



VZ Group

2022

Results and outlook

Appendix: company overview

Zug, 2 March 2023

Forward-looking statements

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Roundings

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

Adjustments and Alternative Performance Measures (APMs)

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

Agenda

1. Facts and figures

2. Financials

3. Outlook

4. Appendix

Business development

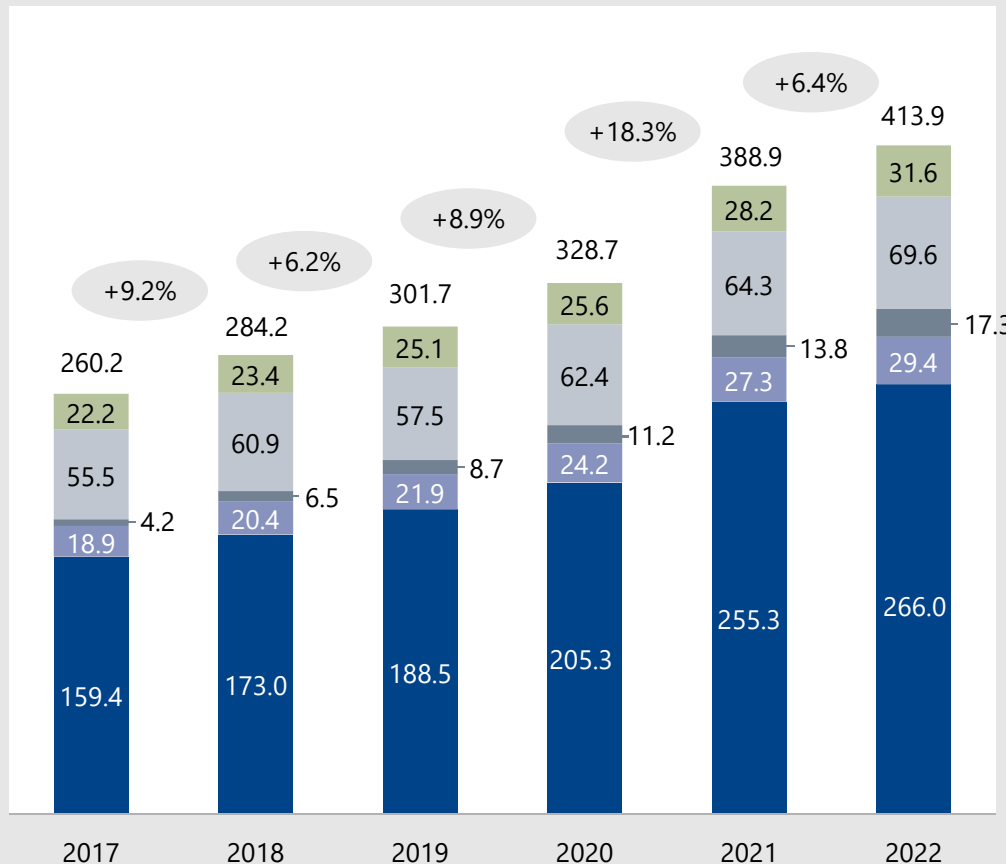
- Resilient business model in challenging financial markets:
 - Strong marketing response and new client inflow for consulting services
 - NNM compensates AuM-decline due to negative financial markets
- 7900 consulting clients converted to platform services (2021: 8200 clients)
- Growth of front-end consulting capacity +9.0% to 205 FTEs (avg. 2022, 2023e: 220 FTEs)
- NNM per consulting FTE at CHF 22.4 million (target range 17-20 million)
- Effects of positive interest rates on P&L fully reflected in 2023
- UK: initiatives on track
- VZ BVG Rück: operational since 1.1.2023

Financials

- Top line +6.4% yoy to CHF 413.9 million
- Operating expenses +7.5% yoy
 - Personnel expenses +8.3% yoy
 - Other operating expenses +0.4% yoy
- EBIT margin: 42.6% (2021: 43.1%)
- Bottom line +5.7% yoy to CHF 151.3 million, net profit margin: 36.6% (2021: 36.8%)
- Solid balance sheet
 - Equity ratio: 13.0%
 - BIS CET 1: 25.2%
- NNM: CHF 4602 million (2021: CHF 4804 million)
- Assets under management: CHF 39.1 billion (31.12.2021: CHF 39.0 billion)

Revenues: +6.4% yoy

in CHF million



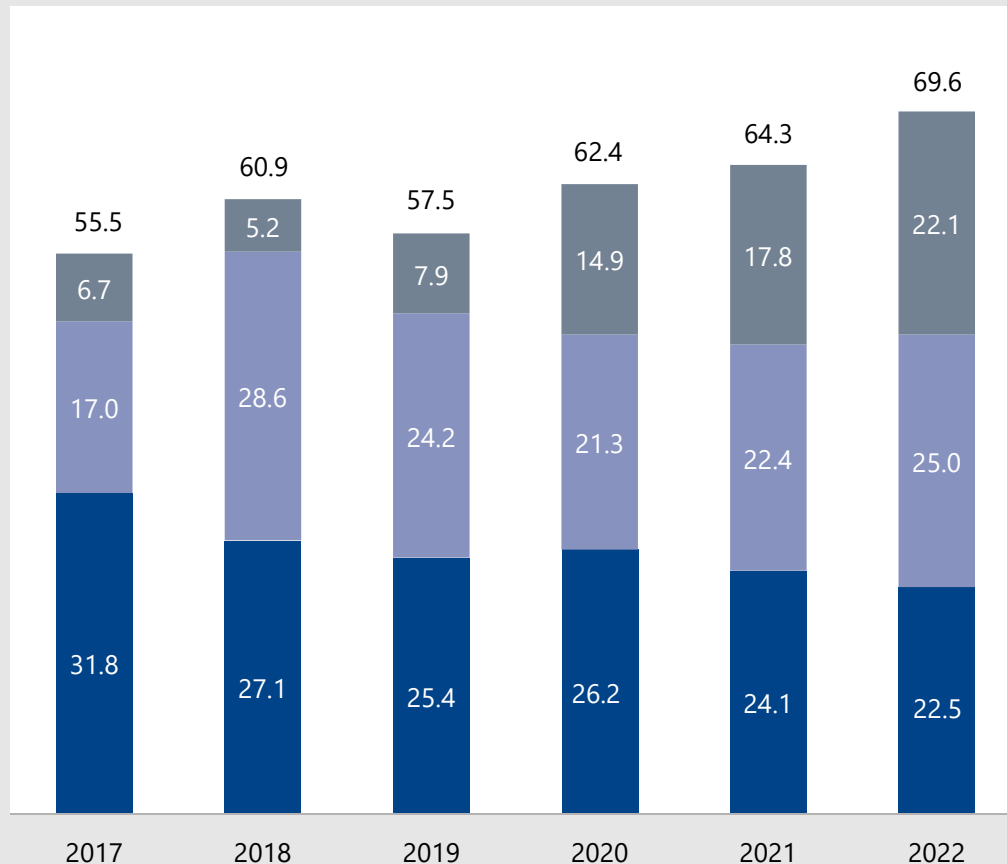
Total revenues +6.4% yoy

- Consulting fees¹ +12.1% yoy
- Banking income from interest business, commissions and trading activities +8.2% yoy
- Net earned premiums +25.4% yoy
- Other management fees +7.7% yoy
- Management fees on AuM +4.2% yoy

1 Incl. other revenues

Banking income: Interest business gains weight

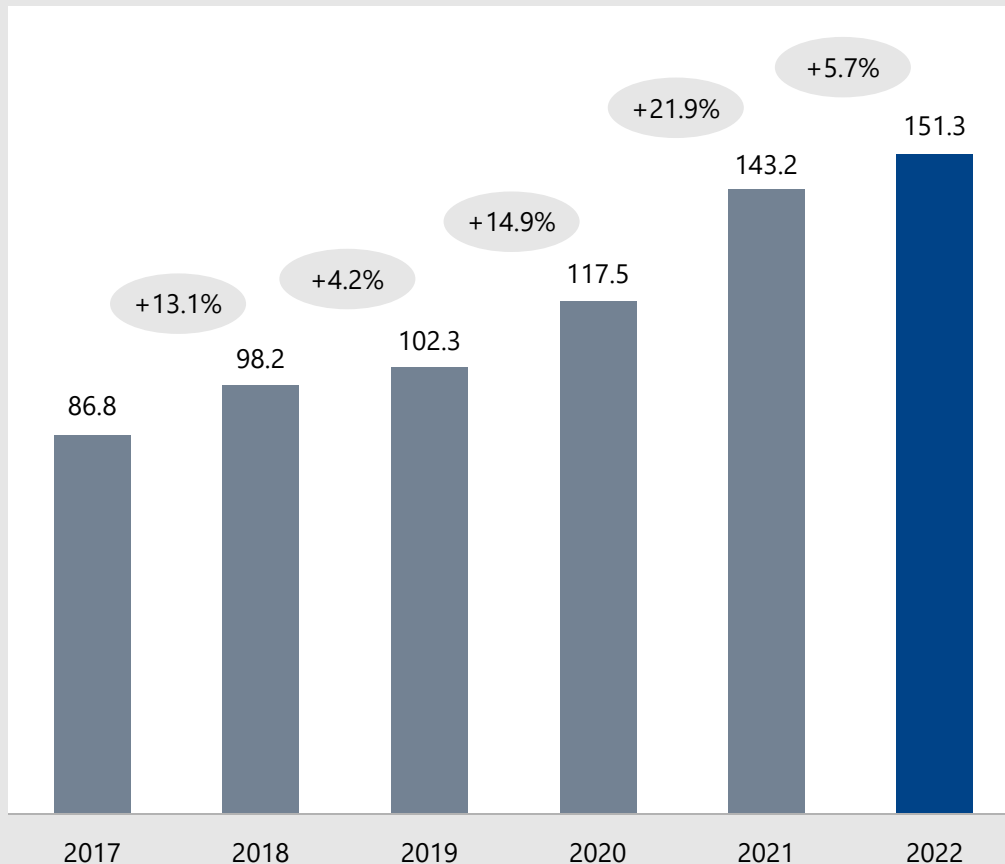
in CHF million



- Interest business:
Return to positive interest rates increases weight of interest business significantly, full impact to be reflected in 2023
- Trading result:
Generally random development driven by financial markets.
- Transaction fees:
Downward trend due to strong demand for all-in fee models and index-oriented investment styles

Net profit: +5.7% yoy

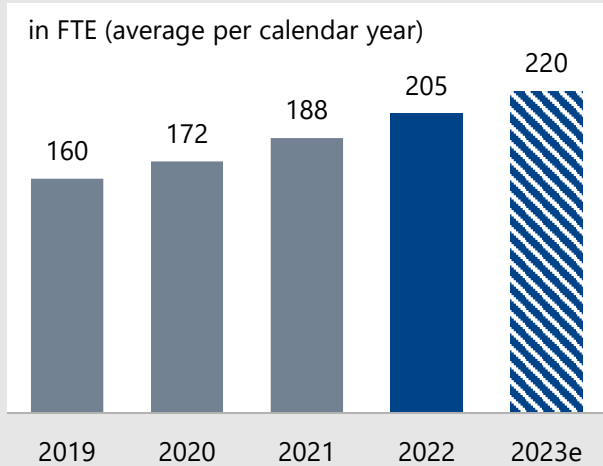
in CHF million



- Operating margin (EBIT) at 42.6% (2021: 43.1%, long-term target: 42%)
 - Revenues +6.4%
 - Operating expenses +7.5%
- Net profit margin 36.6% vs 36.8% in 2021 (long-term target: 36%)

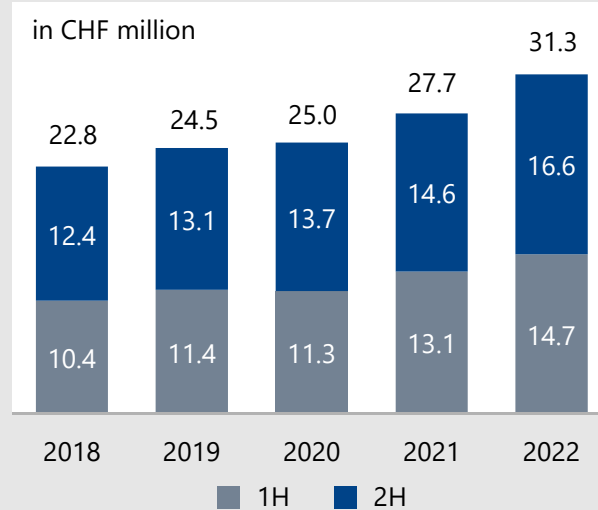
Financial Consulting: NNM above target corridor

Capacity growth



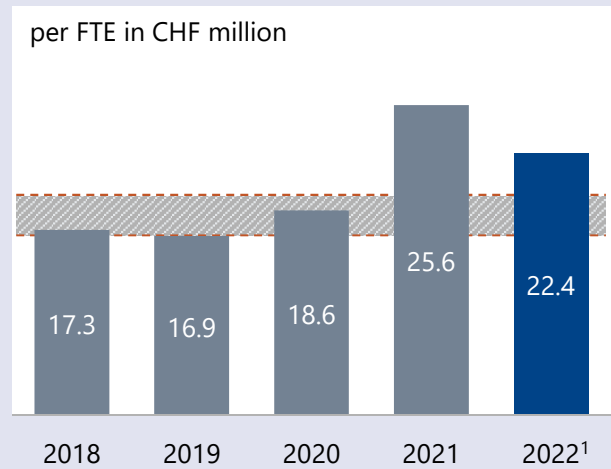
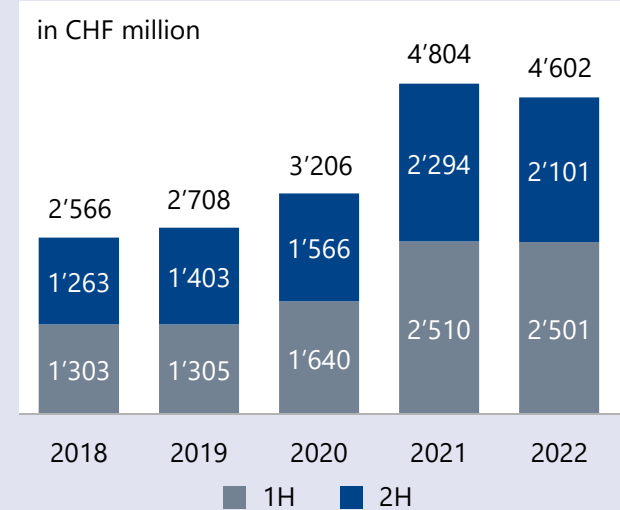
- FC full-time equivalents (FTE) with client and budget responsibility
- PCC profile equals 50% FC profile
- Wealth managers and UK consultants not included
- Further capacity increase planned

Consulting revenues



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

Net new money (NNM)



1 1H: CHF 24.4 million annualised; 2H: CHF 20.5 million annualised

Wealth Management: WM clients +13.7%

in CHF million

	31.12.19	31.12.20	31.12.21	31.12.22	yoy
AuM total	27'627	31'459	39'002	39'108	+0.3%
• PM mandates <i>Share of total AuM</i>	16'715 60.5%	19'061 60.6%	24'818 63.6%	23'881 61.1%	-3.8%
• Others ¹ <i>Share of total AuM</i>	10'912 39.5%	12'398 39.4%	14'184 36.4%	15'227 38.9%	+7.4%
NNM total	2'708	3'206	4'804	4'602	-4.2%
# WM clients²	42'776	49'194	57'373	65'247	+13.7%
Δ WM clients	+4'973	+6'418	+8'179	+7'874	-3.7%

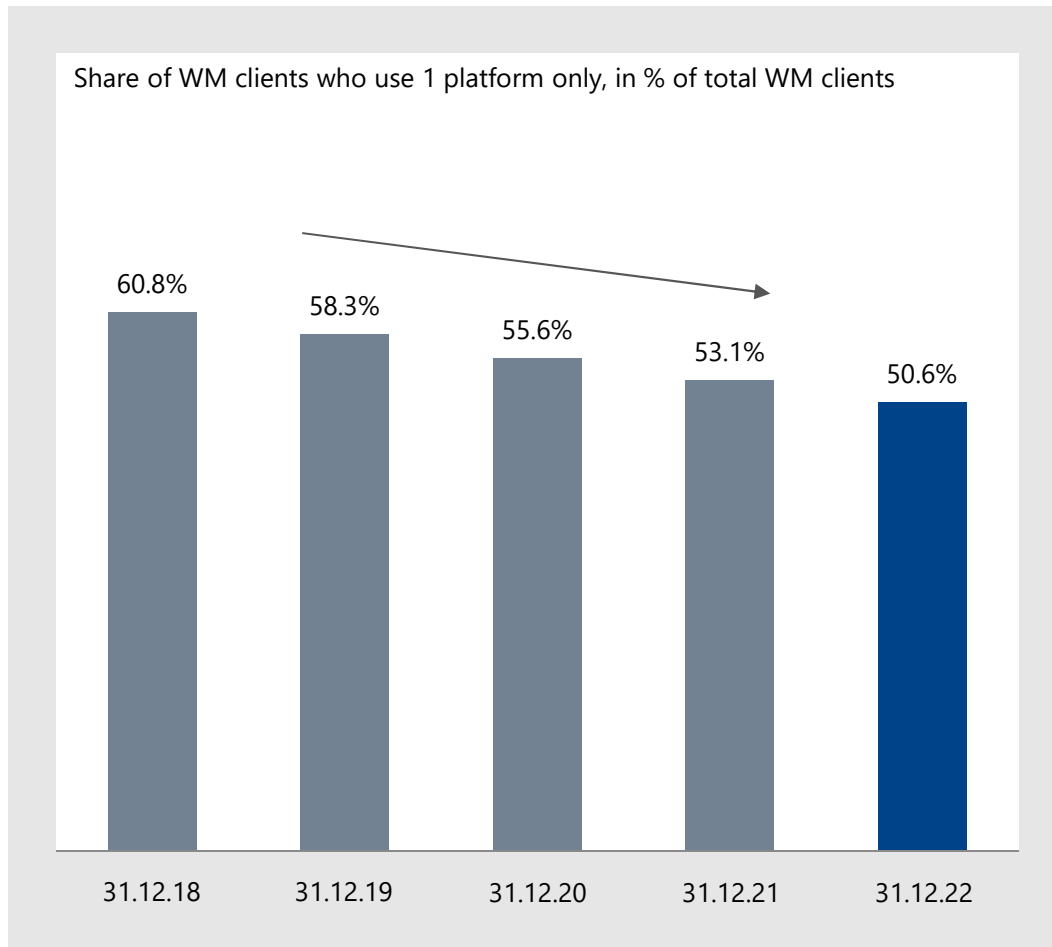
1 Incl. mortgages under management and portfolios under client management

2 Excl. UK WM clients

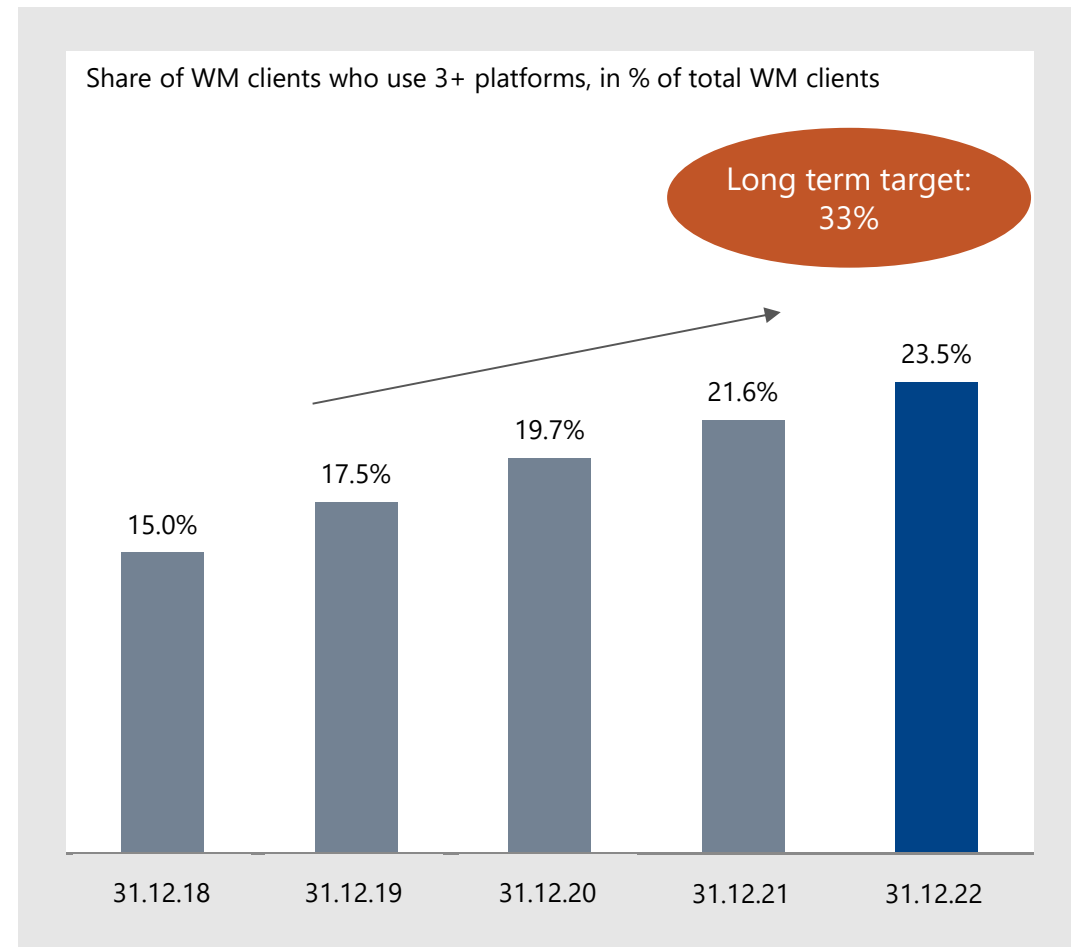
Platform usage among WM clients

CH clients only

1 platform per client



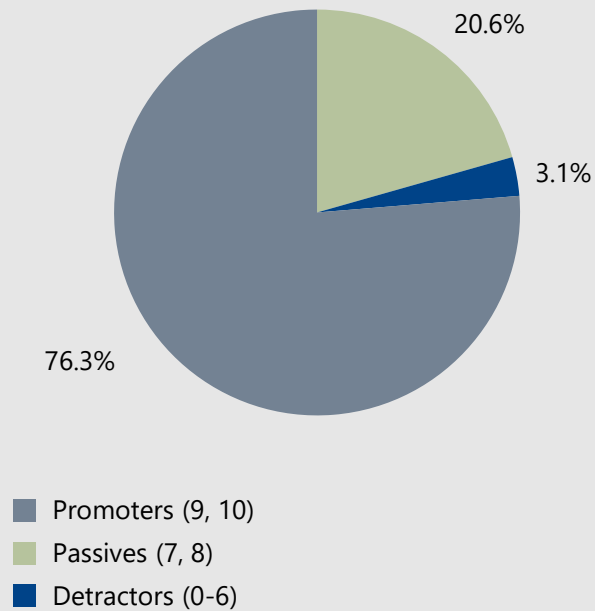
3+ platforms per client



Client Satisfaction: Net Promoter Score (NPS)

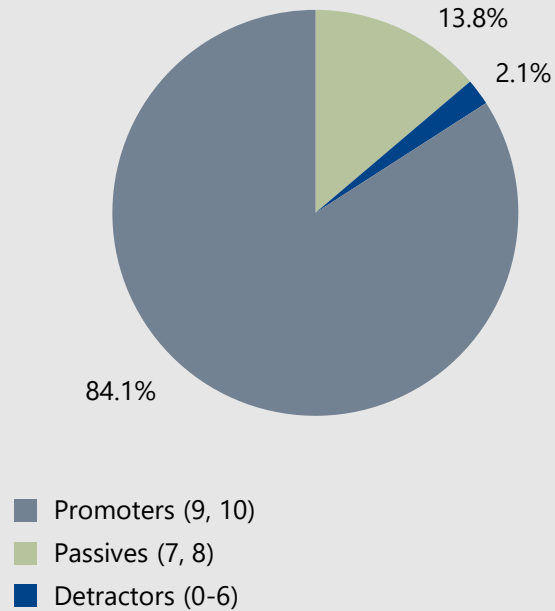
Consulting clients

NPS: 73.2



Wealth management clients

NPS: 82.1



NPS methodology¹

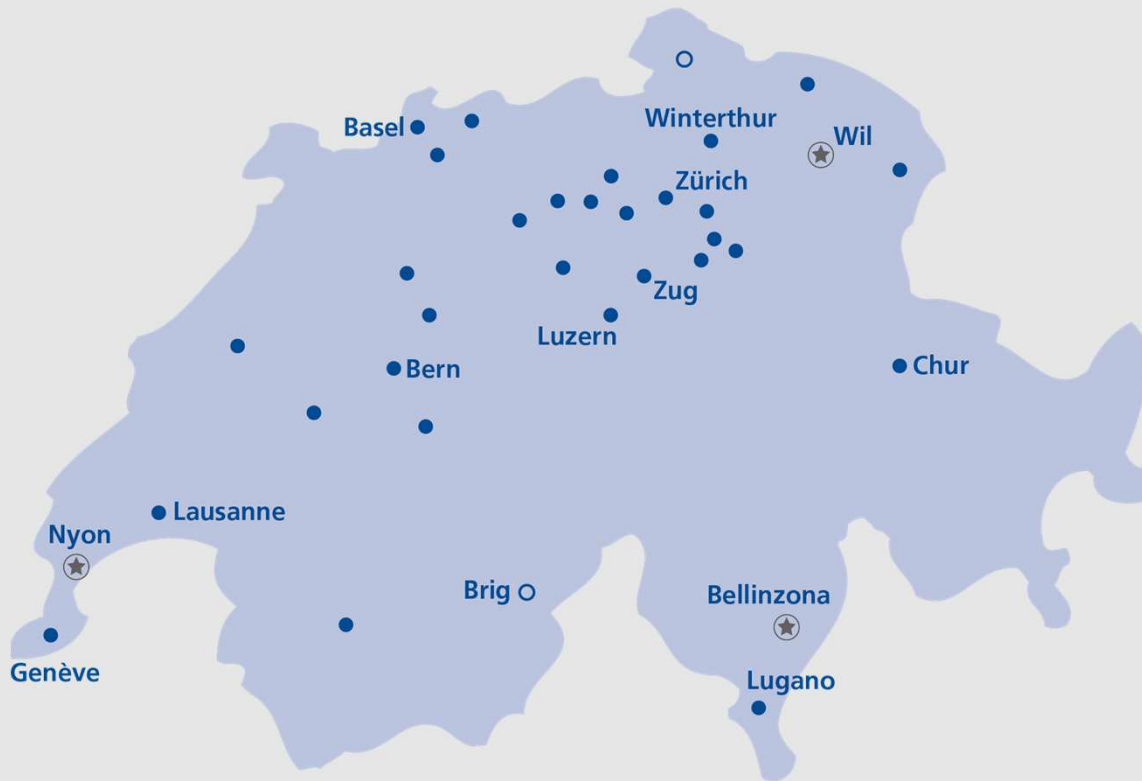
- Score based on a 0-10 scale answering the question 'how likely is it that you would recommend VZ?' (10 = extremely likely, 0 = not at all likely)
- Consulting clients survey: after completion of consulting project
- WM clients survey: every 4 years
- NPS VZ Finanzportal integrated in WM clients survey

¹ VZ internal inquiries.

Branch offices

Switzerland

#: 35



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

Germany

#: 5



England/United Kingdom

#: 2



Agenda

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2. Financials

3. Outlook

4. Appendix

Income statement (1)

in CHF million

	2019	2020	2021	2022	yoy
Consulting fees	24.5	25.0	27.7	31.3	+13.0%
Management fees: on AuM	188.5	205.3	255.3	266.0	+4.2%
other	21.9	24.2	27.3	29.4	+7.7%
Banking income	57.5	62.4	64.3	69.6	+8.2%
Net earned premiums	8.7	11.2	13.8	17.3	+25.4%
Other operating revenues	0.6	0.6	0.5	0.3	n.m.
Total operating revenues	301.7	328.7	388.9	413.9	+6.4%
Personnel expenses	119.8	128.9	144.8	156.8	+8.3%
Other operating expenses	35.1	39.1	48.9	49.1	+0.4%
Expenses related to insurance contracts	4.4	5.6	7.3	10.1	+38.4%
Total operating expenses	159.3	173.6	201.0	216.0	+7.5%
EBITDA	142.4	155.1	187.9	197.9	+5.3%

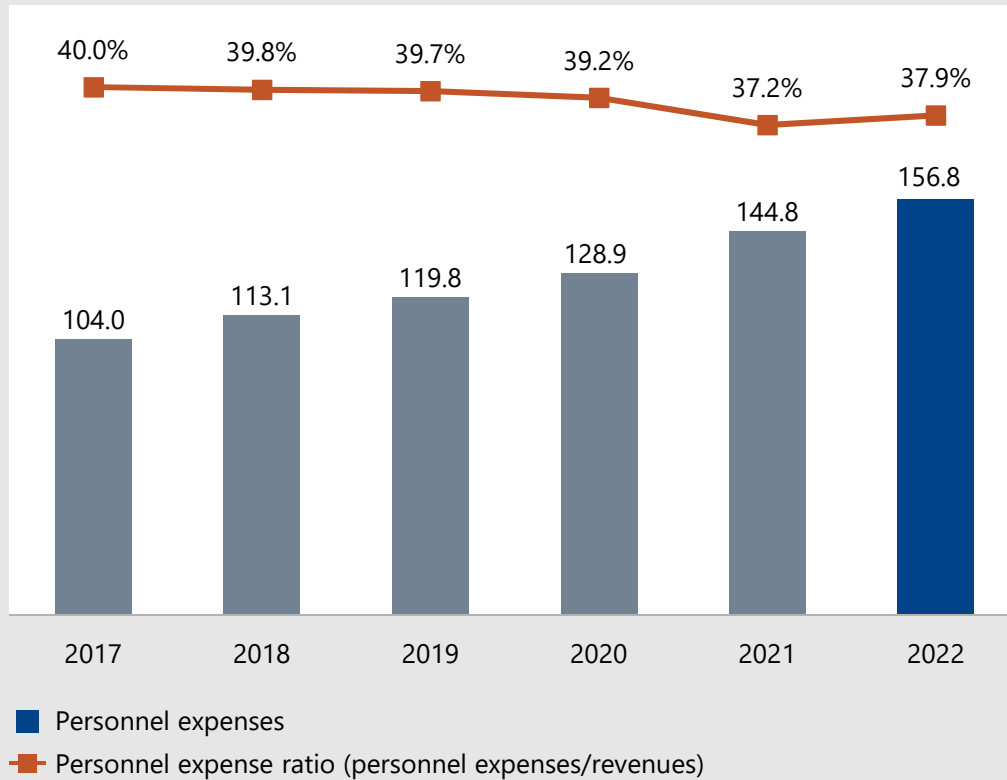
Income statement (2)

in CHF million

	2019	2020	2021	2022	yoy
EBITDA	142.4	155.1	187.9	197.9	+5.3%
Depreciation and amortisation	17.6	18.1	20.4	21.7	+6.4%
EBIT	124.8	137.0	167.5	176.2	+5.2%
Net finance income	-0.5	-0.4	-0.6	-0.8	n.m.
Profit before income tax	124.3	136.6	166.9	175.4	+5.1%
Income tax	22.0	19.1	23.7	24.1	+1.7%
Net profit	102.3	117.5	143.2	151.3	+5.7%

Personnel expenses

in CHF million



- Personnel expenses +8.3% yoy
- Personnel development

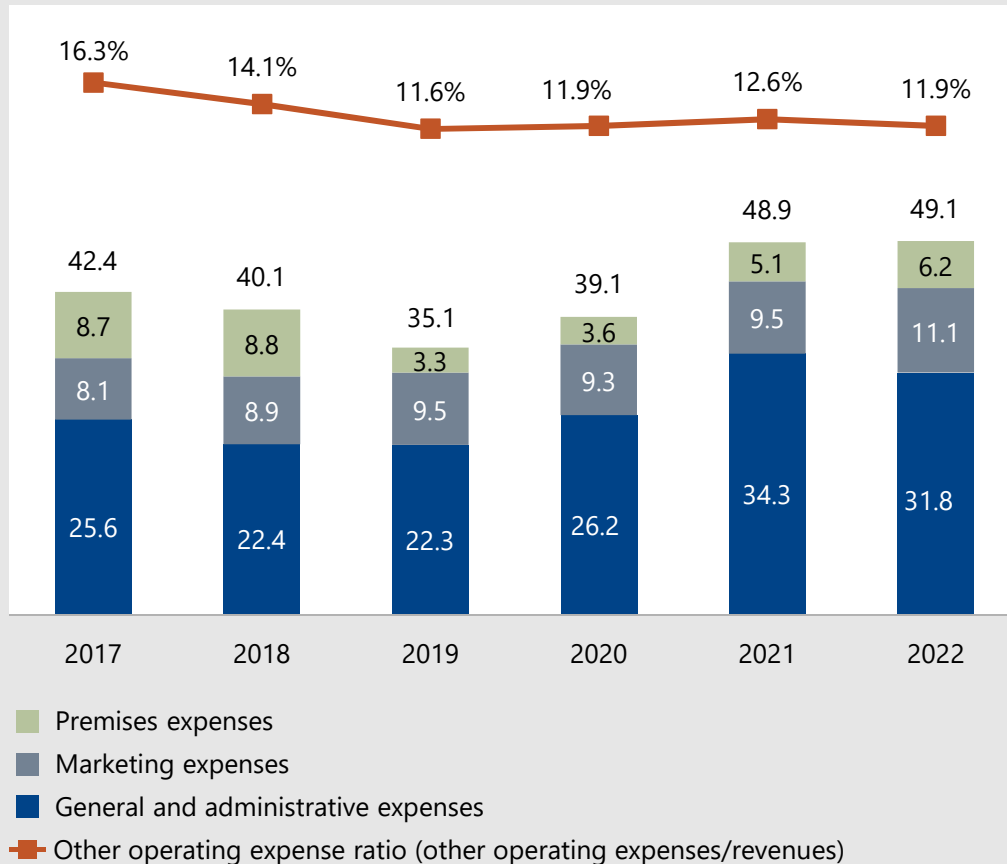
	31.12.20	31.12.21	31.12.22
FTE ¹	1'035.7	1'142.5	1'247.4

- 1H 2022: +43.7 FTE
- 2H 2022: +61.2 FTE
- Long-term personnel expense ratio: 39%

¹ FTE/HC-ratio: 0.86

Other operating expenses

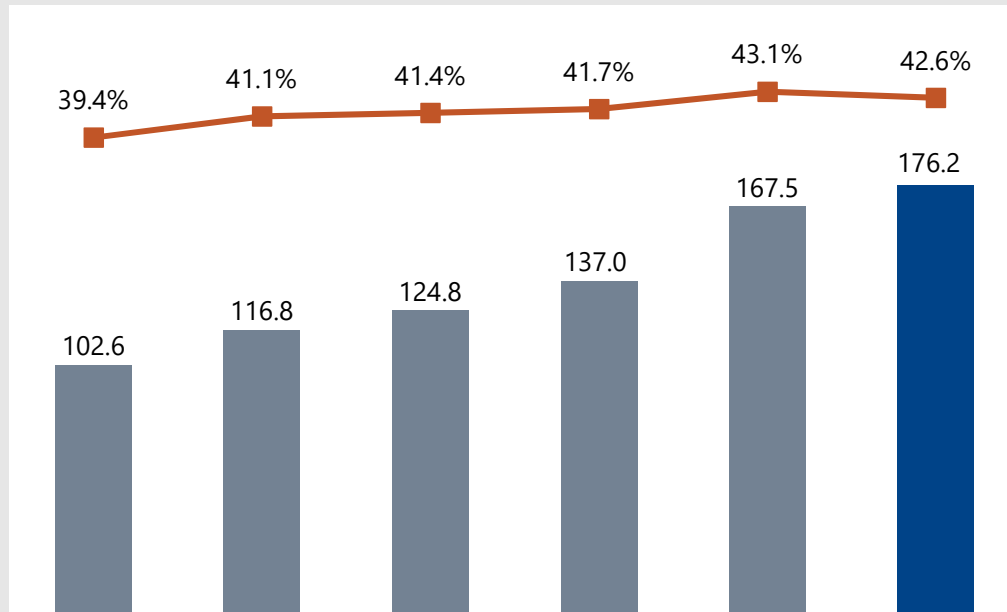
in CHF million



- Other operating expenses +0.4% yoy
 - Premises expenses +21.6% yoy (adj. for IFRS 16: +9.8%)
 - Marketing expenses +16.8% yoy
 - General and administrative expenses (incl. IT) -7.3% yoy due to negative one-time effects in 2021 and cost optimisations in 2022
- Long-term other operating expense ratio expected between 11% and 13% going forward.

EBIT: Total and margin

in CHF million



■ EBIT
 ■ EBIT margin (EBIT/revenues)

- EBIT +5.2% yoy
- EBIT long-term margin target: 42%
- No significant leverage expected going forward

Balance sheet

in CHF million

	31.12.21	31.12.22
Cash & cash equivalents	1'799.1	1'290.2
Short-term investments	89.3	172.5
Swiss prime residential mortgages	2'903.0	3'386.9
CHF bonds, other financial assets	703.6	798.9
Subtotal financial investments	5'495.0	5'648.5
Property, equipment and intangibles ¹	167.7	183.9
Other assets	108.1	113.5
Total assets	5'770.8	5'945.9
Customer deposits	3'874.4	4'431.6
Long-term debts	410.4	401.6
Other liabilities	786.3	341.4
Total liabilities	5'071.1	5'174.6
Total equity	699.7	771.3

- Balance sheet growth (+3.0%) affected by return to positive interest rates
- Reduction of the interbank business leads to less cash and lower other liabilities
- Customer deposits growth (+14.4%) in line with WM client development
- Return to previous growth in 2023
- Low risk profile:
 - Average remaining interest period on financial investments (incl. interest caps): 1.7 years
 - Minimal credit risks (residential mortgages only, no corporate loans, high quality bonds)

¹ Incl. Goodwill.

Equity and payout ratios, dividend increase +10.8%

in CHF million

Payout ratios	2020	2021	2022
Net profit	117.5	143.2	151.3
Retained earnings	69.2	81.3	83.0
Dividend VZ Holding	48.3	61.9	68.3 ^{1,2}
<i>Dividend per share</i>	<i>1.23</i>	<i>1.57</i>	<i>1.74¹</i>
Payout ratio	42%	44%	46%

Treasury shares	31.12.20	31.12.21	31.12.22
Number (in '000)	732	621	757
% of shares	1.8	1.6	1.9
Book value (in CHF million)	44.3	41.5	53.6

Equity ratios	31.12.20	31.12.21	31.12.22
Total equity (in CHF million)	616.7	699.7	771.3
Equity ratio ³	12.4%	12.1%	13.0%
BIS CET1	26.6%	25.2%	25.2%
BIS T1 & T2	26.6%	25.2%	25.2%

1 Subject to the General Assembly's approval (12 April 2023), CHF per share

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

3 Equity compared to balance sheets' total

Agenda

1. Facts and figures

2. Financials

3. Outlook

4. Appendix

Business development

- Continuous work on increasing new client inflow, consulting capacity, client conversion and platform usage
- VZ Finanzportal: mobile version of Finanzportal Pro and extended SOB-functionalities
- Expansion of Swiss branch office network: Nyon, Bellinzona, Wil
- Germany: further work on marketing to increase new client inflow
- UK: work on marketing effectiveness, intensify internal advisor trainee program, further work on smaller IFA acquisitions and evaluate opportunities to integrate portfolio management platform

Financials

- Top and bottom line growth figures in 2023 expected to be above last years average, provided stable development of financial markets
- Base effects lead to higher growth rate in 2H vs 1H
- Positive interest rates will affect banking revenues positively
- Dividend payout: gradual increase from 46% to 50% over the coming two years
- New IFRS 17 standard (insurance contracts) per 30.06.2023
- Long-term growth story unchanged

Agenda

1. Facts and figures

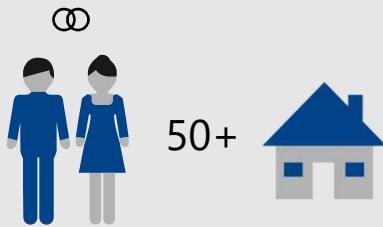
2. Financials

3. Outlook

4. Appendix

What does VZ do?

What does VZ do?



- Homeowners
- Employees on management level
- Entrepreneurs

... seek expert advice...

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

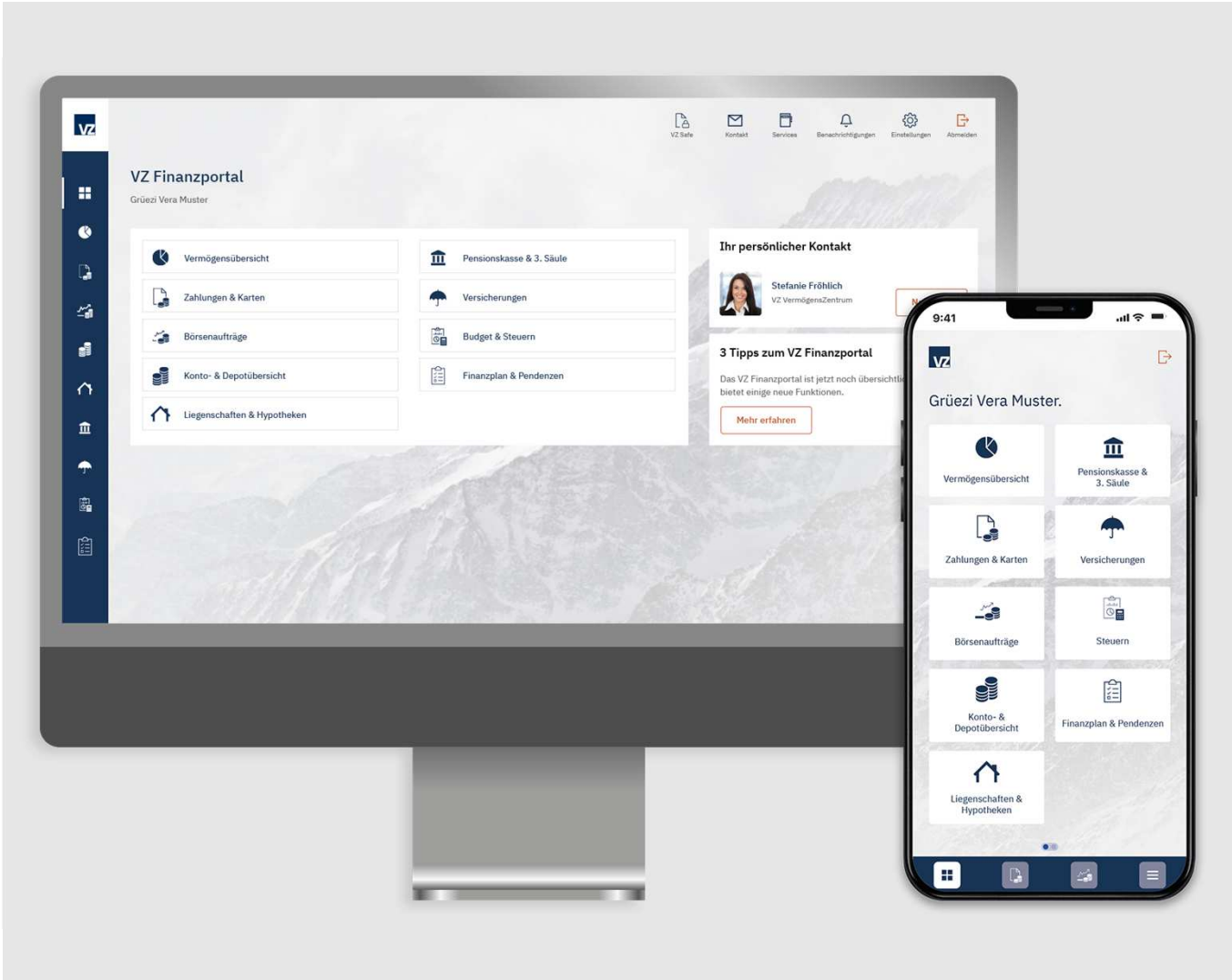
... and solid implementation

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

VZ advantage

**profound expertise,
no conflicts of interest**

**competitively priced,
transparent, comprehensive**



Strong brand recognition

Brand associated with expertise, quality and independence

Periodical



Books



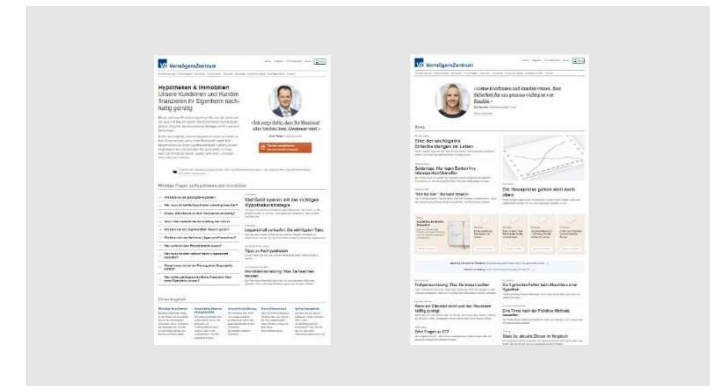
Seminars



Media coverage



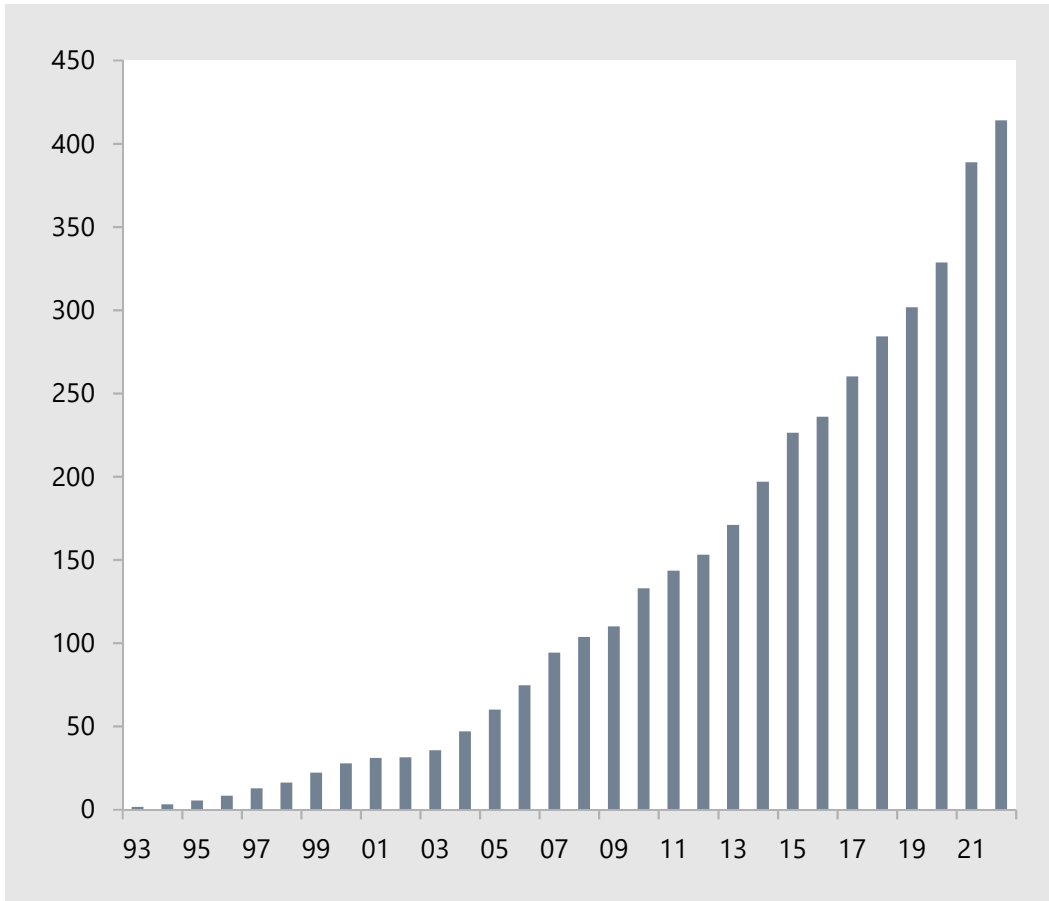
Online/Newsletters



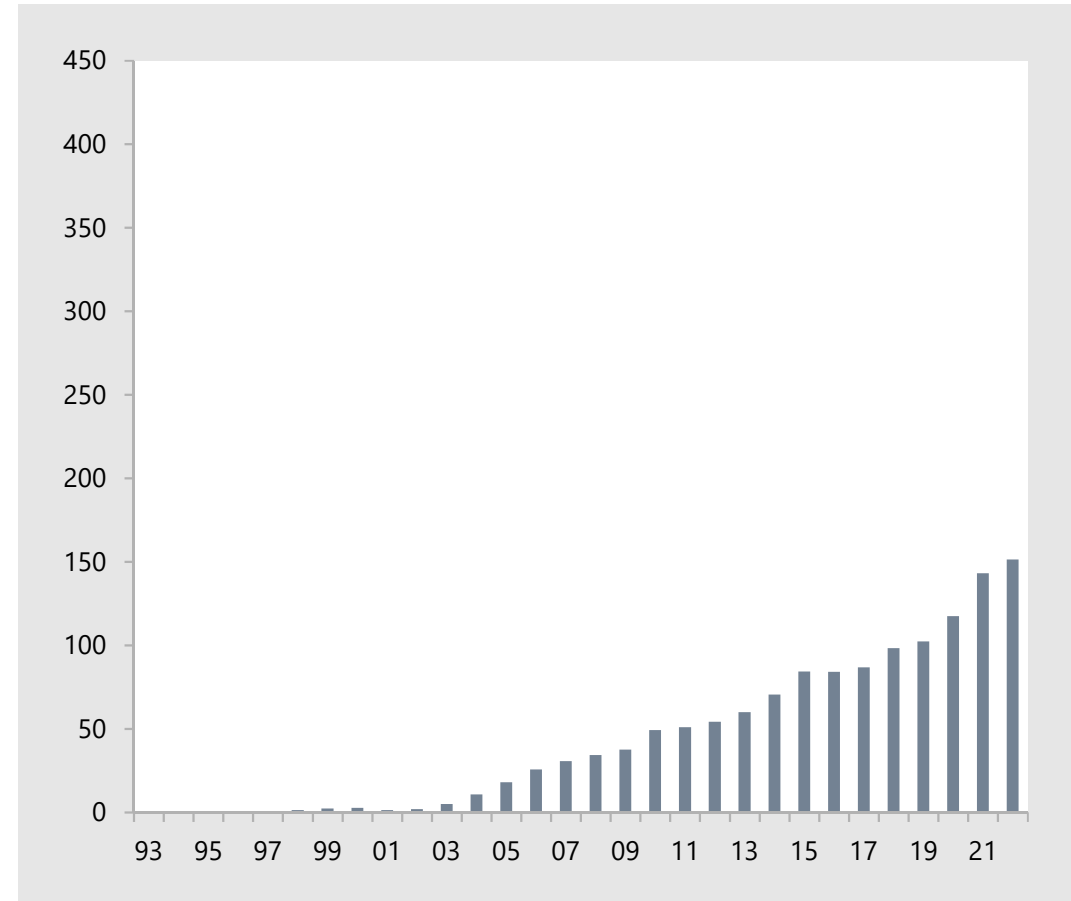
Long track record of organic growth and profitability

in CHF million

Operating revenues¹



Net profit¹



¹ 1993–2003 according to SWISS GAAP; 2004–2022 according to IFRS

VZ VermögensZentrum

Hier sind Sie gut beraten.

VZ Holding AG

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

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



www.vermoegenszentrum.ch