



VZ Group

2023

Results and outlook

Appendix: company overview

Zug, 29 February 2024

Forward-looking statements

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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)

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

IFRS 17 Insurance contracts was implemented in 1H 2023. 2022 figures are retrospectively restated due to the implementation of IFRS 17 Insurance contracts. 2018-2021 figures are approximated for comparability (the insurance result consists of the netted former net earned premiums and expenses related to insurance contracts).

The income from currency-swaps in 2018-2023 was reclassified: while it was previously reported in the trading result, it is now reported in the interest business.

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Business development

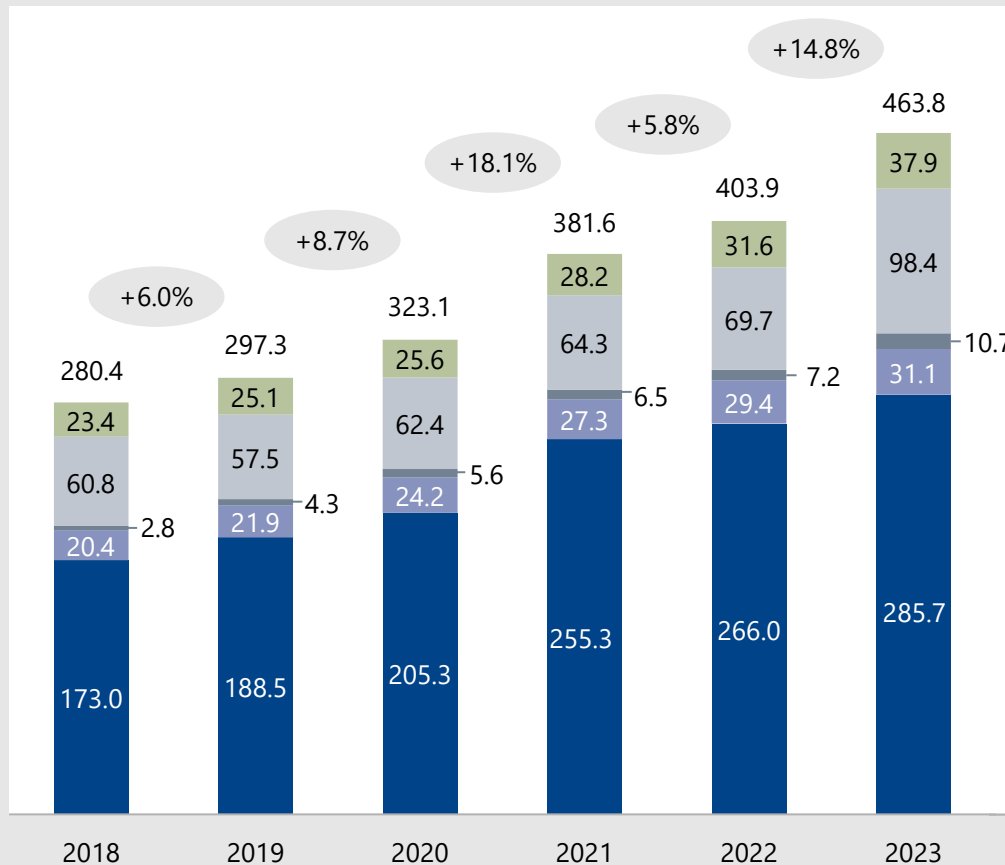
- Growth in all business lines continued
 - Uncertainties reinforce marketing response and new client inflow for consulting services
 - Tailwind from higher interest rates
 - AuM related revenues increased 7.4%, whereas banking income grew with 41.2%
- Increased conversion: net total of 8086 new platform clients (2022: 7874 platform clients)
- Growth of front-end consulting capacity +7.3% to 220 FTEs (avg. 2023, 2024e: 237 FTEs)
- NNM per consulting FTE at CHF 19.9 million (target range 17-20 million)
- UK/DE: growth according to plan and in step with CH

Financials

- Top line +14.8% yoy to CHF 463.8 million
- Operating expenses +7.6% yoy
 - Personnel expenses +8.5% yoy
 - Other operating expenses +5.1% yoy
- EBIT margin: 47.2% (2022: 43.6%)
- Bottom line +23.5% yoy to CHF 187.0 million, net profit margin: 40.3% (2022: 37.5%)
- Implementation of IFRS 17 standard Insurance Contracts led to restatements and adjusted profitability margins
- Solid balance sheet
 - Equity ratio: 14.2%
 - BIS CET 1: 26.2%
- NNM: CHF 4367 million (2022: CHF 4602 million)
- Assets under management: CHF 44.9 billion (31.12.2022: CHF 39.1 billion)

Revenues: +14.8% yoy

in CHF million



Total revenues +14.8% yoy

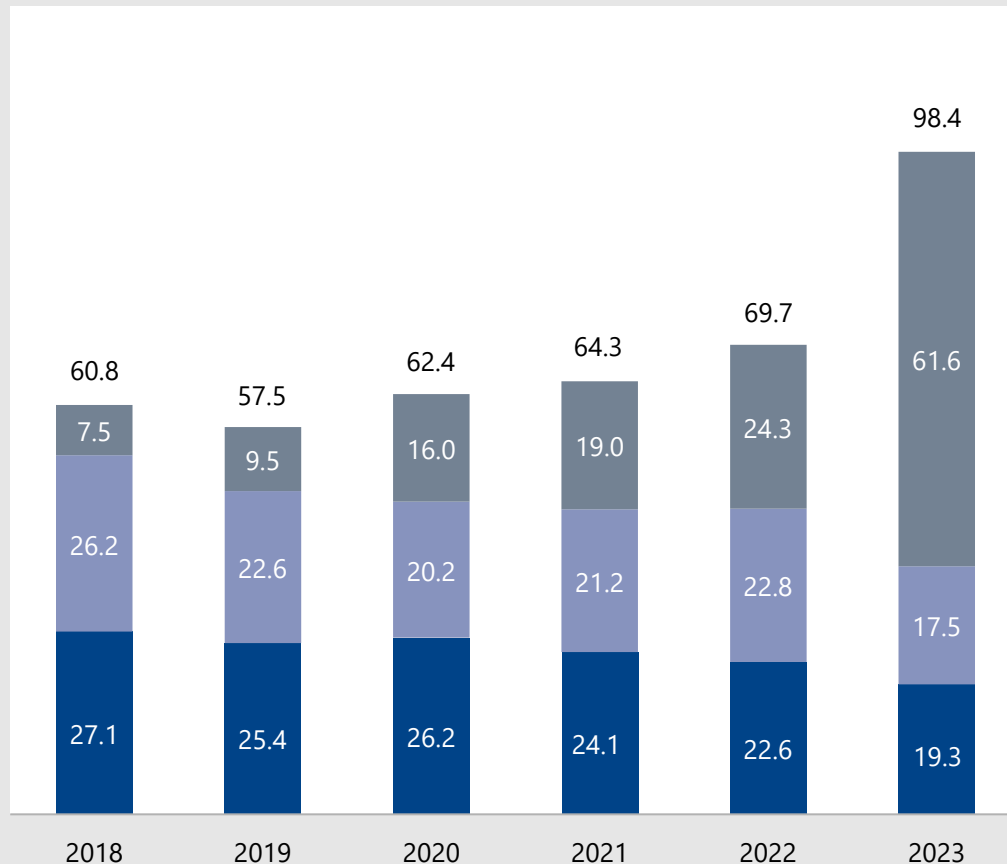
- Consulting fees¹ +19.9% yoy
- Banking income from interest business, commissions and trading activities +41.2% yoy
- Insurance result² +48.6% yoy
- Other management fees +5.8% yoy
- Management fees on AuM +7.4% yoy

1 Incl. other revenues

2 Implementation of IFRS 17 incl. retrospective restatements (see Disclaimer p.1).

Banking income: Above-average growth of interest business

in CHF million

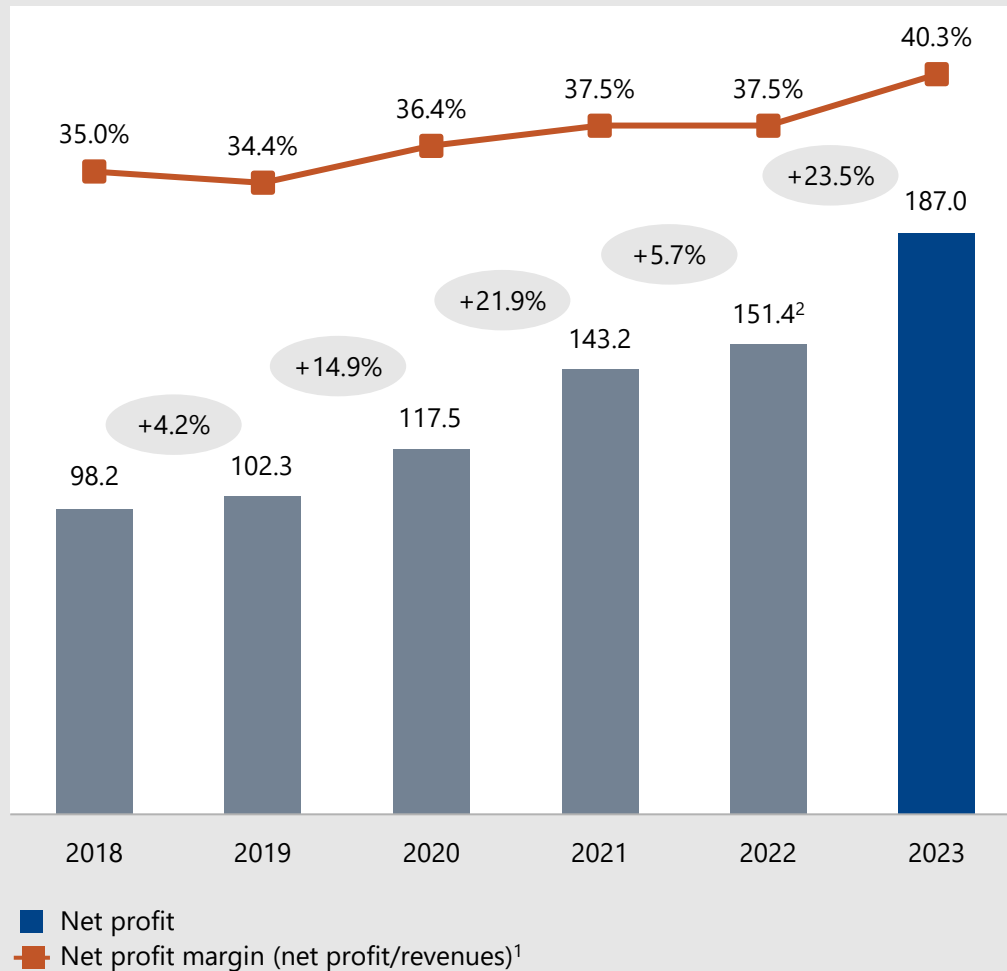


- Interest business¹
Above-average growth due to significant higher interest rates
- Trading result¹
Generally random development driven by financial markets and stronger focus on CHF-investments
- Transaction fees
Downward trend due to strong demand for all-in fee models and index-oriented investment styles

¹ 2018-2023 reclassification of income from currency-swaps: previously reported in the trading result, now in the interest business.

Net profit: +23.5% yoy

in CHF million



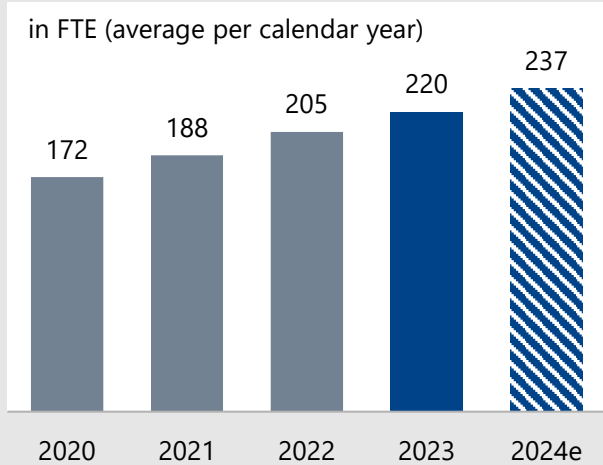
- Net profit margin 40.3% vs 37.5% in 2022
- New long-term net profit margin target: 38%, revised up from 36% due to IFRS 17 implementation

1 Net profit margins were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

2 Implementing IFRS 17 for 2022 resulted in a retrospective increased net profit of CHF +0.1 million.

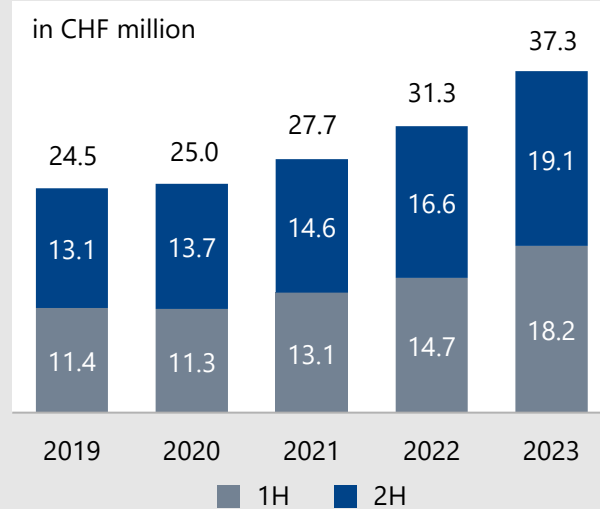
Financial Consulting: NNM in target corridor

Capacity growth



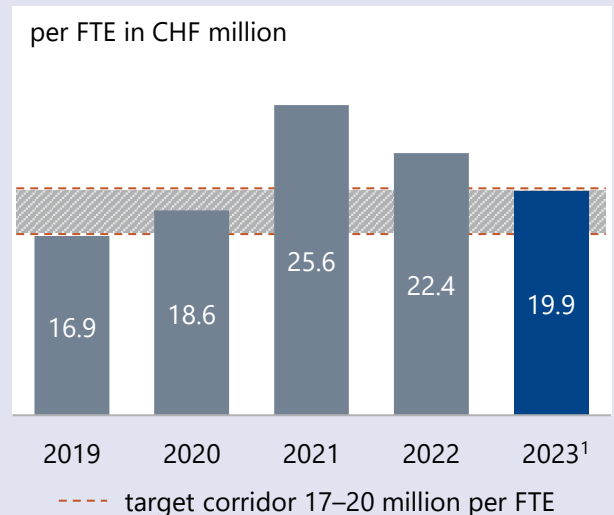
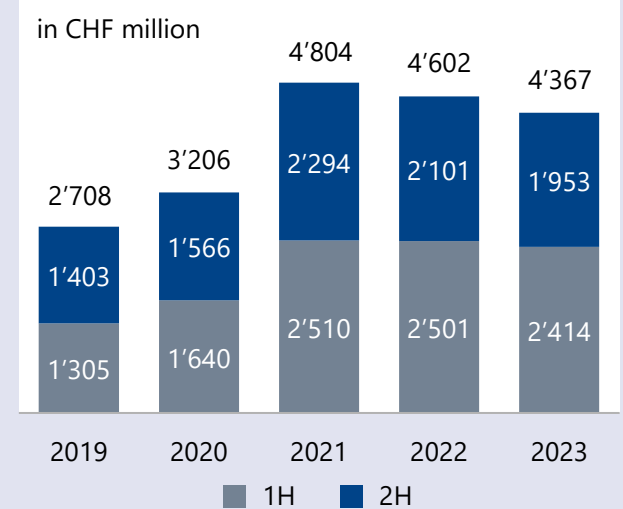
- FC full-time equivalents (FTE) with client and budget responsibility
- PCC profile equals 50% FC profile
- Wealth managers and UK consultants not included
- Further capacity increase planned

Consulting revenues



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

Net new money (NNM)



1 1H: CHF 21.9 million annualised; 2H: CHF 17.8 million annualised

Wealth Management: AuM +14.8%

in CHF million

	31.12.20	31.12.21	31.12.22	31.12.23	yoy
AuM total	31'459	39'002	39'108	44'887	+14.8%
• PM mandates <i>Share of total AuM</i>	19'061 60.6%	24'818 63.6%	23'881 61.1%	27'844 62.0%	+16.6%
• Others ¹ <i>Share of total AuM</i>	12'398 39.4%	14'184 36.4%	15'227 38.9%	17'043 38.0%	+11.9%
NNM total	3'206	4'804	4'602	4'367	-5.1%
# WM clients²	49'194	57'373	65'247	73'333	+12.4%
Δ WM clients	+6'418	+8'179	+7'874	+8'086	+2.7%

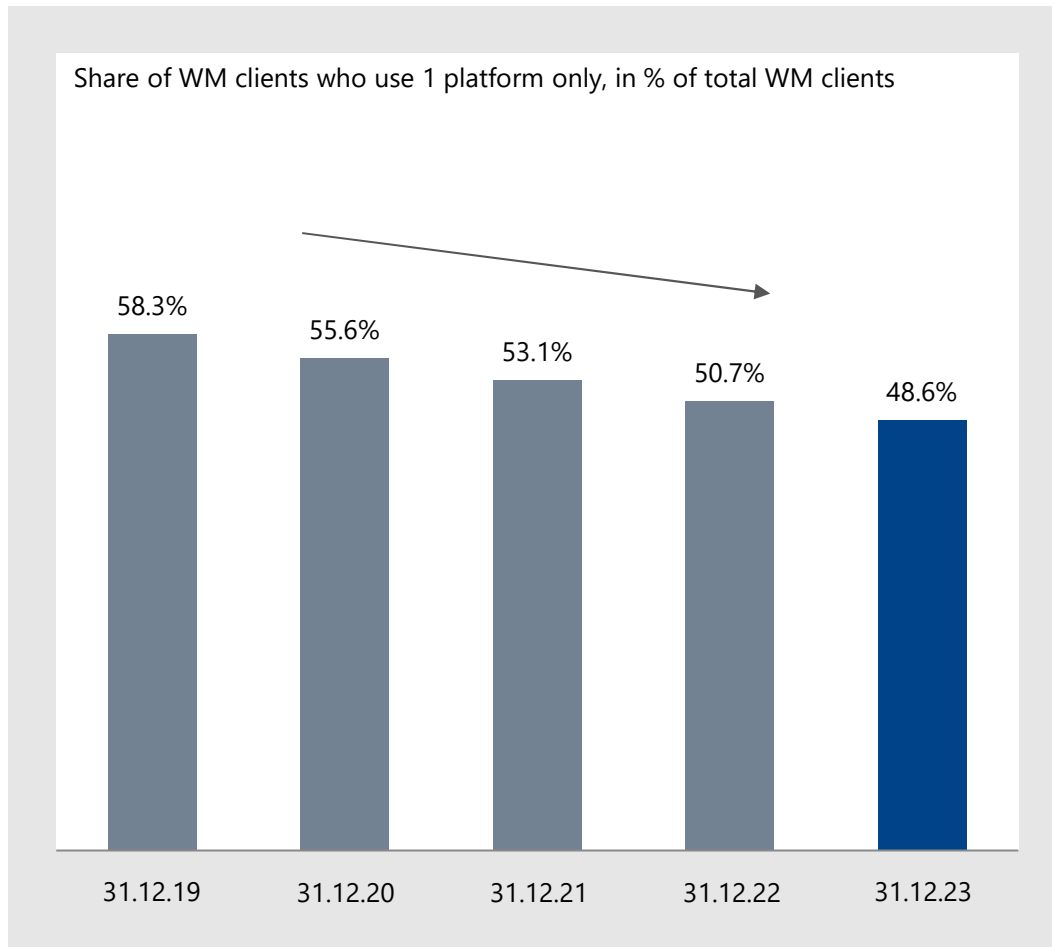
1 Incl. mortgages under management and portfolios under client management

2 Excl. UK WM clients

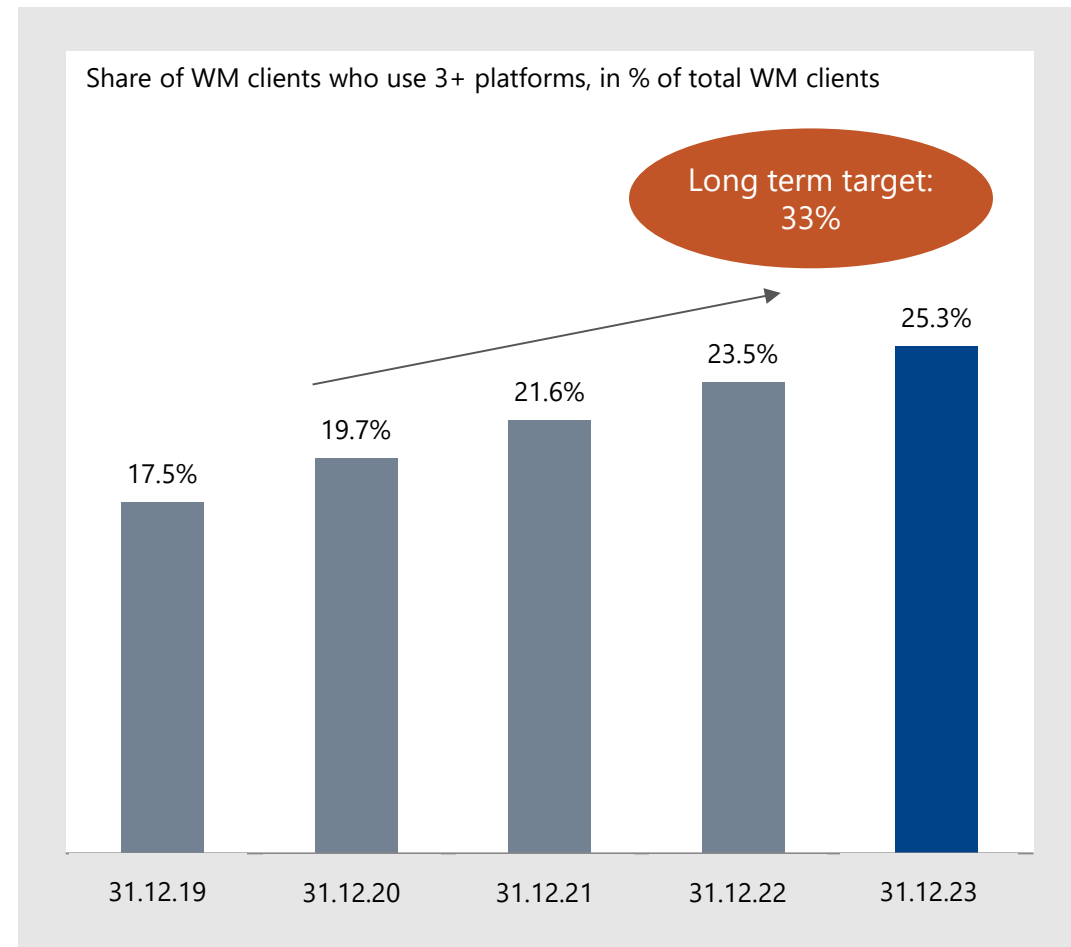
Platform usage among WM clients

CH clients only

1 platform per client



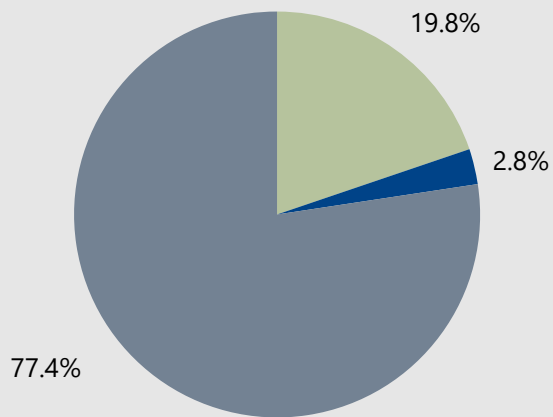
3+ platforms per client



Client Satisfaction: Net Promoter Score (NPS)

Consulting clients

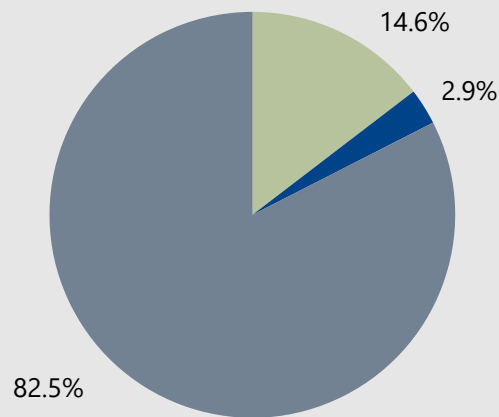
NPS: 74.6



- Promoters (9, 10)
- Passives (7, 8)
- Detractors (0-6)

Wealth management clients

NPS: 79.5



- Promoters (9, 10)
- Passives (7, 8)
- Detractors (0-6)

NPS methodology¹

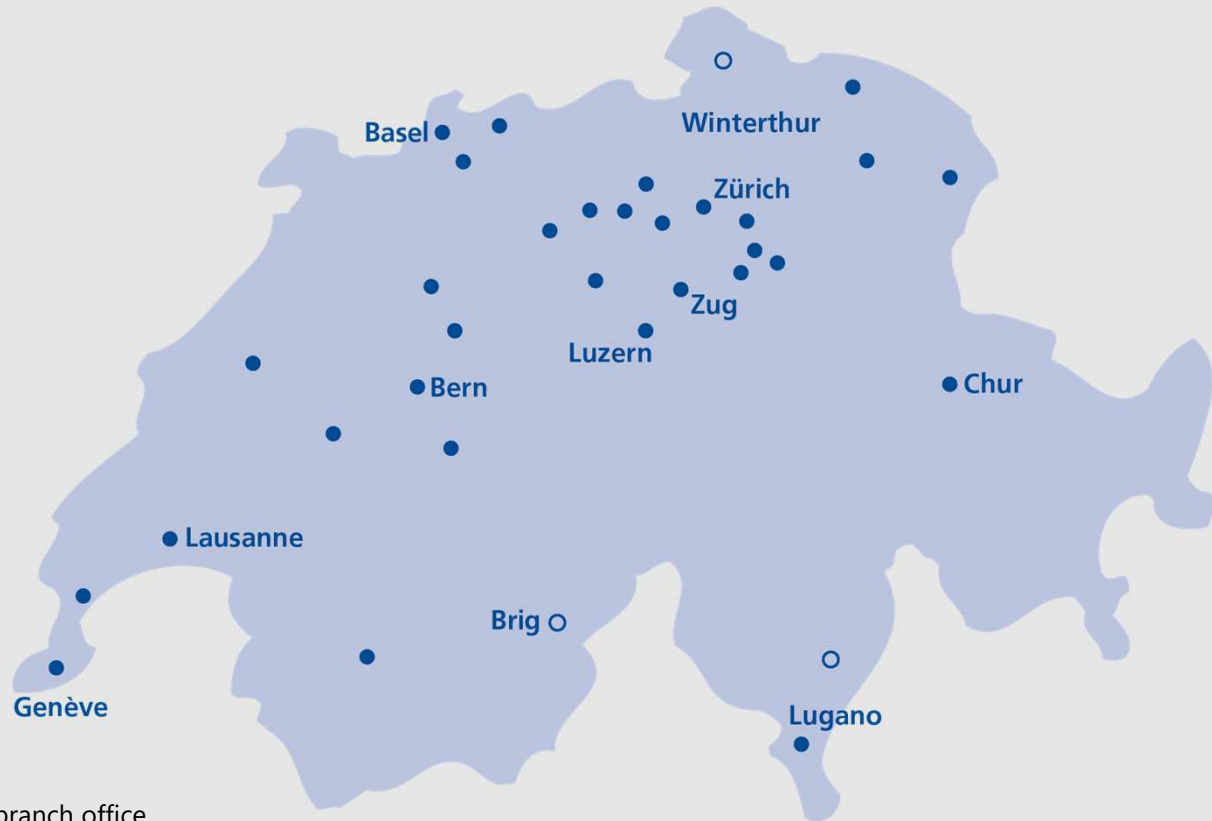
- Score based on a 0-10 scale answering the question 'how likely is it that you would recommend VZ?' (10 = extremely likely, 0 = not at all likely)
- Consulting clients survey: after completion of consulting project
- WM clients survey: every 4 years

¹ VZ internal inquiries.

Branch offices

Switzerland

#: 35



- branch office
- satellite
- ★ new branch/satellite office planned

Germany

#: 5



England/United Kingdom

#: 3



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Income statement

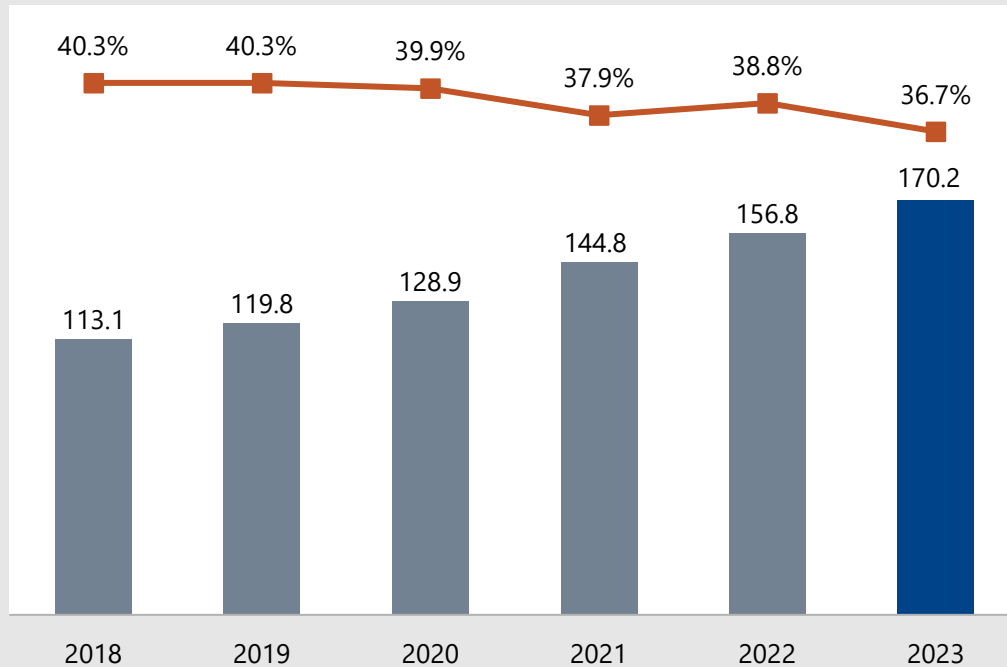
in CHF million	2020	2021	2022	2023	yoy
Consulting fees	25.0	27.7	31.3	37.3	+19.2%
Management fees: on AuM	205.3	255.3	266.0	285.7	+7.4%
other	24.2	27.3	29.4	31.1	+5.8%
Banking income	62.4	64.3	69.7	98.4	+41.2%
Insurance result ¹	5.6	6.5	7.2	10.7	+48.6%
Other revenues	0.6	0.5	0.3	0.6	n.m.
Total revenues	323.1	381.6	403.9	463.8	+14.8%
Personnel expenses	128.9	144.8	156.8	170.2	+8.5%
Other operating expenses	39.1	48.9	49.1	51.6	+5.1%
Depreciation and amortisation	18.1	20.4	21.7	23.1	+6.5%
Total expenses	186.1	214.1	227.6	244.9	+7.6%
EBIT	137.0	167.5	176.3	218.9	+24.2%
Net finance income	-0.4	-0.6	-0.7	-0.9	n.m.
Income taxes	19.1	23.7	24.2	31.0	+28.1%
Net profit	117.5	143.2	151.4²	187.0	+23.5%

¹ Implementation of IFRS 17 incl. retrospective restatements (see Disclaimer p.1).

© VZ ² Implementing IFRS 17 for 2022 resulted in a retrospective increased net profit of CHF +0.1 million.

Personnel expenses

in CHF million



■ Personnel expenses
 ■ Personnel expense ratio (personnel expenses/revenues)²

- Personnel expenses +8.5% yoy
- Personnel development

	31.12.21	31.12.22	31.12.23
FTE ¹	1'142.5	1'247.4	1'390.7

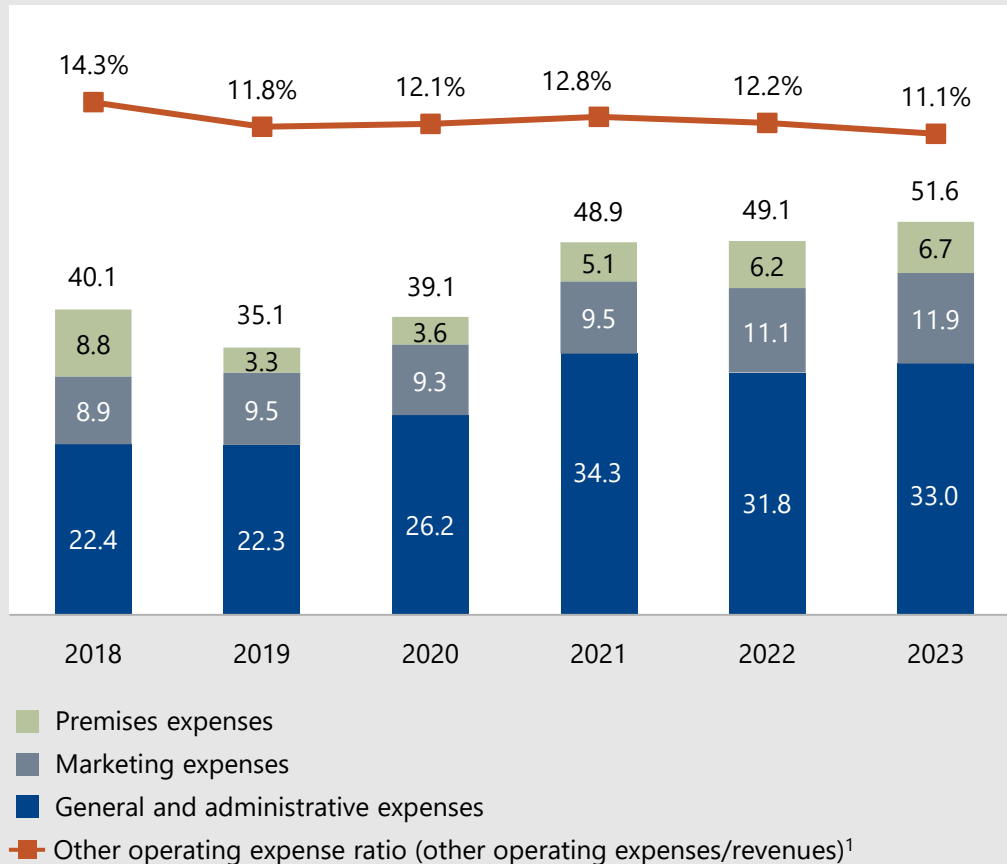
- 1H 2023: +51.9 FTE
- 2H 2023: +91.4 FTE
- Long-term personnel expense ratio: 39%

¹ FTE/Headcount-ratio: 0.87

² Personnel expense ratios were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

Other operating expenses

in CHF million

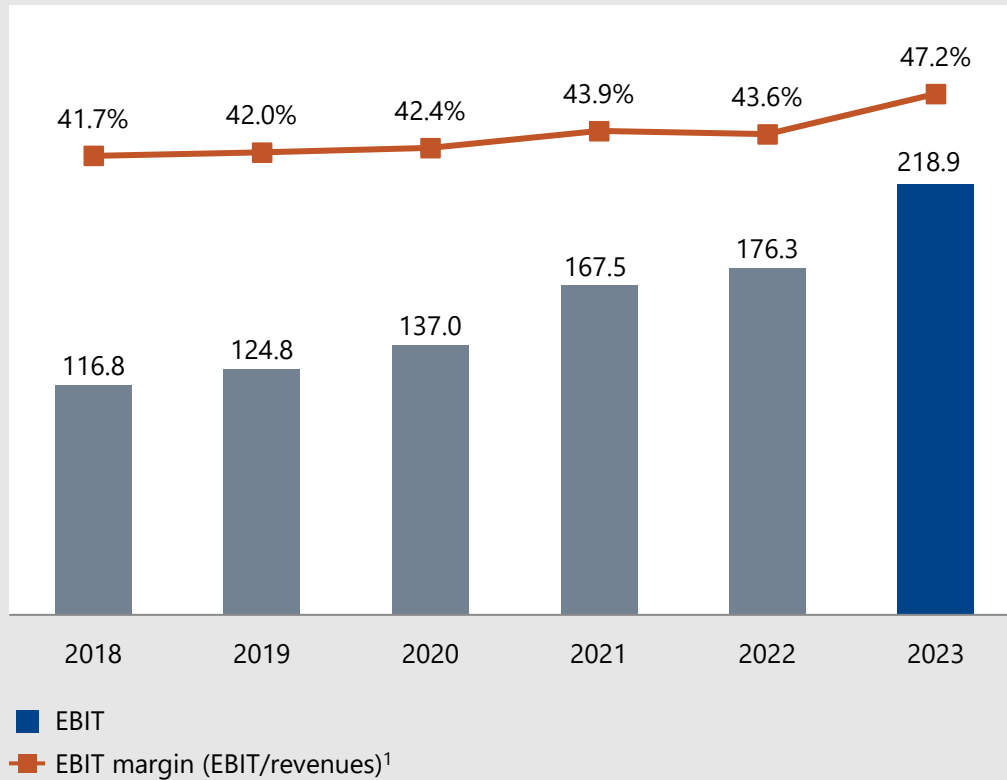


- Other operating expenses +5.1% yoy
 - Premises expenses +8.1% yoy (adj. for IFRS 16: +5.3%)
 - Marketing expenses +7.2% yoy
 - General and administrative expenses (incl. IT) +3.8% yoy
- Long-term other operating expense ratio expected between 11% and 13% going forward.

¹ Others operating expense ratios were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

EBIT: Total and margin

in CHF million



- EBIT +24.2% yoy
- New long-term EBIT margin target: 44%, revised up from 42% due to IFRS 17 implementation
- Extraordinary margin increase due to strong interest business result

¹ EBIT margins were restated retrospectively due to implementation of IFRS 17 (see Disclaimer p.1).

Balance sheet

in CHF million

	31.12.22	31.12.23
Cash & cash equivalents	1'290.2	1'419.7
Short-term investments	172.5	259.0
Swiss prime residential mortgages	3'386.9	3'708.0
CHF bonds, other financial assets	799.0	827.0
Subtotal financial investments	5'648.6	6'213.7
Property, equipment and intangibles ¹	183.9	193.3
Other assets	113.5	128.7
Total assets	5'946.0	6'535.7
Customer deposits	4'431.6	4'835.5
Long-term debts	401.6	497.6
Other liabilities	341.8	276.5
Total liabilities	5'175.0	5'609.6
Total equity	771.0²	926.1

- Balance sheet growth 9.9% yoy
- Customer deposits growth +9.1%, affected by attractive interest offering on savings accounts
- Future growth of balance sheet total driven primarily by new client inflow
- Low risk profile:
 - Average remaining interest period on financial investments (incl. interest caps): 1.6 years
 - Minimal credit risks (residential mortgages only, no corporate loans, high quality bonds)
 - Average loan-to-value on mortgages below 50%

¹ Incl. Goodwill.

² Implementation of IFRS 17 for 2022 resulted in a decrease of Total equity of CHF -0.3 million per 31.12.2022.

Payout and equity ratios, treasury shares

in CHF million

Payout ratios	2021	2022	2023
Net profit	143.2	151.4	187.0
Retained earnings	81.3	83.0	98.8
Dividend VZ Holding	61.9	68.4	88.2 ^{1,2}
<i>Dividend p. share (in CHF)</i>	<i>1.57</i>	<i>1.74</i>	<i>2.24¹</i>
Payout ratio	44%	46%	48%

Treasury shares	31.12.21	31.12.22	31.12.23
Number (in '000)	621	757	630
% of shares	1.6	1.9	1.6
Book value (in CHF million)	41.5	53.6	47.6

Equity ratios	31.12.21	31.12.22	31.12.23
Total equity	699.7	771.0	926.1
Equity ratio ³	12.1%	13.0%	14.2%
BIS CET1	25.2%	25.2%	26.2%
BIS T1 & T2	25.2%	25.2%	26.2%

Moody's rating VZ Depository Bank	31.12.23
Long-term deposit rating	Aa3/stable
Long-term counterparty risk	A3/stable

1 Subject to the General Assembly's approval (8 April 2024)

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

3 Equity compared to balance sheets' total

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Business development

- Long-term growth story unchanged
- Continuous work on increasing new client inflow, consulting capacity, client conversion and platform usage
- VZ Finanzportal: extended self onboarding and self services functionalities, refinancing of mortgages
- Germany: improve conversion ratio from consulting to platform clients
- UK: work on marketing effectiveness, intensify internal advisor trainee program, work on smaller IFA acquisitions and replatforming existing client base

Financials

- Top and bottom line growth figures in 2024 expected to be within long-term average of the past, provided stable development of financial markets
- Interest business expected to come in higher, but on a significant lower growth rate
- Base effects lead to higher growth rate in 1H vs 2H 2024
- Risk ratios remain solid with CET1-ratio around 25% while keeping ROE stable at around 20%
- Dividend payout: increase to 50% in 2025 (fiscal year 2024)

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1. Facts and figures

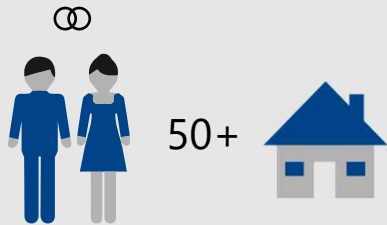
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What does VZ do?

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

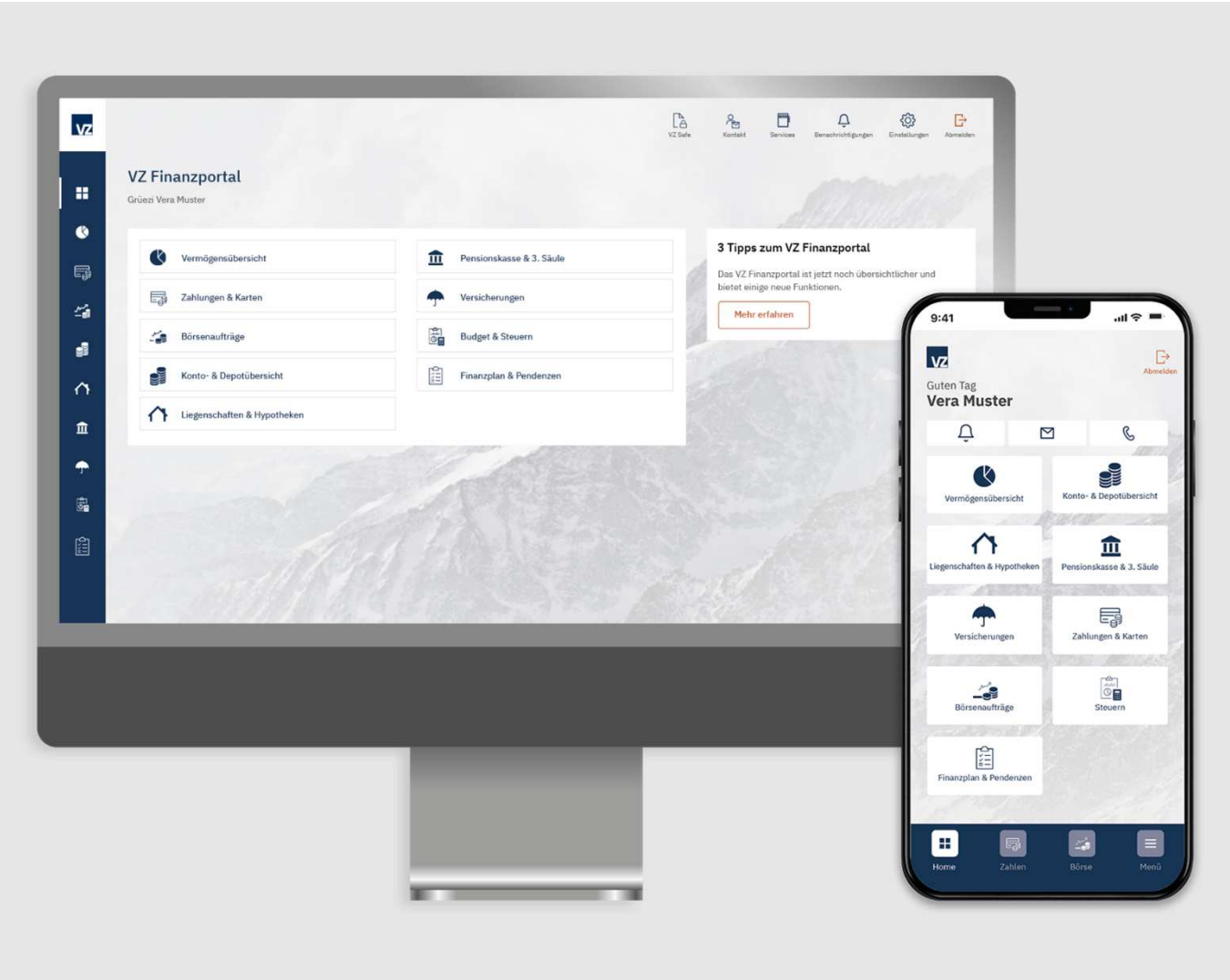
... and solid implementation

- ① Portfolio management
 - Discretionary mandates
 - Advisory mandates
 - ② Banking services
 - Custody, TX/FX
 - Payment services online / offline
 - ③ Mortgages
 - ④ Pension fund and 3rd 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



Strong brand recognition

Brand associated with expertise, quality and independence

Periodical



Books



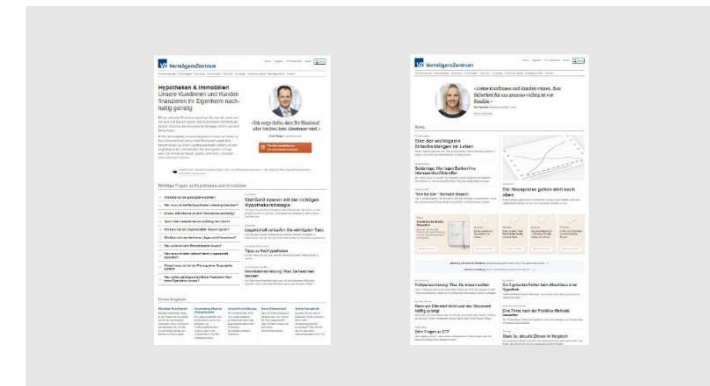
Seminars



Media coverage



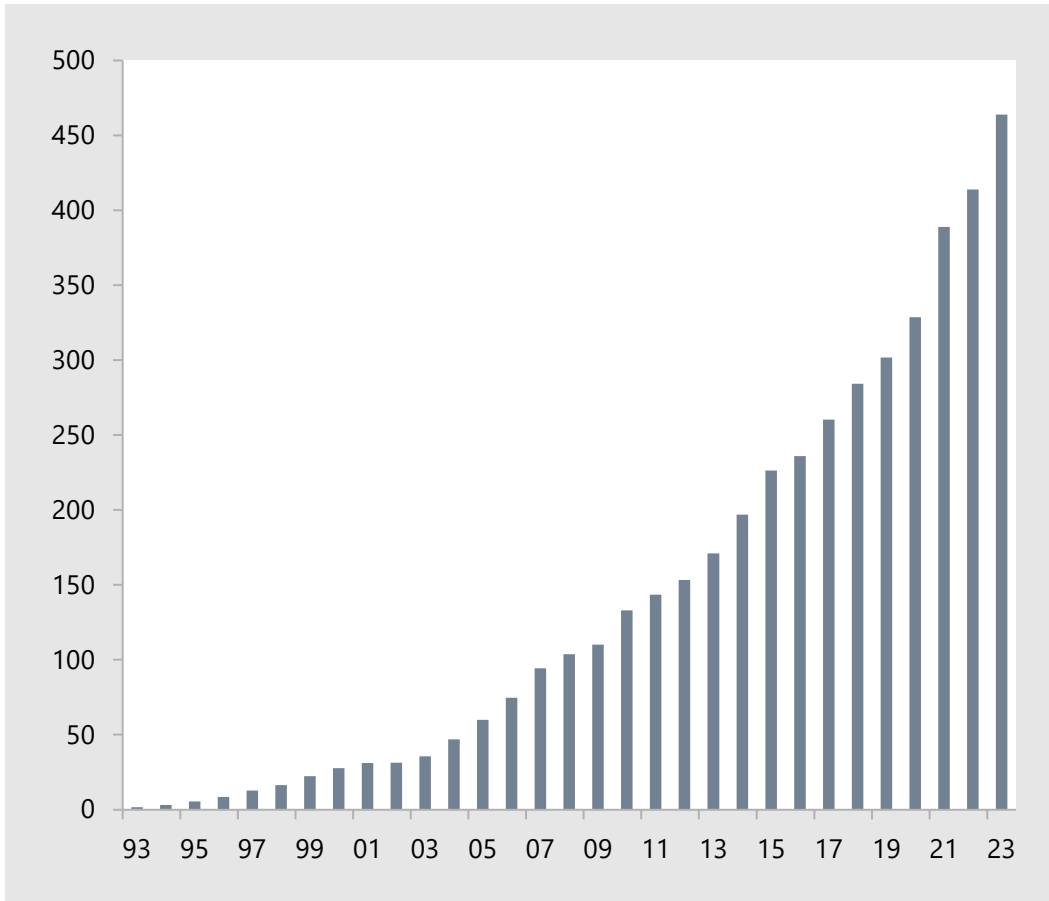
Online/Newsletters



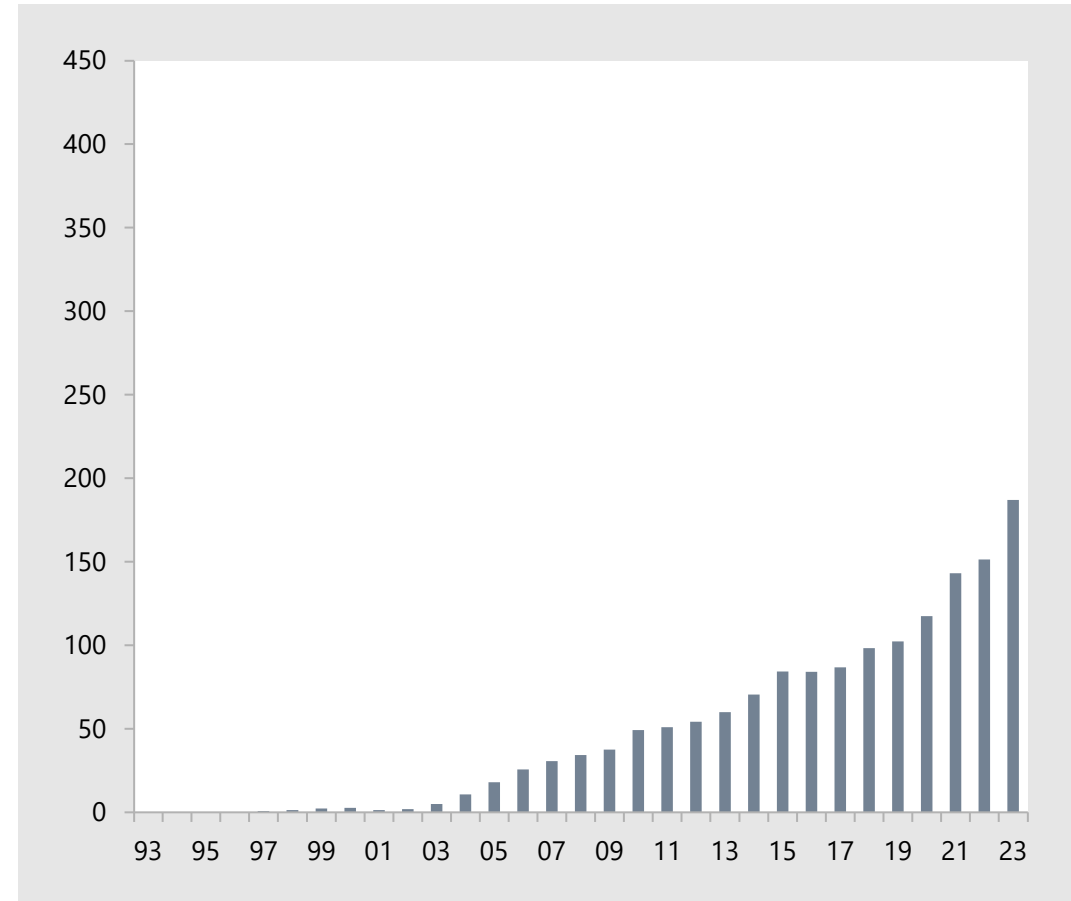
Long track record of organic growth and profitability

in CHF million

Operating revenues¹



Net profit¹



¹ 1993–2003 according to SWISS GAAP; 2004–2023 according to IFRS

VZ VermögensZentrum

Hier sind Sie gut beraten.

VZ Holding AG

Adriano Pavone
Leiter Medienarbeit
Telefon: 044 207 25 22
E-Mail: adriano.pavone@vzch.com

Petra Märk
Head Investor Relations
Telefon: 044 207 26 32
E-Mail: petra.maerk@vzch.com



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