

# Bellevue Group half-year results 2022

Presentation for investors, analysts and the media

Kusnacht, July 28, 2022

# Disclaimer

This document was produced by and the opinions expressed are those of Bellevue Group AG («Bellevue») as of the date of writing and are subject to change. It has been prepared solely for information purposes and for the use of the recipient. It does not constitute an offer or an invitation by or on behalf of Bellevue to any person to buy or sell any security. Any reference to past performance is not necessarily a guide to the future. The information and analysis contained in this publication have been compiled or arrived at from sources believed to be reliable but Bellevue does not make any representation as to their accuracy or completeness and does not accept liability for any loss arising from the use hereof.

This document is not an offering prospectus pursuant to Art. 652a of the Swiss Federal Code of Obligation or a listing prospectus pursuant to the listing rules of the SWX Swiss Exchange.

This publication is not being issued in the United States of America and should not be distributed to United States Persons or publications with a general circulation in the United States. This document does not constitute an offer or invitation to subscribe for or purchase any securities. In addition, the securities of Bellevue Group AG have not been registered under the United States Securities Laws and may not be offered, sold or delivered within the United States or to U.S. Persons absent from registration under or an applicable exemption from the registration requirements of the United States Securities Laws.

# Agenda

1

## Overview of H1 2022

André Rüegg, Group CEO

2

## H1 2022 Results

Michael Hutter, Group CFO

3

## Business Update & Outlook

André Rüegg, Group CEO

4

## Questions & Answers

A

## Appendix

# 1

## Overview of H1 2022

André Rüegg, Group CEO

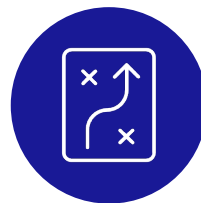
# Highlights H1 2022

Navigating a "perfect storm"



## Mixed results for H1 2022

- Market-induced **decline in AuM base** accentuated by sharp focus on growth
- Temporary erosion of earnings power **cushioned by highly elastic cost base** (entrepreneurial compensation model)
- **Very stable client base** as a promising foundation for future growth



## Consistent strategy execution

- Strategic profile and positioning as a **pure, specialized asset manager** consistently realized
- Further development of proven business model with a clear focus on **quality and innovative offering** as well **as the growth of international client network**
- Ongoing product review to **create space for new ideas**



## Simplified & stronger platform

- **Strong and flexible organization**, sound capital base ensure a **high level of efficiency**
- Targeted **investments in new talent and infrastructure** strengthen our competitive position
- **Corporate responsibility, sound governance** and a clear **focus on ESG** build trust

# Key figures H1 2022

Positive development of performance criteria



## Client assets

**CHF 9.6 bn**

(31.12.2021: CHF 12.8 bn)



## Net new money

**CHF -326 mn**

(prev. period: CHF 682 mn)



## Revenues from asset management services

**CHF 54.1 mn**

(prev. period: CHF 70.4 mn)



## Income financial investments<sup>1)</sup>

**CHF -8.7 mn**

(prev. period: CHF 3.0 mn)



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

**CHF 19.1 mn**

(prev. period: CHF 33.0 mn)



## Group net profit

**CHF 14.3 mn**

(prev. period: CHF 22.5 mn)



## Cost Income ratio (CIR)

**59.1%**

(prev. period: 55.2%)



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

**25.2%**

(2021: 38.6%)

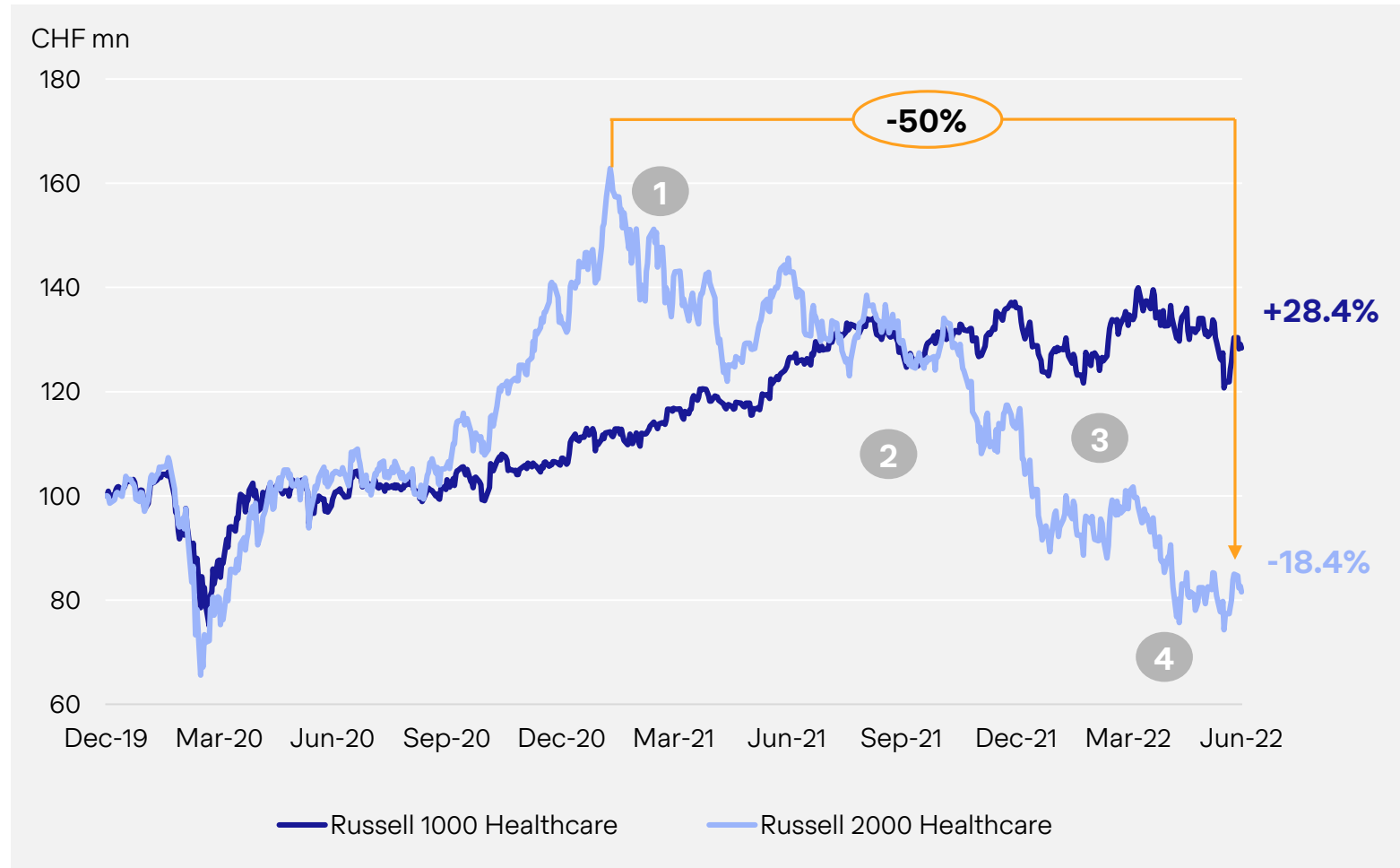
1) Consists of CHF 4.0 million loss on investments in own products and CHF 4.7 million on financial investments to fulfill participation programs

2) Earnings before taxes, depreciation and amortization

3) Based on reported net profit and average equity for the preceding 6-month period after distribution of the respective dividends

# Driver #1: Weakness in small & mid-cap healthcare stocks continues

Performance comparison Large vs. Small/Mid Cap Healthcare

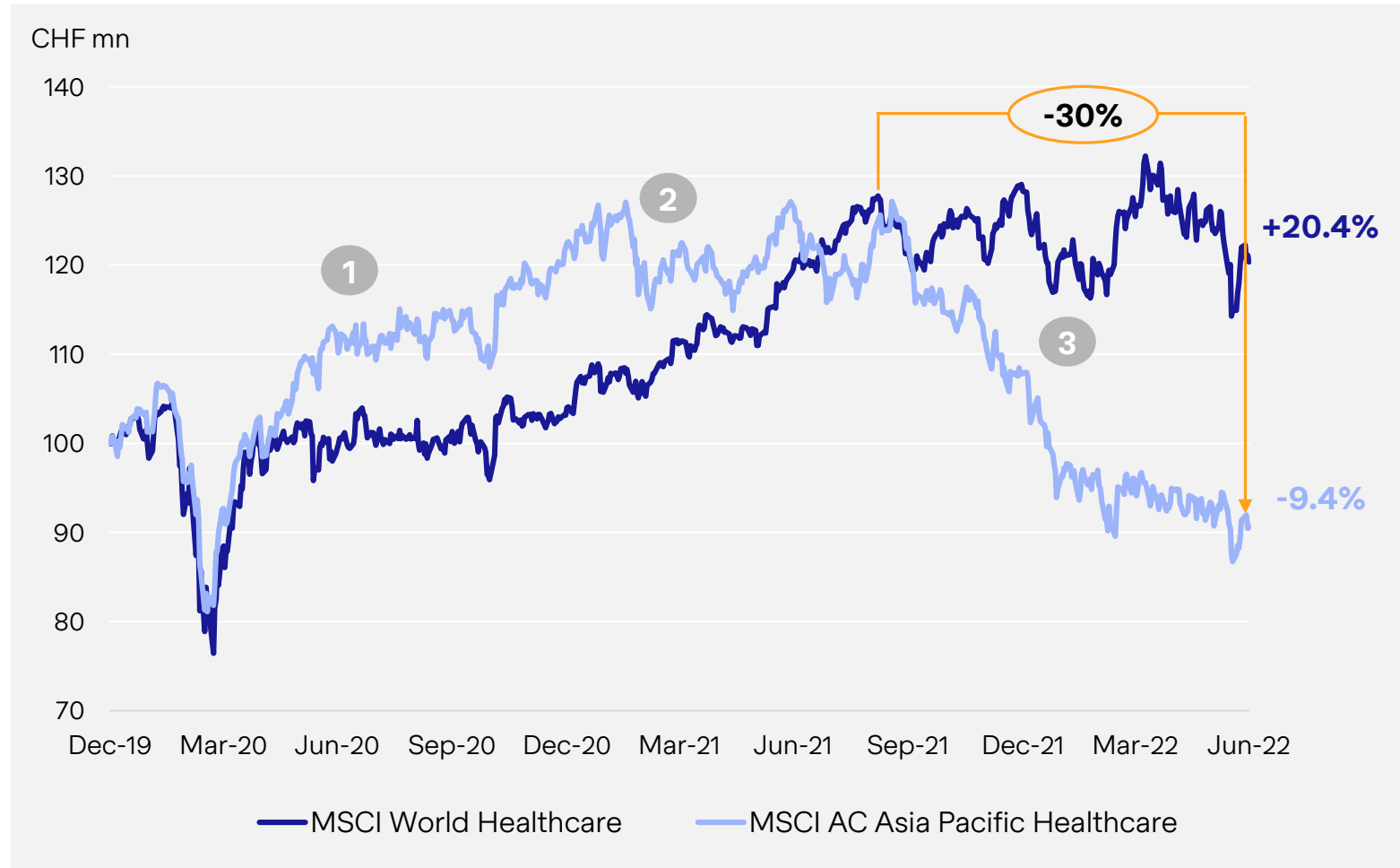


## Small/Mid Cap healthcare stocks in a "perfect storm" since spring 2021

- **1st phase:** Correction of one-time "COVID-19 booster" stocks (digital services, providers, etc.) and start of pharma rally
- **2nd phase:** Inflation fears take hold, initial tapering by the US Federal Reserve and growth worries continue to pressure small/mid-caps and lead large/mega-caps higher
- **3rd phase:** Russian invasion of Ukraine, "risk-off"
- **4th phase:** Accelerating interest rate dynamics, also in Switzerland, increase the pressure on small/mid cap valuations

# Driver #2: Weakness in Asian healthcare stocks continues

Performance comparison MSCI World Healthcare vs. Asia Pacific Healthcare

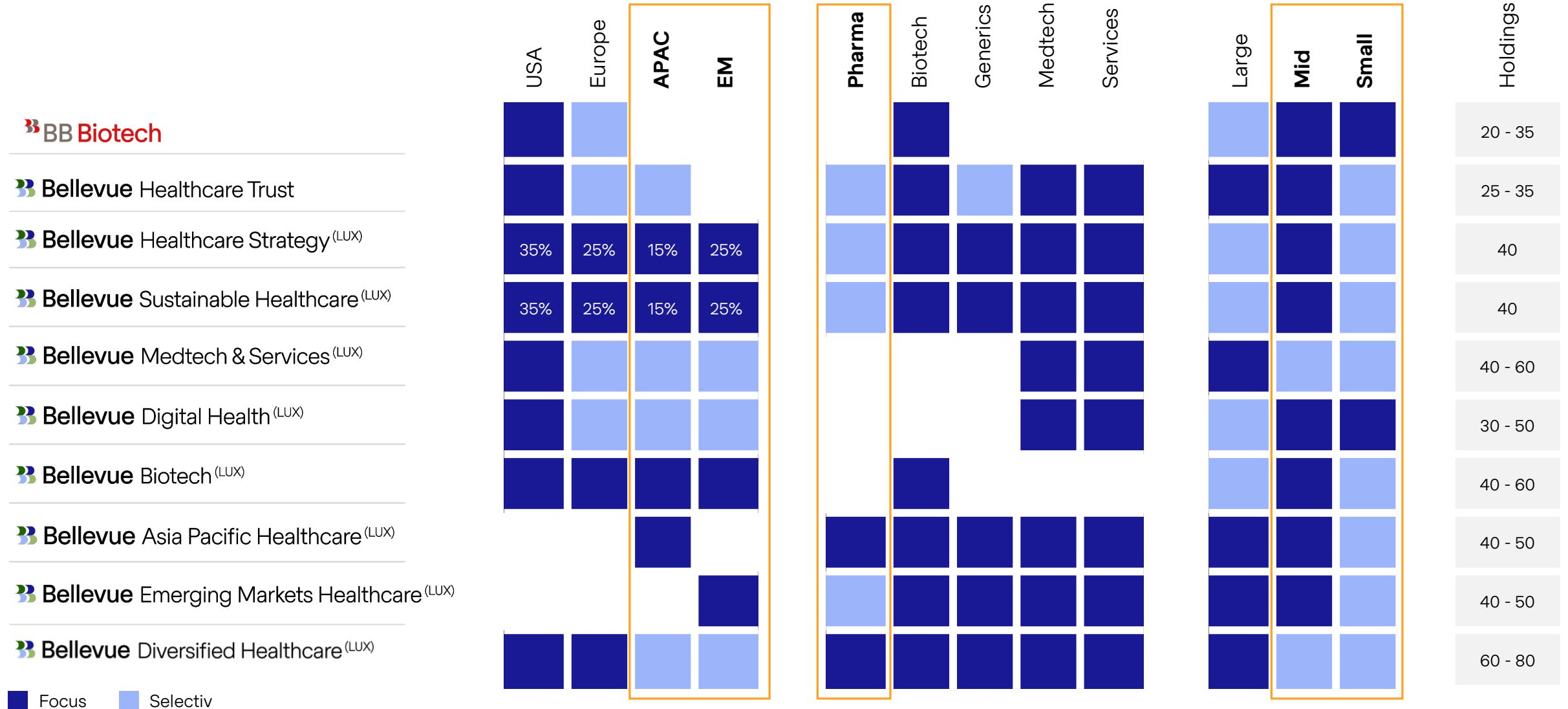


**Asia with a tailwind during the pandemic, euphoria fades due to regulatory pressure**

- **1st phase:** Chinese healthcare companies in the vanguard as the first COVID-19 wave hits, continued rollout of government pricing regulations has no negative impact on stock prices
- **2nd phase:** Uncertainty after a regulatory crackdown by the Chinese government triggers selling pressure and profit-taking
- **3rd phase:** MSCI World Healthcare outperforms Asian healthcare companies from Q3 2021, buoyed by large/mega cap pharma stocks

# Bellevue healthcare strategies in a "perfect storm"

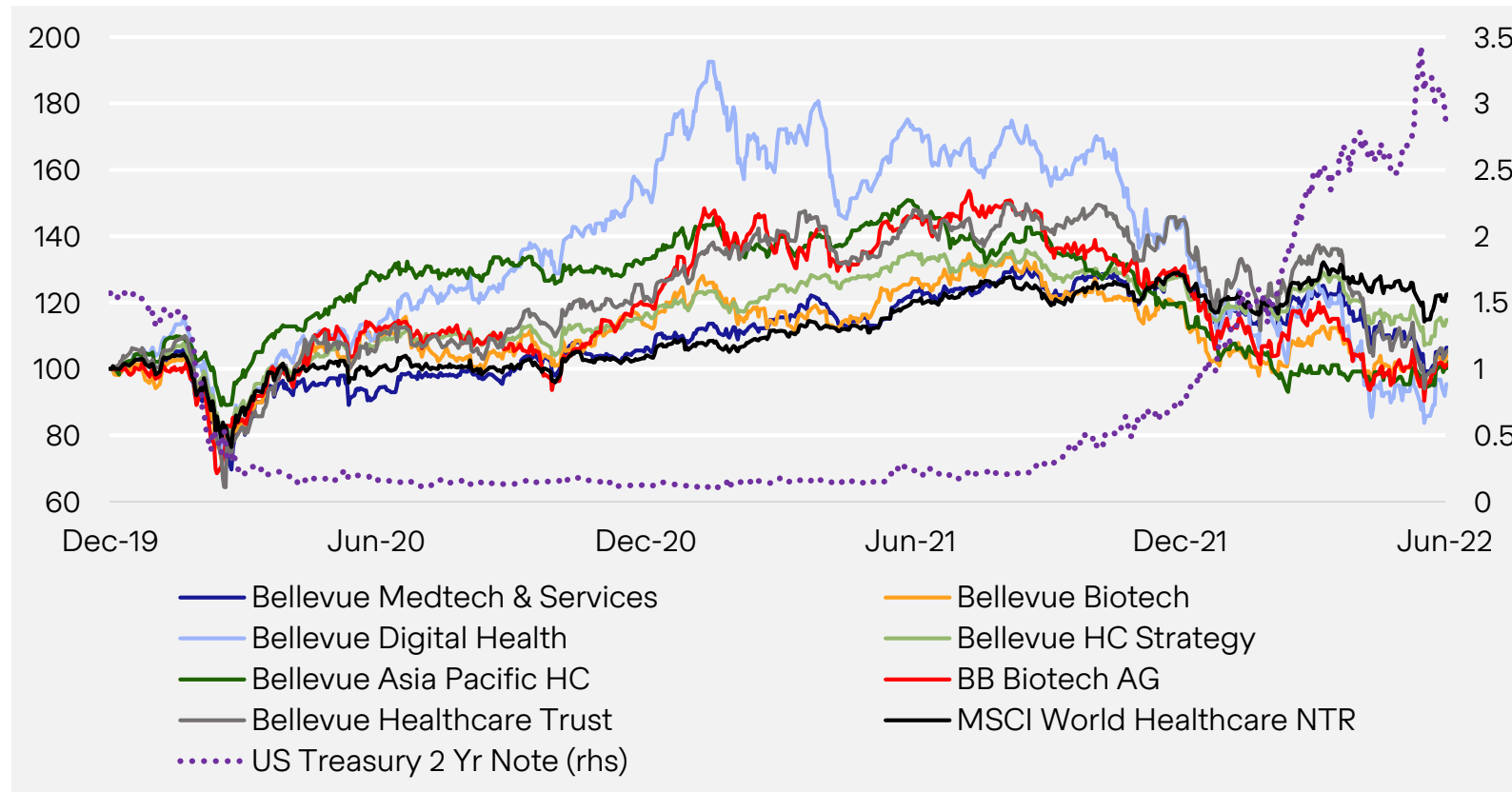
Focus on innovation and above-average growth face headwinds



# Bellevue healthcare strategies in a "perfect storm"

Strong performance in 2020 – downturn in H1 2021 – interest rate hikes put valuations under renewed pressure

## Performance Bellevue Healthcare strategies in % (CHF) December 31, 2019 – June 30, 2022

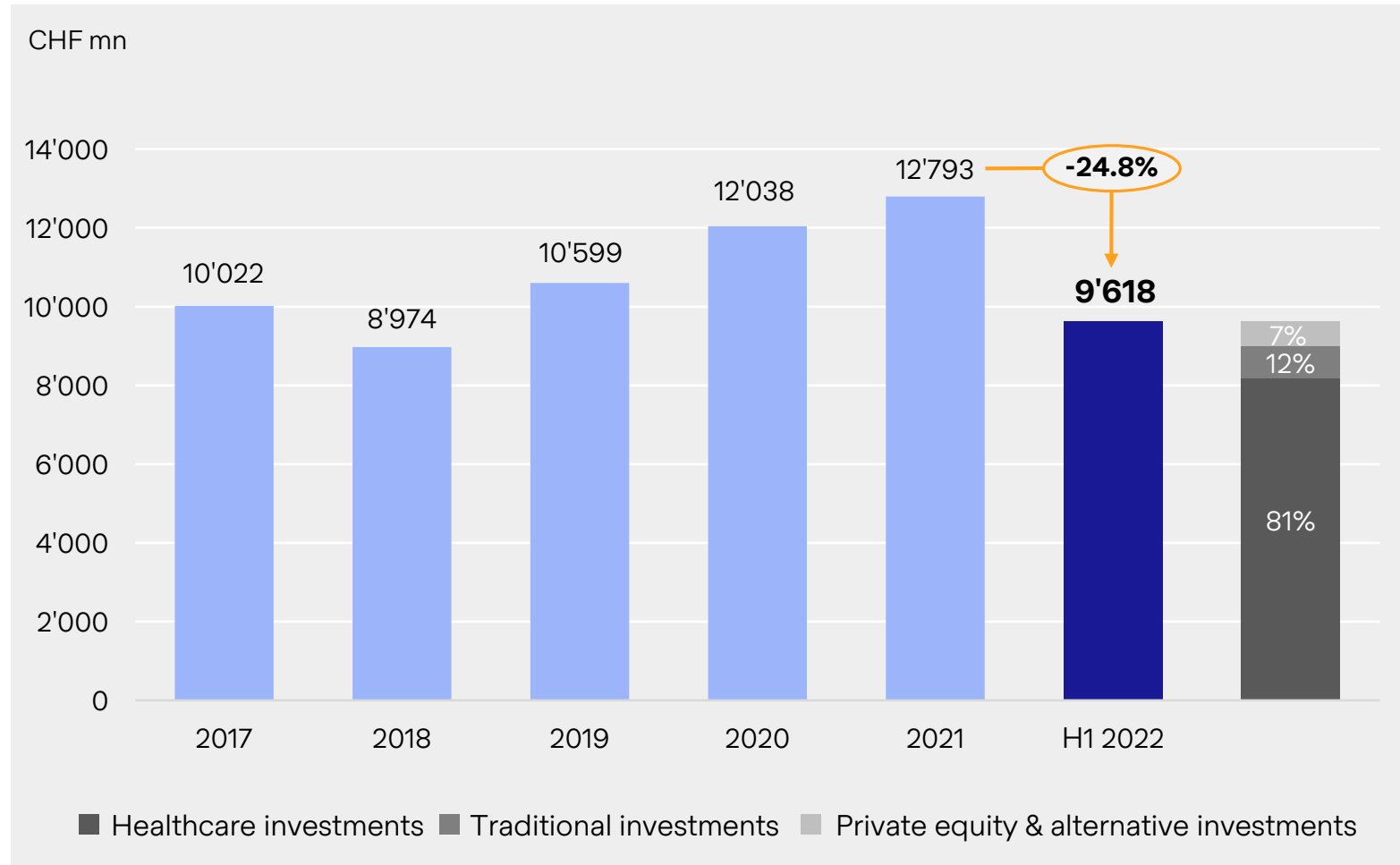


## Sharp upturn in US interest rates weighed on healthcare sector too

- The Fed's reversal of its monetary policy triggered a major correction in global equity markets
- Relatively better performance from the MSCI World Healthcare Index due to its defensive characteristics and a re-rating of pharma stocks
- Bellevue's healthcare, growth (Digital Health, Biotech) and Asia strategies were hit the hardest
- Initial SNB rate hike triggered another sell-off shortly before the end of H1 2022

# Market related decline in AuM base amplified by distinctive positioning

Development in assets under management 2017 – H1 2022

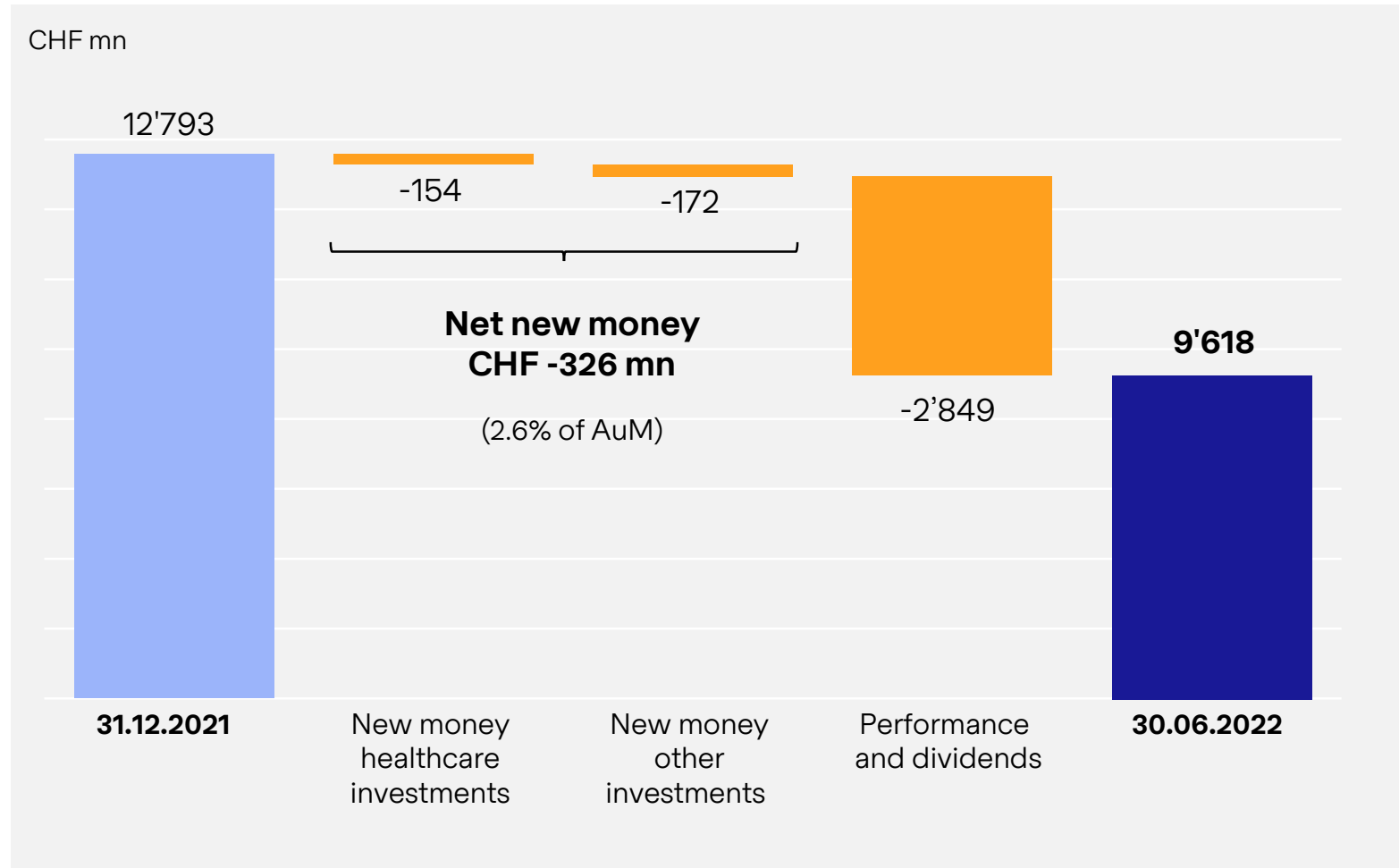


## AuM temporarily dips to average level of 2019

- Significant decline in AuM of approx. CHF 3.2 bn or 25% in H1
- More than CHF 2.8 bn or almost 90% of the overall decline is attributable to lower market valuations
- The rate hike announced by the SNB on June 16, 2022, briefly lowered the market value of AuM by more than CHF 400 mn
- Despite the considerable market turbulence, the client base has remained extremely stable
- Overall well-balanced asset base, margin remains attractive

# Very stable client base – marginal outflow

Change in AuM in H1 2022



## Solid client base reflects high level of trust and long-term orientation

- Significant decline in AuM base largely attributable to negative performance
- Negligible asset outflow (<3% of the AuM base) compared to major market impact
- Part of the net outflow stemmed from ongoing product realignment (virtually completed now)

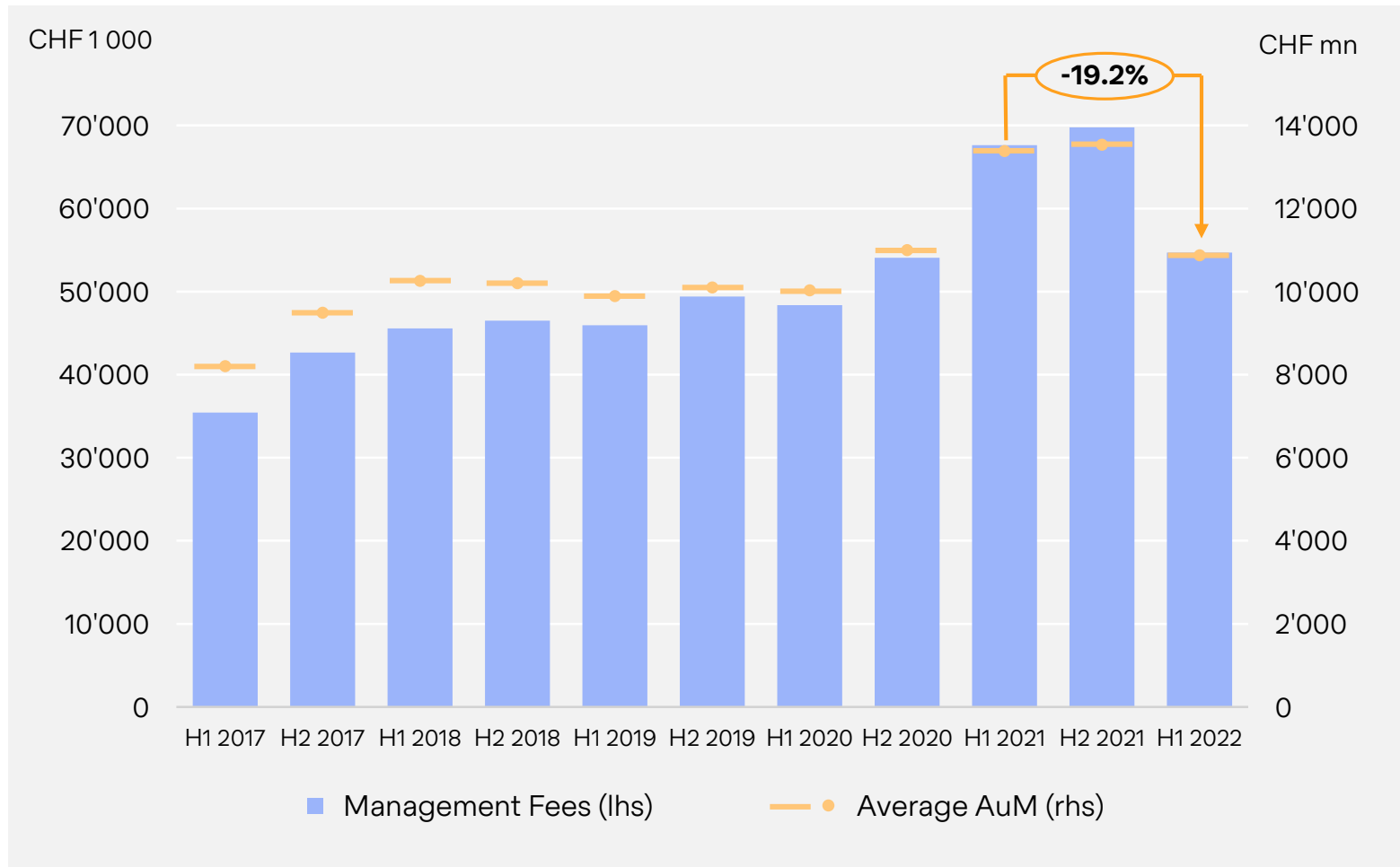
# 2

## H1 2022 Results

Michael Hutter, Group CFO

# Mixed earnings power in tandem with market trend

Management fees and average AuM, H1 2017 – H1 2022

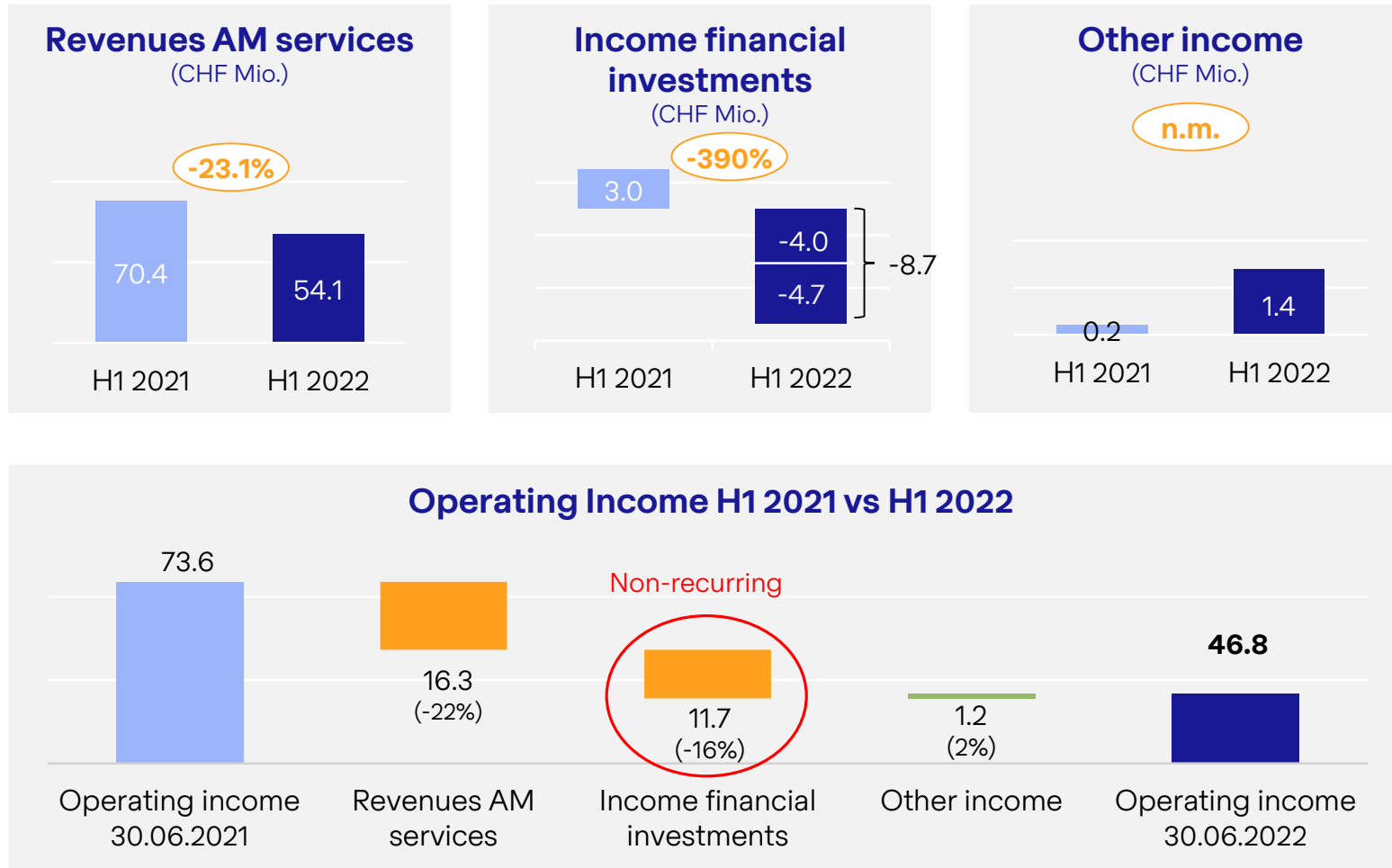


## Business model clearly dependent on general stock market environment

- Linear decline in management fees compared to market developments
- Management fees are calculated based on average AuM, which “smooths out” periods of high volatility
- Earnings power in H1 2022 comparable to level from H2 2020
- Profitability is largely driven by recurring income (management fees)
- Ongoing adjustment and optimization of product mix has stabilized margin quality at a high level

# Consolidated results

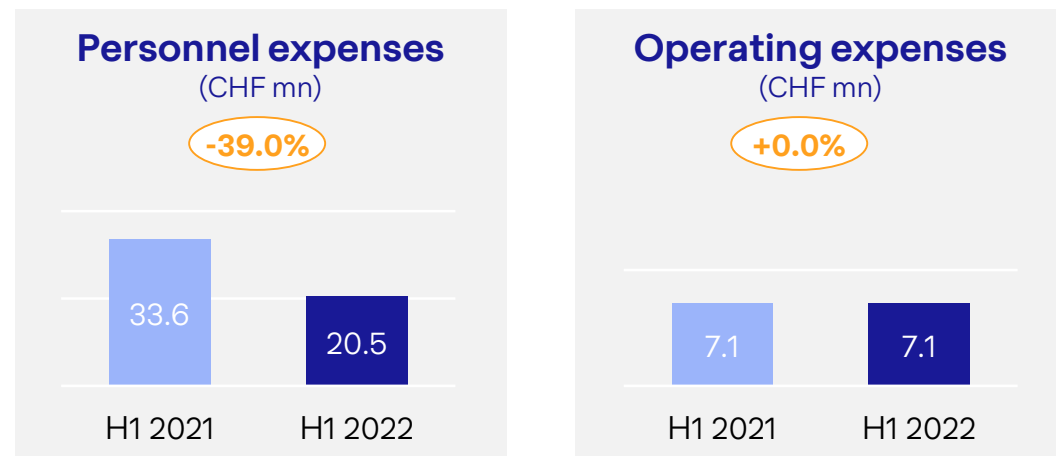
## Total operating income



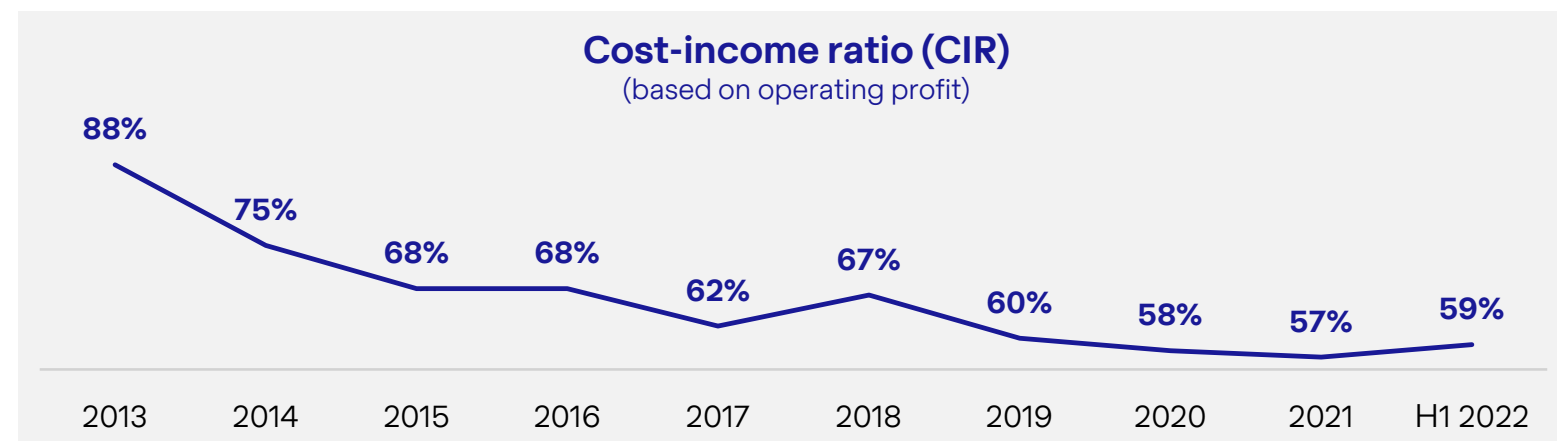
- Reduction of asset management services is driven by lower AuM; no significant change in performance fees and other net commission income
- The negative stock market trend resulted in unrealized and non-recurring losses of CHF 4.0 mn on investments in own products and a CHF 4.7 mn net loss on financial investments in connection with employee compensation plans
- Absolute decline in total operating income of CHF 26.8 mn is mainly attributable to:
  - Income from core asset management services business declined CHF 16.3 mn (22% vs. prior-year figure) because of lower average level of AuM
  - Change in non-recurring financial income totaling CHF 11.7 million (16% vs prior-year figure)

# Consolidated results

## Operating expenses



- Bellevue's entrepreneurial compensation model led to lower performance-related compensation in the wake of lower operating income
- Headcount unchanged vs prior-year period
- Other operating expenses stable vs prior-year period



- Slight increase in cost-income ratio (CIR) to 59% due to unrealized losses on financial investments
- The entrepreneurial compensation model smooths out CIR during adverse market conditions and confirms the positive downward trend
- Steady efficiency gains possible thanks to scalable business model

# Consolidated financial statements

## Consolidated income statement

	1.1.-30.06.2022	1.1.-30.06.2021	Change
Revenues from asset management services	54 119	70 395	- 16 276
Income from financial investments	- 8 733	3 039	- 11 772
Net other income	1 398	199	+ 1 199
<b>Operating income</b>	<b>46 784</b>	<b>73 633</b>	<b>- 26 849</b>
Personnel expenses	- 20 534	- 33 569	+ 13 035
Other operating expenses	- 7 104	- 7 096	- 8
<b>Operating expenses</b>	<b>- 27 638</b>	<b>- 40 665</b>	<b>+ 13 027</b>
<b>Operating profit</b>	<b>19 146</b>	<b>32 968</b>	<b>- 13 822</b>
Depreciation and amortization	- 1 760	- 1 997	+ 237
Valuation adjustments	-	- 2 888	+ 2 888
<b>Group profit before tax</b>	<b>17 386</b>	<b>28 083</b>	<b>- 10 697</b>
Taxes	- 3 110	- 5 624	+ 2 514
<b>Group net profit</b>	<b>14 276</b>	<b>22 459</b>	<b>- 8 183</b>

- Decline in operating income due to lower average AuM base (23%) and market-induced losses on financial investments (16%)
- Sharp reduction in personnel expenses with a similar number of FTEs reflects entrepreneurial compensation model
- Stable expenses
- As a result of above-mentioned items, operating income decreased from CHF 33 mn to CHF 19.1 mn compared to prior-year period
- Consolidated net profit down to CHF 14.3 million after deduction of ordinary depreciation and taxes

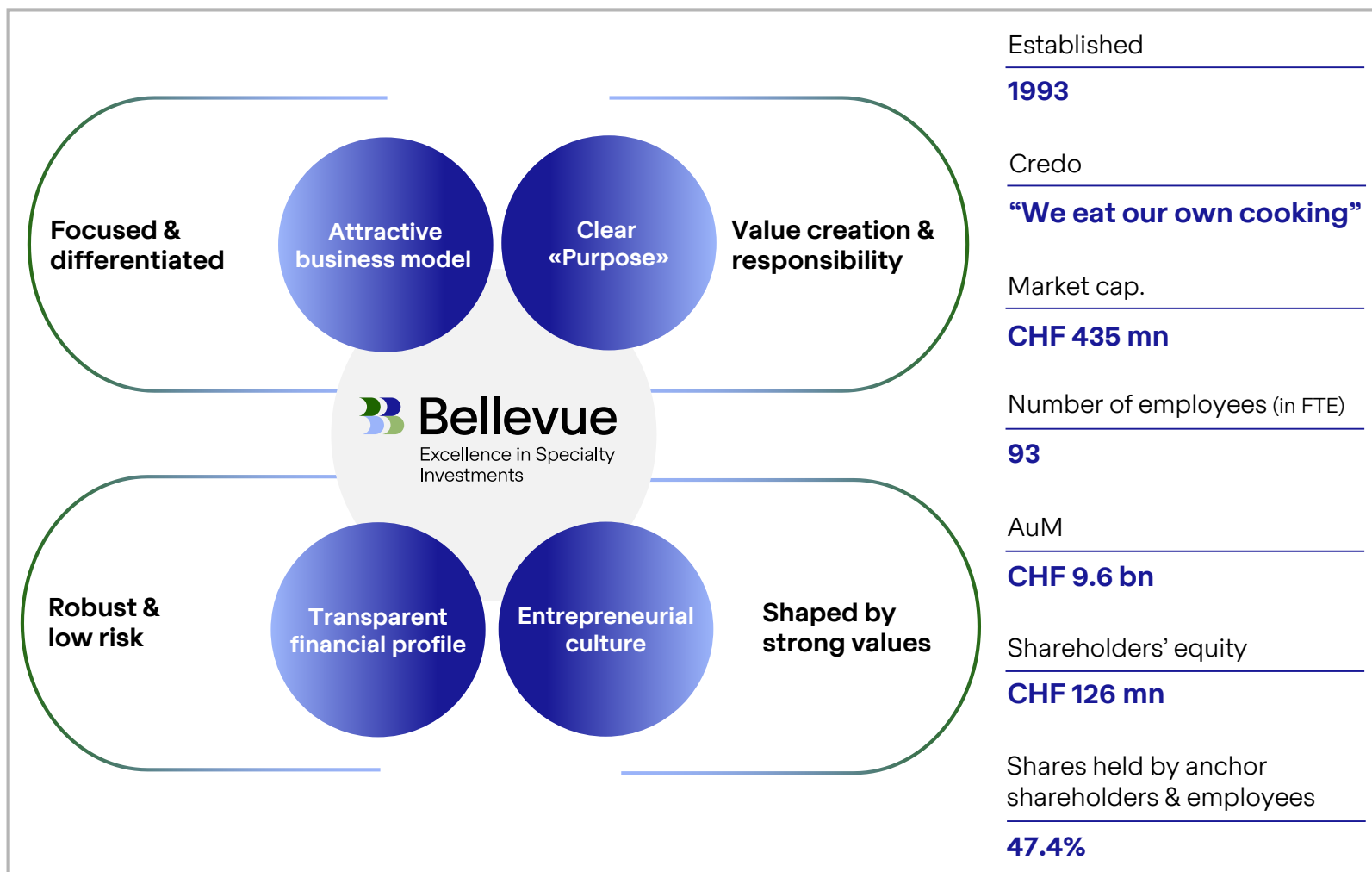
# 3

## Business Update & Outlook

André Rüegg, Group CEO

# Bellevue – a “pure play” asset manager

Differentiated strategic company profile with clear positioning



## Ongoing development of more distinct company profile

- Adhere to proven strategy the starting point
- Focus on quality and innovation, taking advantage of talented team and solid organization
- Ongoing review and expansion of specialty product range to achieve further diversification
- Reduce stock-market dependency and strengthen profitability through the targeted expansion of the new "Private Markets" unit
- Organic measures primary focus

# Priorities of forwards and growth strategy

Profitable growth = product quality + innovation + client dynamics

## Strategic product development

«Grow with the products»



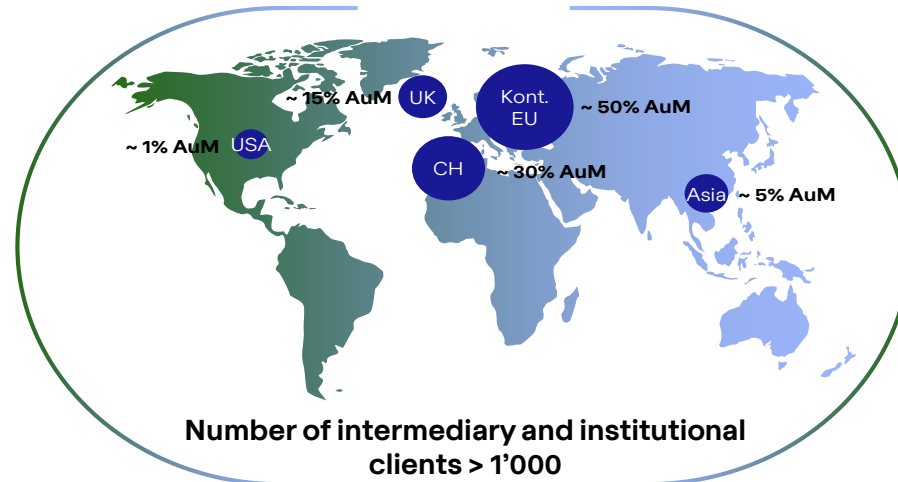
«Innovate»



«Renovate & clean up»



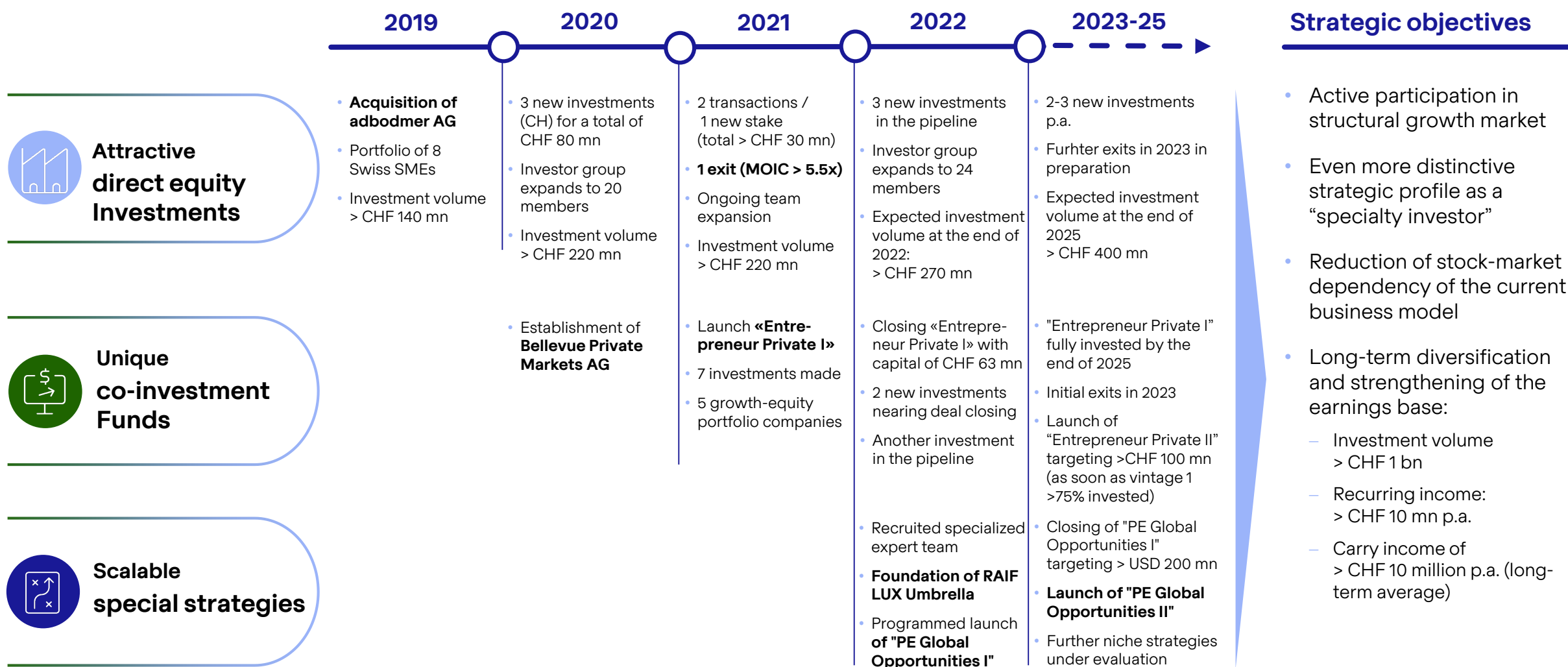
## Strategic market and client developments



- Primary focus on the quality and growth of existing products, constantly strengthening "talent pool"
- Expansion of product offering in the areas of "private market investments" (in the pipeline) and new "growth drivers" (under evaluation)
- Legacy adjustments largely completed
- Increased penetration of "core markets" (CH, DE, UK) across all business segments
- Good growth momentum in "strategic niche markets" (AT, ES, IT, BeNeLux)
- Increased momentum in Asian markets thanks to newly established hub in Singapore
- Foothold established in Latam with a focus on Chile and Peru

# Targeted expansion of new "Private Markets" unit

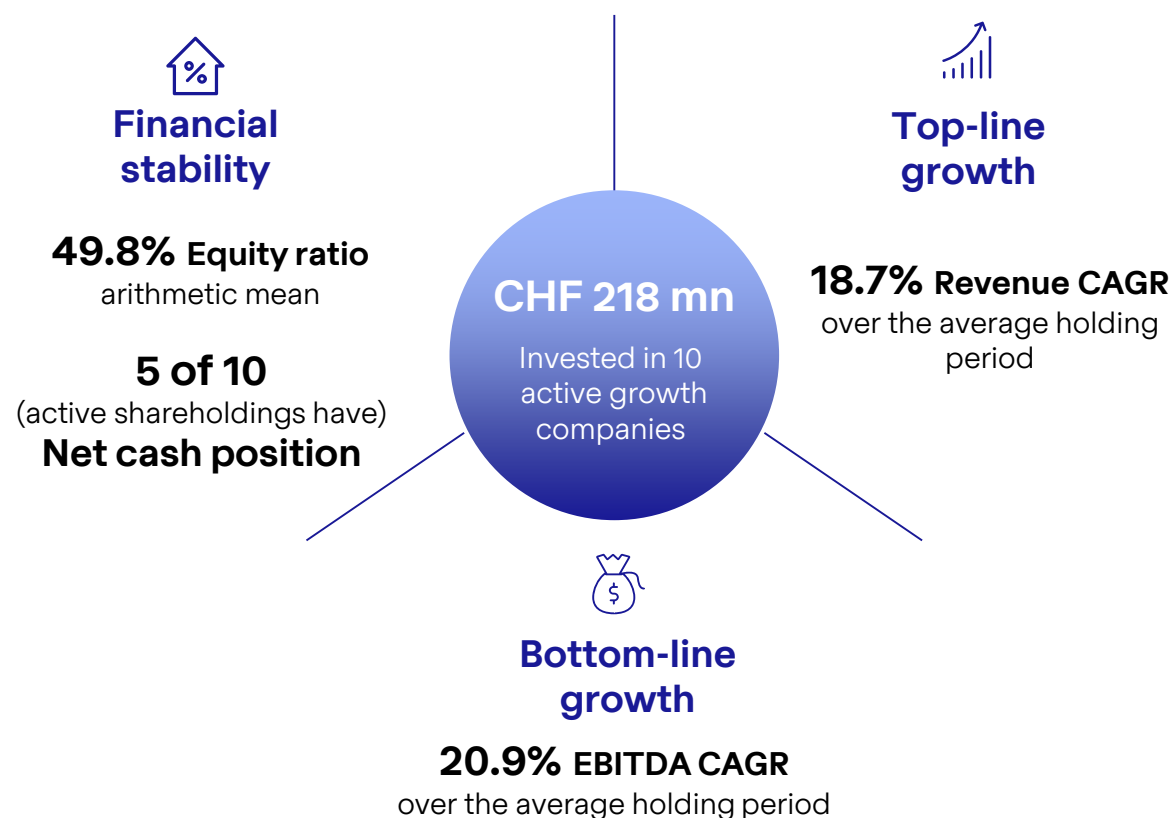
Strategic road map and considerations – overview



# Targeted expansion of new "Private Markets" unit

Attractive positioning in direct equity investment business

## Facts & Figures



## Profile & Highlights 2022

### Strategy:

- **"Deal-by-deal" investor club** consisting of wealthy private investors (business owners and families)
- "Active" participation in **SME companies in the DACH region**
- Focus on **minority stakes to finance growth**
- Opportunities beyond the mainstream thanks to **proprietary network and deal sourcing (no auctions)**

### Status & Developments 2022/23:

- Expansion of the investor group to 24 members
- 2 attractive new investments outside Switzerland scheduled to close in H2 2022 (1 Germany, 1 Austria)
- Promising pipeline for H2 2022 and 2023
- Initial exits in 2023 are being prepared
- Ongoing strengthening of private markets team with a particular focus on management of active holdings & value creation

# Targeted expansion of new "Private Markets" unit

Launch of highly specialized and scalable product strategies

## «Bellevue Entrepreneur Private I»

### Strategy:

- **Co-investment fund** with the adbodmer investor group
- **Equity investments in hidden champions in the SME segment:** Successful, owner-managed companies in the DACH-region (no start-ups/ventures)
- **Swiss collective investment company (Limited Partnership)** for growth investments (instead of management buyouts or turnarounds)

### Status:

- **Final closing with capital of CHF 63 mn**
- **Diversified investor base** (pension funds, (U)HNWI, family offices, asset managers and banks)
- 7 investments made / 5 Participations built / 2 in the pipeline for H2 2022
- High visibility: 35% of committed capital invested (exp. 50% Dec. 2022)

### Further aspects:

- **«We eat our own cooking»** – Bellevue Group, its own pension fund and numerous employees are significantly invested

## Project «Bellevue Global PE Opportunities»

### Objectives:

- Structural expansion of our offering of **specialized private equity funds**
- **Highly scalable, global investment strategies** with access to a broad network of **international investors**
- **First fund scheduled to be launched at the end of Q4 2022**
- Targeted volume: **> CHF 200 mn**

### Status:

- Recruitment **of a highly specialized team** completed (full on-boarding by the end of 2022)
- Establishment **of a dedicated SICAV RAIF umbrella structure** under Luxembourg law in preparation

### Further aspects:

- Pipeline for the launch **of further funds from 2024 onwards in progress**

# ESG – Highlights 2022

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** (ISS Governance)

## UN PRI Report



- **Reporting complies with UN PRI**
- Standardized reporting of all ESG **measures within the investment process**
- Publication in H2 2022 (as soon as UN PRI available)



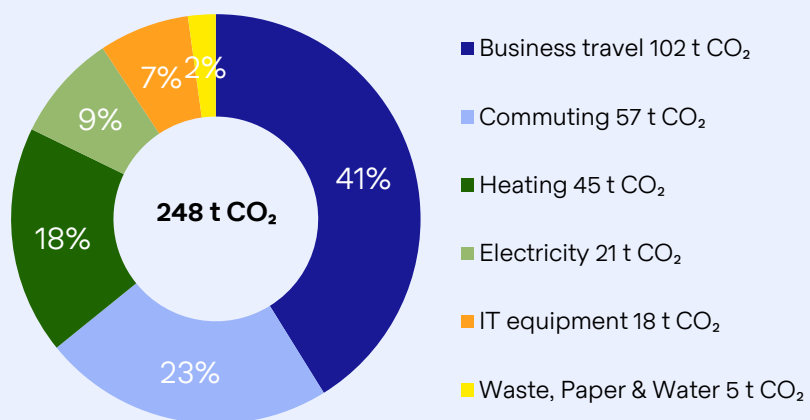
## Bellevue Group awarded for the 2nd time!

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.

# ESG – Highlights 2022

Environmental measures integrated into company goals

## CO2 footprint Total emissions 2021



Total emissions (in t CO2)	2021
CO2 emissions Scope 1	27
CO2 emissions Scope 2	28
CO2 emissions Scope 3	193
Total CO2 emissions	248
CO2 emissions / FTE	2.7



### 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

# StarCapital integration completed

Latest company developments in Germany

## Status quo & objectives

- Germany is the most important foreign market, 1/3 of the AuM base, EU market access
- Strengthen profile and operations in this strategic target market by pooling existing resources and units
- Generate more value for the entire Bellevue Group from its base in Germany

## Status

- Targeted StarCapital integration completed:
  - StarCapital and Bellevue Asset Management (Deutschland) are now one company, one organization and one team
  - New management appointed
  - Uniform regulatory requirements under Germany's securities law, section 15 WpIG (formerly licensed under section 32 of the German Banking Act)
  - "One Brand" strategy in implementation stage (retirement of "StarCapital" brand)
- Standardization and strengthening of business model and purpose in the works
  - Sales and relationship managers will have access to all Group-wide products under the "Bellevue" brand
  - Local portfolio management for selected products/mandates backed by the Bellevue Group's investment management capabilities
- New, shared location in Frankfurt as of Q4 2022

# Summary

Strong position enables a solid performance despite the challenging environment and temporary correction

## A solid business base with intact growth potential

- Solid, high quality AuM base and attractive positioning creates sustained earnings power, intact growth prospects
- High quality and continuity of investment solutions with a distinctive profile portfolio help us to grow new client pipeline
- Ongoing product innovation and penetration of new markets proceeding as planned

## High dependency on stock markets

- Current earnings base is very sector-dependent given positioning, but also offers considerable recovery and growth-driven potential in the long term for structural reasons
- Very elastic cost base (entrepreneurial compensation model) ensures a high level of profitability with our business model even when markets head south
- New "Private Markets" unit will diversify our income streams

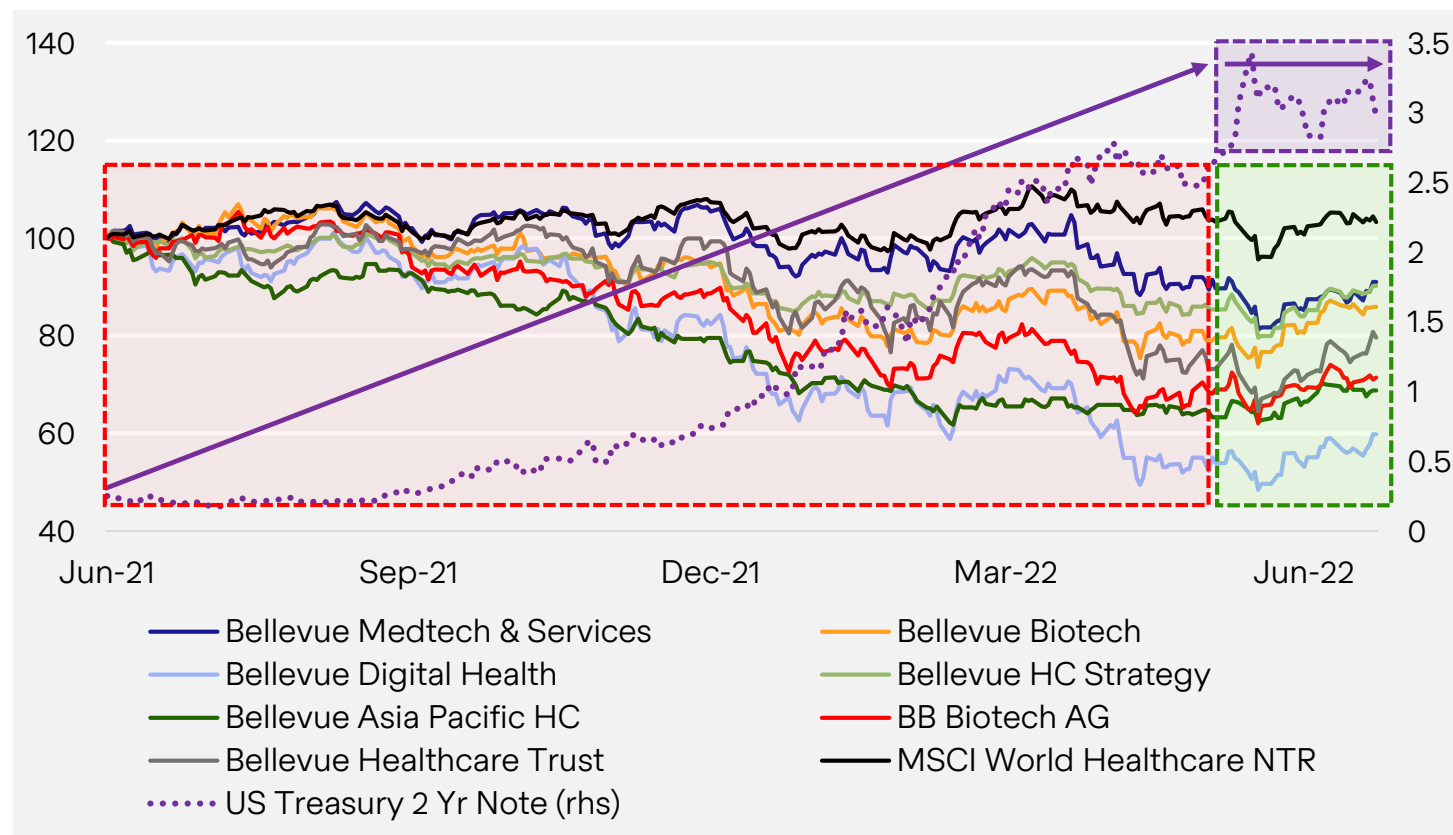
## Strong financial footing

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

# Outlook for H2 2022

Current momentum in the healthcare sector enables recovery despite difficult environment

## Performance Bellevue Healthcare strategies in % (CHF) June 30, 2021 – July 22, 2022



## Potential stabilization on the interest rate front will calm down the "system" – currencies on the move

- Declining upward interest rate momentum as an initial sign of a recovery
- High USD exposure of our strategies leads to clear appreciation – broad base of our investors (CHF, EUR) experiences noticeable recovery

## Current recovery allows more optimistic outlook

- Healthcare sectors, which have experienced marked contractions since H1 2021, are showing initial upward movements – also in Asia!
- Current recovery returns AuM and revenue base slightly above 2020 level
- Healthcare sector proves resilient in the event of a recession

Source: Bloomberg, Bellevue Group, Data as at July 22, 2022

Note: Performance of I-CHF share classes. Past performance is not a reliable indicator of future results and can be misleading

# Outlook H2 2021

Long-term goals reiterated

1

## Assets under management (AuM)

- Steady expansion of business base targeted, but depends on the market development
- 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 mid-term earnings power

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 earnings power and an elastic cost base ensure steady dividend policy

5

## Return on equity

- Continuation of a shareholder-friendly dividend policy with a payout ratio of >70%
- Attractive return on equity of >20%, thanks to strict capital management

6

## Performance quality

- Very high percentage of investment strategies beat their benchmark
- Very high percentage of investment strategies are ranked in 1st and 2nd performance quartile

# 4

## Questions & Answers

# A

## Appendix

# Additional details of H1 2022 results

# Consolidated financial statements

## Consolidated income statement

CHF 1'000	1.1.-30.06.2022	1.1.-30.06.2021	Change
Revenues from asset management services	54 119	70 395	- 16 276
Income from financial investments	- 8 733	3 039	- 11 772
Net other income	1 398	199	+ 1 199
<b>Operating income</b>	<b>46 784</b>	<b>73 633</b>	<b>- 26 849</b>
Personnel expenses	- 20 534	- 33 569	+ 13 035
Other operating expenses	- 7 104	- 7 096	- 8
Depreciation and amortization	- 1 760	- 1 997	+ 237
Valuation adjustments	-	- 2 888	+ 2 888
<b>Operating expenses</b>	<b>- 29 398</b>	<b>- 45 550</b>	<b>+ 16 152</b>
Taxes	- 3 110	- 5 624	+ 2 514
<b>Group net profit</b>	<b>14 276</b>	<b>22 459</b>	<b>- 8 183</b>

# Consolidated financial statements 2022

## Consolidated balance sheet

CHF million

	Assets	Liabilities	
Cash	37	33	Liabilities
		3.3	Leasing liabilities
Receivables	19.3	5.4	Tax liabilities
Financial assets	42.6		
Non-current assets	3.8		
Other assets	18.5	126.3	Equity
Goodwill and intangibles	46.3		

- Asset mix is as follows:
  - CHF 100.6 mn current
  - CHF 66.9 mn non-current
- Liability mix is divided as follows:
  - CHF 26.2 mn current
  - CHF 15.0 mn non-current
- Debt-free balance sheet
- Equity base is slim and strong

# Consolidated financial statements

## Alternative Performance Indicators

CHF 1'000	1.1.-30.06.2022	1.1.-30.06.2021	Change
<b>Operating income</b>	<b>46 784</b>	<b>73 633</b>	<b>- 26 849</b>
Personnel expenses	- 20 534	- 33 569	+ 13 035
Other operating expenses	- 7 104	- 7 096	- 8
<b>Operating expenses</b>	<b>- 27 638</b>	<b>- 40 665</b>	<b>+ 13 027</b>
<b>Operating profit</b>	<b>19 146</b>	<b>32 968</b>	<b>- 13 822</b>
Depreciation and amortization	- 1 760	- 1 997	+ 237
Valuation adjustments	-	- 2 888	+ 2 888
<b>Group profit before tax</b>	<b>17 386</b>	<b>28 083</b>	<b>- 10 697</b>
Taxes	- 3 110	- 5 624	+ 2 514
<b>Group net profit</b>	<b>14 276</b>	<b>22 459</b>	<b>- 8 183</b>

# Consolidated financial statements

Key figures (1/2)

	1.1.-30.06.2022	1.1.-30.06.2021	Change
<b>Consolidate income statement</b>			
Cost/Income Ratio	59.1%	55.2%	-
Earnings per share (in CHF)	1.07	1.69	- 36.7%
	30.06.2022	31.12.2021	Change
<b>Asset under management (in CHF million)</b>			
Total managed assets	9 618	14 427	- 33.3%
Net new money (1.1. to 30.6.)	- 326	682	n.m.
<b>Consolidate balance sheet (in CHF 1 000)</b>			
Total assets	167 464	226 622	- 26.1%
Total liabilities	41 129	80 032	- 48.6%
Total equity	126 335	146 590	- 13.8%
Equity per share (in CHF)	9.38	9.71	- 3.4%
Return on equity, annualized (1.1. to 30.6.)	25.2%	39.6%	-

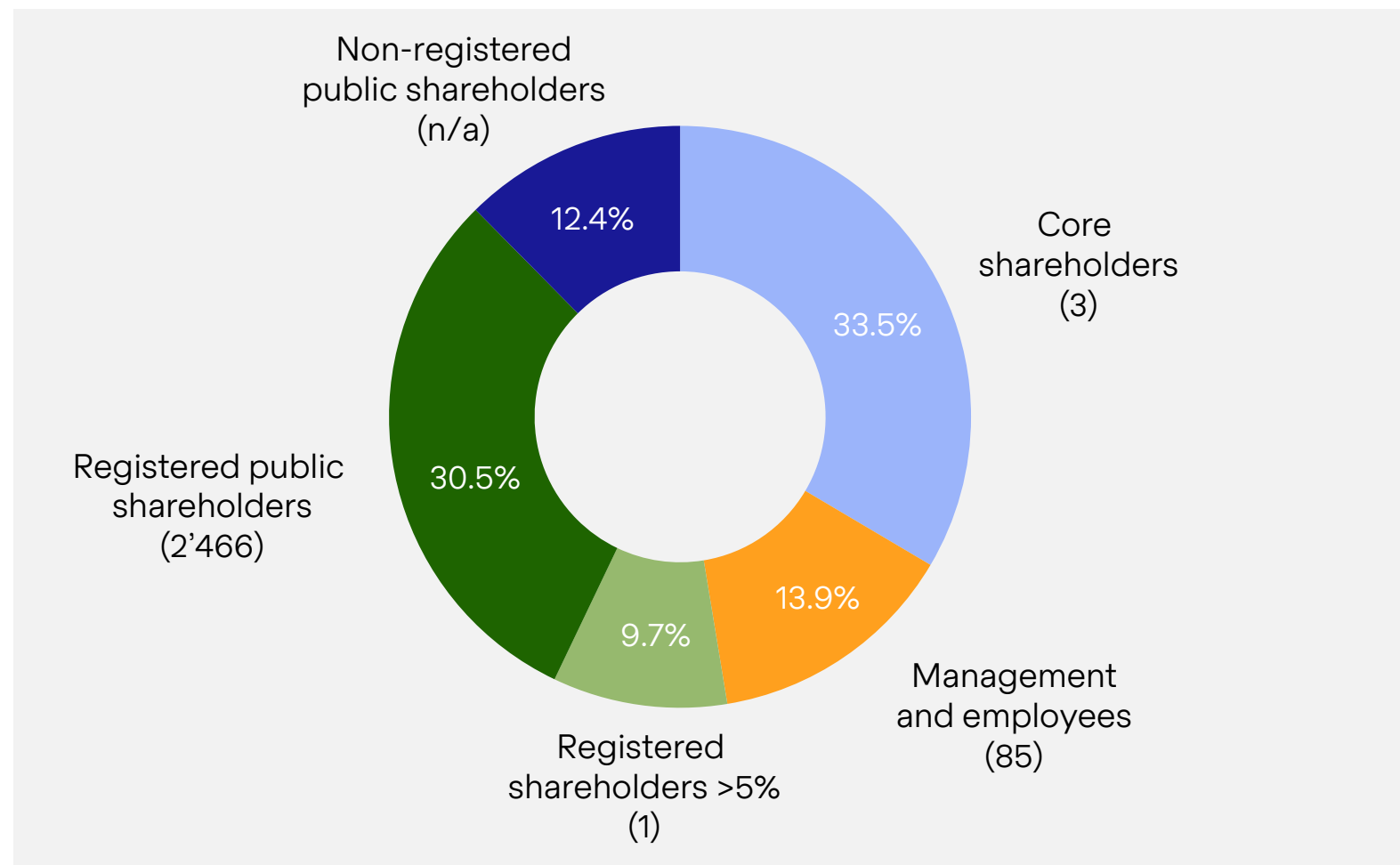
# Consolidated financial statements

Key figures (2/2)

	30.06.2022	31.12.2021	Change
<b>Staff (FTEs)</b>			
Number of staff (at cutoff date)	93.2	94.0	- 0.9%
<b>Share price</b>			
Closing price, Bellevue Group registered shares (in CHF)	32.35	40.00	- 19.1%
High / Low (in CHF, 1.1. to 30.6.)	30.80 / 43.70	30.40 / 43.00	-
Market capitalization (in CHF million)	435	538	- 19.1%

# Shareholder base

Structure of the shareholder base as of June 30, 2022



## Attractive value creation leads to stable shareholder base

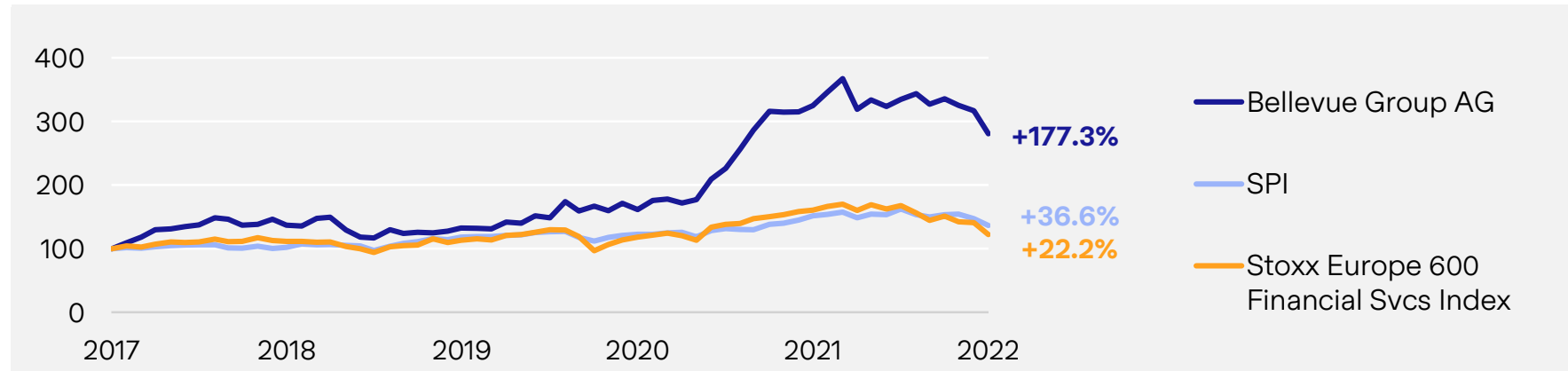
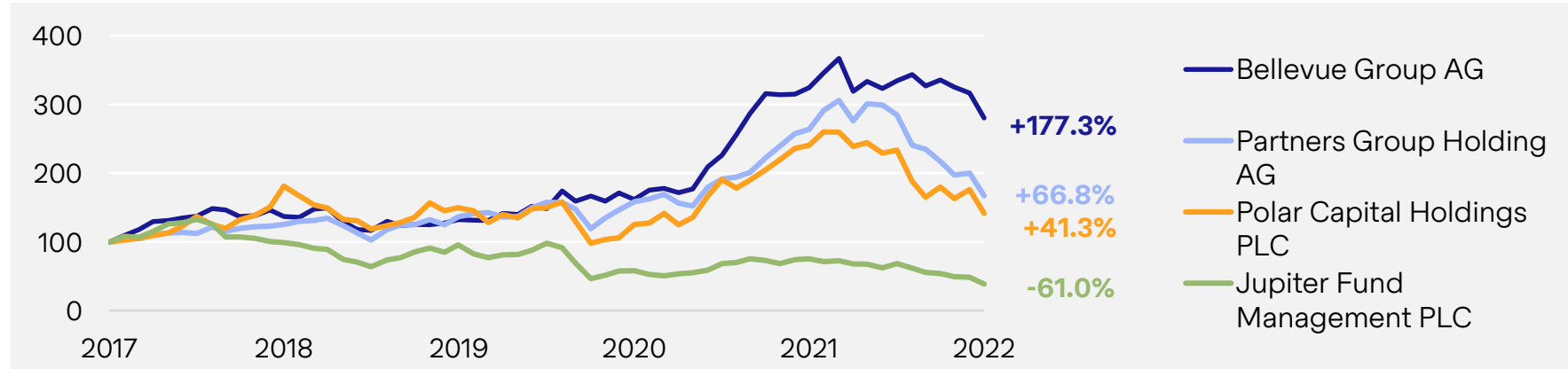
- Strong commitment of core shareholders
- Substantial increase in management/ employee shareholders (31.12.2021: 13.7%)
- Hansjörg Wyss, a long-term oriented shareholder (9.7%) could be won in 2020
- Very transparent shareholder base: >87% registered (2'555 shareholders)
- Shareholder-friendly dividend policy unchanged, strengthening sense of continuity

# Bellevue Group share (BBN SW)

Compelling performance compared to relevant indexes and other asset managers

## Total return in CHF (5 years)

Indexed to 100 (in %)



Market capitalization as of 30.06.2022

**CHF 435 mn**

Dividend 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 June 30, 2022

# Business profile & strategy

# 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.**

# 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
- Combined healthcare strategies
- ESG strategies

## Mandates

- Custom fund mandates
- Institutional mandates



## Attractive direct investments

- Proprietary "deal-by-deal" investments for dedicated investor group

## Profiled co-investment funds

- Entrepreneur Private strategies

## Scalable special strategies

- Global opportunistic strategies (Q4 2022)



## Specialized growth strategies

- Entrepreneur strategies (CH/EU)
- Frontier markets (Africa)

## Defensive investment strategies

- Global value strategies

## Fixed income and Multi-asset strategies

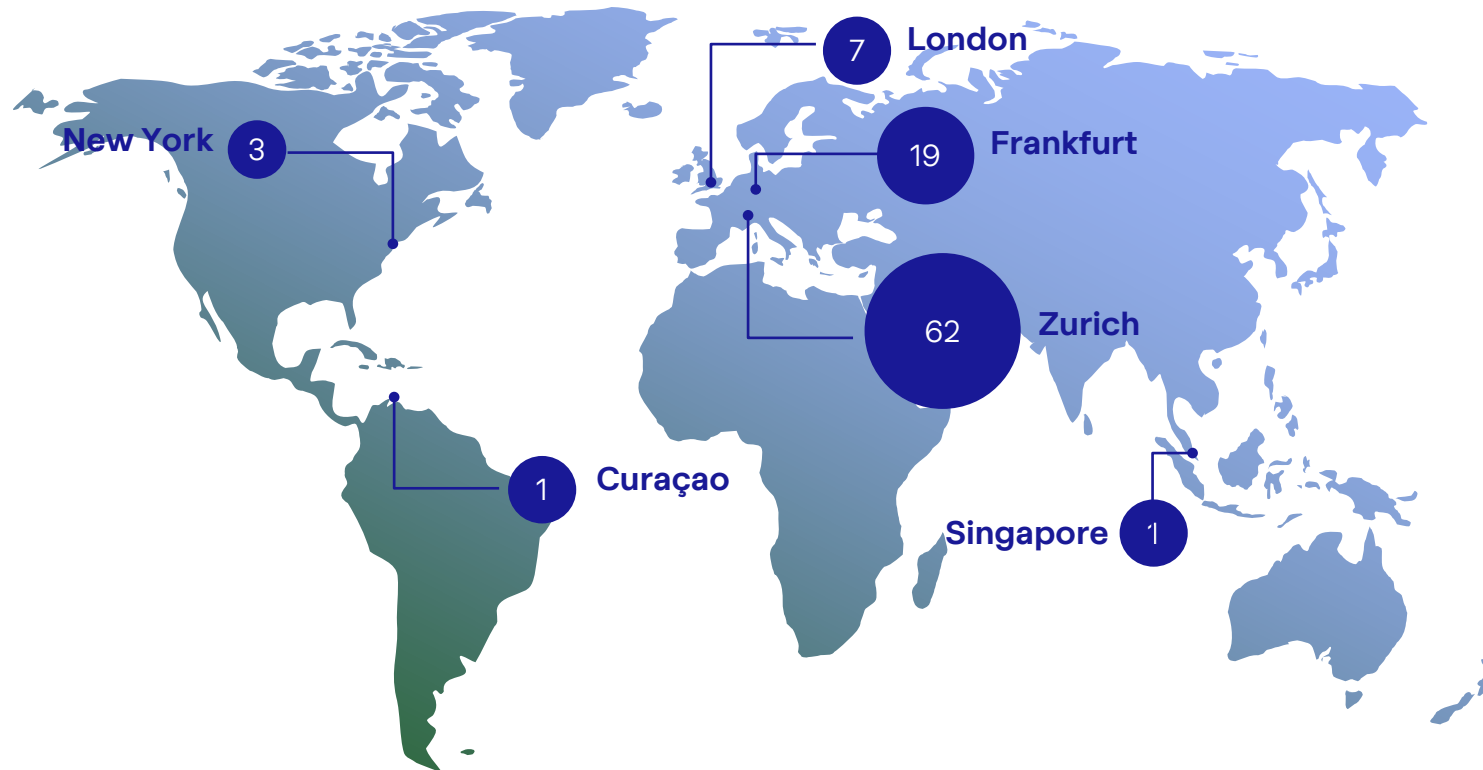
- Global fixed income strat. (unconstrained)
- Defensive / dynamic multi-asset strategies
- Long/Short multi-asset strategies

## Mandates

- Custom fund mandates
- Institutional mandates

# 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

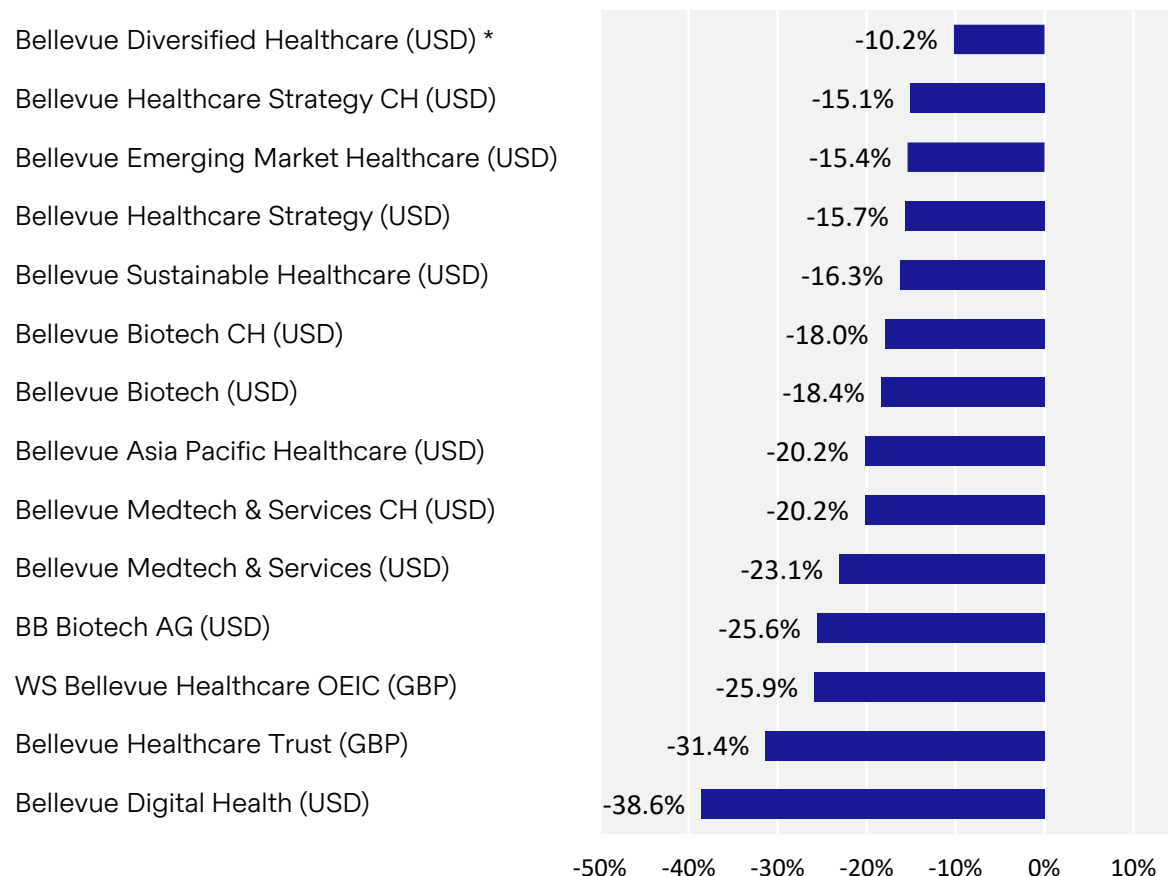
- Asset management licenses in 3 key markets: Switzerland, Germany/EU, UK
- Broad product range with clearly defined standards, easily transplanted across international borders

# Broad and robust product range

Performance snapshot as of mid-year illustrates the impact of global market turmoil

## Specialized healthcare strategies

Absolute performance H1 2022, in USD



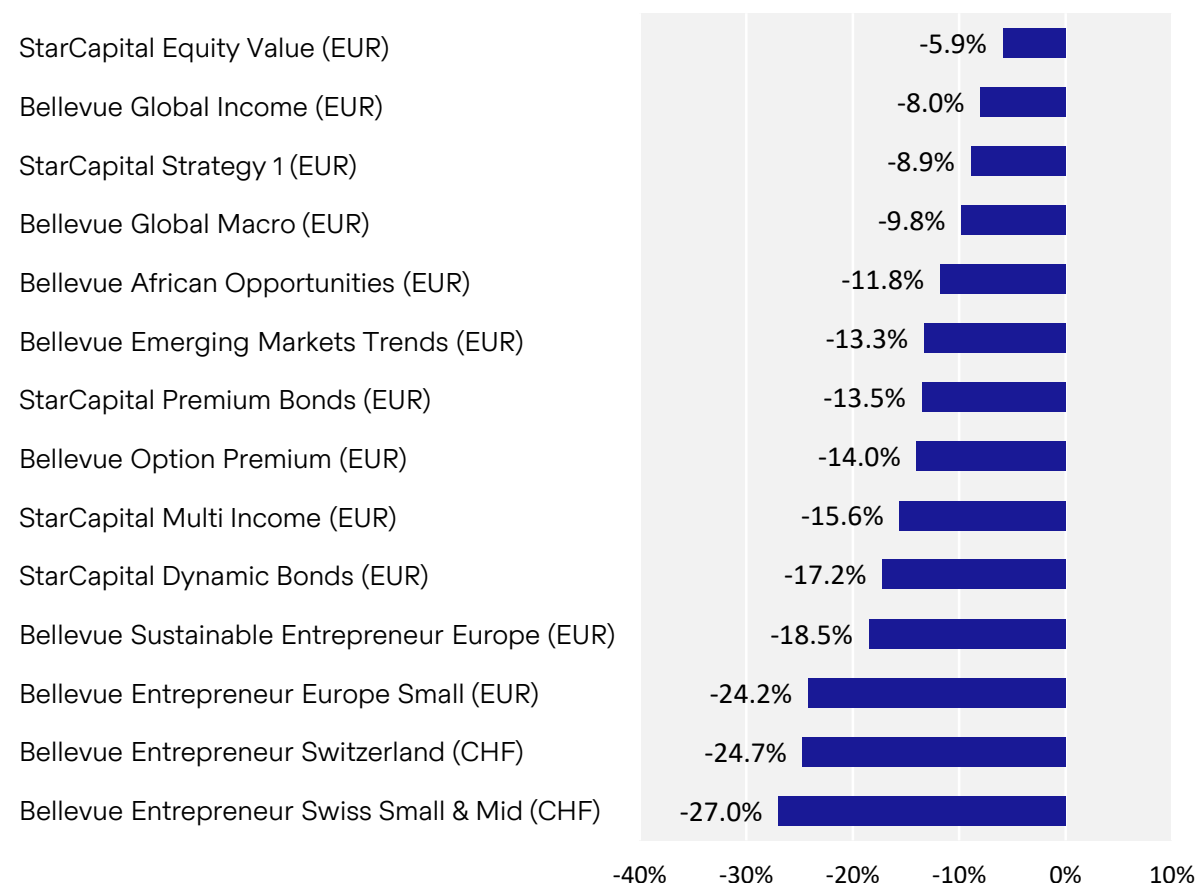
\* Launched as of March 31, 2022

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

Source: Bellevue Group, as at June 30, 2022

## Traditional and alternative investment strategies \*\*

Absolute performance H1 2022, in base currency



# 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

**28%**

women in the workforce

**15**

Nationalities\*

**6.4**

years average employment tenure

**22%**

part-time employees

\* 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

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



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



## ESG integrated strategies (Art 8 EU SFDR)

- Compliant with global standards and norms (UN GC, UN GPBHR, ILO Standards)
- Norms-based exclusions with revenue limits (controversial weapons, thermal coal, tobacco, etc.)
- Implementation of sustainability quotas, e.g. with regard to new regulatory requirements
- 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 Diversified Healthcare** <sup>(LUX)</sup>

 **BB Biotech**

 **Bellevue Healthcare Trust**

 **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>

 **Bellevue Global Macro** <sup>(LUX)</sup>

 **StarCapital Multi Income**

 **StarCapital Strategy 1**

 **StarCapital Option Premium** <sup>1)</sup>

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

2) Until 31.12.2021 StarCapital Bond Value

# Why turn to Bellevue Group?

## Highlights Bellevue Group

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

- Independent, efficient, 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
- 47.4% 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

February 28, 2023	Publication annual report 2022
March 21, 2023	Annual General Meeting 2023

## Investor Relations

Bellevue Group	André Rüegg	Michael Hutter
Phone +41 44 267 67 00	CEO Bellevue Group	CFO Bellevue Group
Fax +41 44 267 67 01	Phone +41 44 267 67 10	Phone +41 44 267 67 20
<a href="mailto:ir@bellevue.ch">ir@bellevue.ch</a>	<a href="mailto:aru@bellevue.ch">aru@bellevue.ch</a>	<a href="mailto:mhu@bellevue.ch">mhu@bellevue.ch</a>

## Media Relations

Jürg Stähelin	Tanja Chicherio
IRF	Marketing Bellevue Group
Phone +41 44 244 81 51	Phone +41 44 267 67 07
<a href="mailto:staehelin@irf-reputation.ch">staehelin@irf-reputation.ch</a>	<a href="mailto:tch@bellevue.ch">tch@bellevue.ch</a>



Bellevue Group AG

Seestrasse 16  
CH-8700 Küsnacht/Zürich

T +41 44 267 67 00

[info@bellevue.ch](mailto:info@bellevue.ch)

[www.bellevue.ch](http://www.bellevue.ch)