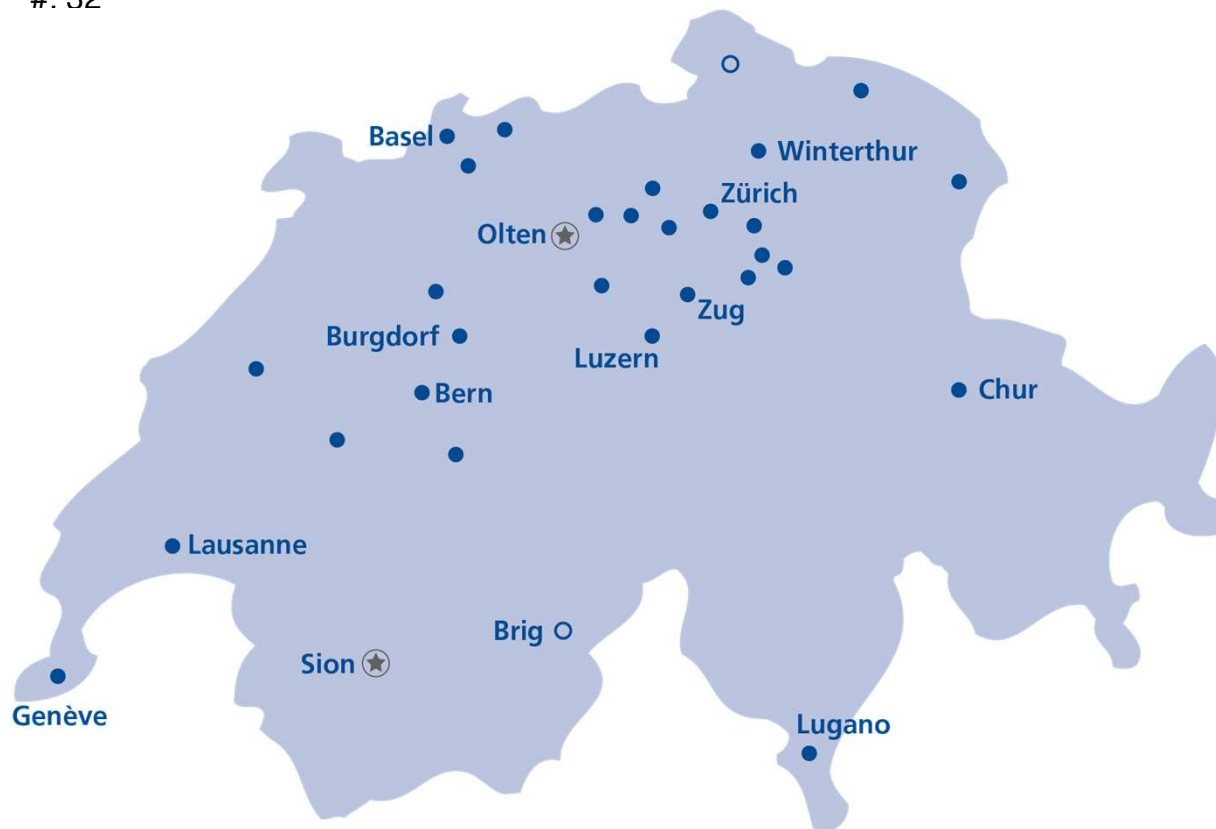


<sup>1</sup> Score based on a 0-10 scale answering the question 'how likely is it that you would recommend VZ Finanzportal?' (10 = extremely likely, 0 = not at all likely)

# Branch offices

## Switzerland

#: 32



- branch office
- satellite
- ★ new branch office in 2021

## Germany

#: 4



# Agenda

---



1. Facts and figures

**2. Financials**

3. Outlook

4. Appendix



# Income statements (1)

in CHF million

	2017	2018	2019	2020	yoy
Consulting fees	21.7	22.8	24.5	25.0	+2.0%
Management fees: on AuM	159.4	173.0	188.5	205.3	+8.9%
other	18.9	20.4	21.9	24.2	+10.5%
Banking income <sup>1</sup>	55.5	60.9	57.5	62.4	+8.5%
Net earned premiums	4.2	6.5	8.7	11.2	+28.7%
Other operating revenues <sup>2</sup>	0.5	0.6	0.6	0.6	n.m.
<b>Total operating revenues</b>	<b>260.2</b>	<b>284.2</b>	<b>301.7</b>	<b>328.7</b>	<b>+8.9%</b>
Personnel expenses	104.0	113.1	119.8	128.9	+7.6%
Other operating expenses	42.4	40.1	35.1	39.1 <sup>3</sup>	+11.4%
Expenses of insurance contracts	2.8	3.8	4.4	5.6	+27.3%
<b>Total operating expenses</b>	<b>149.2</b>	<b>157.0</b>	<b>159.3</b>	<b>173.6</b>	<b>+9.0%</b>
<b>EBITDA</b>	<b>111.0</b>	<b>127.2</b>	<b>142.4</b>	<b>155.1</b>	<b>+8.9%</b>

1 Transaction, trading and interest business

2 Incl. net impairment losses/recoveries on financial assets

3 IFRS 16 impact on other operating expenses: CHF 6.4 million



# Income statements (2)

in CHF million

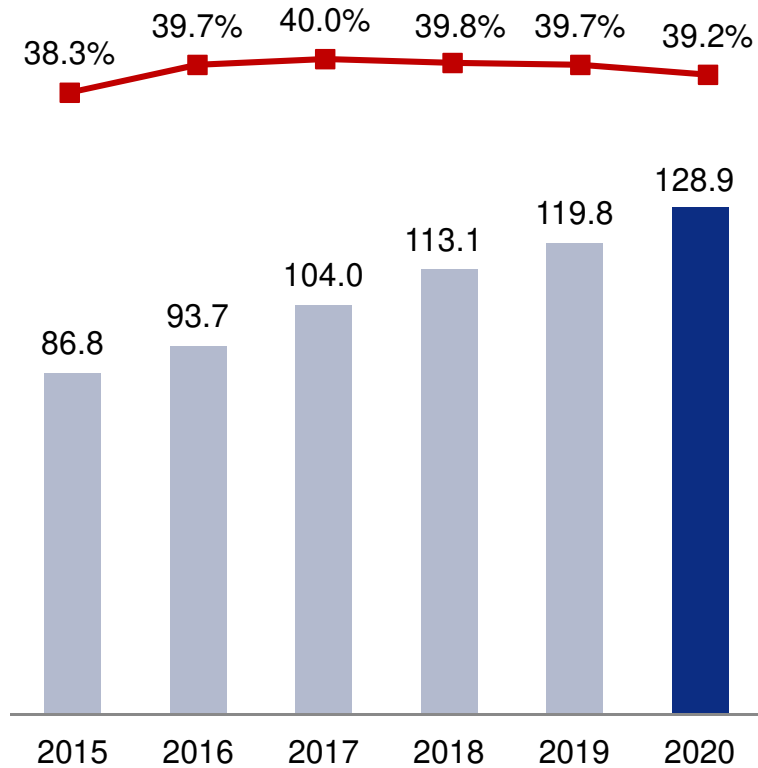
	2017	2018	2019	2020	yoy
<b>EBITDA</b>	<b>111.0</b>	<b>127.2</b>	<b>142.4</b>	<b>155.1</b>	<b>+8.9%</b>
Depreciation and amortisation	8.4	10.4	17.6	18.1 <sup>1</sup>	+2.8%
<b>EBIT</b>	<b>102.6</b>	<b>116.8</b>	<b>124.8</b>	<b>137.0</b>	<b>+9.8%</b>
Net finance income	0.0	-0.1	-0.5	-0.4	n.m.
<b>Profit before income tax</b>	<b>102.6</b>	<b>116.7</b>	<b>124.3</b>	<b>136.6</b>	<b>+9.9%</b>
Income tax	15.8	18.5	22.0 <sup>2</sup>	19.1	-13.2%
<b>Net profit</b>	<b>86.8</b>	<b>98.2</b>	<b>102.3</b>	<b>117.5</b>	<b>+14.9%</b>

1 IFRS 16 impact on depreciation and amortisation: CHF 6.3 million

2 Incl. CHF 2.5 million provision in relation with intercantonal allocation of taxes

# Personnel expenses

in CHF million



- Personnel expenses
- Personnel expense ratio (personnel expenses/revenues)

- +7.6% yoy
- Personnel development

	31.12.18	31.12.19	31.12.20
FTE <sup>1</sup>	897.5	944.8	1'035.7

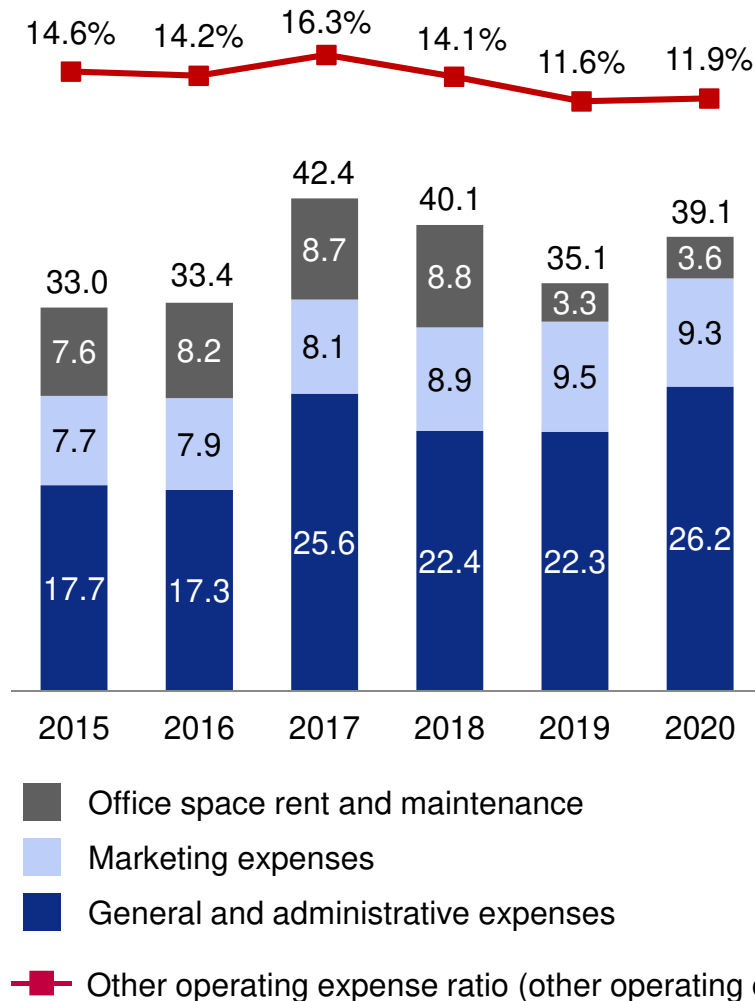
- 1H20: +40.3 FTE  
2H20: +50.6 FTE
- Long-term personnel expense ratio: 40%

1 FTE: Full-time equivalent, FTE/HC-ratio: 0.85



# Other operating expenses

in CHF million

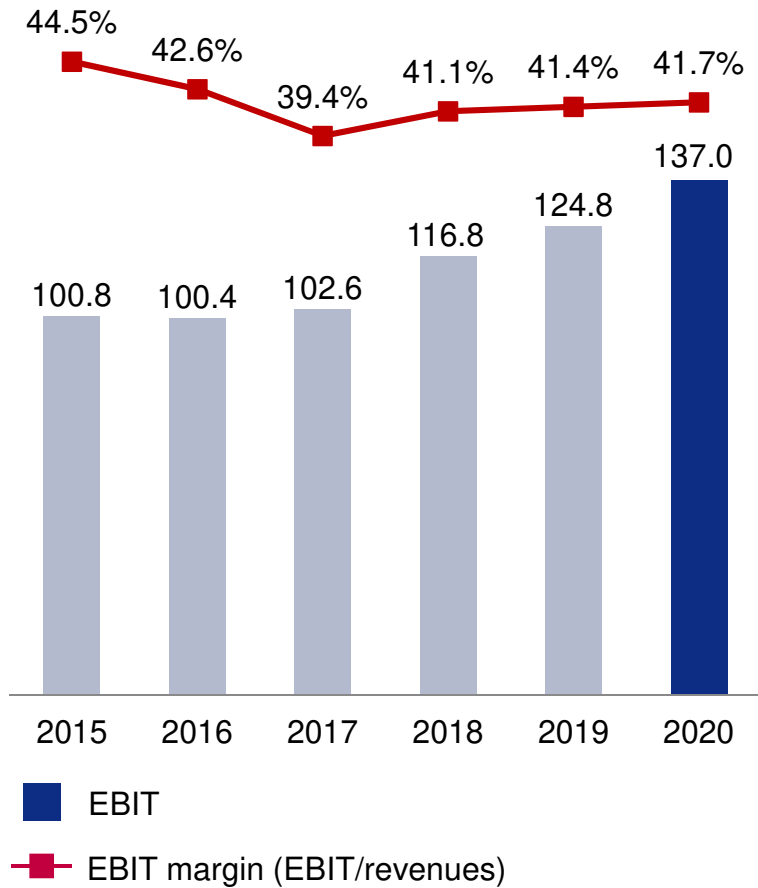


- Other operating expenses +11.4% yoy
  - Office space +9.1% yoy (adj. for IFRS 16: +7.5%)
  - Marketing expenses –2.1% yoy
  - General and administrative expenses +17.5% yoy (adj. for one-off effects in 2019 +11.5% yoy).
- Long-term other operating expenses ratio expected between 11% and 13% going forward.



# EBIT and margin

in CHF million



- EBIT +9.8% yoy
- EBIT long-term margin target: 42%
- No significant leverage expected going forward

# Balance sheets

in CHF million

	31.12.19	31.12.20
Cash & cash equivalents	1'242.5	1'630.2
Short-term investments	207.5	116.4
Swiss prime residential mortgages	1'917.4	2'371.8
CHF bonds, marketable securities	450.1	600.5
<b>Subtotal financial investments</b>	<b>3'817.5</b>	<b>4'718.9</b>
Property, equipment and intangibles	140.8	146.7
Other assets	97.9	107.6
<b>Total assets</b>	<b>4'056.2</b>	<b>4'973.2</b>
Customer deposits	2'860.7	3'289.9
Long-term debts	406.2	409.5
Other liabilities	239.5	657.1 <sup>1</sup>
<b>Total liabilities</b>	<b>3'506.4</b>	<b>4'356.5</b>
<b>Total equity</b>	<b>549.8</b>	<b>616.7</b>

- Balance sheet total on the reporting date is coincidental; it does not fully reflect the underlying business development.
- Customer deposits and cash equivalents can fluctuate due to shifts in asset allocation of managed portfolios.
- Increase in cash due to balance sheet optimisation relating to SNB exemption threshold.
- Financial investments:
  - Low risk profile
  - Average time to maturity  
2020: 1.7 years  
(2019: 1.8 years)

<sup>1</sup> Change in other liabilities CHF +417.6 million compared to 31.12.2019 mainly driven by increased SNB exemption threshold



# Equity and payout ratios

<b>Payout ratios</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Equity ratios</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.20</b>
in CHF million							
Net profit	98.2	102.3	117.5	Total equity in CHF million	512.3	549.8	616.7
Retained earnings	59.4	62.2	69.2				
Dividend total	38.8	40.1	48.3 <sup>1,2</sup>	Equity ratio <sup>3</sup>	16.6%	13.6%	12.4%
<i>Dividend per share</i> <sup>4</sup>	<i>0.98</i>	<i>1.02</i>	<i>1.23</i> <sup>1</sup>	BIS CET1	30.1%	27.7%	26.6%
<b>Payout ratio</b>	<b>40%</b>	<b>40%</b>	<b>42%</b>	BIS T1 & T2	30.1%	27.7%	26.6%

<b>Treasury shares</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.20</b>
Number (in '000) <sup>4</sup>	425	608	732
Book value in CHF million	24.6	33.4	44.3

1 Subject to the General Assembly's approval (12 April 2021)

2 Subject to the number of treasury shares as per dividend payment date

3 Equity compared to balance sheets' total (leverage ratio)

4 VZ Holding's shares were split in a ratio of 1:5 on 21 April 2020; prior period figures were adjusted accordingly

# Agenda

---



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

## Business development

- Continuous work on increasing new client inflow, consulting capacity, client conversion and platform usage
- Further develop digital interface VZ Finanzportal with additional features, including professional e-trading desktop
- Germany: push marketing efforts to increase new client inflow
- UK: further work on short list of potential acquisition targets (IFA)

## Financials

- Banking revenues: continued decline in TX and trading income expected
- All other revenue components expected to increase as in previous years
- Temporary increase in office space rent due to overlapping rental contracts (new offices in Zurich)
- Amortisation costs: slightly above top line growth in 2021
- Tax ratio estimated to stabilise around 14% (2020: 14.0%; 2019: 17.7%)
- Dividend payout: gradual increase from 42% to 50% over the coming years

# Agenda

---



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

# What does VZ do?

## Target clients...



- Homeowners
- Employees on management level
- Entrepreneurs

## ... seek expert advice...

- Retirement planning (employees)/ succession planning (entrepreneurs)
- Estate planning
- Investment advice
- Real estate financing and development
- Tax planning
- Insurance optimisation

## ... and solid implementation

- ① Portfolio management
    - Discretionary mandates
    - Advisory mandates
  - ② Banking services
    - Custody, TX/FX
    - Payment services online / offline
  - ③ Mortgages
  - ④ Pension fund and 3<sup>rd</sup> pillar solutions, individualised tax deferred provision schemes
  - ⑤ Insurance coverage
- + Digital cockpit VZ Finanzportal

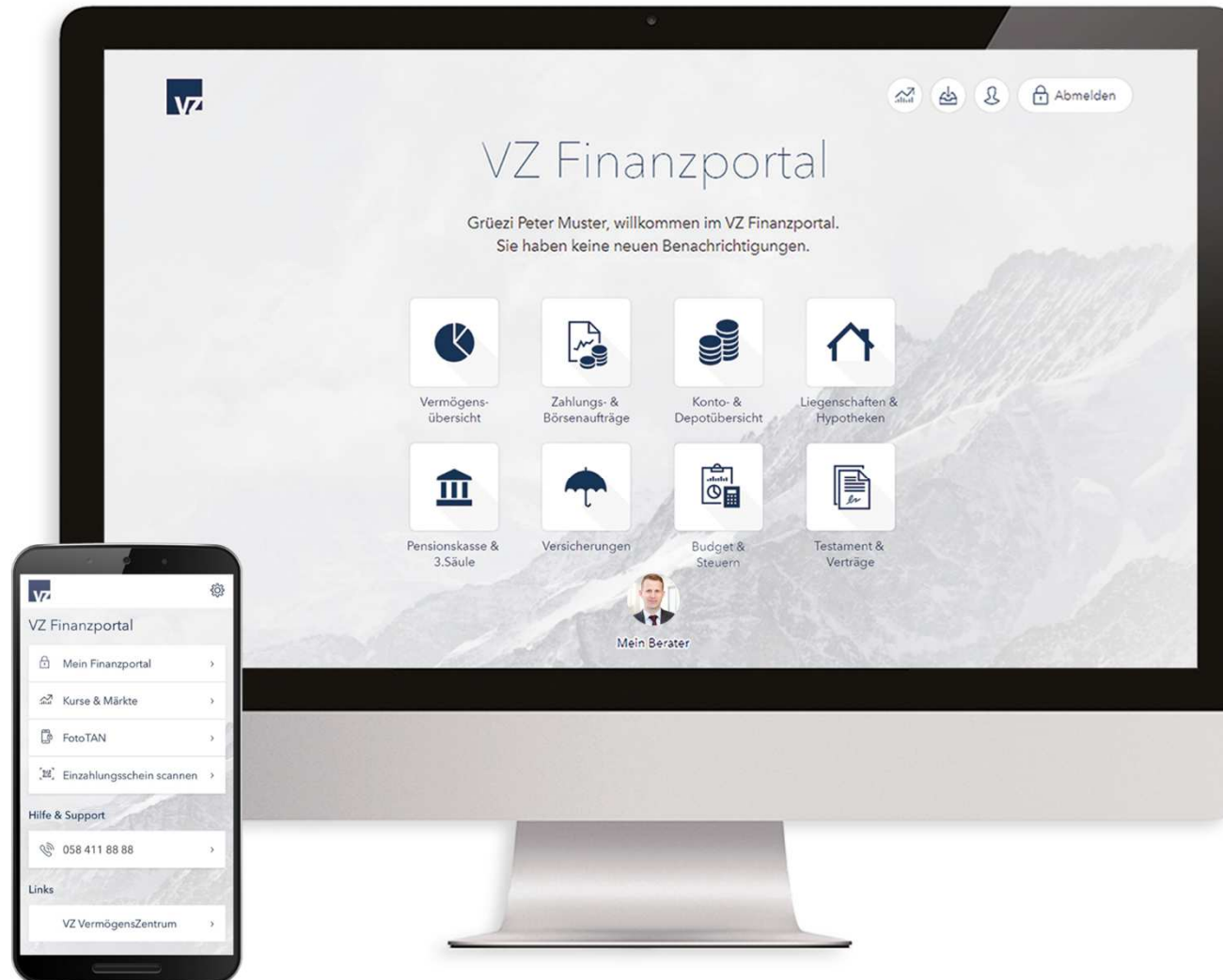
## VZ advantage

**profound expertise,  
no conflicts of interest**

**competitively priced, transparent,  
comprehensive**



# VZ Finanzportal



# Strong brand recognition



Brand associated with expertise, quality and independence

## Periodical



## Books



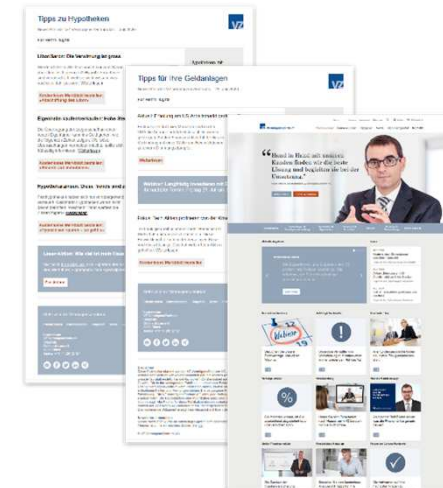
## Seminars



## Media coverage



## Online/Newsletters

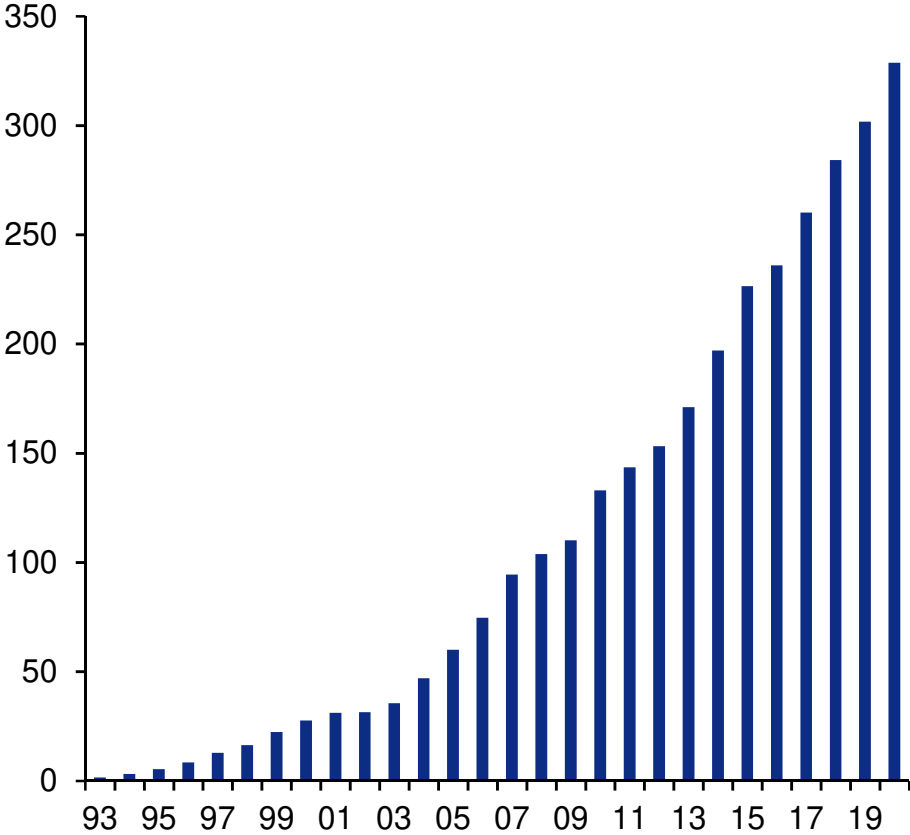




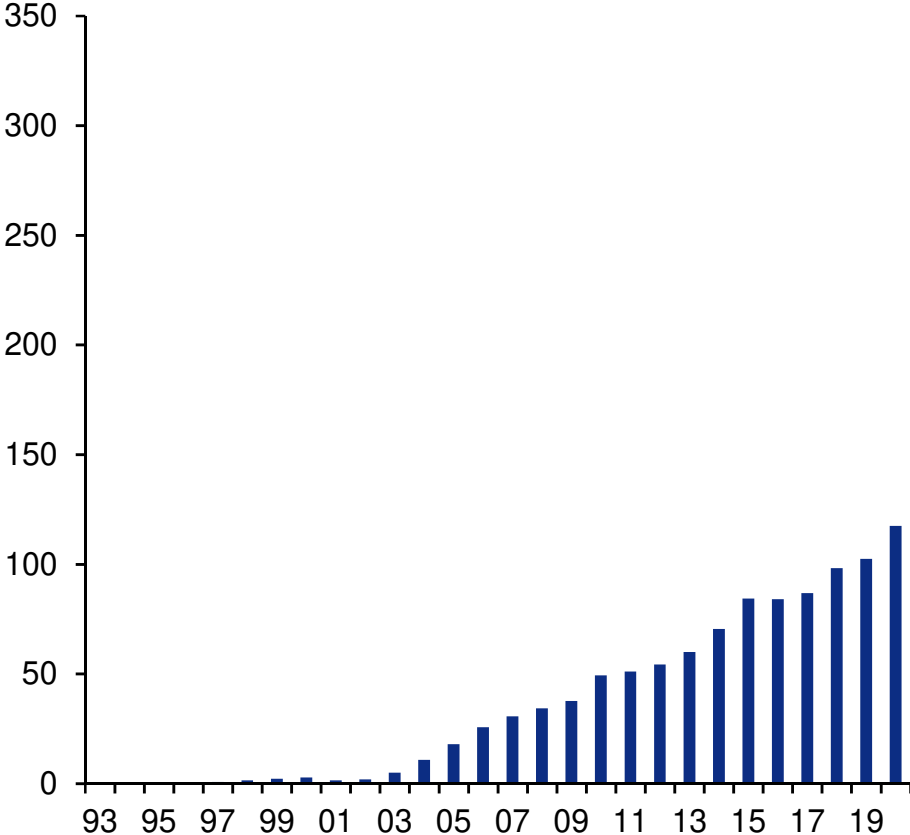
# Long track record of organic growth and profitability

in CHF million

## Operating revenues<sup>1</sup>



## Net profit<sup>1</sup>



<sup>1</sup> 1993–2003 according to SWISS GAAP; 2004–2020 according to IFRS