

# Bellevue Group Results 2021

Presentation for investors, analysts and the media

Kusnacht, March 1, 2022

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# Agenda

1

A Summary of Fiscal 2021

André Rüegg, Group CEO

2

Results for Fiscal 2021

Michael Hutter, Group CFO

3

Business Update & Outlook

André Rüegg, Group CEO

4

Questions & Answers

A

Appendix

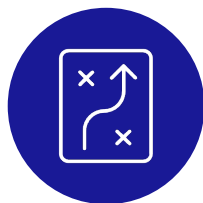
# 1

## A Summary of Fiscal 2021

André Rüegg, Group CEO

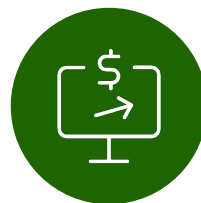
# Highlights 2021

Signs of strength sustained by focus on healthcare



## Consistent strategy execution

- Strategic profile and positioning as **a pure, specialized asset manager steadily sharpened profile through new branding**
- Ongoing development of proven business model with a clear focus on **creating value and on entrepreneurial responsibility**
- **StarCapital:** Realignment of product portfolio concluded – integration initiated in H1 2022 and proceeding as planned



## Strong operating performance

- **Very good financial result** amid still challenging market headwinds
- **Convincing absolute and relative investment performance over the long term offer a strong customer value**
- **Attractive value** created for shareholders and clients
- **Divergent market performance in H1 vs H2 2021** temporarily hinders the growth of the business base (AuM)



## Reinforced & expanded platform

- **Robust and agile organization**, sound capital base ensure a **high level of efficiency**
- Targeted investments in **innovation, new talents, internationalization** (incl. new markets) and **infrastructure**
- **Solid governance** with a sharp focus on **ESG as a new market reality**

# Key figures 2021

Very good results are reflected in strong performance criteria



## Client assets

**CHF 12.8 bn**

(31.12.2020: CHF 12.0 bn)



## Net new money <sup>1)</sup>

**CHF 722 mn**

without adjustments StarCapital  
(prev. period: CHF 377 mn)



## Operating income

**CHF 140.6 mn**

(prev. period: CHF 109.9 mn)



## Operating profit (EBTDA) <sup>2)</sup>

**CHF 60.2 mn**

(prev. period: CHF 46.3 mn)



## Group net profit

**CHF 43.1 mn**

(prev. period: CHF 22.3 mn)



## Cost Income ratio (CIR)

**57.2 %**

(prev. period: 57.9%)



## Return on equity <sup>3)</sup>

**38.6 %**

(prev. period: 21.7%)



## Dividend yield <sup>4)</sup>

**6.6 %**

(prev. period: 4.9%)

1) Net new money of current operations, before product adjustments StarCapital AG of -CHF 655 million

2) Earnings before depreciation, amortization, impairment losses and taxes

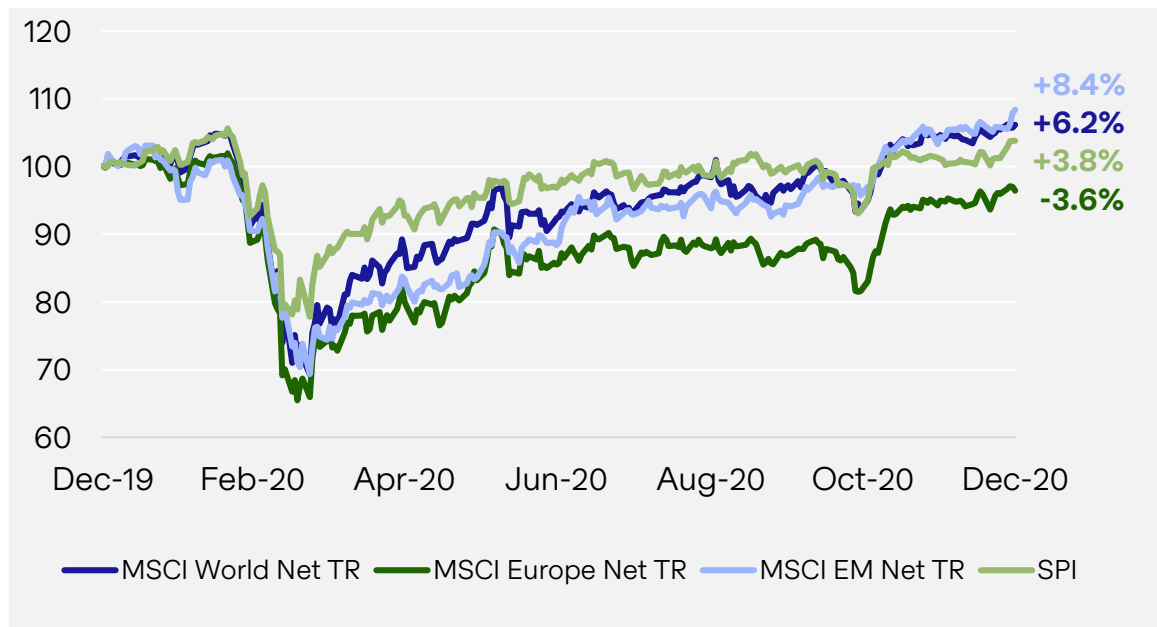
3) Based on reported net profit and average equity for the preceding 12-month period after distribution of the respective dividends

4) Based on the ordinary dividend of CHF 2.70 and the closing share price on December 31, 2021 (CHF 1.50 and closing share price on December 31, 2020)

# Stock market performance 2020/21 – World vs. Emerging Markets

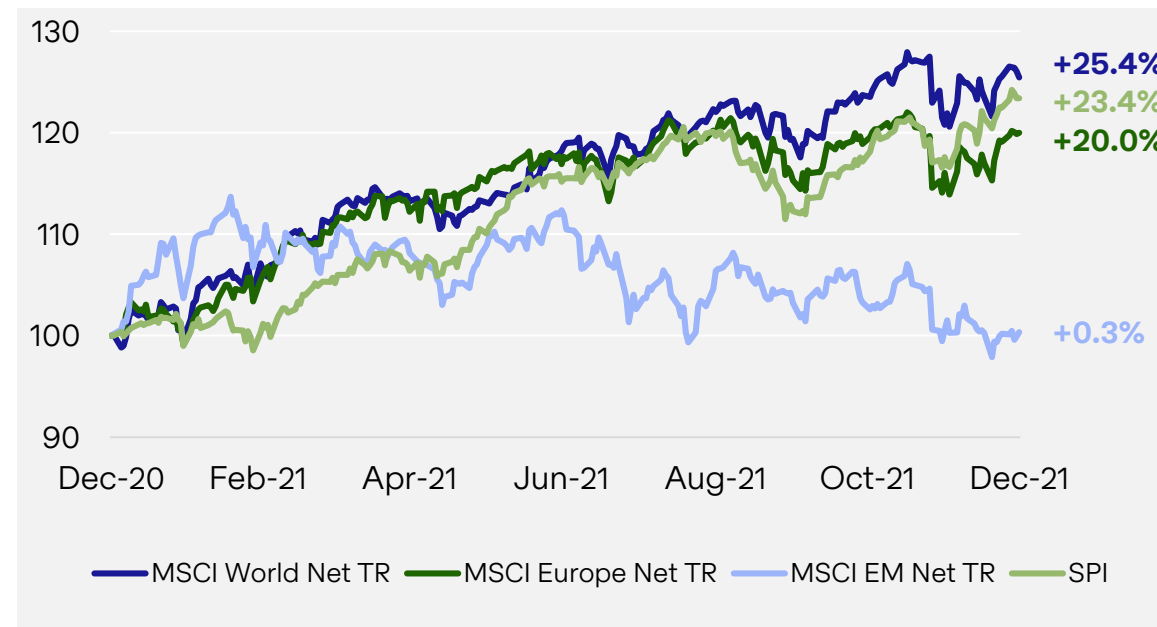
Positive sentiment on world markets – emerging markets clearly underperform in 2021

## Regional equity indexes – 2020 (in CHF)



- Global equities (+6.2%), powered by Wall Street, and emerging markets (+8.4%) recover quickly from the onset of the pandemic
- European equities lag the selected indexes with a negative total return of -3.6%

## Regional equity indexes – 2021 (in CHF)

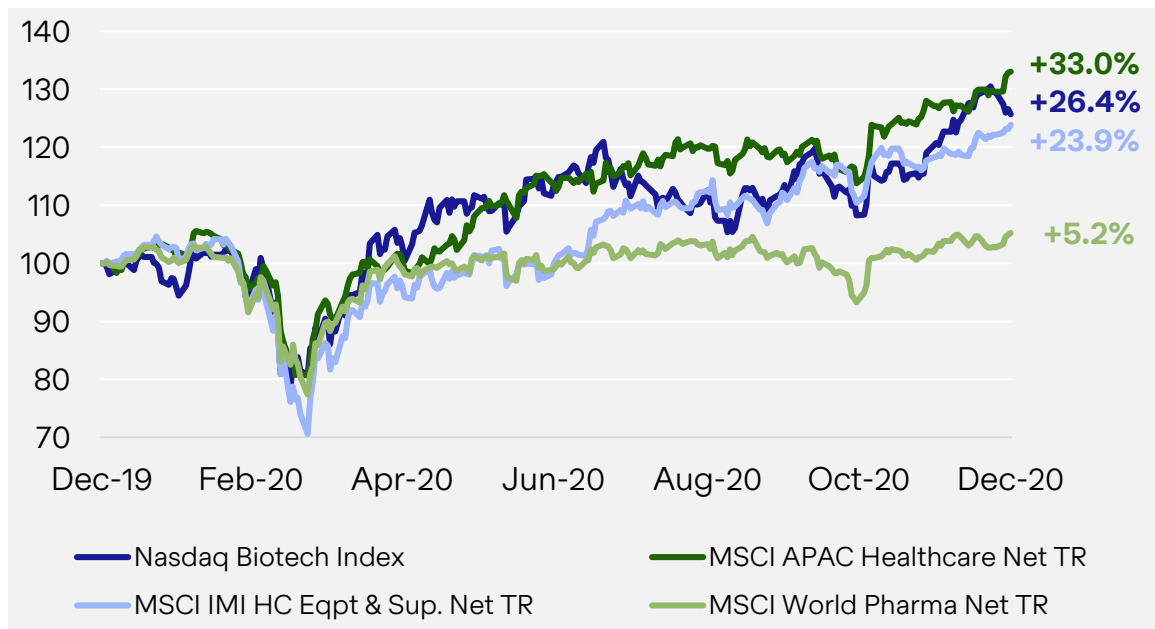


- Emerging markets (+0.3%) underperform developed markets, mainly because of uncertainty in China
- Global equities rally (+25.4%), Europe recovers (+20.0%) thanks to positive economic data and continued progress of vaccination campaigns

# Stock market performance in 2020/21 – Healthcare subsectors

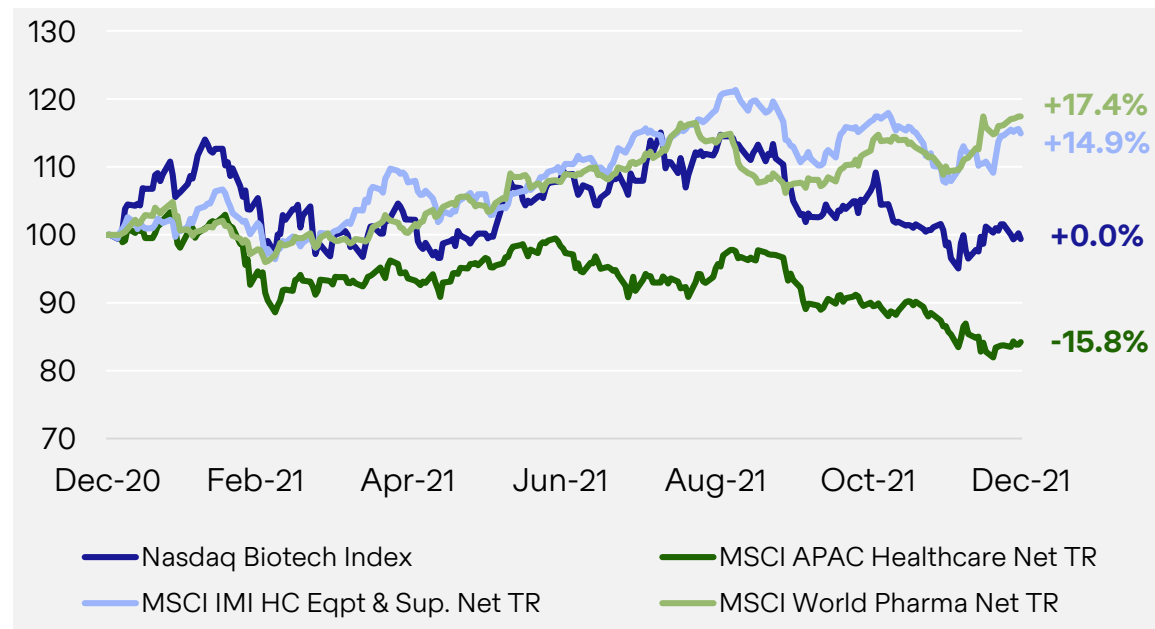
Healthcare’s positive year in 2020 followed by a mixed performance in 2021

## Healthcare subsectors – 2020 (in USD)



- Healthcare delivered an overall very positive performance in 2020, especially healthcare stocks in Asia-Pacific (+33.0%)
- Biotech sector (+26.4%) wowed investors with its innovative strength in the face of the pandemic and soared past the pharma sector (+5.2%)

## Healthcare subsectors – 2021 (in USD)



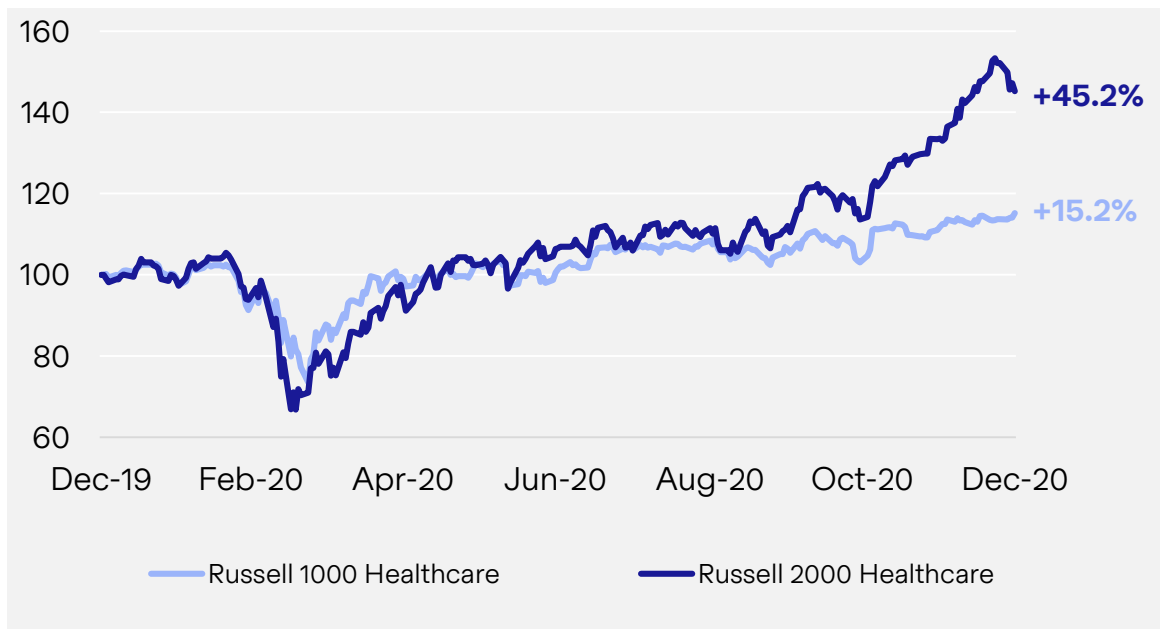
- Pharma rally mainly fueled by the sector's substantial discount to the total market and news flow about antiviral pills against COVID-19
- Medtech (+14.9%) maintains its upward trend thanks to the resumption of elective procedures and positive earnings reports
- Underperformance of Asia Pacific healthcare (-15.8%)



# Stock market performance in 2020/21 – US Large vs. Small/Mid Cap Healthcare

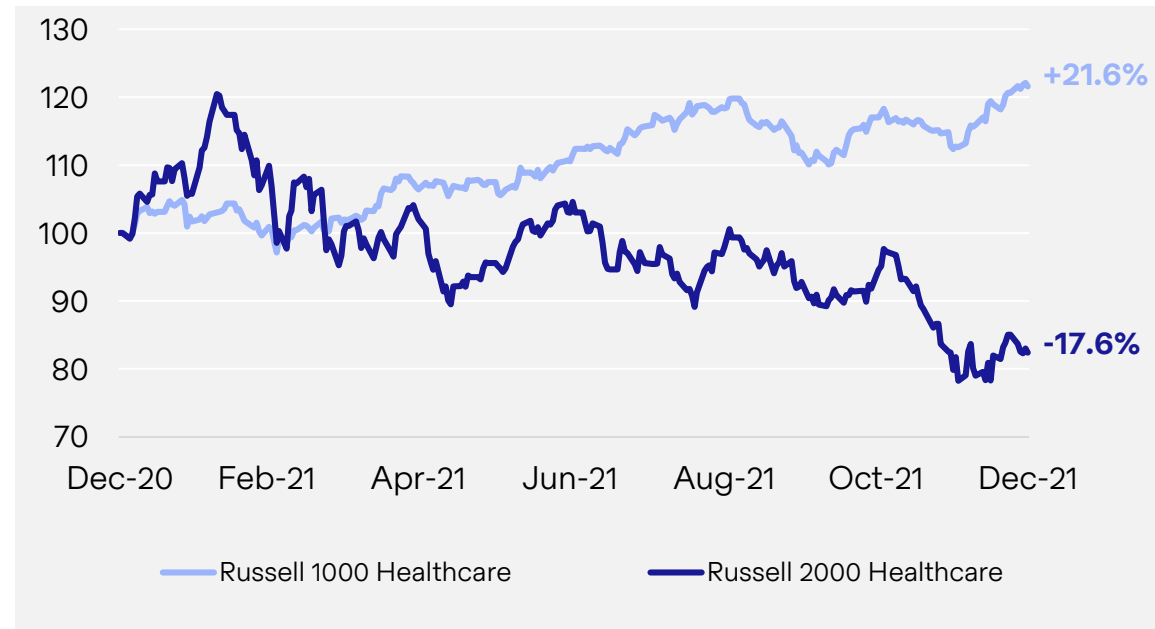
Strong outperformance by Small/Mid Cap Healthcare in 2020 – reversal in 2021

## Russell 1000 Healthcare vs Russell 2000 Healthcare – 2020



- Strong outperformance of small/mid-cap healthcare stocks, especially in the Digital Health and Biotech segments
- Pandemic shows that the healthcare industry is in desperate need of digitalization
- mRNA technology plays a prominent role in the development of COVID-19 vaccines (Moderna and Biontech)

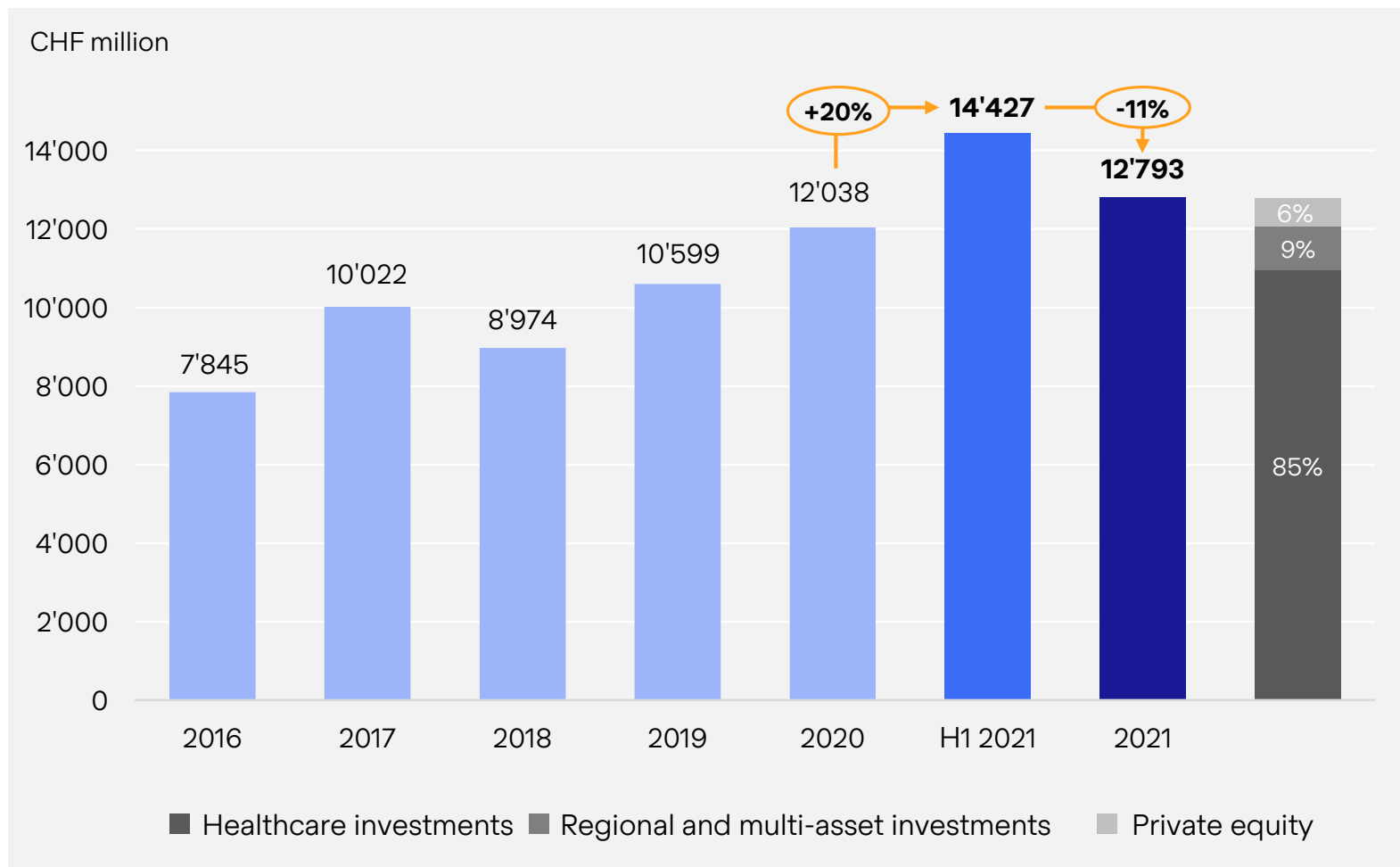
## Russell 1000 Healthcare vs Russell 2000 Healthcare – 2021



- Outperformance of large/mega-cap healthcare stocks driven by inflation worries in the second half of 2021
- Small/Mid-cap healthcare segment takes a beating in Q4 – triggered by the start of the Fed's tapering and corona-related growth worries

# Continued growth in client assets – dented by market correction in H2 2021

Change in AuM 2016 – 2021

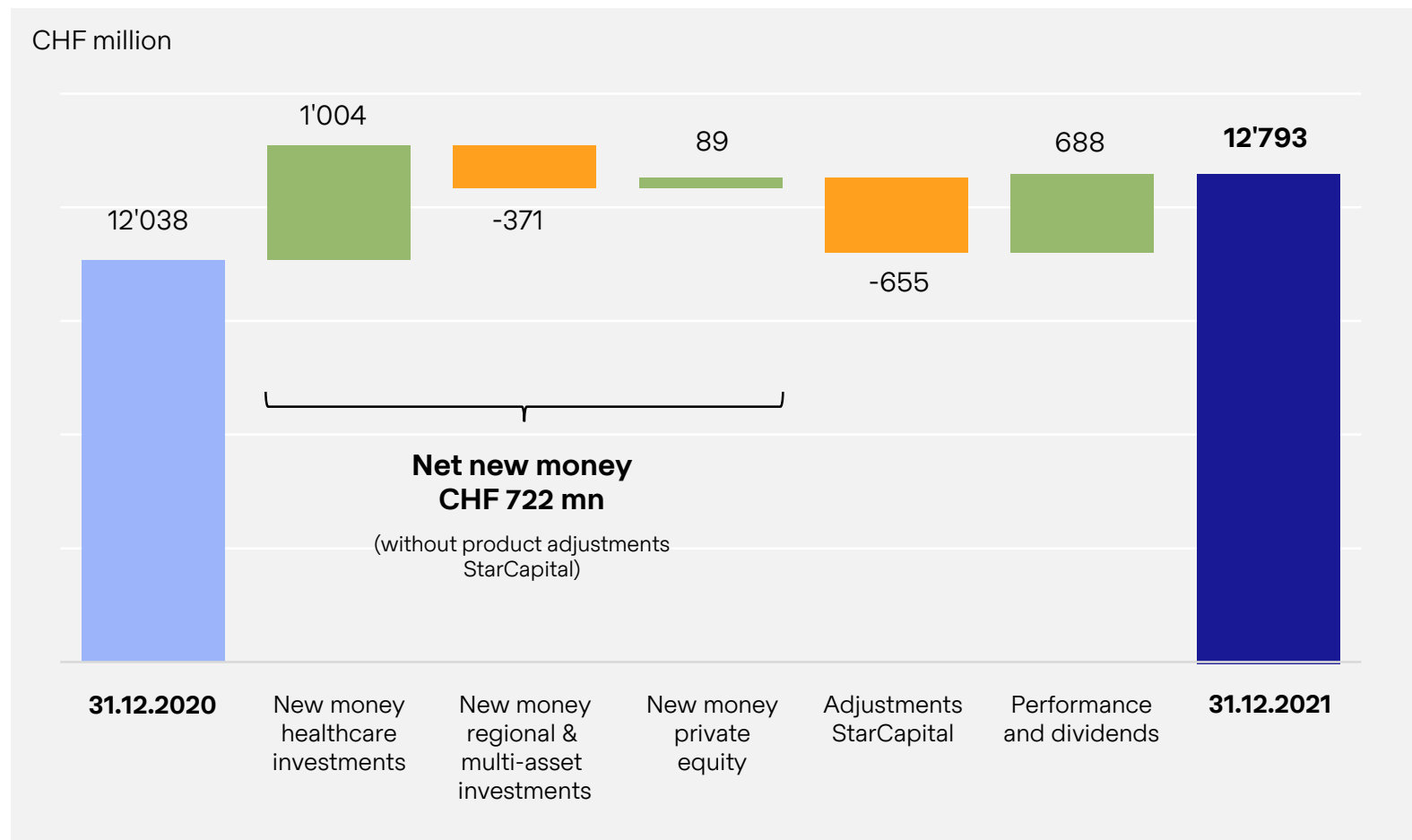


## After the mid-year all-time high, AUM growth receded

- An only slight year-on-year increase in AUM of about CHF 750 mn or 6.3% to CHF 12.8 bn
- After surging in H1, growth slowed in H2 2021 due to the overall market situation
- Long-term growth ambitions backed by tried and tested investment skills and product range
- Realignment of StarCapital's product portfolio concluded
- Alternative investment strategies (esp. direct equity investments) and production innovation our focus in 2022

# Growth in 2021 by product group

Development of AuM in 2021

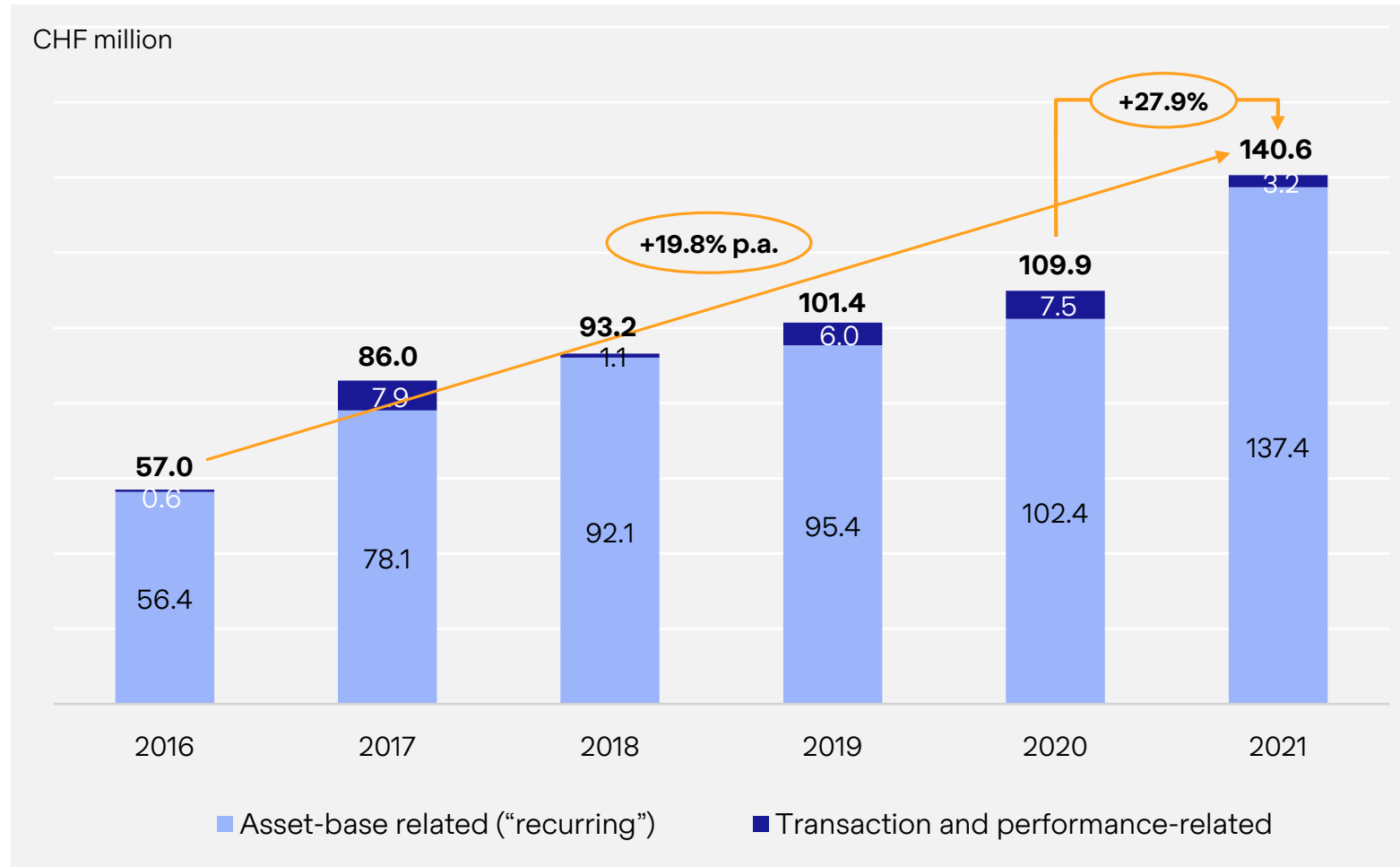


## Continued solid new money inflows in core business with attractive margins

- Net new money of CHF 722 mn (excl. SCAG product adjustments), mostly in H1 2021
- Promising developments in private market investments with further growth potential
- Discontinuation of undifferentiated investment strategies with low margins concluded with integration of StarCapital
- Overall well-balanced asset base, renewed margin improvement

# Further improvement in operating income, continued momentum

Breakdown of operating income, 2016 – 2021



## Operating income increases almost 28% to CHF 140 mn

- Above-average growth in asset-based income (+34%) thanks to high AuM growth in H1 2021
- Sustained earnings growth (almost 98% of earnings are recurring) reflected continuous increase in the AuM base with high quality
- Income from transaction and performance fees was a low CHF 3.2 mn, which leaves scope for future growth

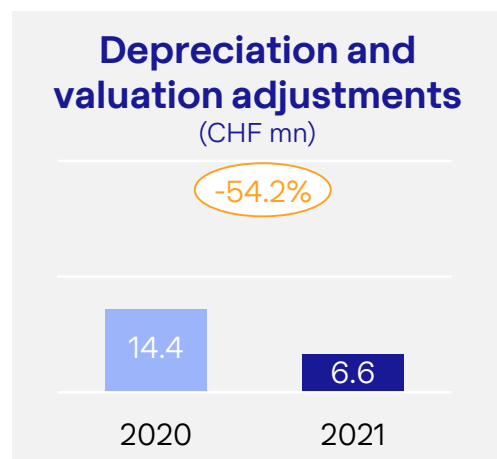
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## Results for Fiscal 2021

Michael Hutter, Group CFO

# Consolidated results

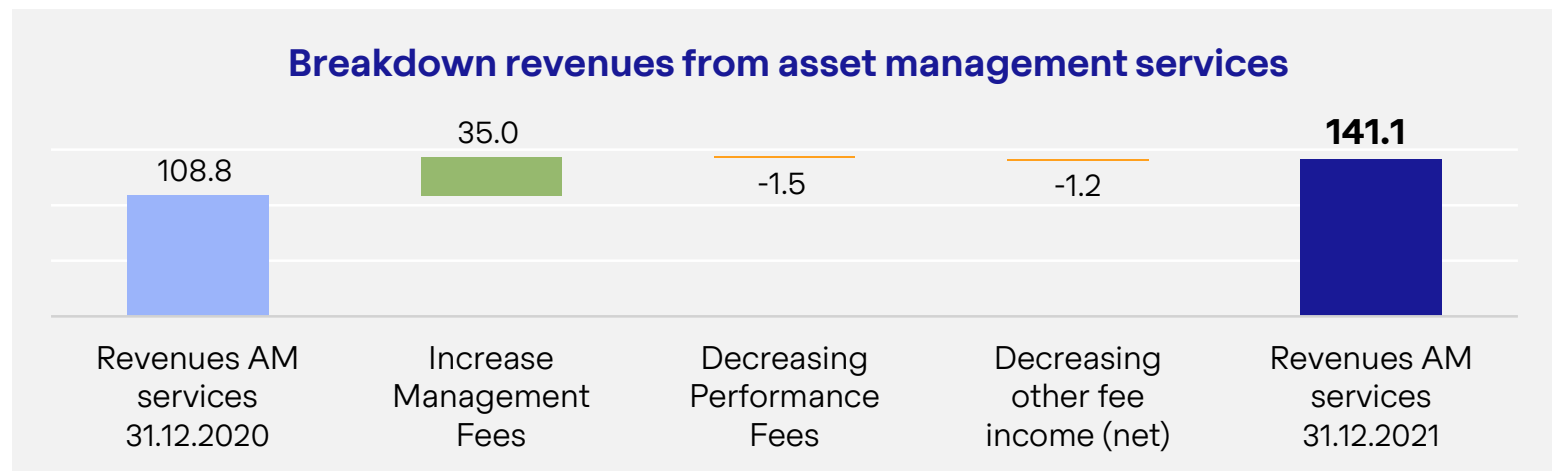
## Group net profit



- Total operating income increased almost 28%
- Operating expenses increased at a proportionally slower pace than operating income
- Operating profit up 30%
- Valuation adjustments of CHF 2.9 mn related to the deliberate discontinuation of low-margin mandates at StarCapital were already made in H1 2021
- Taxes increased as expected in tandem with the higher pretax profit
- Consolidated profit for the year nearly doubled

# Consolidated results

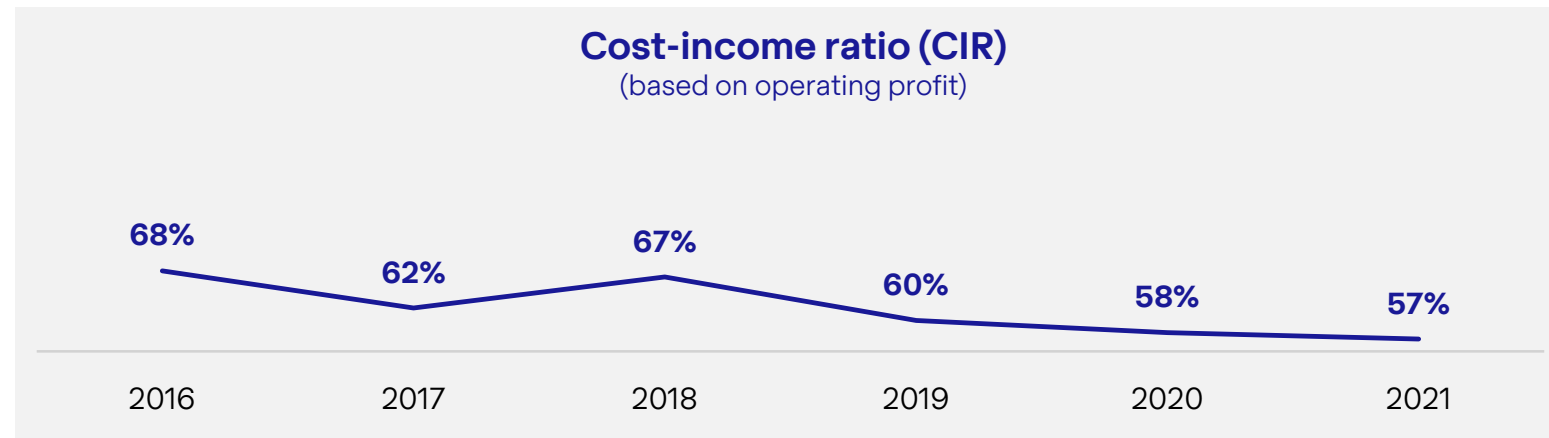
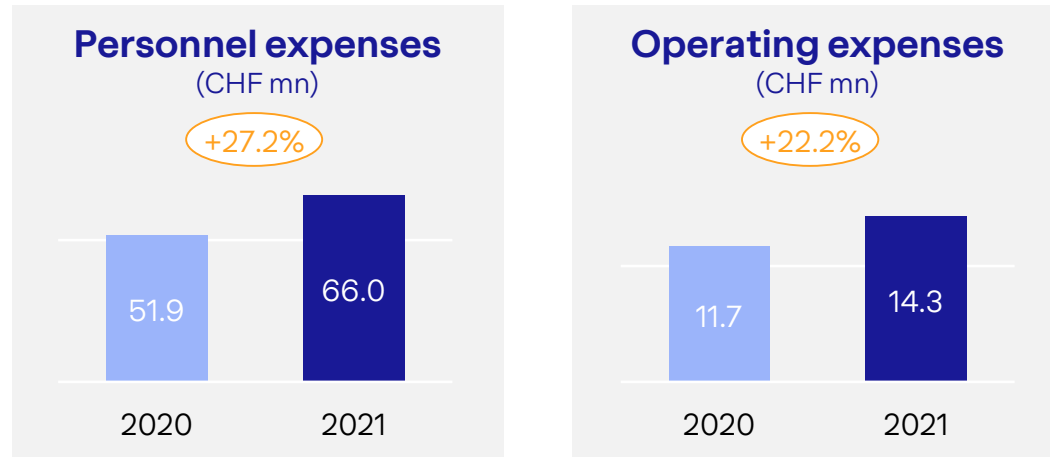
## Revenues from asset management services



- Management fees up nearly 35% thanks to higher average asset base with attractive margins
- Most of the performance fees in 2021 were from private equity products
- Other fee income (net) reflects transaction fees in the private equity business and other fees or commissions
- Sharply higher revenues from asset management services, up nearly 30%
- Growth buoyed by increase in management fees

# Consolidated results

## Operating expenses



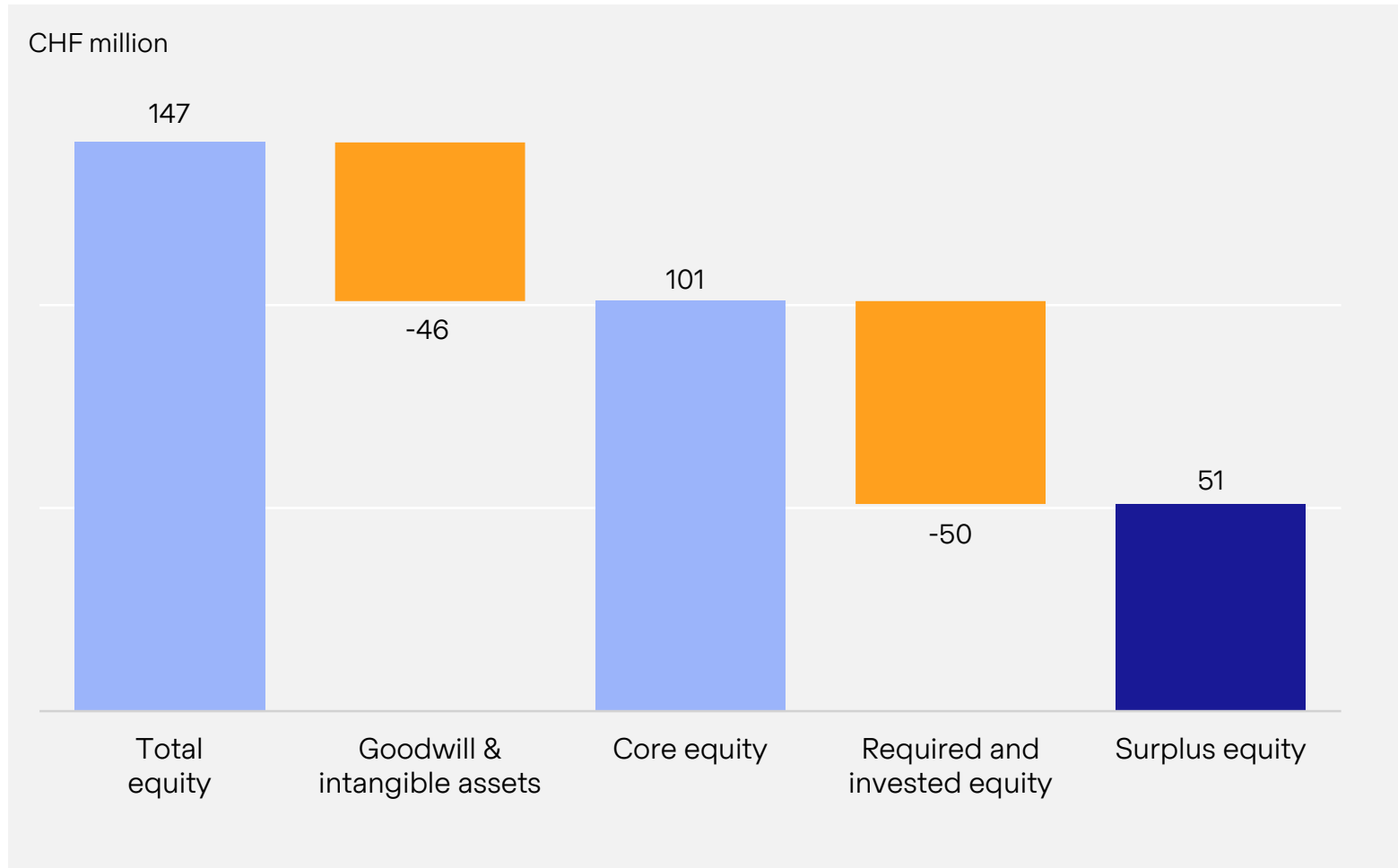
- Increase in personnel expenses mainly reflects higher performance-related pay in the wake of higher operating profits
- Infrastructure capex as well as higher marketing and PR spending versus prior year led to the increase in operating expenses

- Further improvement of the cost-income ratio to 57% due to significant improvement in profitability and proportionally slower cost growth
- CIR based on operating profit confirms the positive long-term decline
- Steady efficiency gains possible thanks to scalable business model



# Capital structure and management

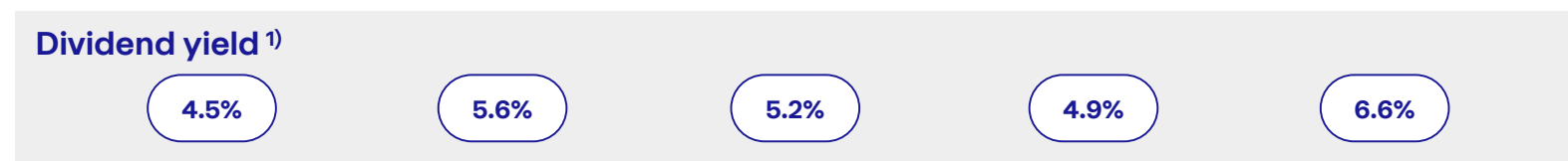
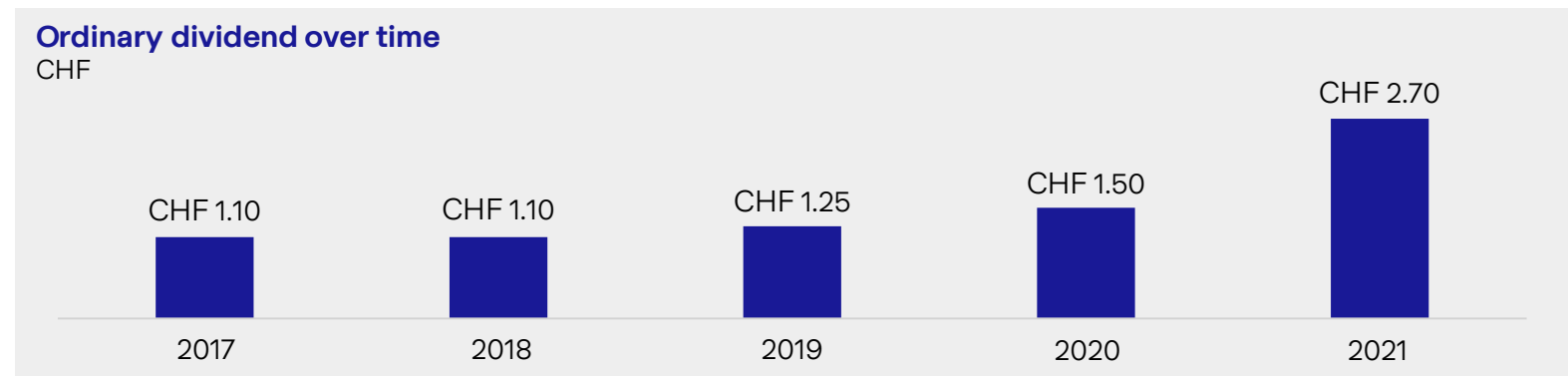
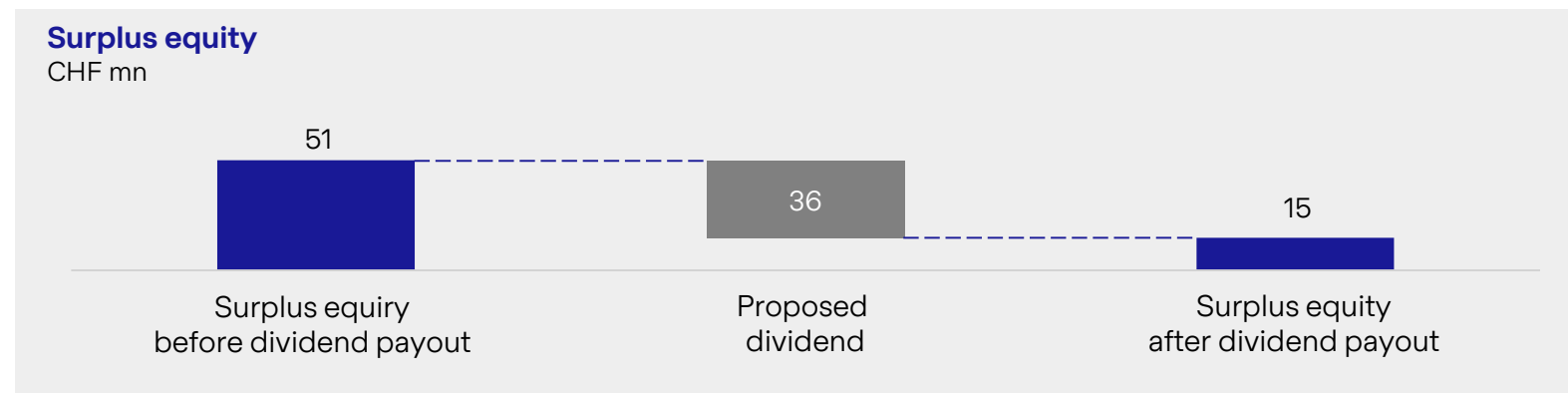
As at December 31, 2021 (consolidated)



- Equity capital remains solid thanks to sustained earnings power
- Reduction in goodwill & intangibles (prior year: CHF 51 mn), which reflects ordinary depreciation and valuation adjustments at StarCapital
- Required level of regulatory minimum capital as a pure asset manager is lower, enabling a very attractive return on equity
- Surplus equity of CHF 51 mn provide a sound cushion, ensuring attractive payouts and further growth
- Simple and debt-free balance sheet

# Attractive value creation for shareholders

Confidence in the business model is reflected in the dividend policy



1) Based on the ordinary dividend and closing share price at year-end  
Source: Bellevue Group, as at December 31, 2021

## Proposed total dividend of CHF 2.70 per share

- Ordinary dividend proposal of CHF 2.70, an increase of 80% reflects a significant boost in operating profits

## Shareholder-friendly dividend policy confirmed

- Steady earnings ensures stable funding of an attractive dividend policy over the long term
- Future dividends will continue to reflect consolidated bottom-line profit

# 3

## Business Update & Outlook

André Rüegg, Group CEO

# Bellevue a “pure play” asset manager

A clear mission statement

**As a specialty investment manager, we create attractive returns and performance for our clients and shareholders. We apply our expertise and competence to important issues of our times and are a responsible corporate citizen.**

**What sets us apart?**

**Our most valuable asset are our talented experts, who stand for team spirit, superior performance and a high level of continuity. The reliable quality of our work and strong innovation skills are the basic building blocks for creating solid value for our stakeholders.**

Our strong convictions in the investment decisions we make is why we also have a stake in our products – and thus in the success of the clients we serve.

**Creating value with specialty investments backed by expertise and innovation.**

**Independent – entrepreneurial – committed.**

# Bellevue – a “pure play” asset manager

Continued strengthening of strategic profile and positioning

## Focused & differentiated

- Pure-play, highly specialized asset manager
- Unique expertise
- Highly talented teams with strong track records
- Growth driven by quality and innovation

Business mode

“Purpose”

## Creating value & responsibility

- Competitive investment performance and reliable service quality for clients
- Attractive value creation for shareholders
- Corporate responsibility and engagement in important issues facing society



Excellence in Specialty Investments

## Robust and low-risk

- Focus on steady growth and earnings power
- A slim and strong balance sheet, zero debt
- Solid base of core shareholders
- Shareholder-friendly dividend policy and attractive return on equity

Financial profile

Culture

## Shaped by strong values

- Independent, efficient and entrepreneurial since 1993
- Strong financial commitment from management and staff – “we eat our own cooking”
- Trust and responsibility promote autonomy (“empowerment”) and unleash strong creative forces

# Our growth strategy

Growth = product quality + innovation + client momentum

## Strategic product directions

“Grow with the products”



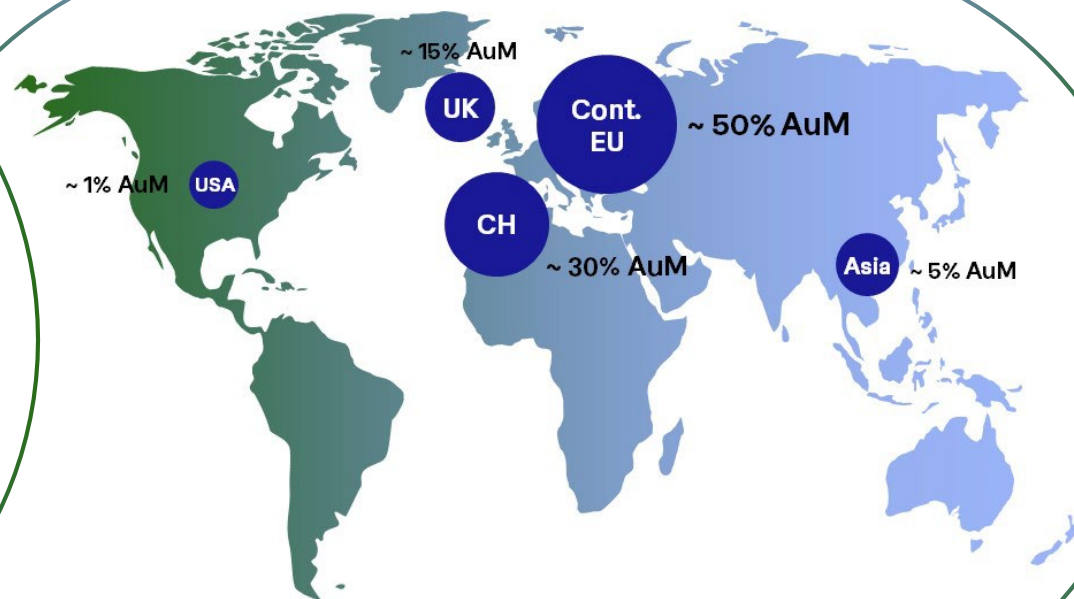
“Innovate”



“Renovate & clean up”



## Strategic market and client developments



AuM base 2021 = CHF 12.8 bn

Number of intermediary and institutional clients > 1'000

# Product development and innovation are growth drivers

Strategic priorities and developments 2021/22

## Strategic focal points

**“Grow with the products”**

**“Innovate”**

**“Renovate & clean up”**

## New developments 2021/22

- Broad-based range delivers high growth with existing products
  - 4 flagship products > CHF 1 bn
  - 3-4 other “blockbusters” could reach 1 bn mark
  - Further 5 strategies with AuM between CHF 250 mn and 1 bn
- Substantial scale effects/marginal profit – Hardly no capacity limits

- “Club Deals” for entrepreneurial investments in DACH arranged, enhanced
- “BB Entrepreneur Private KmGK” launched
- Implementation of “ESG integration” in all products
- Full pipeline of ideas for 2022/23

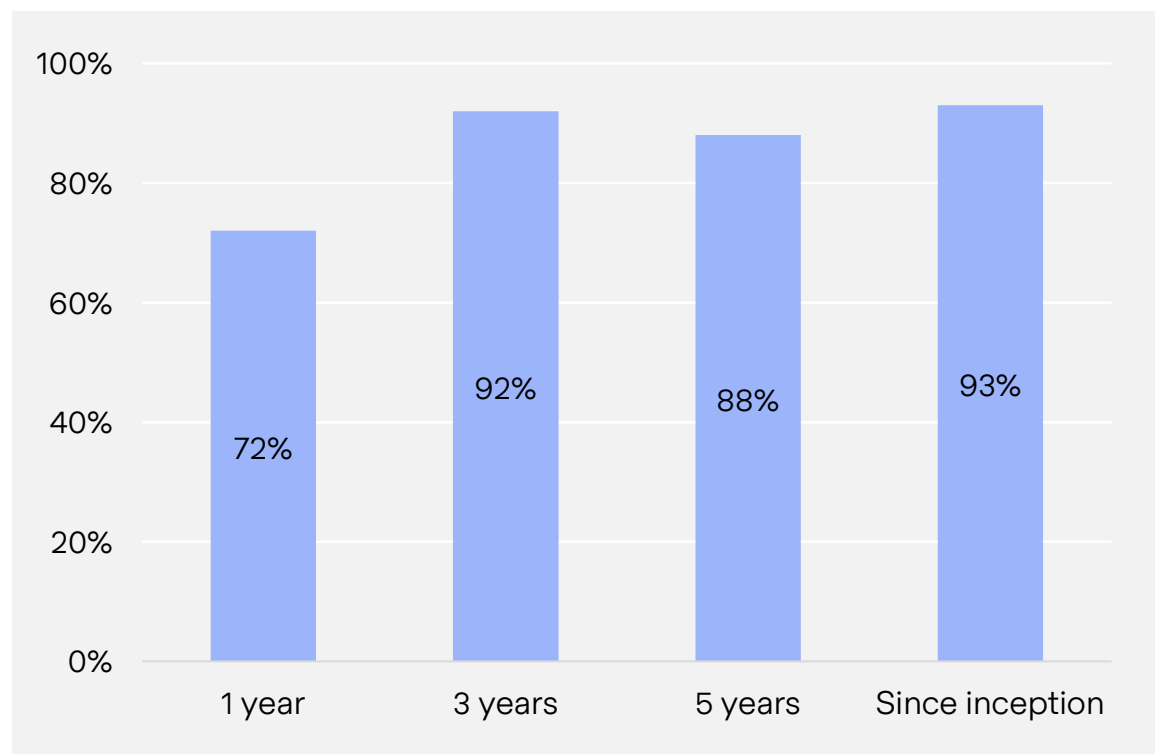
- Different products adjusted or amended
- Strategic product realignment at StarCapital largely completed – integration into Bellevue model proceeding as planned

# Attractive product offering and solid investment performance

High quality and continuity clear value drivers for Bellevue clients

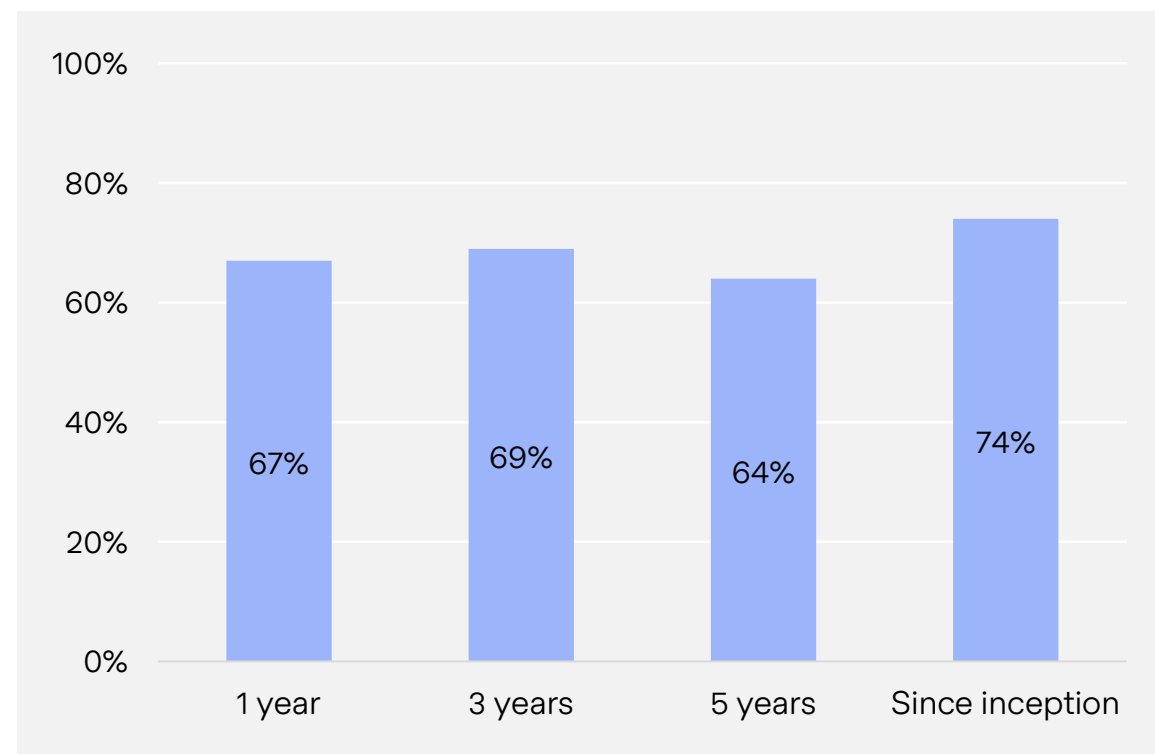
## Competitive performance of investment strategies

Percentage share of AuM<sup>1)</sup> in 1st and 2nd Lipper quartiles



## Value created for investors (“alpha”)

Percentage share of AuM that has outperformed<sup>2)</sup> the benchmark



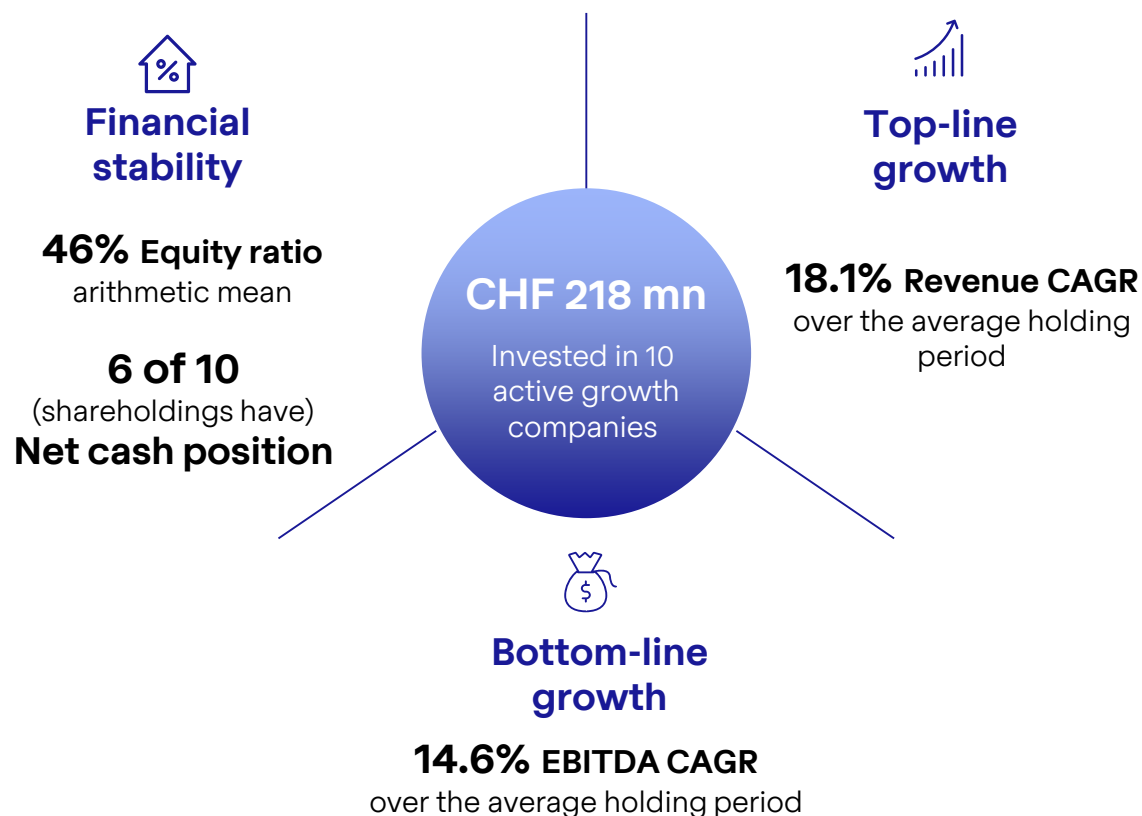
1) AuM comprises all Lux and CH funds, as well as BB Biotech AG and BB Healthcare Trust plc.  
2) Strategies without a benchmark were excluded from this analysis; outperformance net of fees



# New developments in private equity business

Successful Launch of BB Entrepreneur Private KmGK

## Solid development in direct investments



## Launch BB Entrepreneur Private 2021

### Strategy:

- **Swiss investment company** focused on growth
- **Equity investments in hidden champions in the SME segment:** Successful, owner-managed companies in the German-speaking DACH region
- **Opportunities outside the mainstream** thanks to proprietary network and deal sourcing

### Status:

- **Committed capital of CHF 55 mn has been raised** since February 2021
- **Diversified investor base:** Pension funds, (U)HNWI and banks
- **Final closing:** Anticipated in Q1 2022

### Other aspects:

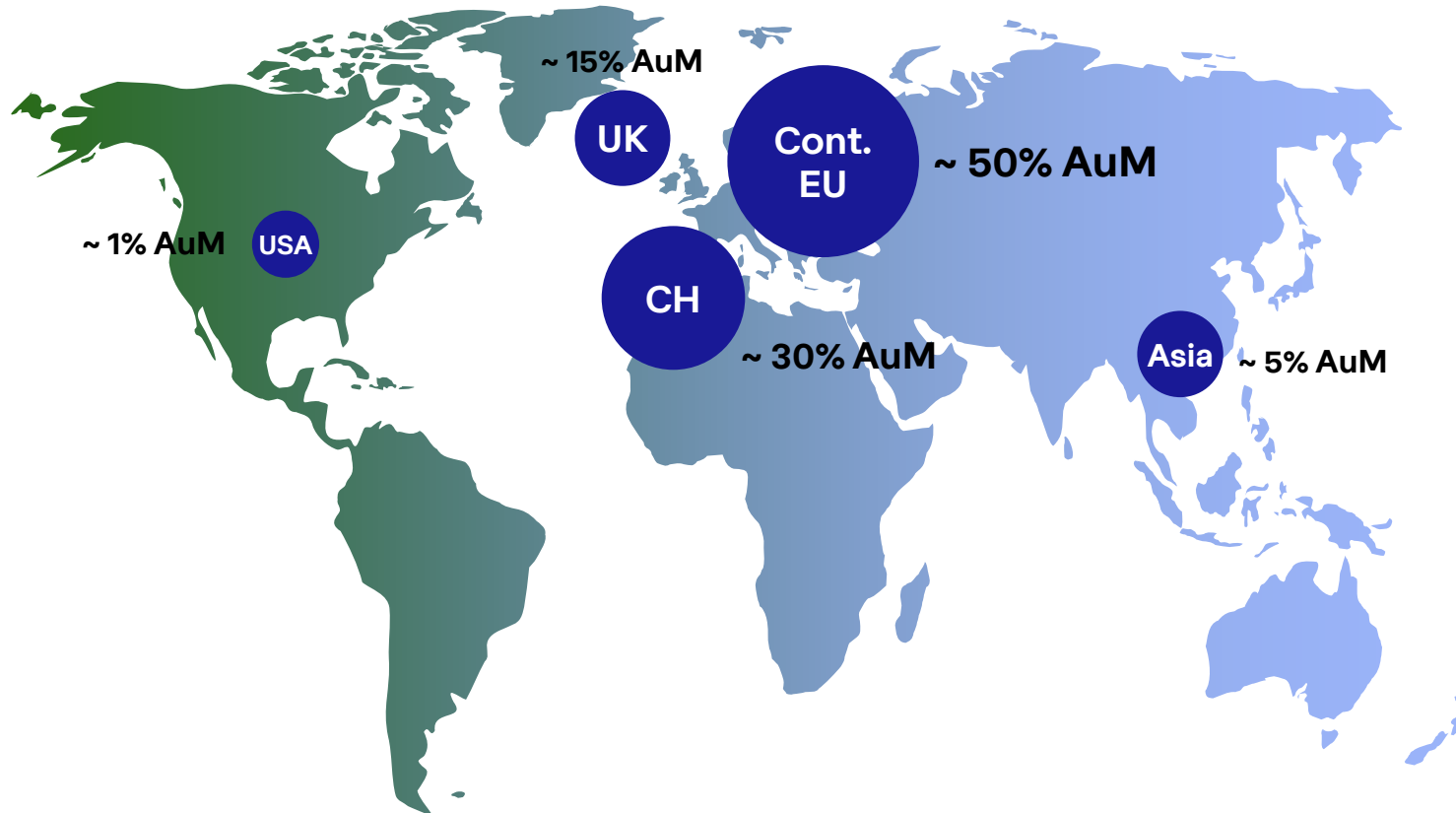
- **«We eat our own Cooking»** – Bellevue Group, its own pension fund and numerous employees are significantly invested
- **High visibility:** 35% of committed capital already invested

# Client and growth momentum

Client network continues to grow despite the lockdowns

**AuM base = CHF 12.8 bn**

Number of intermediary and institutional clients > 1'000



## Strong growth in “core markets” across all segments

- Switzerland, Germany, UK (local presence in country)
- Strong growth in demanding client segment (large banks, private banks, institutions) thanks to product size and maturity

## Good growth momentum in strategic niche markets

- Spain, Austria, Luxembourg
- Open up new markets: Italy, Israel and the Netherlands

## Growing momentum in Asian markets

- Singapore and Hong Kong, established as important “hubs”
- Selected expansion in a subset of non-traditional markets (including Chile and Peru) in progress

# ESG – Highlights 2021

Summary of corporate developments

## Climate strategy 2030

- Initial **carbon footprint** measurement
- **Compensation of CO2 emissions** through top-tier offsetting projects
- **Carbon emission reduction target: 30% reduction in carbon emissions per FTE by 2030**

## Materiality analysis ESG

- Identification of **material sustainability issues**
- Expectations/needs of **internal and external stakeholders taken into consideration**
- Basis for **business process management**

## Staff salary study

- **Group-wide** staff salary study
- Evaluation/Adjustment of **unjustifiable differences in salary**
- **No** gender pay gaps

## Sustainability Report

- **Sustainability reporting** integrated into 2021 Annual Report
- Climate strategy / **climate goals**
- Other environmental and social practices

## Product-based initiatives

- **Second dedicated ESG strategy** – Bellevue Sustainable Entrepreneur Europe Fund
- Classification of investment products **Art. 8 EU SFDR** “light green”) incl. BB Biotech AG
- Introduction of **proxy voting** (Broadridge, ISS Governance)

## UN PRI Report



- **Reporting complies with UN PRI** in 2021
- Standardized reporting of all ESG **measures within the investment process**
- Publication in the summer of 2022 (as soon as UN PRI available)



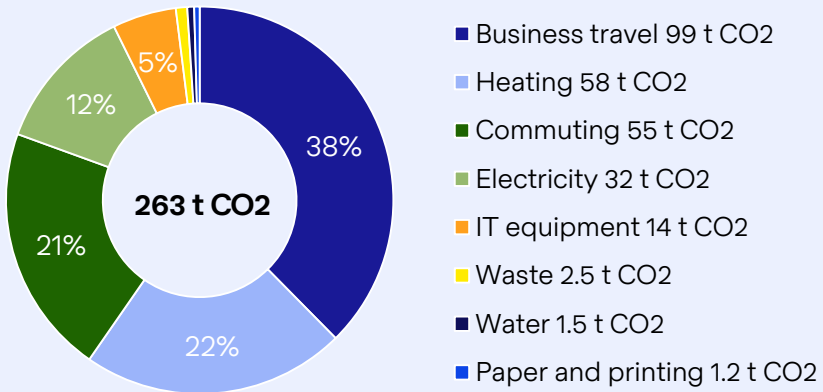
## Climate neutrality Bellevue Group 2021

Project with focus on “**climate protection and sustainable forestry in Switzerland**”. The project promotes carbon storage and the sustainable management of 7,279 hectares of forest in the canton of Schwyz. This protects the climate, preserves biodiversity in Swiss forests and enables the production of energy wood for clean energy purposes.

# Corporate ESG – environmental practices

Environmental measures integrated into company goals

## CO2 footprint Total emissions 2020 <sup>1)</sup>



Total emissions (in t CO2)	2020 <sup>1)</sup>
CO2 emissions Scope 1	32.3
CO2 emissions Scope 2	44.3
CO2 emissions Scope 3	186.4
Total CO2 emissions	262.9
CO2 emissions / FTE	2.7

<sup>1)</sup> Actual amount without adjusting for COVID19-related distortions; adjusted total 744 t CO2, of which business travel 505 t (68%) and commuting 130 t (17%)



### Transportation & Mobility

- **Public transport**, cycling (mass transit, showers) prioritized, no free parking
- **Video conferencing infrastructure** at all sites
- **Work from home** reduces commute time
- Traveling by train instead of by air
- **Concentration/coordination** of required air travel



### Energy consumption

- Use of **energy-efficient** equipment
- Use of **natural lake water** for air conditioning
- **Heating on demand**



### Waste management / recycling

- **Collection/recycling of materials** (cardboard, PET, glass, etc.)
- **Measures to reduce paper consumption** (iPads, Webex/Zoom, etc.)
- Standard printer settings



### Procurement process

- Use of **local suppliers** (materials, furnishings, food & beverages)
- **Environmental practices** of suppliers
- Use of **long-lasting/recyclable** materials

# Corporate ESG – social practices

Value for the client is created by employees



## Health/Wellness

- **Free gym** memberships for employees
- **Company sport groups** (running, stand up paddling, crossfit)
- **Healthy refreshments**
- Flu vaccinations



## Employee perks

- Reimbursement of **public transit passes**
- **Employee mobile devices**
- **Company events** (lunch BBQs, ski events, etc.)



## Diversity

- Balanced **gender & age** mix
- **28% women in the workforce**
- **15 nationalities\***



## Employee stock ownership plan

- Offered to **all levels of hierarchy**
- Payment in **own stock / fund units**, blocked for 4 years
- Compensation model based on commitment



## Talent

- Multi-stage, **participatory employee selection process** (assessment, 360 degree feedback model)
- **Talent development/training**
- High **identification**/motivation



## Workplace culture

- Flat hierarchy, **high levels of self-responsibility**
- **Flexible work arrangements**, remote work
- **Multilingual**
- Stimulating work/learning environment



\* incl. dual nationality

# ESG at product level

ESG integration across all investment strategies – dedicated bespoke ESG strategies

## Dedicated ESG strategies (Art 8 EU SFDR)

- Tailored to specific client needs
- Internationally recognized ESG labels
- Independent certification by external ESG consultants

## ESG integrated strategies (Art 8 EU SFDR)

- Compliant with global standards and norms (UN GC, UN GPBHR, ILO Standards)
- Norms-based exclusions (controversial weapons, thermal coal, tobacco, etc.)
- Evaluation of ESG-specific risks before every investment decision
- Measurement and disclosure of ESG-specific portfolio information
- ESG engagement and active use of voting rights from portfolio companies

- **Bellevue** Healthcare Strategy<sup>(LUX)</sup>
- **Bellevue** Medtech & Services<sup>(LUX)</sup>
- **Bellevue** Digital Health<sup>(LUX)</sup>
- **Bellevue** Biotech<sup>(LUX)</sup>
- **Bellevue** Asia Pacific Healthcare<sup>(LUX)</sup>
- **Bellevue** Emerging Markets Healthcare<sup>(LUX)</sup>

- **Bellevue** Entrepreneur Europe Small<sup>(LUX)</sup>
- **Bellevue** Entrepreneur Swiss Small & Mid<sup>(LUX)</sup>
- **Bellevue** Entrepreneur Switzerland<sup>(CH)</sup>
- **Bellevue** African Opportunities<sup>(LUX)</sup>
- **StarCapital** Equity Value Plus

- **Bellevue** Global Income<sup>(LUX)</sup>
- **StarCapital** Dynamic Bonds
- **StarCapital** Premium Bonds Plus<sup>1) 2)</sup>

- **BB Biotech**
- **Bellevue** Healthcare Trust

- **Bellevue** Global Macro<sup>(LUX)</sup>
- **StarCapital** Multi Income
- **StarCapital** Strategy 1
- **StarCapital** Option Premium<sup>1)</sup>

**Bellevue** Sustainable Healthcare<sup>(LUX)</sup>




**Bellevue** Sustainable Entrepreneur Europe<sup>(LUX)</sup>




1) Since 1.1.2022 Art. 8 EU SFDR, previously Art. 6 EU SFDR

2) Until 31.12.2021 StarCapital Bond Value

# Ongoing evolution of German operations – integration of StarCapital

Strategic goals and measures

## Goals

- Strengthen our profile and our operations in this strategic target market by pooling existing resources and units
- Generate more value for the entire Bellevue Group from its presence in Germany

## Establishment and development of a uniform platform

- “**one company**”: StarCapital and Bellevue Asset Management (Deutschland) are now one company, one organization and one team
- “**one licence**”: One licence under Germany's securities law, section 15 WpIG (formerly licensed under section 32 of the German Banking Act)
- “**one brand**”: Future expansion will be under the Bellevue brand (“StarCapital” brand retired)
- “**one purpose**”: Business model and objective blended into a unified whole and strengthened
  - Distribution and CRM for all Group-wide products organized under the “Bellevue” brand (incl. evaluation and renaming of StarCapital products)
  - Placement and investment management of institutional mandates and special funds for the German market
  - Local portfolio management for selected products/mandates backed by the Bellevue Group’s investment management capabilities
- “**one location**”: A new central country office to be established in the city of Frankfurt

# Outlook 2022

Brief market correction has an obvious impact – strong position enables solid performance nevertheless

## **Attractive business model with considerable dependency on stock market**

- Market-related setback in H2 2021 – challenges remain early in 2022
- Still no alternative to equities due to structural capital market developments
- However, signs of overheating and recent geopolitical developments call for caution

## **A solid business Base with a clear growth strategy**

- Earnings growth slowed in the short term due to market situation
- High quality and continuity of product portfolio nevertheless bode well for new client pipeline
- Good growth outlook thanks to ongoing optimization efforts and intensified product innovation and market development activities

## **Strong financial footing**

- Operating income flows are of high quality and reliability (high share of recurring revenue flows)
- High scalable business model with a simple and debt-free balance sheet
- Strong equity base permits further value creation and attractive payouts for shareholders



# Outlook 2022: Clouded in the short term due to market developments

Adherence to long-term goals

## 1 Assets under management (AuM)

- Steady expansion of business base targeted, but depends on the capital market
- Organic new money growth in a range of 5-10% p.a.

## 2 Profitable top-line growth

- Asset-based revenues with higher margin quality and long-term growth of 7-10% p.a.
- Performance- and transaction-based revenues round out revenue mix

## 3 Cost/income ratio (CIR)

- Short-term target range of 60-65% (adjusted, i.e. excl. non-recurring items)
- Medium-term target range of <60%

## 4 Operating profit

- Proportionally faster growth thanks to economies of scale in business model
- Stable and strong operating profits ensure steady dividend policy

## 5 Return on equity

- Continuation of shareholder-friendly dividend policy
- Attractive return on equity of >20%, thanks to strict capital management

## 6 Performance quality

- Vaste majority of assets under management beat their benchmark
- Predominant percentage of assets under management are in 1<sup>st</sup> and 2<sup>nd</sup> performance quartile

# 4

## Questions & Answers

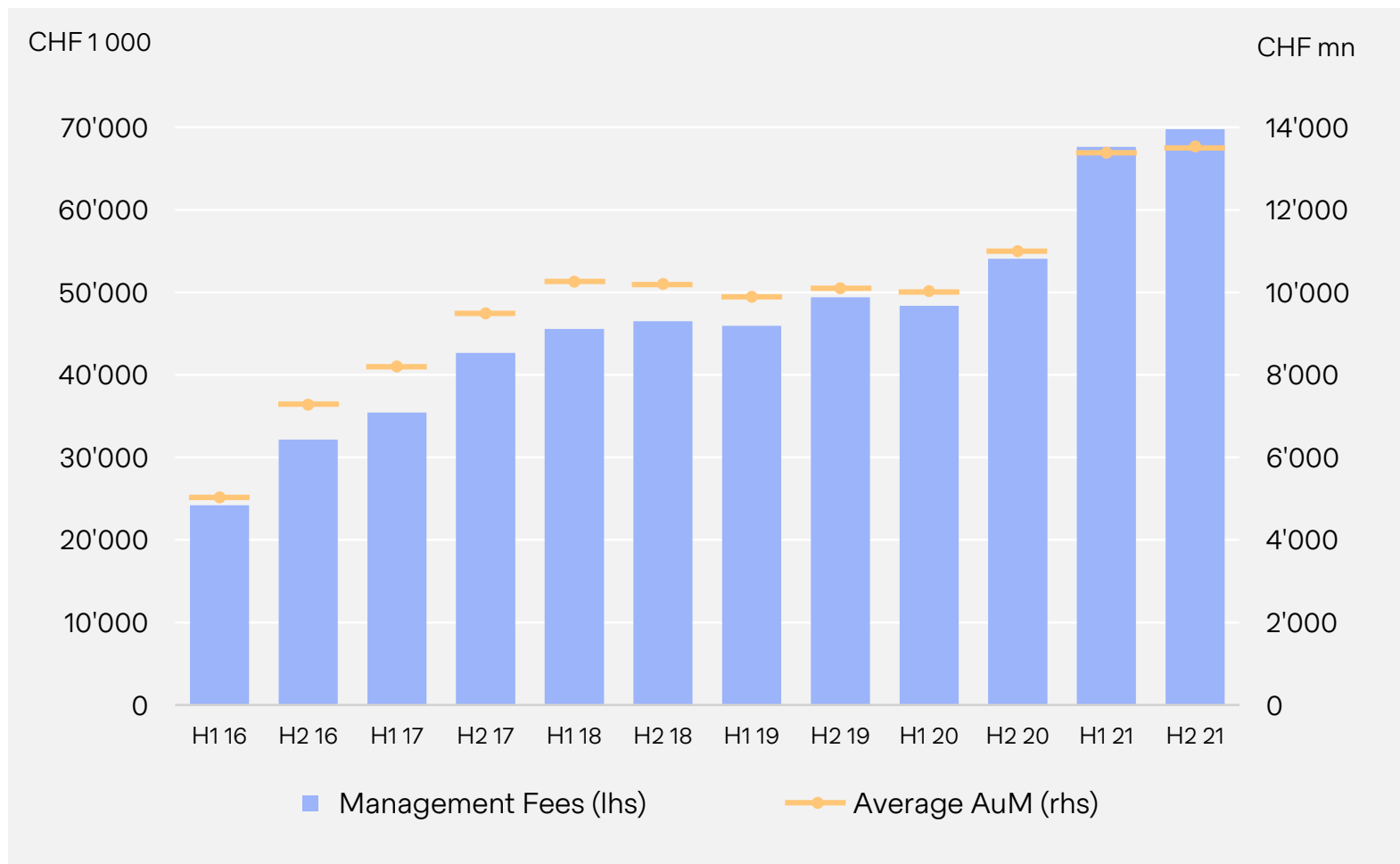
A large, white, sans-serif capital letter 'A' is centered on a dark green background. The letter is the primary focus of the left side of the slide.

Appendix

# Additional details of fiscal results 2021

# Significantly stronger earnings power

Management fees and average AuM, H1 2016 – H2 2021



## Asset-based income is the primary focus of the business model

- Very high percentage of income is recurring in nature: Management fees account for approx. 98% of total income
- Business model clearly dependent on general stock market environment – brief hits to earnings are possible
- Management fees are calculated using average AuM, which “smooths out” periods of high volatility in capital markets
- Ongoing adjustment of the product mix led to a further improvement in margin quality in the period under review
- In sum, sustained earnings power with growth potential

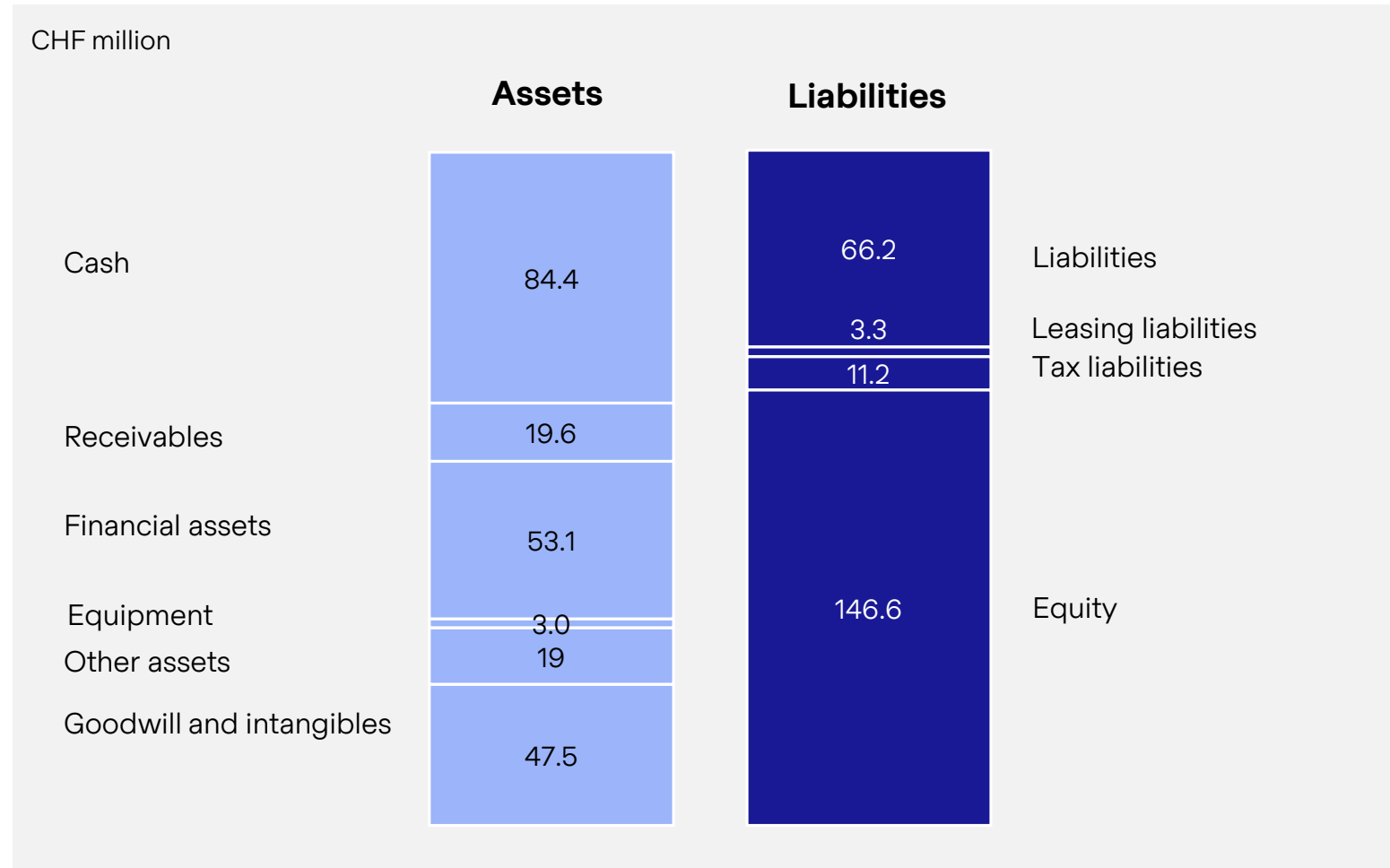
# Consolidated financial statements

## Consolidated income statement

CHF 1,000	1.1.-31.12.2021	1.1.-31.12.2020	Change
Revenues from asset management services	141 096	108 819	+ 32 277
Income from financial investments	- 832	1 071	- 1 903
Net other income	354	- 39	+ 393
<b>Operating income</b>	<b>140 618</b>	<b>109 851</b>	<b>+ 30 767</b>
Personal expenses	- 66 045	- 51 894	- 14 151
Other operating expenses	- 14 344	- 11 705	- 2 639
Depreciation and amortization	- 3 751	- 4 777	+ 1 026
Valuation adjustments	- 2 888	- 9 578	+ 6 690
<b>Operating expenses</b>	<b>- 87 028</b>	<b>- 77 954</b>	<b>- 9 074</b>
Taxes	- 10 527	- 8 875	- 1 652
<b>Group net profit (continuing operations)</b>	<b>43 063</b>	<b>23 022</b>	<b>+ 20 041</b>
Group net profit from discontinued operations (net of tax)	-	- 718	+ 718
<b>Group net profit</b>	<b>43 063</b>	<b>22 304</b>	<b>+ 20 759</b>

# Consolidated financial statements

## Consolidated balance sheet



- Asset mix is as follows:
  - CHF 158.2 mn current
  - CHF 68.5 mn non-current
- Liability mix is divided as follows:
  - CHF 58.0 mn current
  - CHF 22.0 mn non-current
- Debt-free balance sheet
- Equity base is slim and strong

# Consolidated financial statements

## Alternative Performance Indicators

CHF 1,000	1.1.-31.12.2021	1.1.-31.12.2020	Change
<b>Operating income</b>	<b>140 618</b>	<b>109 851</b>	<b>+ 30 767</b>
Personnel expenses	- 66 045	- 51 894	- 14 151
Other operating expenses	- 14 344	- 11 705	- 2 639
<b>Operating expenses</b>	<b>- 80 389</b>	<b>- 63 599</b>	<b>- 16 790</b>
<b>Operating profit</b> (continuing operations)	<b>60 229</b>	<b>46 252</b>	<b>+ 13 977</b>
Depreciation and amortization	- 3 751	- 4 777	+ 1 026
Valuation adjustments	- 2 888	- 9 578	+ 6 690
<b>Group profit before tax</b> (continuing operations)	<b>53 590</b>	<b>31 897</b>	<b>+ 21 693</b>
Taxes	- 10 527	- 8 875	- 1 652
<b>Group net profit</b> (continuing operations)	<b>43 063</b>	<b>23 022</b>	<b>+ 20 041</b>
Group net profit from discontinued operations (net of tax)	-	- 718	+ 718
<b>Group net profit</b>	<b>43 063</b>	<b>22 304</b>	<b>+ 20 759</b>



# Consolidated financial statements

Key figures (1/2)

	1.1.-31.12.2021	1.1.-31.12.2020	Change
<b>Consolidate income statement</b>			
Cost/Income ratio	57.2%	57.9%	-
Earnings per share (in CHF)	3.24	1.67	+ 94.0%
	31.12.2021	31.12.2020	Change
<b>Asset under management (in CHF million)</b>			
Total managed assets	12 793	12 038	+ 6.3%
Net new money	67	377	- 82.2%
<b>Consolidate balance sheet (in CHF 1 000)</b>			
Total assets	226 622	235 564	- 3.8%
Total liabilities	80 032	69 748	+ 14.7%
Total equity	146 590	165 816	- 11.6%
Equity per share (in CHF)	10.89	12.32	- 11.6%
Return on equity	38.6%	21.7%	-

# Consolidated financial statements

Key figures (2/2)

	31.12.2021	31.12.2020	Change
<b>Dividend</b>			
Ordinary dividend per share (in CHF)	2.70	1.50	+ 80.0%
Special dividend per share (in CHF)	-	2.50	- 100.0%
Dividend yield (excl. special dividend)	6.6%	4.9%	-
<b>Staff (FTEs)</b>			
Number of staff (at cutoff date)	91.4	98.7	- 7.4%
<b>Share price</b>			
Closing price, Bellevue Group registered shares (in CHF)	41.20	30.80	+ 33.8%
High / Low (in CHF, 1.1. to 31.12.)	30.40 / 45.60	19.70 / 31.00	-
Market capitalization (in CHF million)	555	415	+ 33.8%

# Steady value creation for shareholders over the long-term

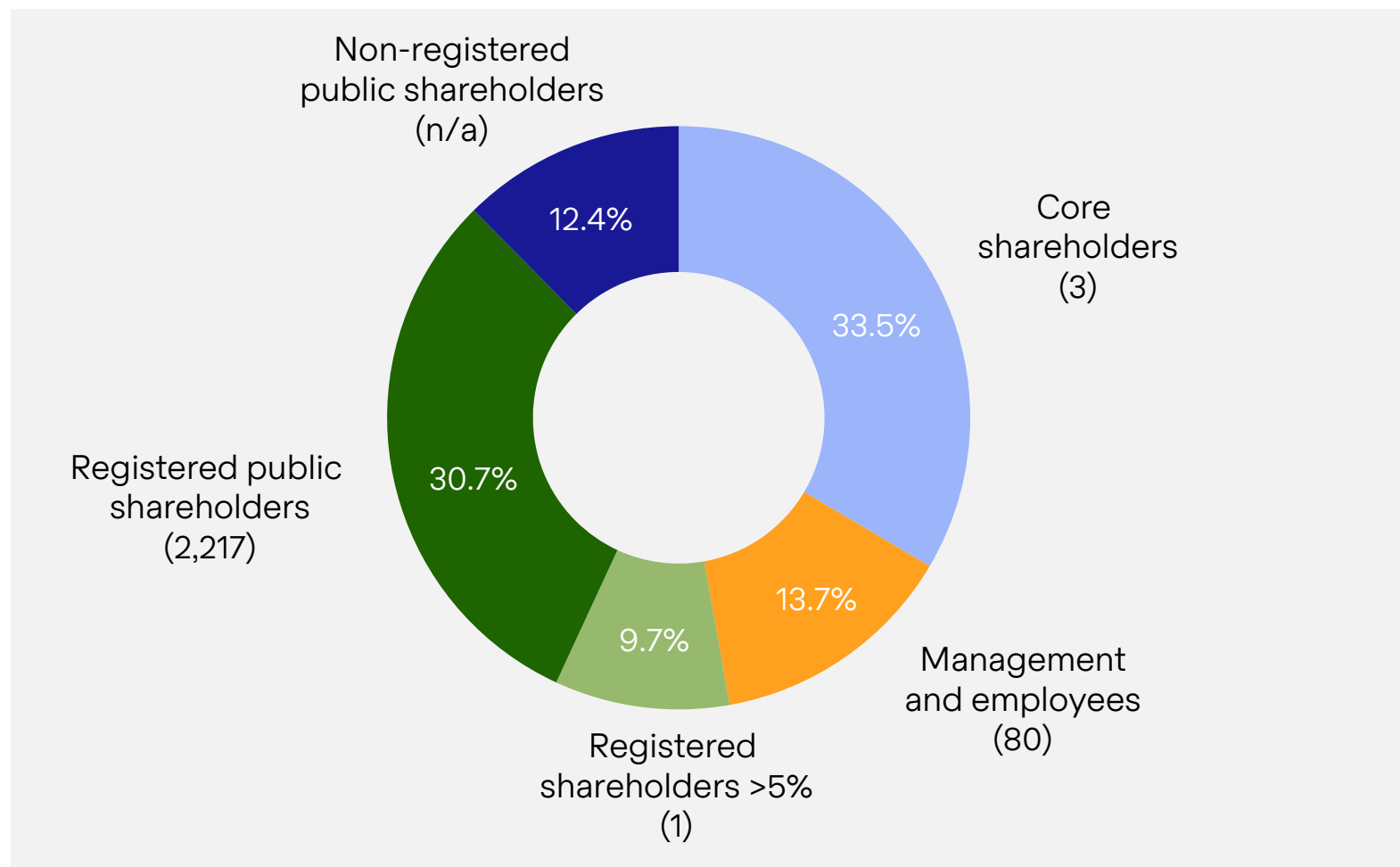
Comparison of key figures 2016 – 2021

	2016*		△		2021
<b>Client assets</b>	CHF 10.6 bn	+	21% (3.8% p.a.)	=	CHF 12.8 bn
<b>Total operating income</b>	CHF 72.0 mn	+	95% (14.3% p.a.)	=	CHF 140.6 mn
<b>Operating profit</b>	CHF 14.3 mn	+	321% (33.3% p.a.)	=	CHF 60.2 mn
<b>Scale effects &amp; efficiency</b>	<ul style="list-style-type: none"> <li>FTE</li> <li>AuM/FTE</li> <li>EBTDA/FTE</li> <li>CiR</li> </ul>	111 CHF 95.2 mn CHF 128,500 79.9%	-17.9% +47.0% +412.6% -22.7 pt.		91 CHF 140.0 mn CHF 658,600 57.2%

\* Figures incl. Bank am Bellevue

# Shareholder base

Structure of the shareholder base as of December 31, 2021



## Attractive value creation leads to stable shareholder base

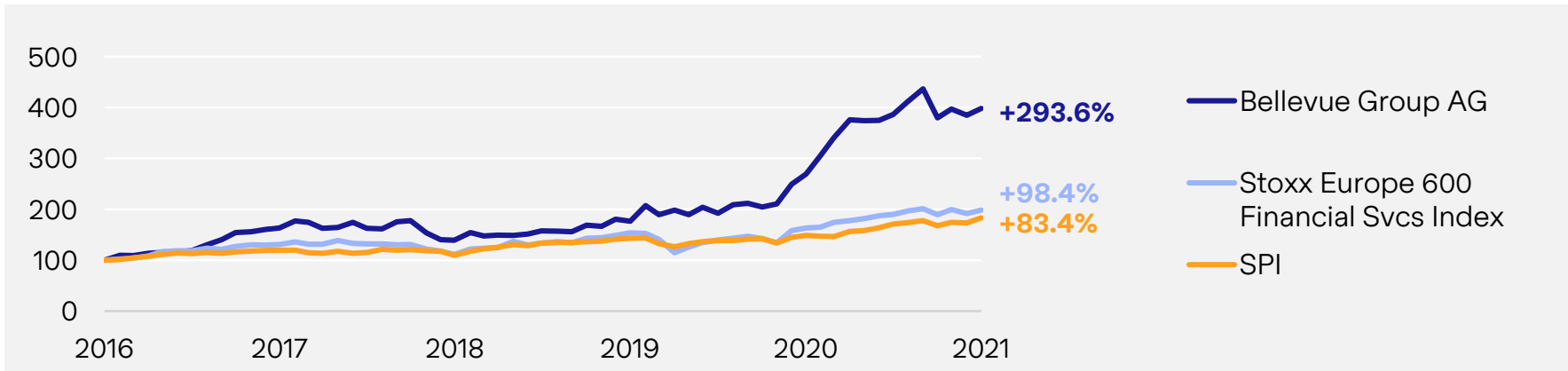
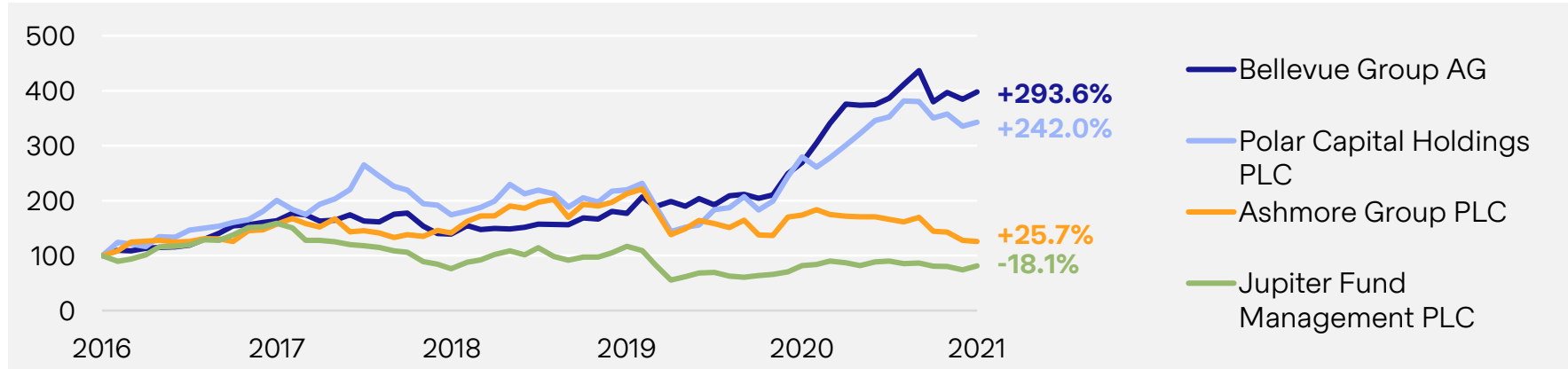
- Strong commitment of core shareholders
- Substantial increase in management/employee shareholders (31.12.2020: 12.6%)
- Hansjörg Wyss, a long-term oriented shareholder (9.7%) won in 2020
- Very transparent shareholder base: >87% registered (2,301 shareholders)
- Shareholder-friendly dividend policy unchanged, strengthening sense of continuity

# Bellevue Group shares (BBN SW)

Pleasing performance compared to relevant indexes and other asset managers

## Total return in CHF (5 years)

Indexed to 100 (in %)



Market capitalization as of 30.12.2021

**CHF 555 mn**

Dividend for 2021

**CHF 2.70**

Dividend yield as of 31.12.2021

**6.6% <sup>1)</sup>**

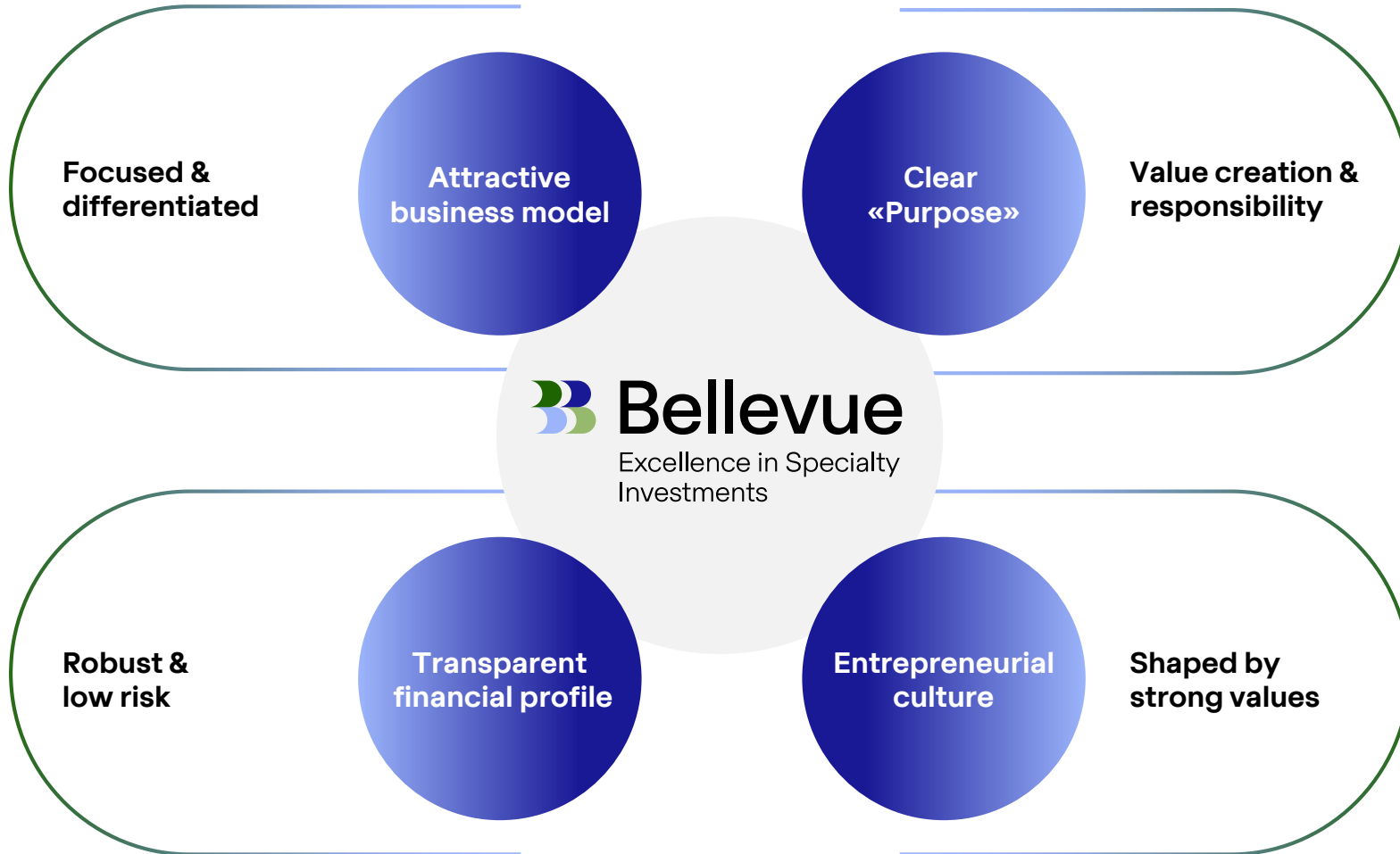
1) Based on ordinary dividend of CHF 2.70 and share price on December 31, 2021

Source: Bloomberg, Bellevue Group, as at December 31, 2021

# Business profile & strategy

# Bellevue – a “pure play” asset manager

Differentiated strategic company profile with clear positioning



Established

**1993**

Credo

**“We eat our own cooking”**

Market cap.

**CHF 555 mn**

Number of employees (in FTE)

**91**

AuM

**CHF 12.8 bn**

Shareholders' equity

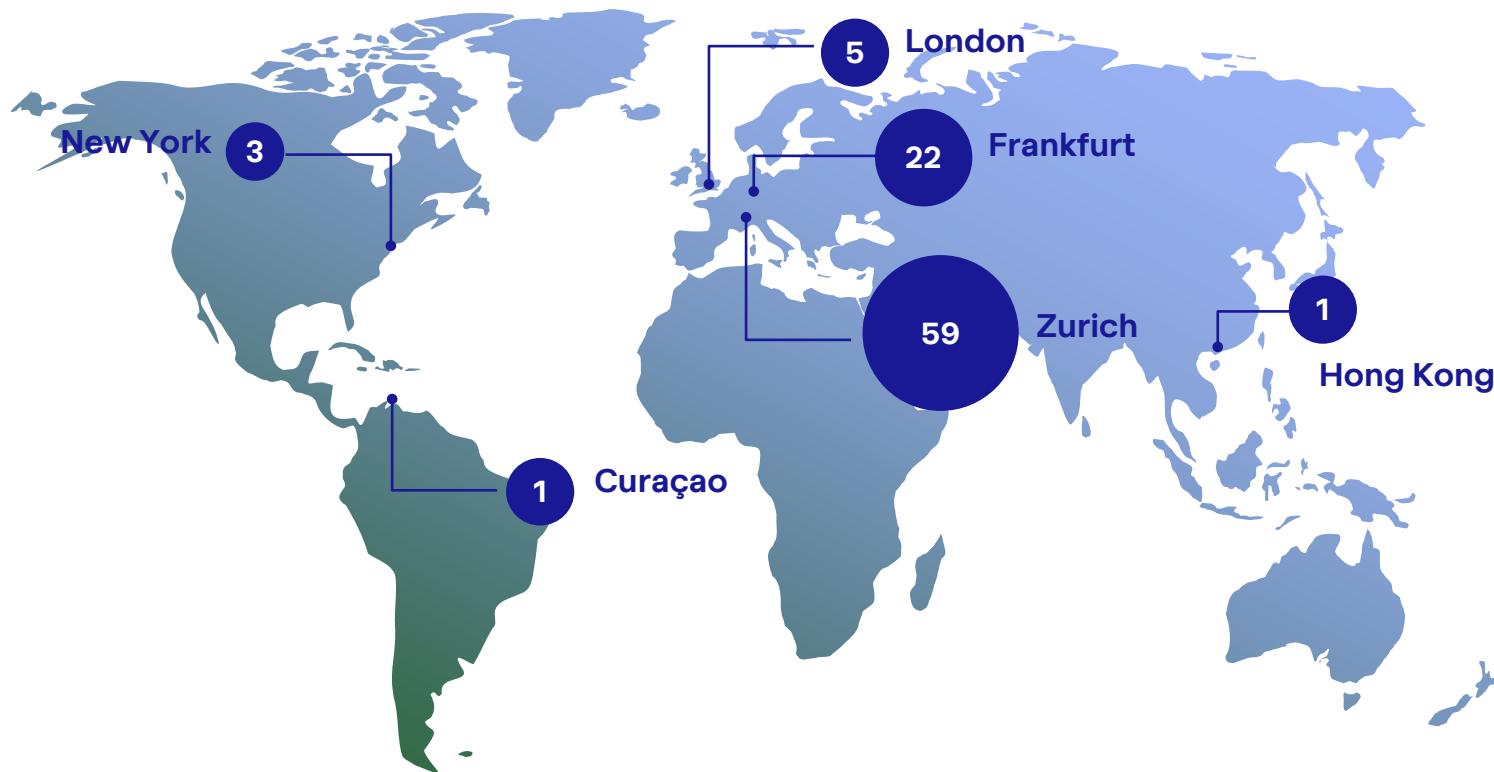
**CHF 147 mn**

Shares held by anchor shareholders & employees

**47.2%**

# International reach, locally anchored

Ongoing development of international business reach with a strong corporate culture



## High workforce stability and quality

- Constantly growing talent pool
- Very low voluntary turnover rate
- Strong commitment from key individuals and talents at all units

## On a growth track

- Ongoing expansion of international presence in Zurich, London and Frankfurt, growing talent pool
- International presence enhances distribution capacity

## International market access

- Asset management licenses in 3 key markets: Switzerland, Germany/EU, UK
- Broad product range with clearly defined standards, easily transplanted across international borders



# Attractive offering with clearly differentiated investment expertise

Good balance between “specialty” and “diversification” – for investors and shareholders!



## Investment companies

- Biotech
- Healthcare Global

## Investment funds

- Biotech
- Medtech & Services
- Digital Health
- Asia / Emerging markets
- Healthcare Global
- ESG strategies

## Mandates

- Custom fund mandates
- Institutional mandates

**AuM CHF 10.9 bn**



## Private equity funds

- Biotech ventures funds
- Entrepreneur Private funds

## Private equity investments

- Private equity direct investments

## Absolute Return strategies

- Global Macro (alternative UCITS)

## Mandates

- Custom fund mandates
- Institutional mandates

**AuM CHF 0.8 bn**



## Specialized growth strategies

- Entrepreneur strategies Switzerland and Europe (incl. ESG strategies)
- Frontier markets (Global and Africa)

## Defensive investment strategies

- Global value strategies

## Fixed income & Multi-asset strategies

- Global fixed income strat. (unconstrained)
- Defensive / dynamic multi-asset strategies

## Mandates

- Custom fund mandates
- Institutional mandates

**AuM CHF 1.1 bn**

# Business model and positioning enable more growth

Our growth drivers

## Growth drivers



### Market performance



### New money growth



### Acquisitions

Positioning & strengths

Basic thoughts & priorities

- Structural **growth themes** with solid fundamentals
- **Diversification** in quality, fixed income and multi-asset strategies
- **Market hedge** with uncorrelated strategies (alternative investments)
- Early identification / implementation of **attractive investment themes** («ideas»)

- **Further diversification:**
  - Defensive strategies
  - Absolute return
  - Private market investments



- High level of **attractiveness and innovation** across the product range
- Competitive **performance and service quality** with long-term track records
- High level of investor trust thanks to **stability and continuity**
- Steadily growing **distribution and client network**
- Ability to penetrate **new markets**

- **Product innovation** / create new «ideas»
- Strong **focus on quality**
- New **growth markets**



- Proven **experience and record of success** (five transactions successfully completed)
- **Financial means** available (capital reserves)
- **Clear strategic priorities:**
  - Strengthen AuM base
  - Strengthen expertise
  - Complementary add-ons
- Highly **selective** approach

- Clear focus on **smaller (team) deals** (complementary or reinforcing)
- Weigh up manageable **risks** and accept them



# Clear commitment to sustainability at corporate and portfolio level

Committed to sustainable investing and business practices – UN PRI signatory

## Corporate values

“Bellevue is committed to sustainable, responsible and values-driven business practices<sup>1</sup>”

Signatory of:



### Corporate Level

ESG Policy Bellevue Group

#### Corporate ESG Policy Bellevue Group

##### Environment



##### Social



##### Governance



#### Climate strategy Bellevue Group



- Initial measurement of carbon footprint (2020)
- Compensation of CO2 emissions through top-tier offsetting projects (from 2020 on)
- Development of operational CO2 management processes (measures, monitoring, controlling)
- Sustainability reporting in the annual report

**Carbon emission reduction target:  
30% reduction in carbon emissions per FTE by 2030**

### Investment Portfolio Level

ESG Investment Policy Bellevue Asset Management



#### Dedicated ESG strategies

- Launch of dedicated ESG strategies tailored to specific client needs
- Based on internationally recognized ESG standards / labels
- Independent certification by external ESG consultants

**Bellevue**  
Sustainable Healthcare<sup>(LUX)</sup>

**Bellevue**  
Sustainable Entrepreneur Europe<sup>(LUX)</sup>



#### ESG integration

- Compliant with global standards and norms (UN GC, UN GPBHR, ILO Standards)<sup>1</sup>
- Norms-based exclusions (controversial weapons, thermal coal, tobacco, etc.)
- Evaluation of ESG-specific risks before every investment decision
- Measurement and disclosure of ESG-specific portfolio information
- ESG engagement and active use of voting rights from portfolio companies

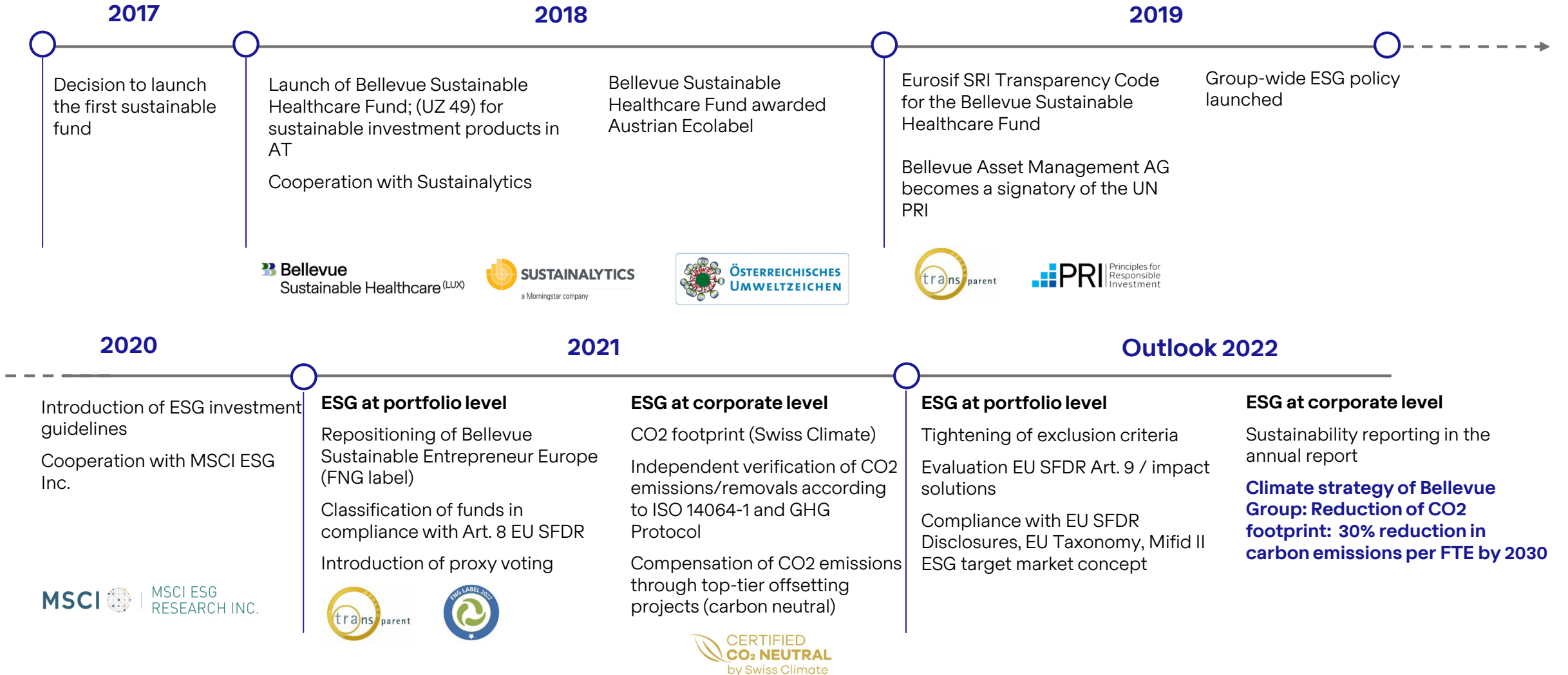
#### Cooperation partners



<sup>1</sup> UN GC = UN Global Compact, UN GPBHR = UN Guiding Principles for Business and Human Rights, ILO = International Labour Organization  
Source: Bellevue Group, as at December 31, 2021

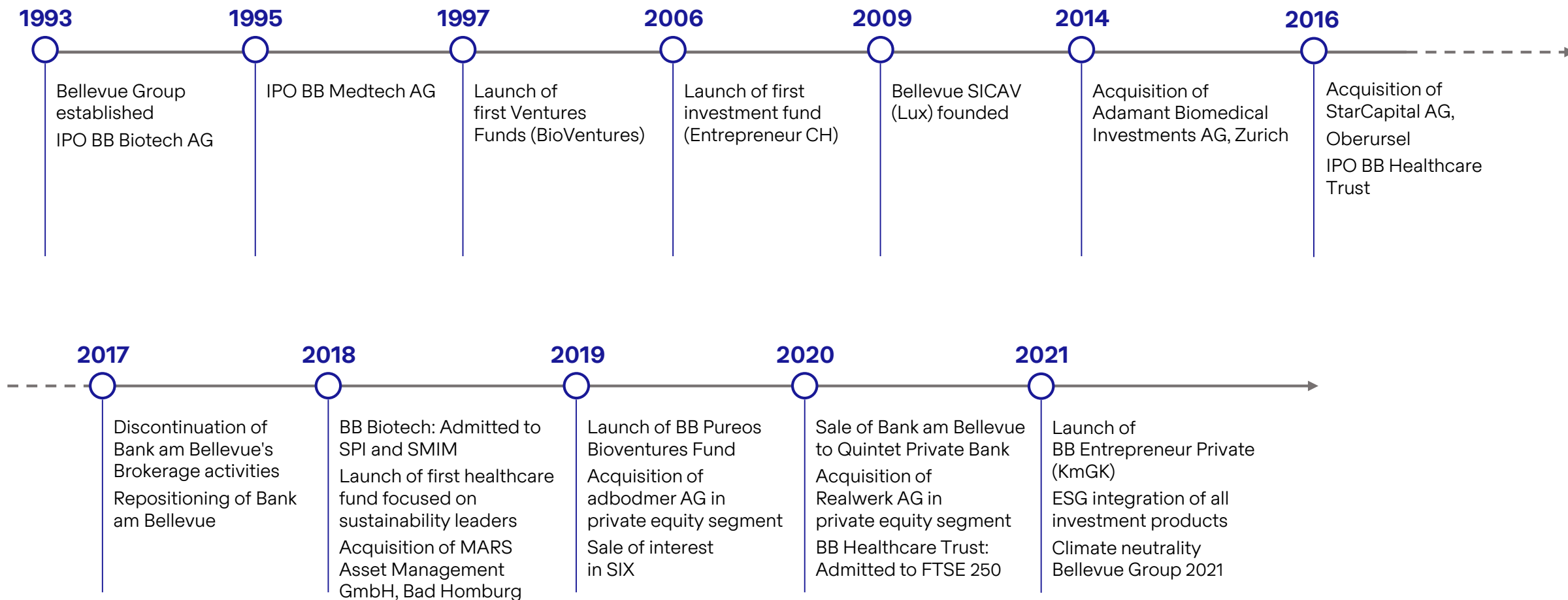
# ESG – constant, highly dynamic process

## Major ESG milestones



# Milestones in the Group's history

Headline events since the Group's establishment in 1993

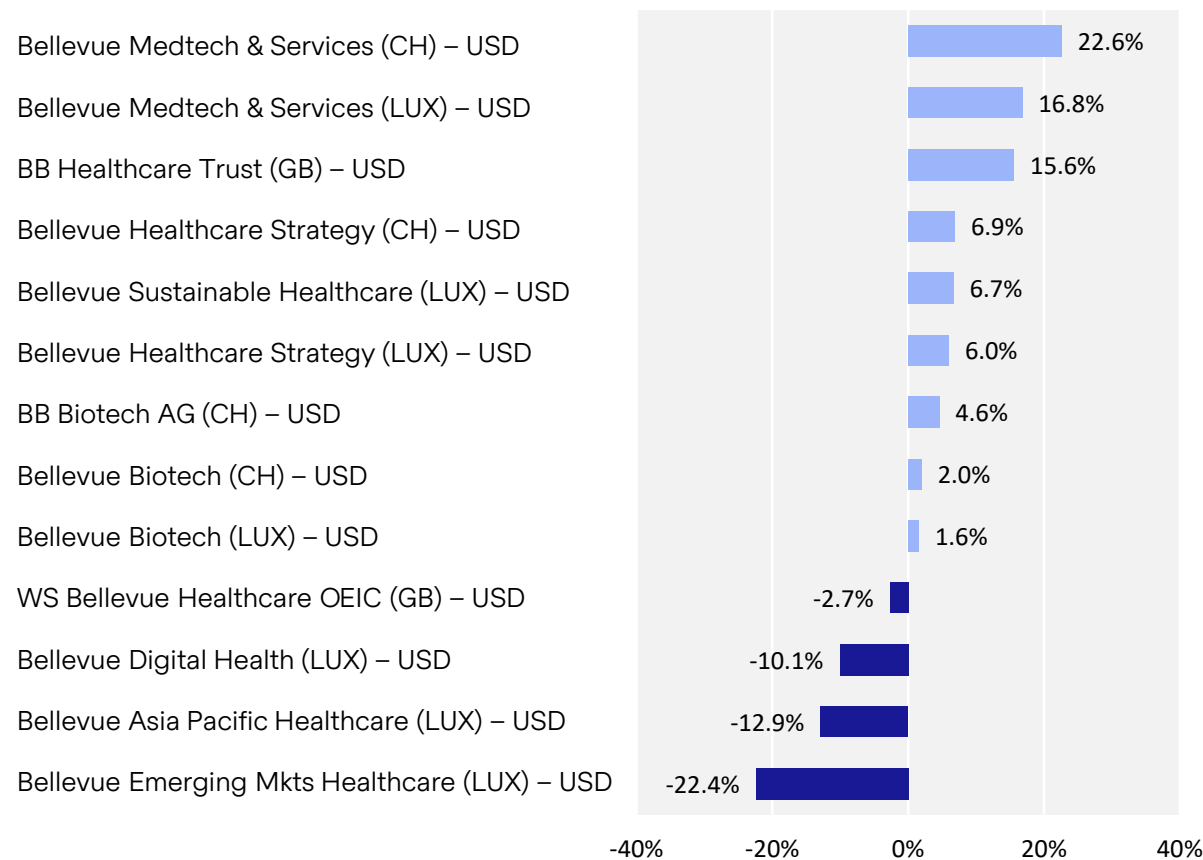


# Competitive performance in an inflationary market environment

Investment performance broadly based

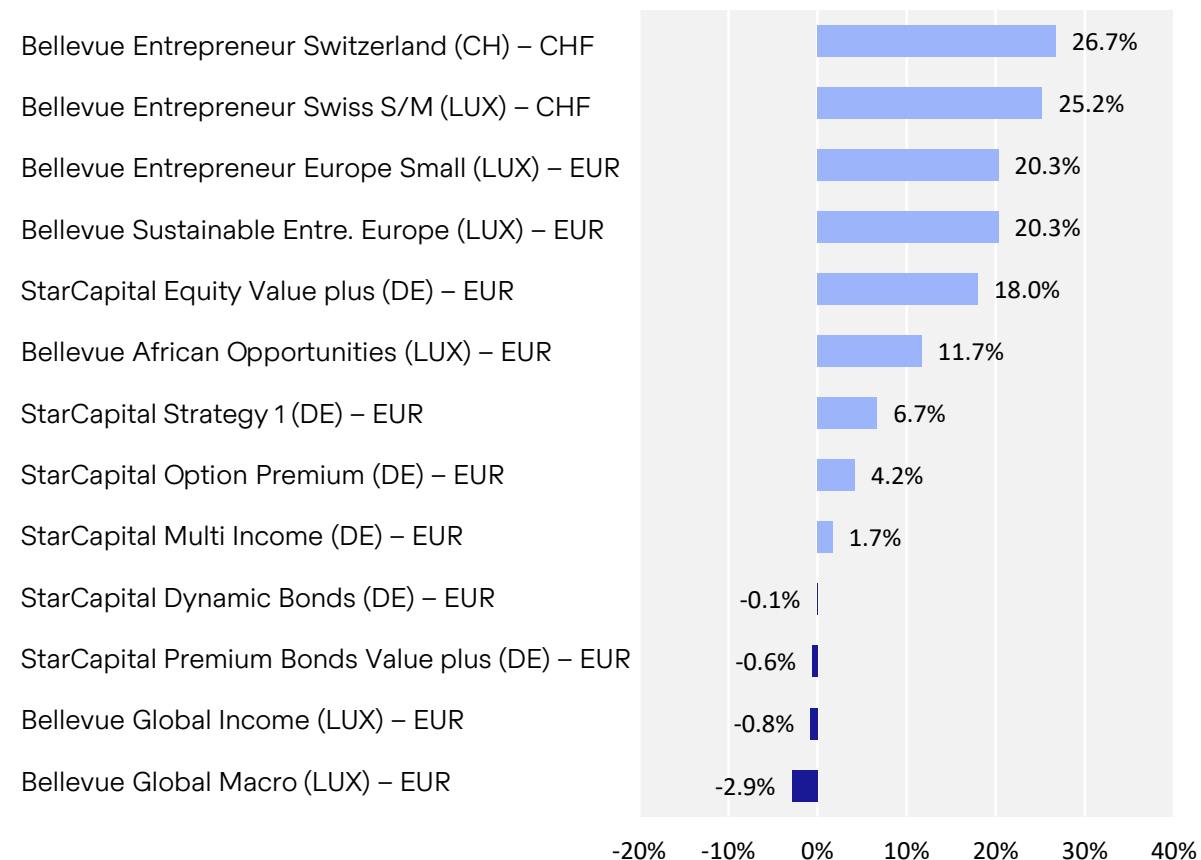
## Specialized healthcare strategies

Absolute performance 2021, in USD



## Traditional and alternative investment strategies\*

Absolute performance H1 2021, in base currency



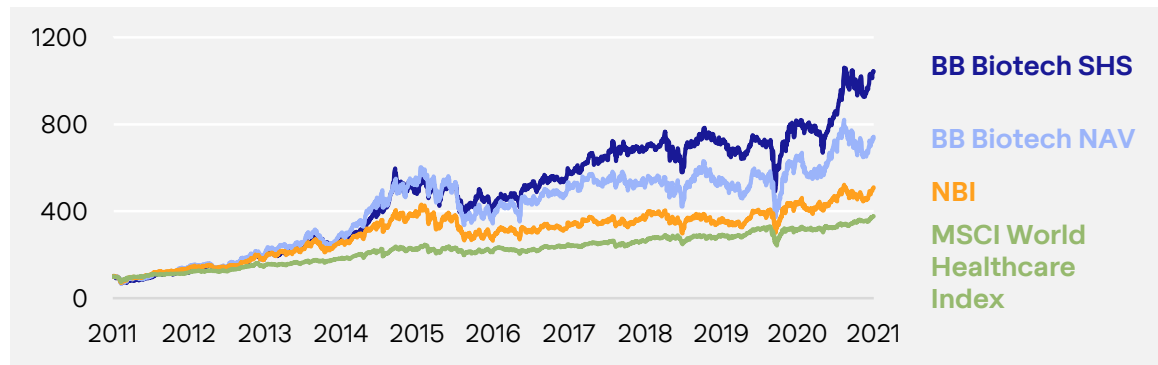
\* Only related to liquid investment strategies (excl. Private Equity)

# BB Biotech – growing in a challenging market environment

Moderna makes more strong gains – Small/Mid Cap positions hurt performance in the second half

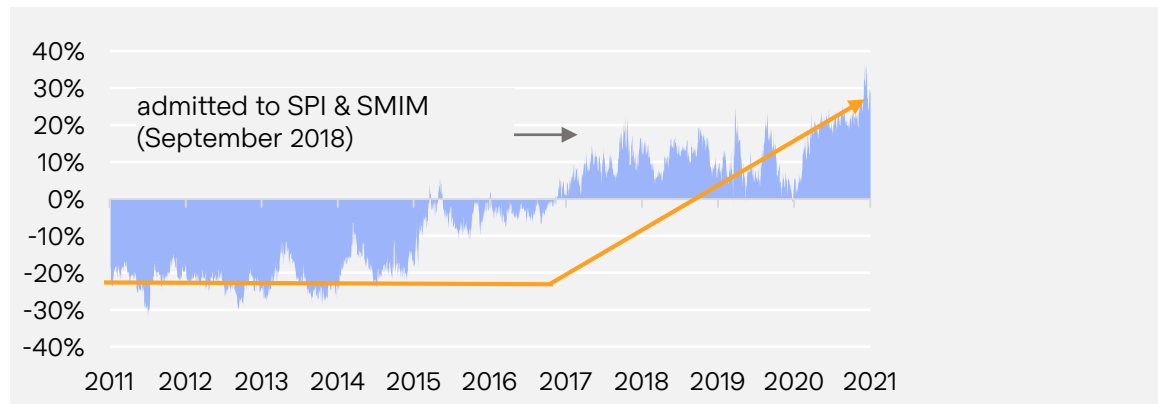
## 10y total return (in CHF)

Indexed in %



## Development of discount/premium to NAV

in %



## Total return comparison (in CHF)

	2021	3 years	5 years
BB Biotech shares	8.3%	53.3%	78.6%
BB Biotech NAV	-11.5%	35.7%	43.3%
Nasdaq Biotech Index (NBI)	3.0%	46.7%	57.1%
MSCI World Healthcare	23.4%	55.4%	84.4%

## Summary

- Market environment for BB Biotech, and the entire biotech sector for that matter, was volatile in 2021
- The biotech sector responded quickly to the pandemic spread of new COVID-19 variants with booster vaccines, therapeutic antibodies and new antiviral drugs
- No new companies were added to the portfolio in H2 2021
- BB Biotech's total share return was significantly better than the performance of the underlying portfolio in 2021
- The Board of Directors proposes an ordinary dividend of CHF 3.85 per share at the AGM in March
- BB Biotech plans to expand its Board of Directors. Pearl Huang and Laura Hamill will be proposed for election to the Board of Directors at the coming AGM

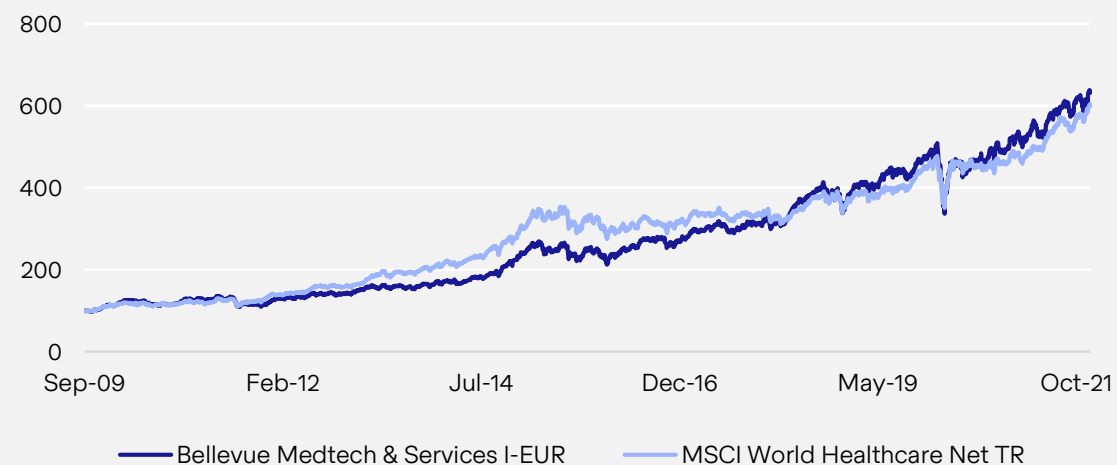
# Performance quality & innovation for growth

Differentiated healthcare strategies with strong appeal to new assets

## Bellevue Medtech & Services

Equity fund investing in companies in the healthcare sector with focus on medical technology and healthcare services

Performance since inception (in EUR)

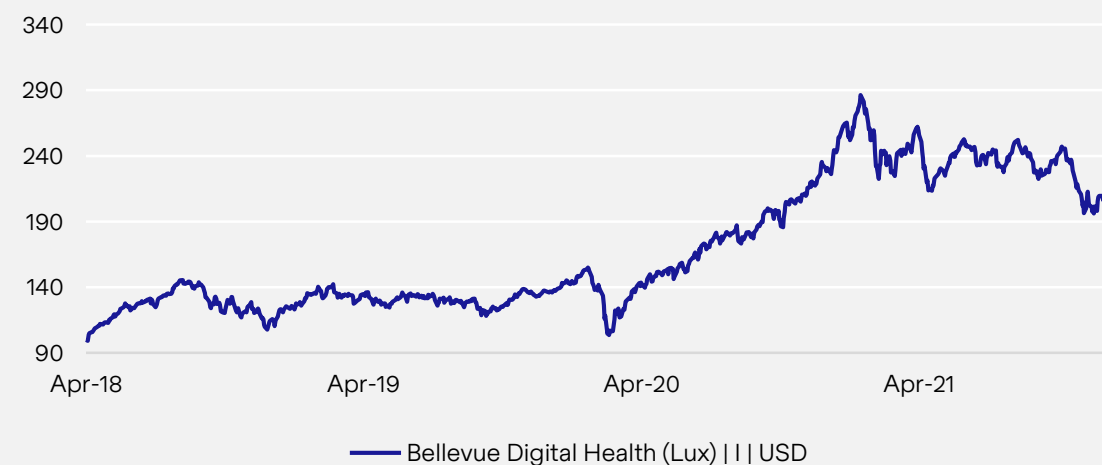


	2021	ITD
Bellevue Medtech & Services – EUR-I	25.7%	531.5%
MSCI World Healthcare Net TR – EUR	28.6%	498.8%

## Bellevue Digital Health

Equity fund investing in companies in the healthcare sector with a focus on digitalization

Performance since inception (in USD)



	2021	ITD
Bellevue Digital Health – USD-I	-10.1%	107.1%



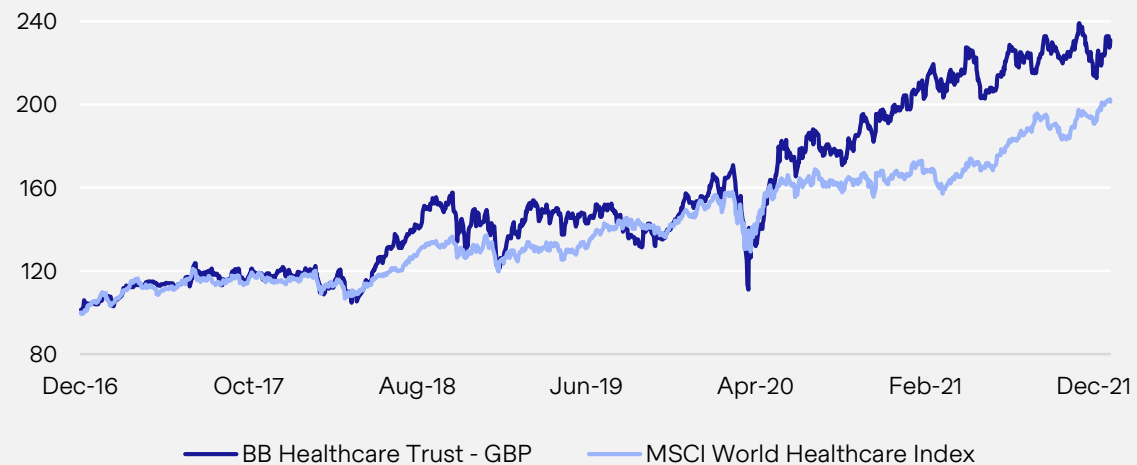
# Performance quality & innovation for growth

Global healthcare strategies deliver a solid performance, Pharma lifts MSCI World Healthcare

## BB Healthcare Trust Plc

Investment trust that invests in the global healthcare sector

Performance since inception (in GBP)

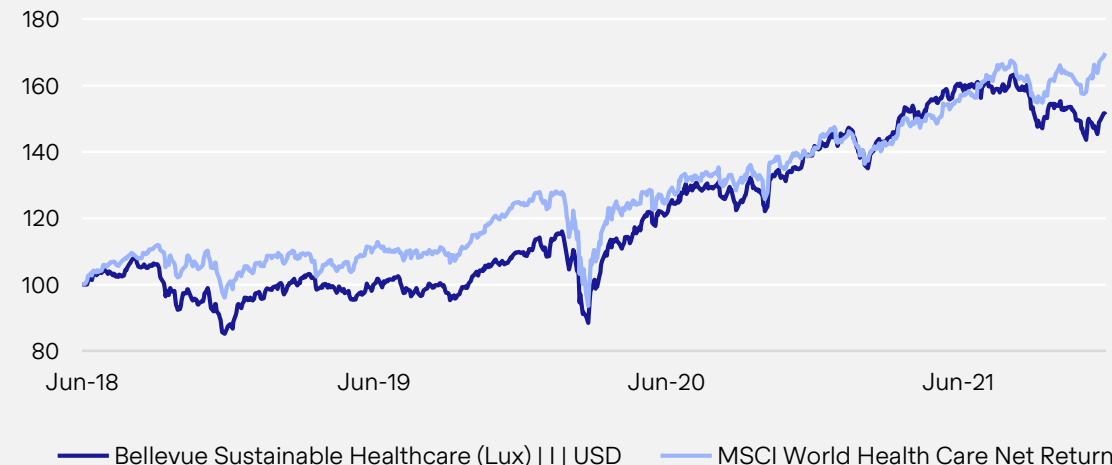


	2021	ITD
BB Healthcare Trust – GBP	16.6%	131.0%
MSCI World Healthcare Index – GBP	21.4%	101.2%

## Bellevue Sustainable Healthcare

Equity fund investing in companies in the healthcare sector with strong sustainability credentials

Performance since inception (in USD)



	2021	ITD
Bellevue Sustainable Healthcare – USD-I	6.7%	51.3%
MSCI World Healthcare Net Return Index – USD	20.1%	69.7%

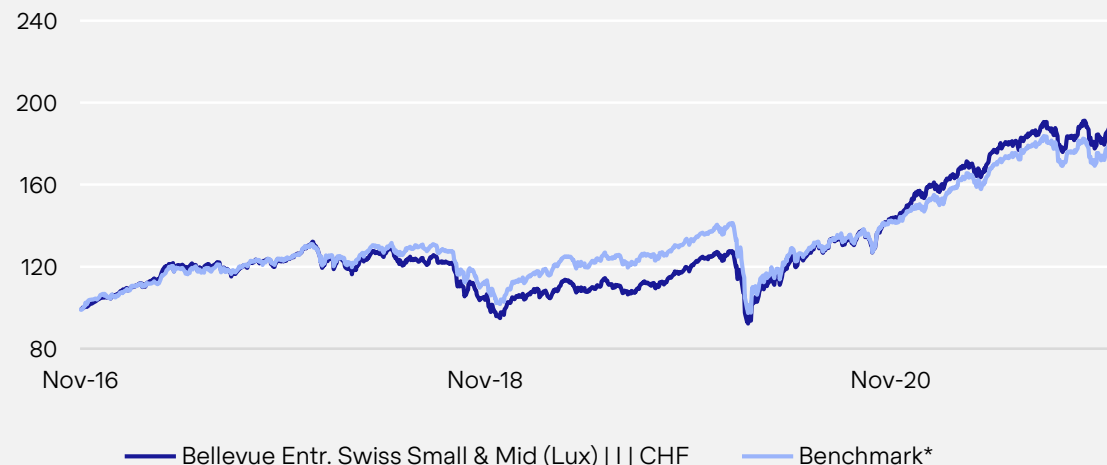
# Performance quality & innovation for growth

Strong double-digit performance from European small and mid-caps in 2021

## Bellevue Entrepreneur Swiss Small & Mid

Equity fund investing in owner-managed entrepreneur companies in Switzerland

Performance since inception (in CHF)



	2021	ITD
Bellevue Entrepreneur Small & Mid – CHF-I	25.2%	86.8%
Benchmark* – CHF	22.2%	79.1%

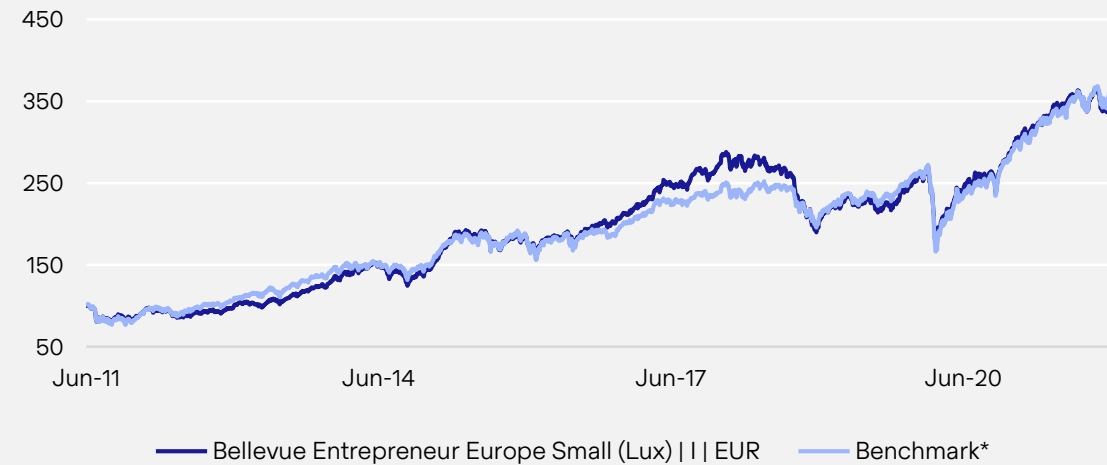
\*SPI Extra since 30.11.17, SPI until 30.11.17

Source: Bloomberg, Bellevue Group, as at December 31, 2021

## Bellevue Entrepreneur Europe Small

Equity fund investing in owner-managed entrepreneur companies in Europe

Performance since inception (in EUR)



	2021	ITD
Bellevue Entrepreneur Europe Small – EUR-I	20.3%	251.2%
Benchmark* – EUR	24.7%	260.4%

\*MSCI Europe ex UK Small since 18.05.15, MSCI Europe Small until 15.05.15

# Why turn to Bellevue Group?

## Highlights Bellevue Group

**“Pure” asset manager with a clear and simple business model**

- Independent, committed, entrepreneurial management style ever since establishment in 1993
- “Multi-boutique” with unique range of investment competencies and good balance between “specialty” and “diversification”
- Simple and straightforward business model with a sharp focus on quality and value creation

**Attractive offering with clearly differentiated investment expertise**

- Active and unconstrained investment approach
- Excellent long-term track record of investment strategies with above-average returns
- “House of Ideas”: Differentiated product offering and ability to create new ideas create value for the client

**Robust and low-risk financial profile**

- Sustainable earnings power (high level of recurring income) with attractive margins
- Solid balance sheet, zero debt
- Shareholder-friendly dividend policy and attractive capital returns
- 47.2% of outstanding shares held by core shareholders and employees

**Significant potential for further growth**

- Agile, highly scalable business model creates further opportunities for profitable growth
- Competitive performance and service quality combined with highly attractive, innovative product range enables sound expansion of business and income flows
- Experience, track record and financial leeway for inorganic growth already in place

# Corporate Events & Contact

## Corporate Events

March 22, 2022	Annual General Meeting 2022
July 28, 2022	Publication Half-year results 2022

## Investor Relations

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