

# Shareholder letter



Markus Peter, CEO Bellevue Asset Management, and Veit de Maddalena, Executive Chairman

Dear Shareholders,

Bellevue Group was confronted with very challenging market conditions during the first half of the current year. Valuations in the healthcare sector, a vital sector for us as a specialized asset manager, have fallen to record lows and healthcare continues to lag far behind the global market in terms of performance. The ongoing geopolitical uncertainties and the resulting pronounced weakness of the US dollar further weighed on Bellevue's performance. These challenging conditions are reflected in the Group's break-even bottom line for the first half.

We maintained our efforts to adapt Bellevue Group to the new market reality during the period under review. We streamlined our organization, reallocated our resources, sharpened our strategic priorities and took further action toward a lasting reduction in the cost base. At the same time, we are making selective investments in our expert capabilities and constantly seeking to optimize our business model as a specialized asset manager, as we strive to return to our former levels of profitability. Ensuring that Bellevue is well-positioned for a sustained recovery in its target markets is likewise important. We strongly believe that the healthcare sector today offers very enticing entry points, something the broader investment community is starting to acknowledge as well.

## Weak dollar intensifies market-driven decline in assets under management

Assets under management dropped by CHF 940 mn to CHF 4.8 bn at the end of the first half due to adverse market developments. The sub-par performance of the healthcare sector and the associated reallocation of client assets fueled the decline, compounded by the weakness of the US dollar, which lost more than 12% of its value against the Swiss franc during the period under review. Since more of 75% of Bellevue's portfolio investments are denominated in USD, the dollar weakness lowered assets under management by no less than CHF 550 mn.

Average assets under management for the period were 24% lower than in the prior-year period (16% lower compared to the end of 2024), which resulted in a corresponding decline of 23% in income from asset management services to CHF 27.0 mn. Unrealized investment losses on financial assets due to adverse market developments had an additional negative impact of CHF 2 mn on operating income. Total operating income therefore declined by 31% year-on-year to CHF 25.0 mn. Meanwhile the measures we have taken to optimize operating costs will not fully take effect until 2026. Operating costs declined by 11% to CHF 22.7 mn, driven primarily by a reduction in personnel expenses. This led to a break-even bottom line of CHF 0.2 mn (prior-year period: net profit of CHF 7.4 mn).

The reported interim result is a snapshot of our Group's current situation. Challenging market conditions and the relative weakness of the healthcare sector during the past few years have eroded overall assets under management and stunted the development of our business. To remedy the situation, we will continue focusing our attention on aligning our Group with the new market reality while preserving our ability to capture growth opportunities.

### Most of Bellevue's healthcare strategies beat their benchmark

We once again improved the relative performance of our investment products during the period under review following further optimization of our portfolio management operations. Most of our healthcare strategies delivered positive first-half returns in USD and also outperformed the MSCI World Healthcare Index. The Bellevue Emerging Markets and Bellevue Digital Health funds posted strong year-to-date returns of 11% and 6.6%, respectively, placing them in the top quartile of their Lipper peer group. Bellevue Healthcare Strategy (CH) (+5.8%), Bellevue Sustainable Healthcare (+5.1%) and Bellevue Healthcare Strategy (LUX) (+5.0%) also impressed with their attractive performance. These pleasing returns were undone by the weak dollar, as performance figures turned negative when translated into Swiss francs.

BB Biotech AG also performed well during the first half. The positive effects of operational and staff optimizations as well as the progress made by several mid-cap positions sustained the company's forward momentum. Additionally, takeover activity had a supportive effect on its portfolio performance.

Our niche strategies likewise delivered strong returns. The Entrepreneur funds performed particularly well, delivering impressive returns in both absolute and relative terms. The Bellevue Entrepreneur Europe Small (in EUR) and Bellevue Entrepreneur Switzerland (in CHF) funds stood out with half-year returns of 18.7% and 12.9%.

The encouraging performance of our investment products reinforces our confidence that Bellevue will eventually return to a sustainable growth path.

### Business model adjusted to new market reality

The market environment for Bellevue Group has been in a constant state of flux for several years now and we have repeatedly adapted our business model during this time to address the changing market realities. We have simplified processes, streamlined our organizational structures and reassessed the assignment of operational responsibility, with the ultimate aim of improving efficiency and lowering our cost base. We have made great strides towards this end, facilitated by our proven investment expertise, our dedicated and highly qualified staff and our well-capitalized balance sheet.

As part of this realignment, Veit de Maddalena, the Executive Chairman of the Board of Directors, assumed operational management responsibility for the Group at the beginning of June and Prof. Dr. Urs Schenker, who has served on the Board of Directors since 2019, was appointed Lead Independent Director. Markus Peter, Head Investments at Bellevue Group since 2009 and a member of the Group Executive Board since 2024, assumed executive management responsibility for Bellevue Asset Management, Bellevue Group's largest

operational subsidiary. The previous CEO Gebhard Giselbrecht decided to accept a new career opportunity outside Bellevue Group.

After 16 years at Bellevue, Patrick Fischli, Head Distribution since 2009, member of the Executive Board of Bellevue Asset Management and member of the Group Executive Board since 2024, will be leaving the Group by the end of the year at the latest. Patrick has been instrumental in establishing and developing Bellevue's distribution structure and sales team. Florin Boetschi will take over responsibility for sales activities and become a member of the Executive Board of Bellevue Asset Management. Florin Boetschi has been with Bellevue Group for four years, most recently heading up sales activities in Asia and our Singapore office. We would like to thank Patrick for his many years of valuable service to Bellevue Group and are delighted to have found a competent internal successor for this key role in Florin. The new executive management structure underscores our intent to move forward with a sharp focus and rapid implementation abilities, thereby ensuring seamless execution with a high level of continuity, which is in the interest of all our stakeholders.

During the first half of 2025, Bellevue further focused its business activities. The funds and mandates of Bellevue Asset Management Germany have been managed by the Multi Asset Team of Bellevue Asset Management Zurich since July 1. Bellevue Asset Management Germany will then be exclusively engaged in sales and distribution.

As a further step in refining the business model, a management buyout of the subsidiary adbodmer, which specializes in private equity, is being considered. The close collaboration is expected to continue. This potential transaction would further reduce the complexity of business activities while allowing Bellevue to continue benefiting from adbodmer AG's private equity expertise for the Bellevue Entrepreneur Private KmGK.

The leaner and more efficient organization will give us more freedom to pursue targeted growth initiatives.

## Healthcare remains a strategic pillar with a strong outlook and multiple rebound triggers

Despite all the challenges of recent years, the healthcare sector is still a structural growth market. Industry innovation, demographic change and stable cash flows make it an attractive long-term investment case – regardless of any temporary swings in investor sentiment.

Several indicators currently suggest a contrarian entry opportunity:

- Healthcare's weight in the S&P 500 has fallen below 10% – the lowest it has been in more than a decade. After reaching a similar low point in 2011, the sector bounced back and outperformed the broader market by more than 70% over the next four years.
- Healthcare is currently trading at a discount of about 20% to the global equity market. A valuation gap of this magnitude was last seen five years ago.
- Since the summer of 2024, healthcare has underperformed the MSCI World Defensive Sector Index by more than 10%.

We see several potential catalysts for a trend reversal during the remainder of the year. The current cloud of uncertainty hovering over the healthcare industry in the US is likely to fade as official government policies are enacted, enabling companies to make decisions with more confidence. The final decisions on controversial issues such as Most Favored Nation drug pricing or import tariffs are likely to be less draconian in order to ensure Congressional passage. Meanwhile the sector continues to be characterized by innovation-driven margins, stable sources of revenues, non-cyclical demand and high levels of efficiency.

We are confident that healthcare is at a turning point, supported by attractive valuations, growing visibility, and its increasing relevance for global investors. Bellevue is well positioned

to benefit from this turnaround with its dedicated healthcare strategies. Initial improvements in performance seen in the first half reinforces this outlook.

### Foundation for renewed growth

We are entering the second half of the year with a clear plan: Continue to simplify organizational structures, strengthen relevant products and selectively intensify our sales activities, supported by some tailwind from a better investment performance and continued high quality customer service. We have initiated our operational turnaround, but the full impact of the action we have taken will not be visible until 2026.

Thanks to the measures we have taken and today's idiosyncratic market conditions, we look to the future with confidence. Investor sentiment is beginning to brighten and there are numerous indications that the healthcare sector is again attracting long-term interest. We have placed Bellevue Group in a position where it can act quickly and effectively to resume its growth when the market environment becomes more constructive.

We thank our employees for their dedication and perseverance, our clients for their loyalty and you, our esteemed shareholders, for your enduring trust.



**Veit de Maddalena**  
Executive Chairman



**Markus Peter**  
CEO Bellevue Asset Management



# At a glance

	01.01.-30.06.2025	01.01.-30.06.2024	Change
<b>Consolidated income statement (in CHF 1'000)</b>			
Revenues from asset management services	26 955	35 104	– 23.2%
Total operating income	25 048	36 443	– 31.3%
Total operating expenses	22 697	25 643	– 11.5%
Total operating profit	2 351	10 800	– 78.2%
Group net profit	185	7 430	– 97.5%
Cost/Income ratio <sup>1)</sup>	90.6%	70.4%	–
Undiluted/Diluted earnings per share (in CHF)	+0.01	+0.56	– 98.2%
	<b>30.06.2025</b>	<b>31.12.2024</b>	<b>Change</b>
<b>Asset under management (in CHF million)</b>			
Total managed assets	4 816	5 755	– 16.3%
Net new money (1.1. to 30.6.)	– 408	– 1 117	+63.5%
<b>Consolidated balance sheet (in CHF 1'000)</b>			
Total assets	147 041	162 271	– 9.4%
Total liabilities	34 507	43 751	– 21.1%
Total shareholders' equity	112 534	118 520	– 5.1%
Equity per share (in CHF)	8.36	8.80	– 5.0%
Return on equity annualized (1.1. to 30.6.) <sup>2)</sup>	0.3%	13.7%	–
<b>Staff (FTE)</b>			
Number of staff at cutoff date	84.3	85.6	– 1.5%
Year average number of staff	85.1	88.2	– 3.5%
<b>Share price</b>			
Share price of Bellevue Group registered shares (in CHF)	7.62	17.50	– 56.5%
Low / High (in CHF, 1.1. to 30.6.) <sup>3)</sup>	7.10 / 14.90	17.00 / 24.20	
Market capitalization (in CHF million)	103	236	– 56.5%

<sup>1)</sup> Defined as: operating expenses/operating income

<sup>2)</sup> Based on group net profit and average shareholders' equity after deduction of the respective dividend

<sup>3)</sup> End of day prices

# Investor presentation

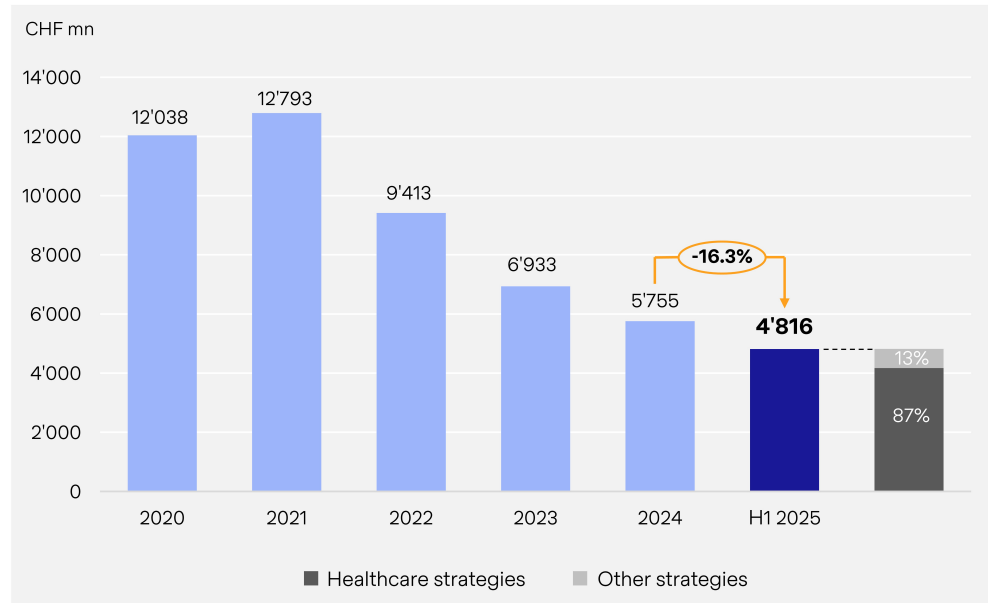
The 2025 half-year results in brief: Overview, capital market environment, business results, update and outlook.

## Half-year results 2025



## Assets under management reduced by around 16%...

Development of AuM base 2020 – H1 2025



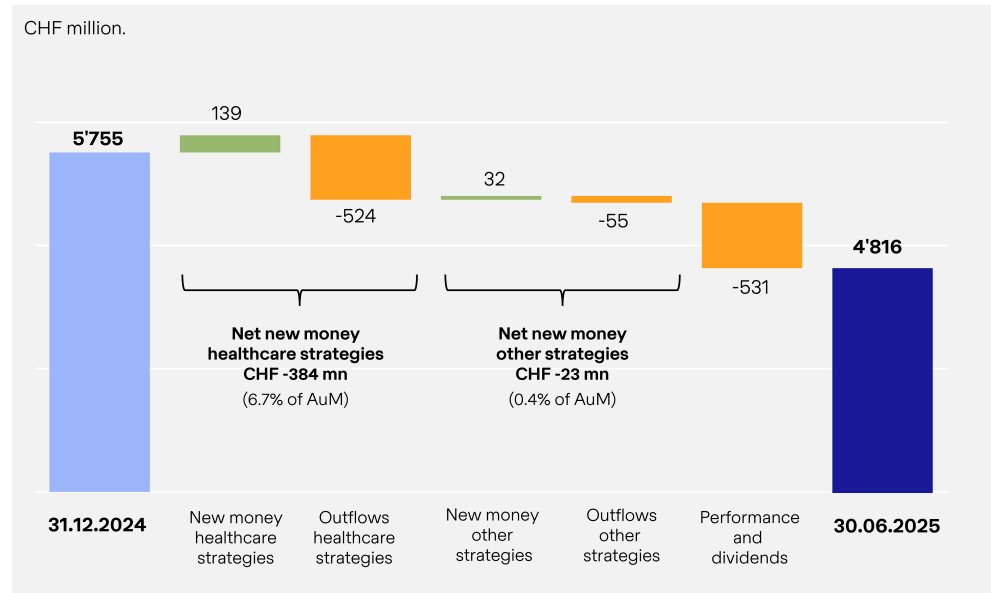
Source: Bellevue Group, as at June 30, 2025

### Development of assets under management

- Assets under management down by around 16% or CHF 939 mn compared to 31.12.2024
- USD assets account for around 75% of total assets under management
- Negative USD currency effect of CHF 550 mn (USD -12.5% in H1 2025)
- Healthcare strategies represent around 87% of assets under management

...due to the USD effect and client reallocations out of the healthcare sector

Development of AuM base in H1 2025



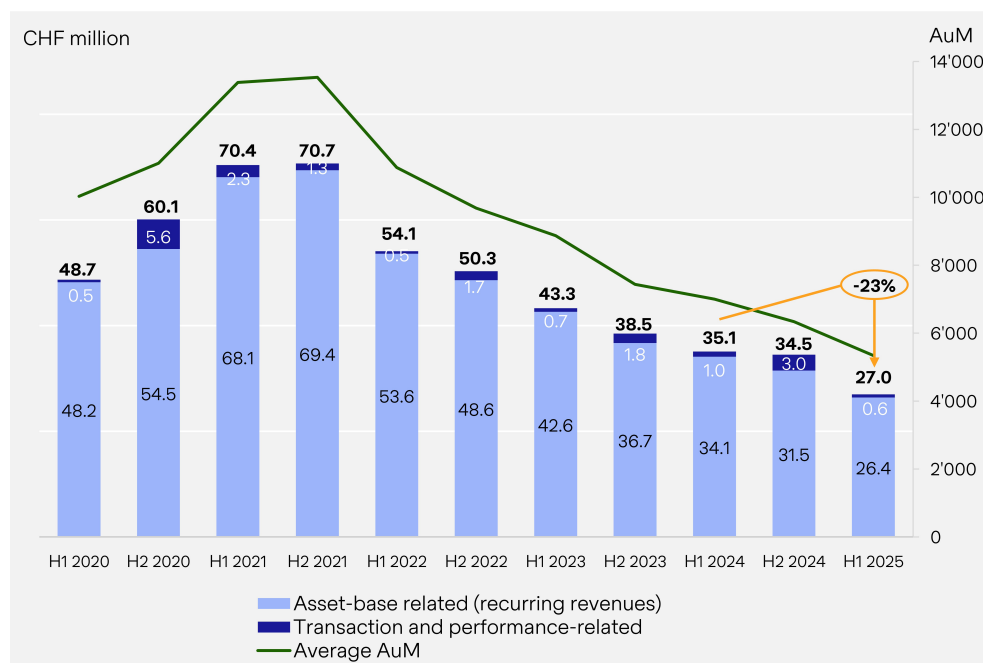
Source: Bellevue Group, as at June 30, 2025

### Development of assets under management

- Reduction due to client reallocations (CHF 407 mn) and negative investment performance (CHF 531 mn)
- Product performance contributed positively (in local currencies), the net negative performance is mainly attributable to the depreciation of the US dollar against the Swiss franc
- Share buybacks in connection with the introduction of the Zero Discount Policy at Bellevue Healthcare Trust led to outflows of CHF 125 mn

## Asset management services income declines with assets under management

Development of income from asset management activities,  
2020 – H1 2025



Source: Bellevue Group, as at June 30, 2025

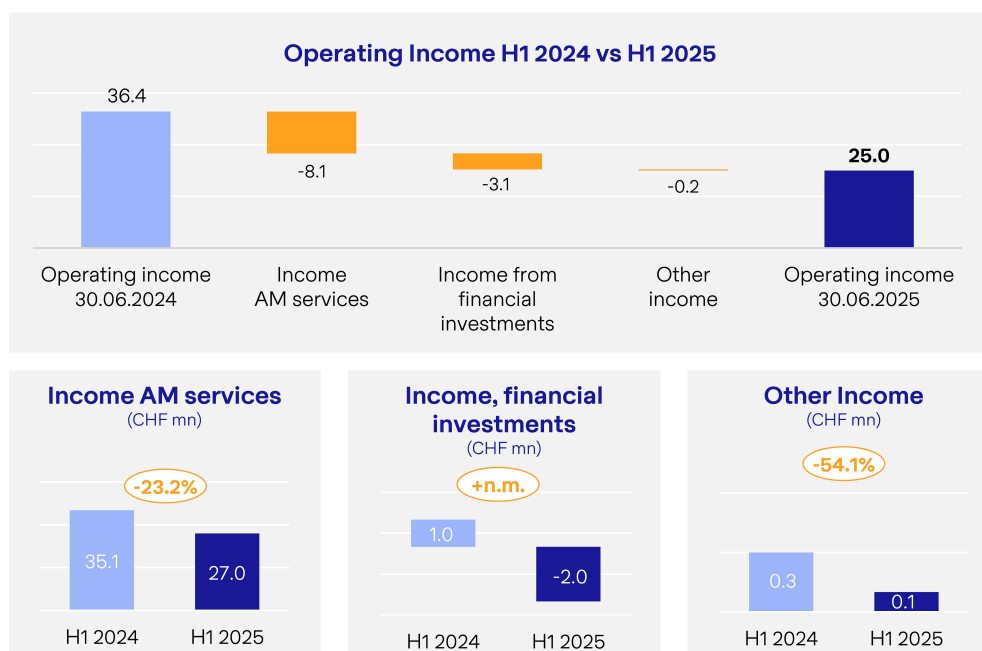
### Development of income from asset management services

- Decline in revenues from asset management services of around 23% in line with the development of the average AuM base
- Average AuM base of around CHF 5.3 bn for H1 2025 (H1 2024 CHF 7.0 bn)
- High proportion of recurring income (management fees)
- Only a small contribution from transaction-based fees and performance fees



## Operating income driven by AuM

### Detailed development of operating income



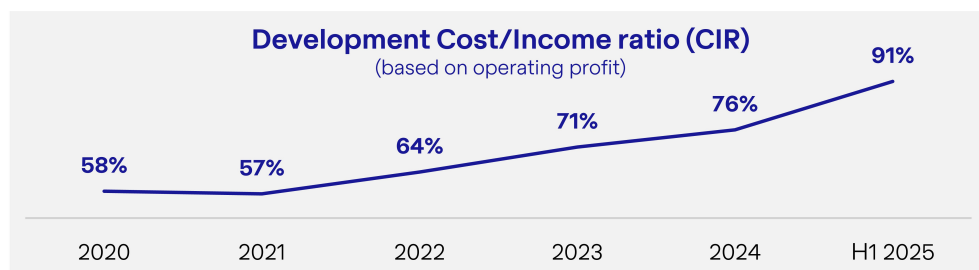
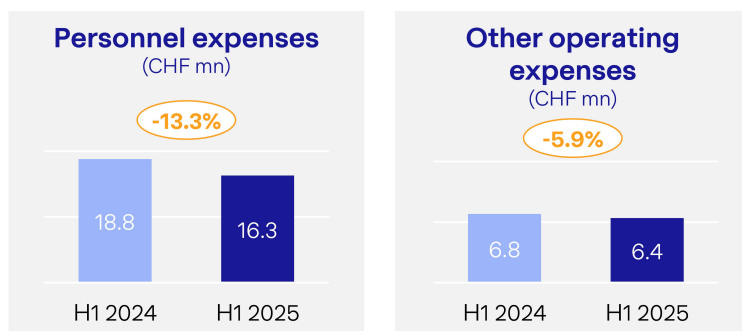
Source: Bellevue Group, as at June 30, 2025

### Changes in operating income of CHF 11.4 mn in absolute terms driven by:

- Decrease in income from asset management services by CHF 8.1 mn or 23% to CHF 27 mn due to lower average AuM
- Decrease in financial result by CHF 3.1 mn due to market distortions and the depreciation of the US dollar against the Swiss franc
- Decrease in other income due to lower interest and dividend income

## Reduction operating expenses

### Development of operating expenses and CIR



Source: Bellevue Group, as at June 30, 2025

- An entrepreneurial and performance-based compensation model, as well as a lower number of FTEs, lead to lower personnel expenses
- Thanks to active cost management, the expense side has been sustainably reduced
- Cost-saving measures initiated in the first half of 2025 will take full effect from 2026, with initial effects visible in H2 2025
- Increase in the cost/income ratio (CIR) to around 90%