



VZ Group

**1H 2022**

# **Results and outlook**

Appendix: company overview

Zug, 12 August 2022

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# Disclaimer

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## **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

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## **1. Facts and figures**

2. Financials

3. Outlook

4. Appendix

# Summary 1H 2022



## Business development

- Continued growth despite negative financial markets:
  - Strong marketing response and new client inflow
  - Unchanged demand for both consulting and platform services
  - Negative financial markets weigh on AuM-development
- 4000 consulting clients converted to platform services (+1.5%)
- Growth of front-end consulting capacity +9.0% to 205 FTEs (avg. 2022, 2023e: 220 FTE)
- Annualised NNM inflow per consulting FTE at CHF 24.4 million (target range 17-20 million)
- UK: ongoing integration and development of “Lumin Group”
- Finanzportal: successful launch of professional e-trading desktop

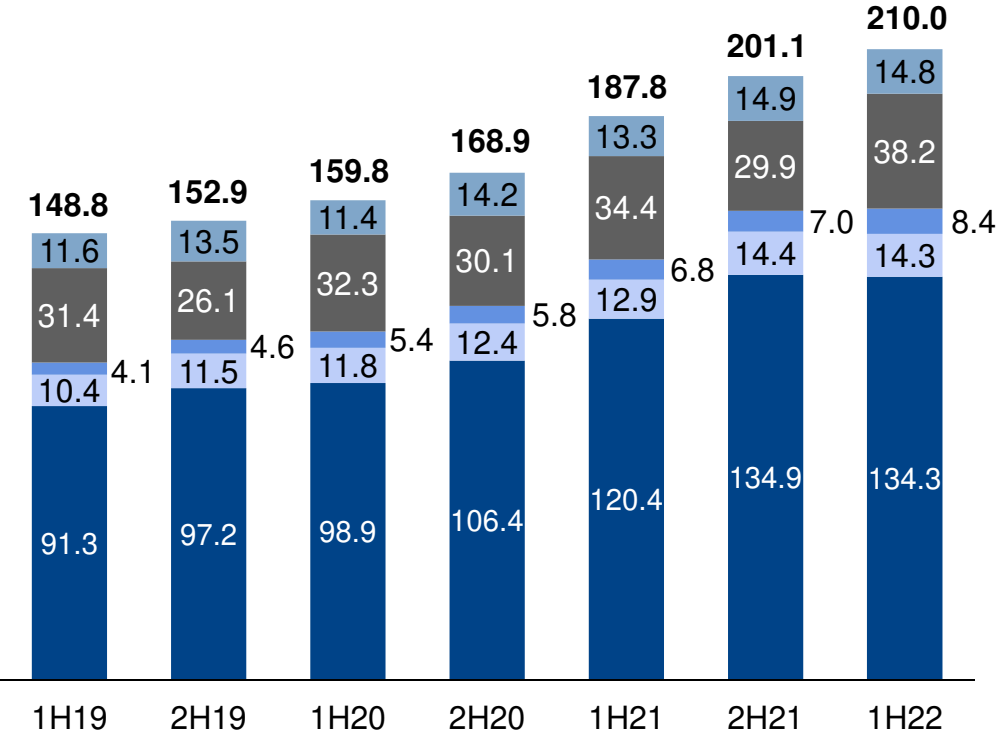
## Financials

- Top line +11.8% yoy to CHF 210.0 million
- Operating expenses +11.8% to CHF 109.3 million
  - Personnel expenses +10.5% yoy
  - Other operating expenses +14.8% yoy
- EBIT margin: 42.9% (1H 2021: 42.7%)
- Bottom line +12.6% yoy to CHF 77.0 million, Net profit margin: 36.7% (1H 2021: 36.4%)
- Solid balance sheet
  - Equity ratio: 11.5%
  - BIS CET 1: 23.5%
- NNM: CHF 2'501 million (1H 2021: CHF 2'510 million)
- Assets under management: CHF 37.6 billion (vs. 31.12.2021: -3.5%, vs. 30.06.2021: +3.6%)



# Revenues: +11.8% yoy

in CHF million



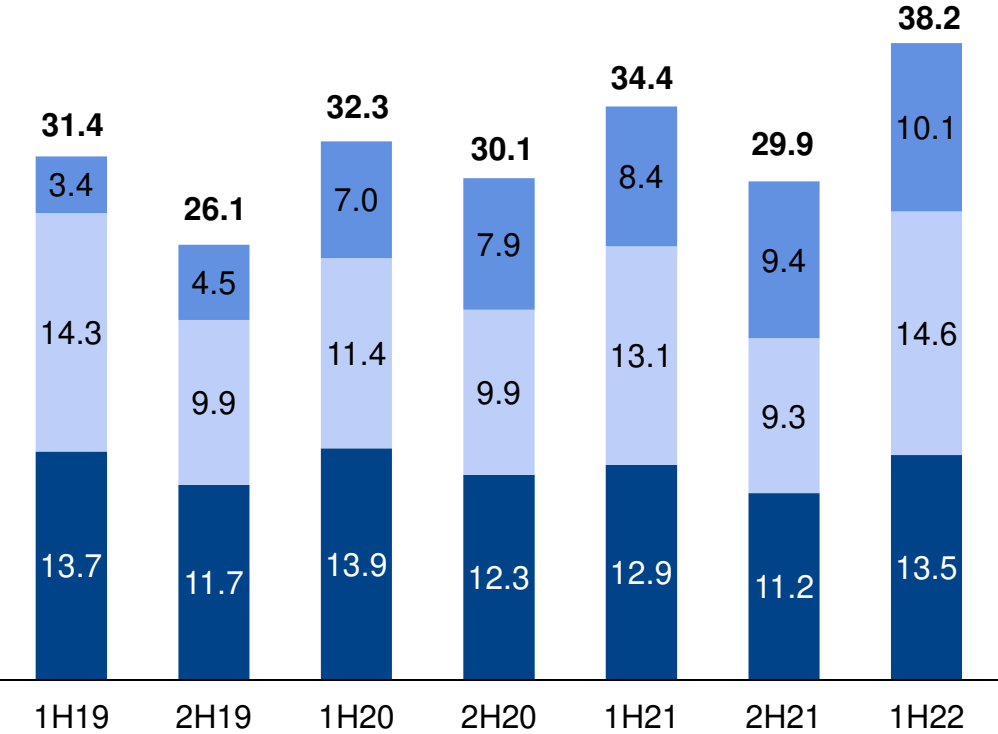
Total revenues +11.8% yoy

- Consulting fees<sup>1</sup> +11.3% yoy
- Banking income from interest business, commissions and trading activities +11.0% yoy
- Net earned premiums +23.5% yoy
- Other management fees +10.9% yoy
- Management fees on AuM +11.5% yoy

1 Incl. other revenues

# Banking income: volatile and difficult to predict

in CHF million

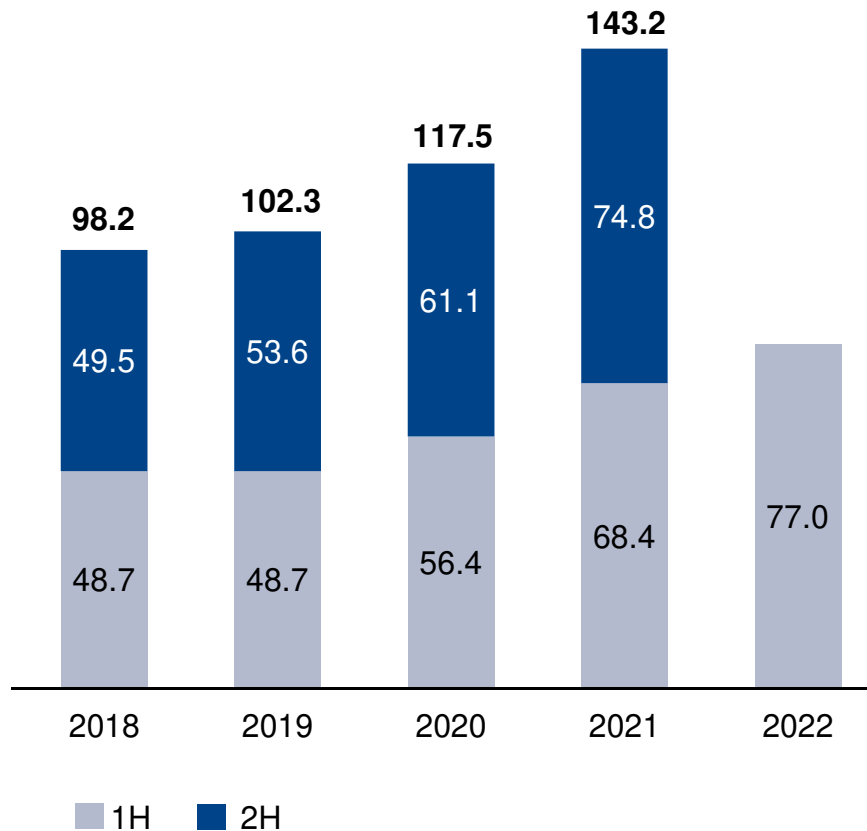


- Interest business:  
 Short term development dependent on SNB interest rate decisions.
- Trading result:  
 Generally random development driven by financial markets.
- Transaction fees:  
 Downward trend due to strong demand for all-in fee models.



# Net profit: +12.6% yoy

in CHF million



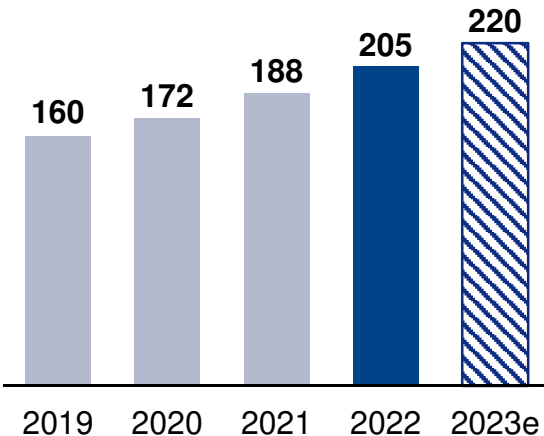
- Operating margin (EBIT) at 42.9%  
(1H 2021: 42.7%, long-term target: 42%)
  - Revenues +11.8%
  - Operating expenses +11.8%
- Net profit margin at 36.7% vs. 36.4% yoy  
(long-term target: 36%)



# Financial Consulting: NNM above target corridor

## Capacity growth

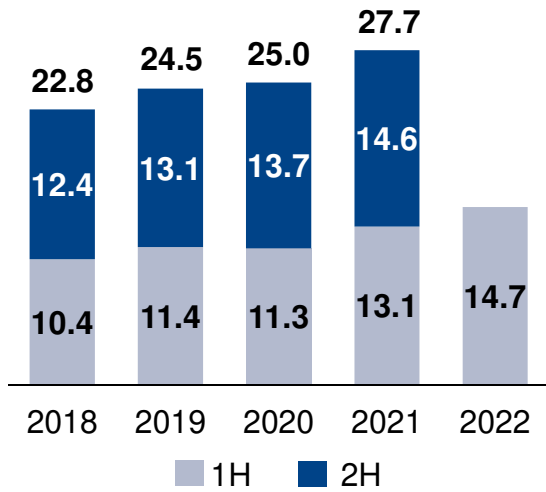
in FTE (average per calendar year)



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

## Consulting revenues

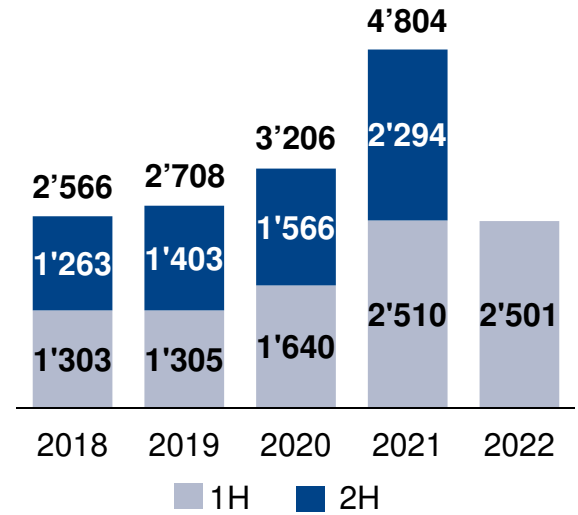
in CHF million



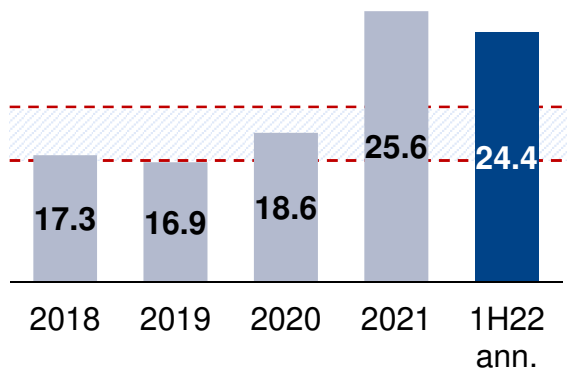
- Consulting projects enable introduction to wealth management services (“platforms”)

## Net new money (NNM)

in CHF million



per FTE in CHF million



--- target corridor 17–20 million per FTE





# Wealth Management: AuM +3.6% yoy

in CHF million

	30.06.20	31.12.20	30.06.21	31.12.21	30.06.22	yoy
AuM total	28'585	31'459	36'354	39'002	37'646	+3.6%
• PM mandates	17'103	19'061	22'975	24'818	23'238	+1.1%
<i>Share of total AuM</i>	59.8%	60.6%	63.2%	63.6%	61.7%	
• Others <sup>1</sup>	11'482	12'398	13'379	14'184	14'408	+7.7%
<i>Share of total AuM</i>	40.2%	39.4%	36.8%	36.4%	38.3%	
NNM total (6 month)	1'640	1'566	2'510	2'294	2'501	-0.4%
# WM clients <sup>2</sup>	45'858	49'194	53'222	57'373	61'461	+15.5%
Δ WM clients (6 month)	+3'082	+3'336	+4'028	+4'151	+4'088	+1.5%

1 Incl. mortgages under management and portfolios under client management

2 Excl. UK WM clients

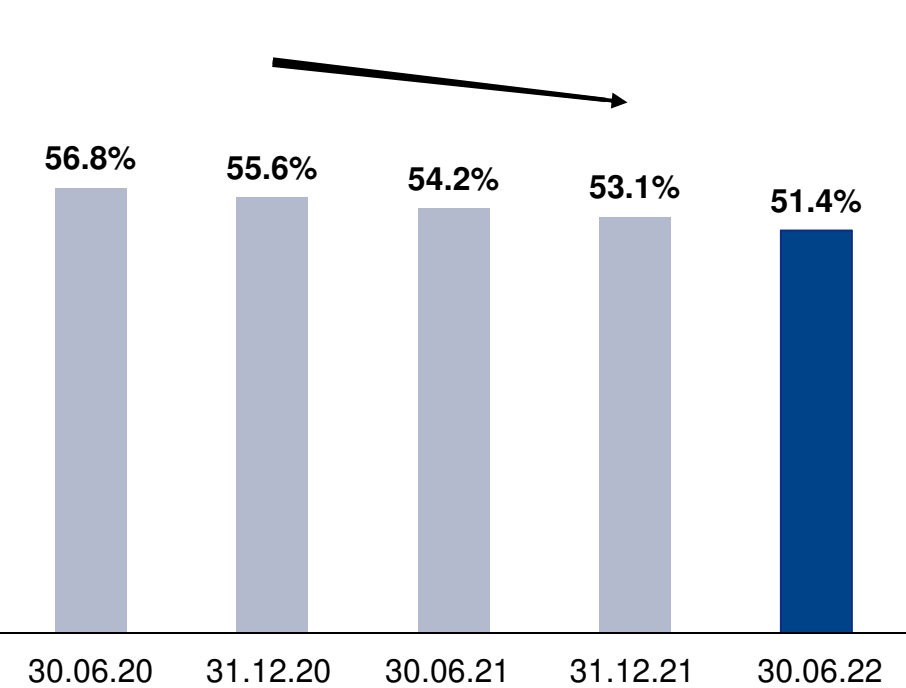


# Platform usage among WM clients

CH clients only

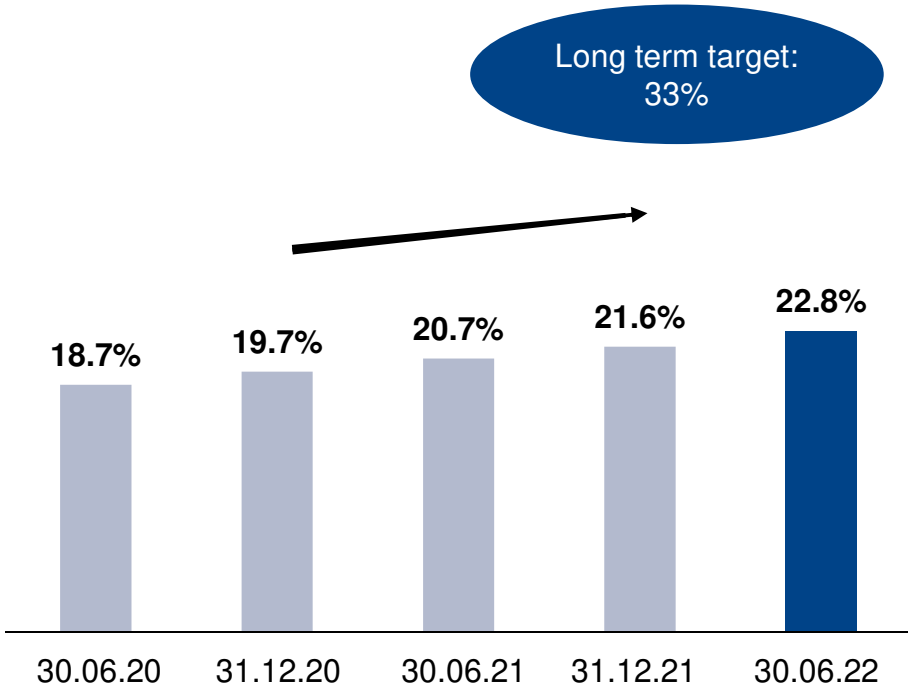
## 1 platform per client

Share of WM clients who use 1 platform only, in % of total WM clients



## 3+ platforms per client

Share of WM clients who use 3+ platforms, in % of total WM clients



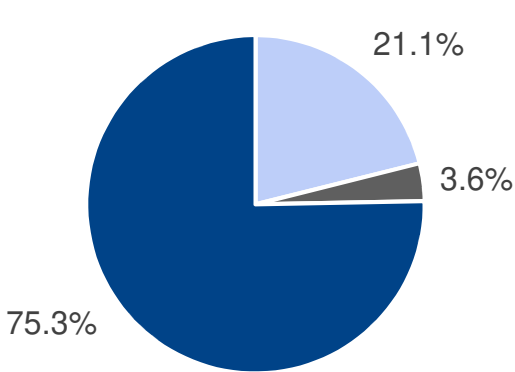


# Client Satisfaction: Net Promoter Score (NPS<sup>1</sup>)

Client feedbacks 01.01.-30.06.2022

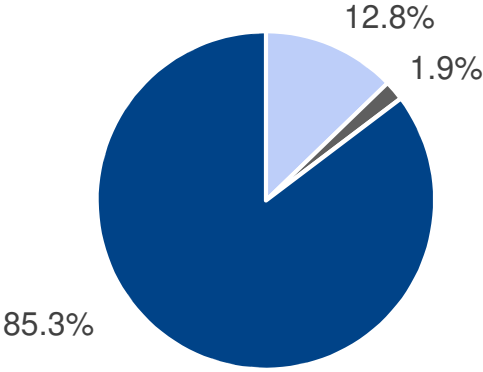
## Consulting clients

NPS: 71.7



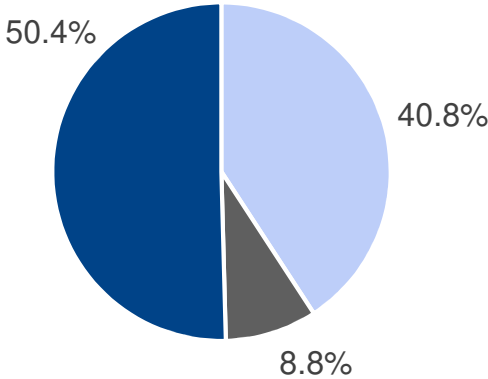
## Portfolio management clients

NPS: 83.4



## VZ Finanzportal

NPS: 41.6



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

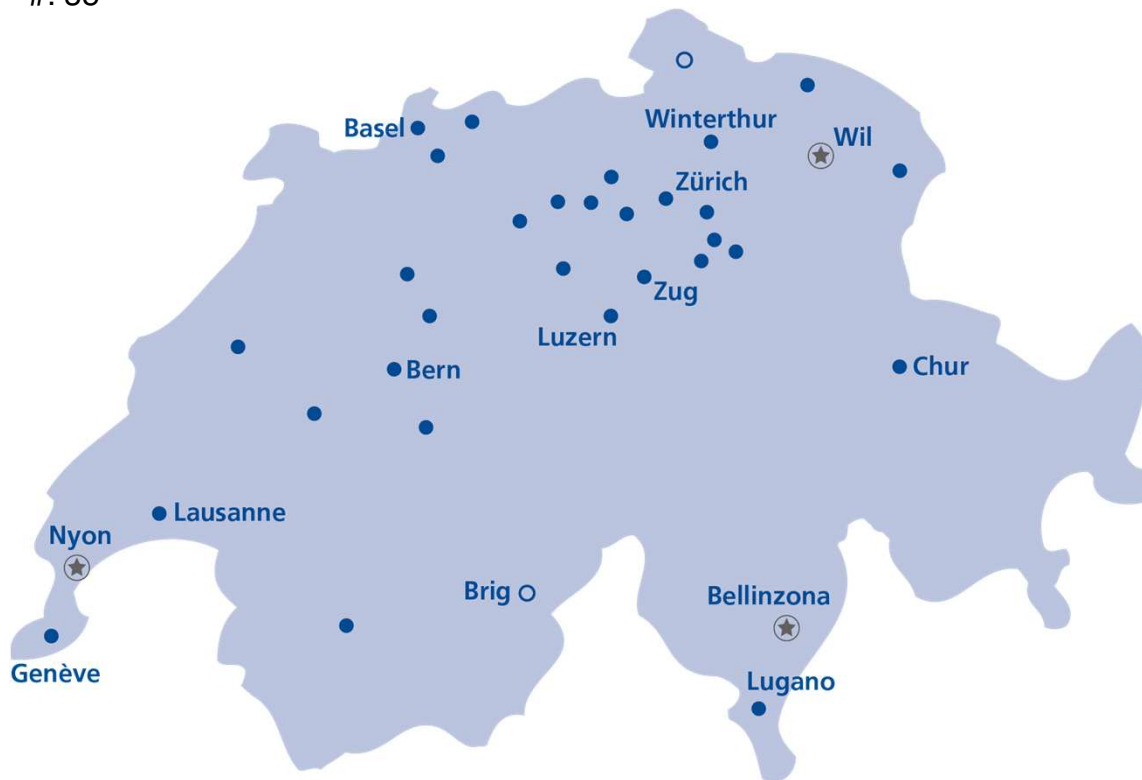
<sup>1</sup> Score based on a 0-10 scale answering the question 'how likely is it that you would recommend VZ?' (10 = extremely likely, 0 = not at all likely) VZ internal inquiries.

# Branch offices



## Switzerland

#: 35



## Germany

#: 5



## England/United Kingdom

#: 2



# Agenda

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# Income statement (1)

in CHF million

	1H 20	2H 20	1H 21	2H 21	1H 22	yoy
Consulting fees	11.3	13.7	13.1	14.6	14.7	+12.2%
Management fees: on AuM	98.9	106.4	120.4	134.9	134.3	+11.5%
other	11.8	12.4	12.9	14.4	14.3	+10.9%
Banking income	32.3	30.1	34.4	29.9	38.2	+11.0%
Net earned premiums	5.4	5.8	6.8	7.0	8.4	+23.5%
Other operating revenues	0.1	0.5	0.2	0.3	0.1	n.m.
<b>Total operating revenues</b>	<b>159.8</b>	<b>168.9</b>	<b>187.8</b>	<b>201.1</b>	<b>210.0</b>	<b>+11.8%</b>
Personnel expenses	63.6	65.3	70.7	74.1	78.1	+10.5%
Other operating expenses	19.1	20.0	23.0	25.9	26.4	+14.8%
Expenses related to insurance contracts	2.5	3.1	4.1	3.2	4.8	+17.1%
<b>Total operating expenses</b>	<b>85.2</b>	<b>88.4</b>	<b>97.8</b>	<b>103.2</b>	<b>109.3</b>	<b>+11.8%</b>
<b>EBITDA</b>	<b>74.6</b>	<b>80.5</b>	<b>90.0</b>	<b>97.9</b>	<b>100.7</b>	<b>+11.9%</b>



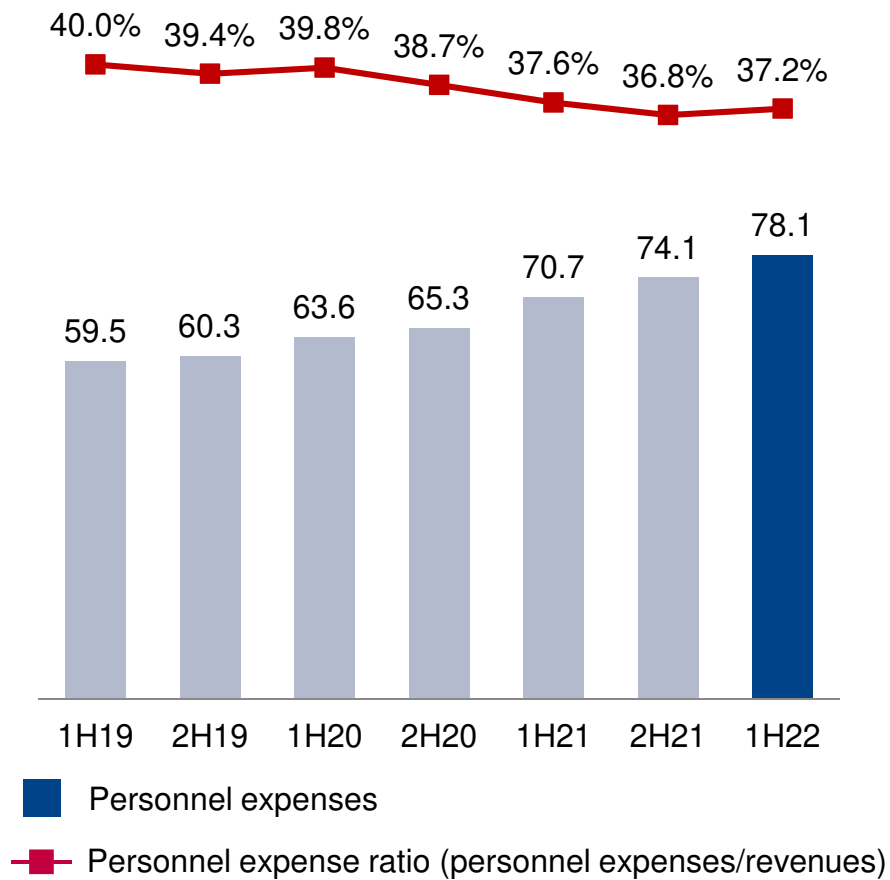
# Income statement (2)

in CHF million

	1H 20	2H 20	1H 21	2H 21	1H 22	yoy
<b>EBITDA</b>	<b>74.6</b>	<b>80.5</b>	<b>90.0</b>	<b>97.9</b>	<b>100.7</b>	<b>+11.9%</b>
Depreciation and amortisation	8.8	9.3	9.9	10.5	10.7	+8.1%
<b>EBIT</b>	<b>65.8</b>	<b>71.2</b>	<b>80.1</b>	<b>87.4</b>	<b>90.0</b>	<b>+12.4%</b>
Net finance income	-0.2	-0.2	-0.2	-0.4	-0.5	n.m.
<b>Profit before income tax</b>	<b>65.6</b>	<b>71.0</b>	<b>79.9</b>	<b>87.0</b>	<b>89.5</b>	<b>+12.0%</b>
Income tax	9.2	9.9	11.5	12.2	12.5	+8.7%
<b>Net profit</b>	<b>56.4</b>	<b>61.1</b>	<b>68.4</b>	<b>74.8</b>	<b>77.0</b>	<b>+12.6%</b>

# Personnel expenses

in CHF million



- Personnel expenses +10.5% yoy

- Personnel development

	30.06.21	31.12.21	30.06.22
FTE <sup>1</sup>	1'089.2	1'142.5	1'186.2

- 2H 2021: +53.3 FTE

1H 2022: +43.7 FTE

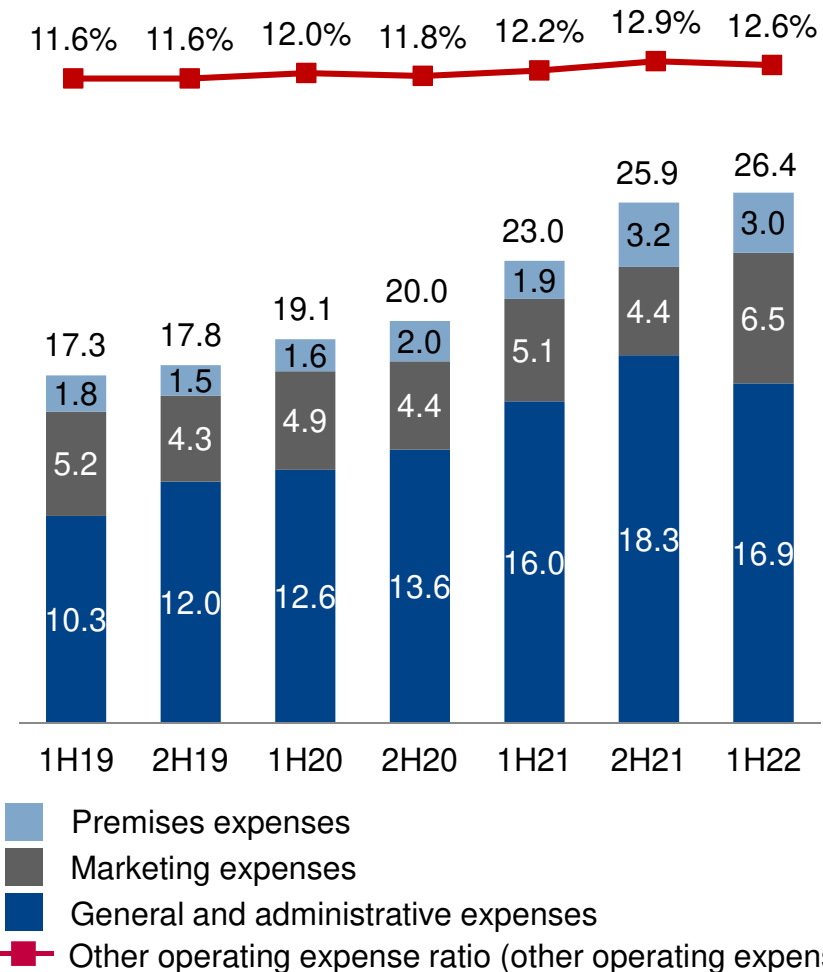
- Long-term personnel expense ratio: 39%

<sup>1</sup> FTE / HC-ratio: 0.86



# Other operating expenses

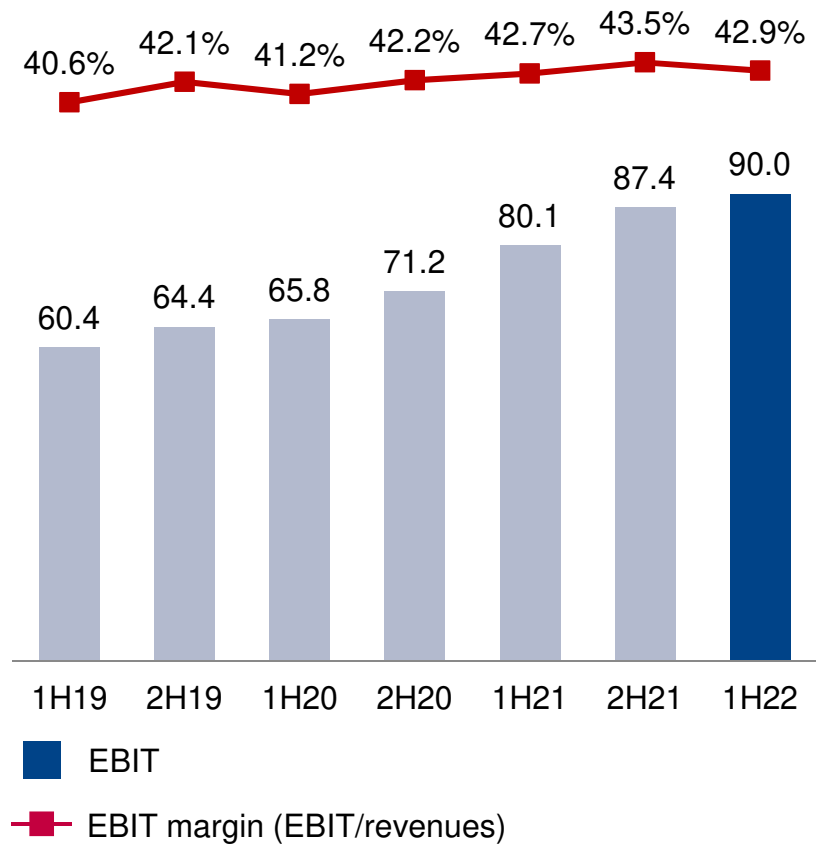
in CHF million



- Other operating expenses +14.8% yoy
  - Marketing expenses +27.5% yoy due to higher paper prices and resumption of client seminars after pandemic
  - General and administrative expenses +5.6% yoy
- Long-term other operating expenses ratio expected between 11% and 13% going forward

# EBIT and margin

in CHF million



- EBIT +12.4% yoy
- EBIT long-term margin target: 42%
- No significant leverage expected going forward

# Balance sheet

in CHF million

	30.06.21	31.12.21	30.06.22
Cash & cash equivalents	1'735.4	1'799.1	1'690.4
Short-term investments	97.6	89.3	116.0
Swiss prime residential mortgages	2'580.3	2'903.0	3'163.5
Bonds, other financial assets	687.4	703.6	742.3
<b>Subtotal financial investments</b>	<b>5'100.7</b>	<b>5'495.0</b>	<b>5'712.2</b>
Property, equipment and intangibles <sup>1</sup>	169.2	167.7	185.4
Other assets	145.5	108.1	127.6
<b>Total assets</b>	<b>5'415.4</b>	<b>5'770.8</b>	<b>6'025.2</b>
Customer deposits	3'736.4	3'874.4	4'336.5
Long-term debts	416.3	410.4	378.7
Other liabilities	635.4	786.3	619.1
<b>Total liabilities</b>	<b>4'788.1</b>	<b>5'071.1</b>	<b>5'334.3</b>
<b>Total equity</b>	<b>627.3</b>	<b>699.7</b>	<b>690.9</b>

- Balance sheet total on the reporting date is coincidental; it does not fully reflect the underlying business development.
- High cash & cash equivalents due to balance sheet optimisation relating to SNB exemption threshold.
- Financial investments:
  - Low risk profile
  - Average time to maturity  
30.06.2022: 1.7 years  
(30.06.2021: 1.8 years)

1 Incl. Goodwill



# Equity and payout ratios

<b>Payout ratios</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Equity ratios</b>	<b>30.06.21</b>	<b>31.12.21</b>	<b>30.06.22</b>
in CHF million							
Net profit	102.3	117.5	143.2	Total equity <sup>1</sup> in CHF million	627.3	699.7	690.9
Retained earnings	62.2	69.2	81.3				
Dividend VZ Holding	40.1	48.3	61.9	Equity ratio <sup>2</sup>	11.6%	12.1%	11.5%
<i>Dividend per share</i>	<i>1.02</i>	<i>1.23</i>	<i>1.57</i>	BIS CET 1	23.2%	25.2%	23.5%
<b>Payout ratio</b>	<b>40%</b>	<b>42%</b>	<b>44%</b>	BIS T1 & T2	23.2%	25.2%	23.5%

<b>Treasury shares</b>	<b>30.06.21</b>	<b>31.12.21</b>	<b>30.06.22</b>
Number (in '000)	709	621	669
% of shares	1.8%	1.6%	1.7%
Book value in CHF million	45.0	41.5	47.1

1 The decrease in equity is primarily due to the dividend paid and the higher yield curve, which had a negative impact on interest rate hedging and thus on equity.

2 Equity compared to balance sheet total (leverage ratio)

# Agenda

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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: integration of improved payment services, card management and mobile version of Finanzportal Pro
- Corporate client business: insourcing the reinsured life business to increase the attractiveness of the service for clients
- Germany: further work on marketing to increase new client inflow
- UK: improve marketing approach to win new clients, extend internal advisor trainee program and further work on smaller IFA acquisitions
- Handover from CEO Matthias Reinhart to Giulio Vitarelli as per 1.1.2023, Matthias Reinhart assumes Chairman-position from Fred Kindle on AGM 2023

## Financials

- AuM related revenues expected to grow significantly weaker due to market turbulences in 1H 2022, depending on financial markets development in 2H 2022
- In absolute terms, transactional banking income likely to be below 1H 2022
- Consulting revenues and net earned premiums expected to grow as in 1H 2022
- Operating expenses continue to grow at a similar pace as in 1H 2022
- In absolute terms, net profit for 2H 2022 likely to be below 1H 2022
- Expected medium-term growth of top and bottom line in the range of last years' average
- Dividend payout: gradual increase from 44% to 50% over the coming years

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# What does VZ do?

## Target clients...



- Homeowners
- Employees on management level
- Entrepreneurs

## ... seek expert advice...

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

## ... and solid implementation

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

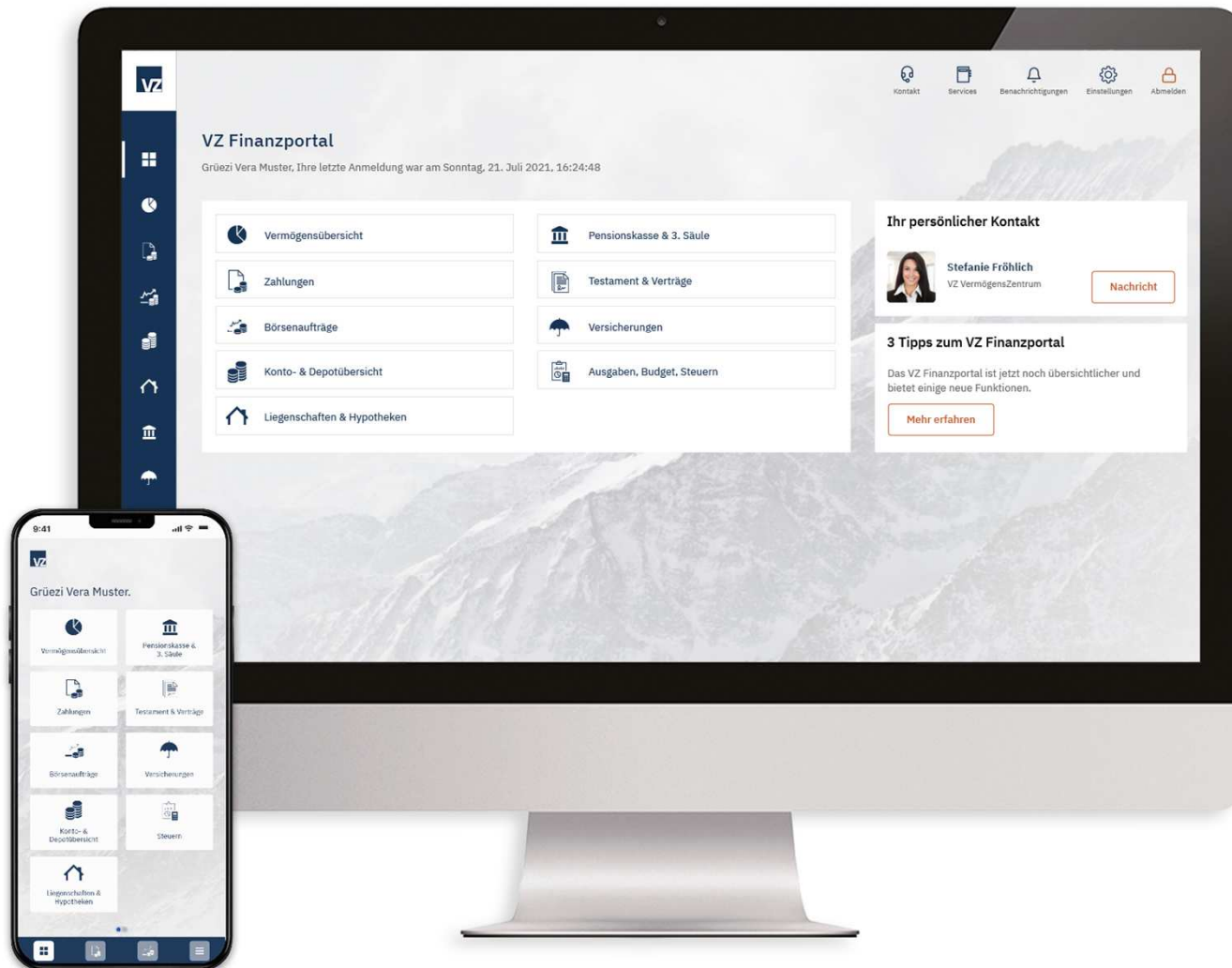
## VZ advantage

**profound expertise,  
no conflicts of interest**

**competitively priced, transparent,  
comprehensive**



# VZ Finanzportal



# Strong brand recognition

Brand associated with expertise, quality and independence

## Periodical



## Books



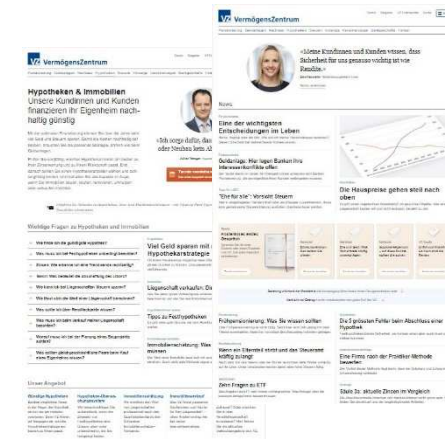
## Seminars



## Media coverage



## Online/Newsletters

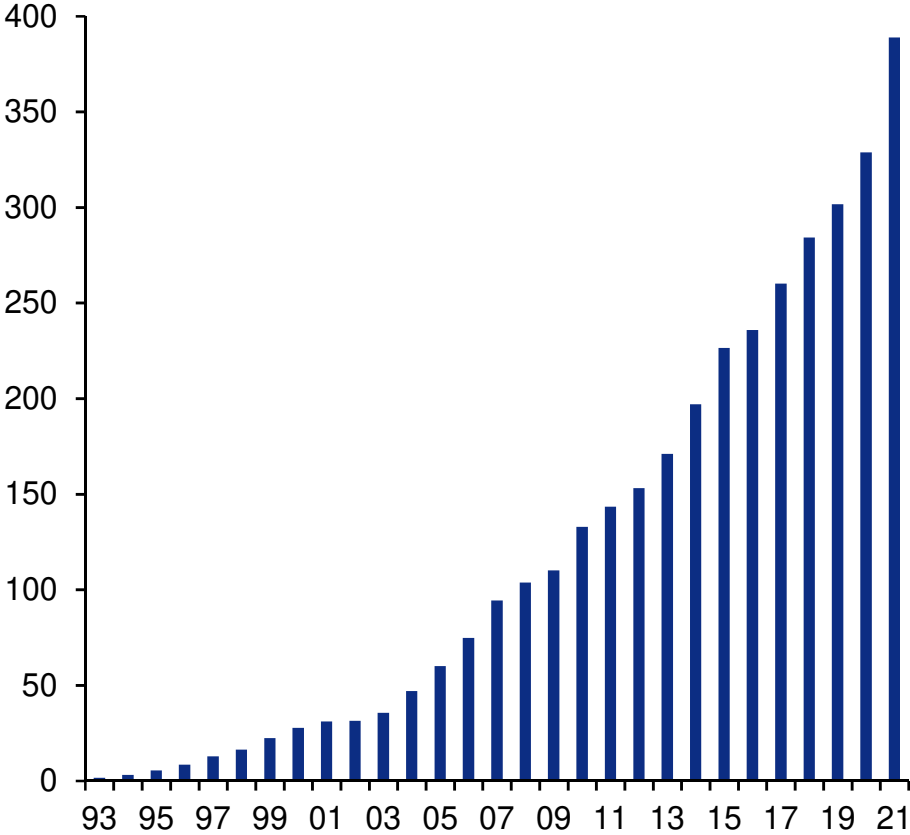




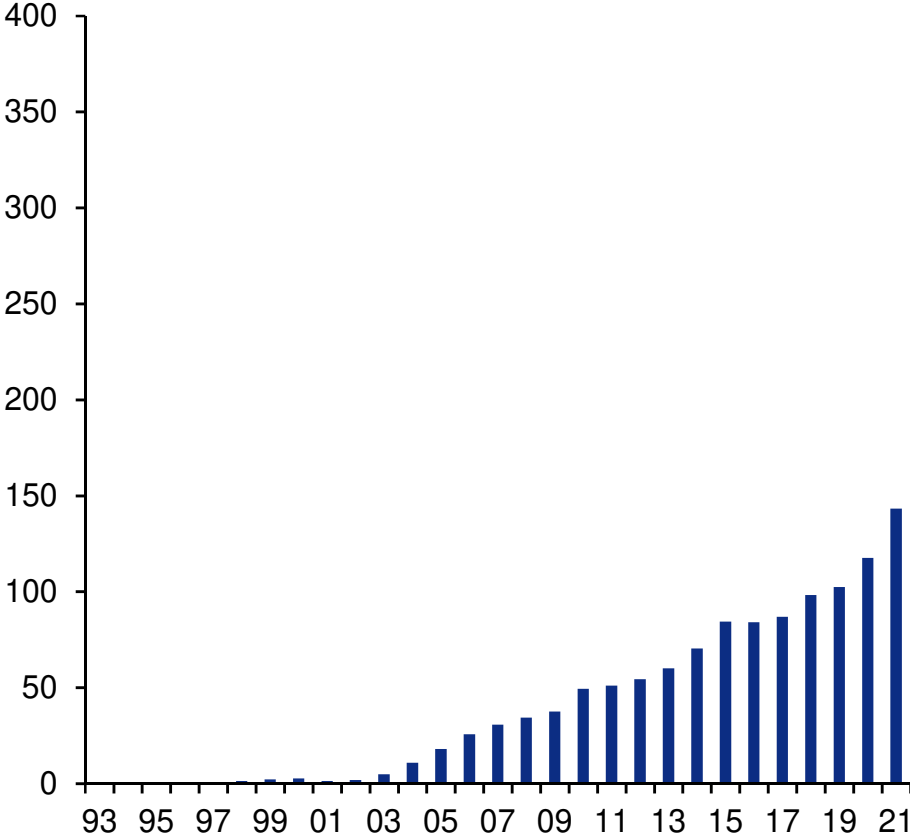
# Long track record of organic growth and profitability

in CHF million

## Operating revenues<sup>1</sup>



## Net profit<sup>1</sup>



<sup>1</sup> 1993–2003 according to SWISS GAAP; from 2004 according to IFRS