



Bellevue Group half-year results 2018

Presentation for investors, analysts and the media

Zurich, July 27, 2018


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Overview of H1 2018

André Rüegg, Group CEO

Summary

Solid increase in earnings power with sustained high quality

- Operating profit rose 15% to CHF 13.5 mn (H1 2017: CHF 11.7 mn)
- Operating income up 6% to CHF 49.7 mn, mirroring the growth in assets under management
- Pleasing net profit of CHF 11.5 mn (H1 2017: CHF 9.8 mn), annualized ROE surpasses 14% despite ongoing development expenses

New money and assets under management (AuM) continue to grow

- AuM rise 6% to a new record high of CHF 12.7 bn
- Net new money of CHF 552 mn, growth momentum sustained in all areas
- Broadly diversified income base with high quality

Top-quality performance and innovation driving further growth

- Sustained top performance quality of product range confirms the high level expertise of our investment specialists
- Product development guided by innovation is clearly enhancing our visibility and appeal in the eyes of current and new clients in Switzerland and abroad

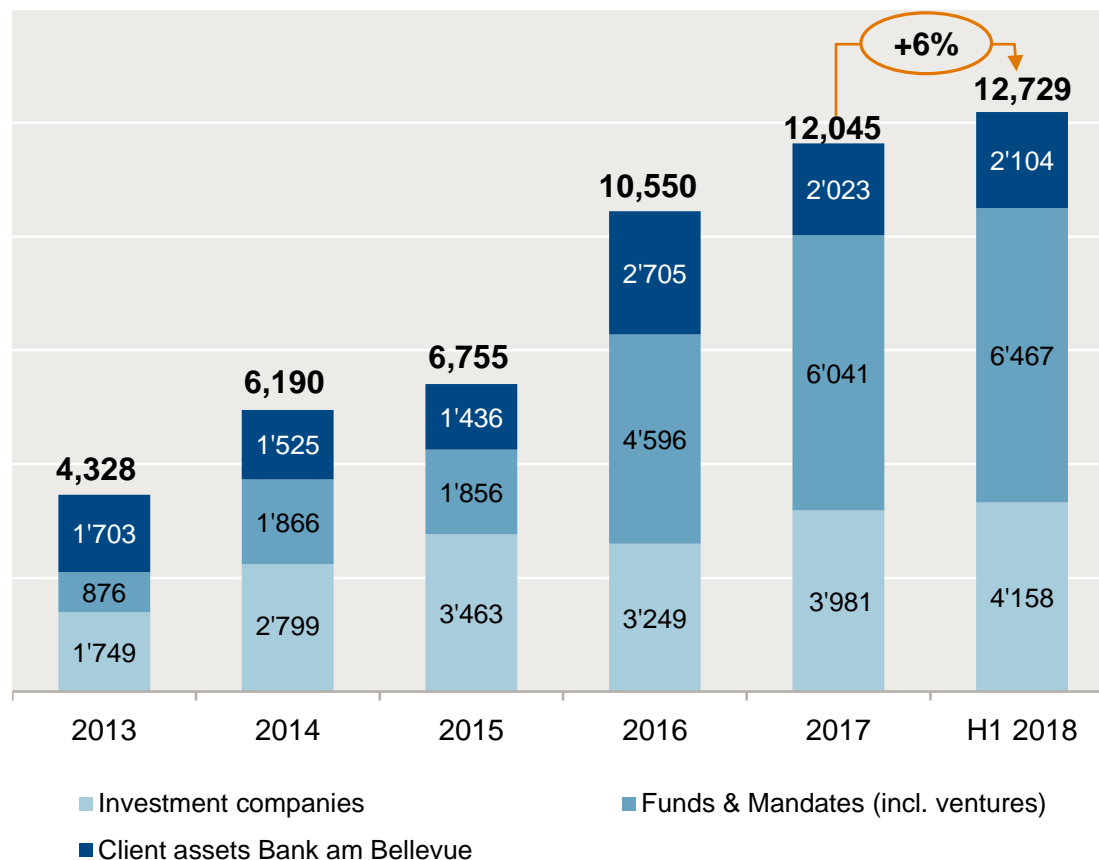
Strategic repositioning of the Group is gaining traction

- Strategic pivot focusing on Asset and Wealth Management completed
- Revitalization of Bank am Bellevue: Continued development of its offering and infrastructure with stronger management resources on track; expediting the expansion of AuM and income base (organic and inorganic) a priority
- Asset Management: “grow with the products and innovate!”

Sustainable increase in assets under management

Development of AuM 2013 – H1 2018

CHF million



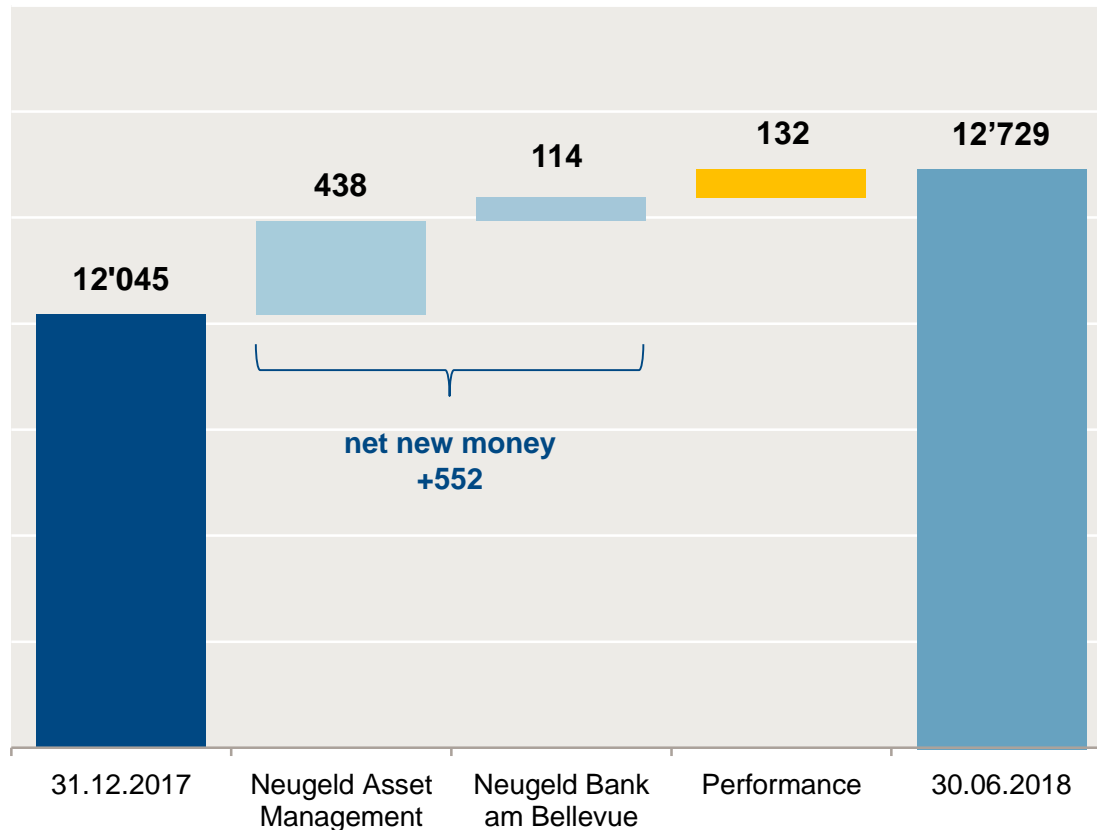
AuM at new record high of more than CHF 12.7 bn

- Solid growth in AuM of CHF 684 mn or 6%
- First-half growth largely fueled by net new money of CHF 552 mn
- Steady expansion of asset base in the previous years explains the sustainable increase in earnings power
- Ongoing acquisition of new clients at Bank am Bellevue will fuel its earning power in the coming periods
- Further diversified asset base (competencies, asset classes, product structures) with a wide client portfolio (in terms of country base, client segment)

Organic net new money a key growth driver

Development of AuM in H1 2018

CHF million



Solid new money growth of CHF 552 mn

- Growing attractiveness of Bellevue Group led to net new money of CHF 552 mn or 9.1% (annualized), well within the targeted range of 5-10% p.a.
- About 80% of net new money flowed to Asset Management, 20% to Bank am Bellevue
- Ongoing new money momentum in all areas

Positive performance contribution of CHF 132 mn

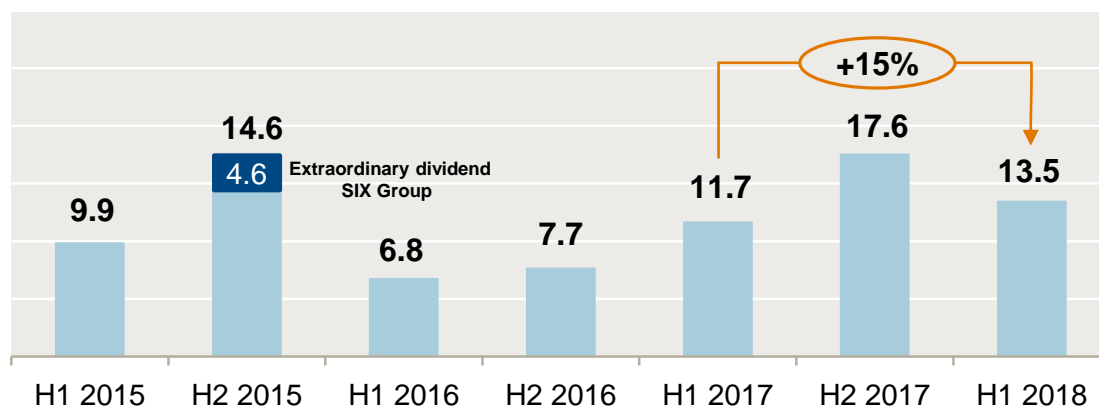
- Continued positive performance effect, thanks in particular to various equity strategies
- Overall lower growth contribution, given challenging market environment

Solid operating profit growth

Historical review of operating profit and cost/income ratio

Operating profit

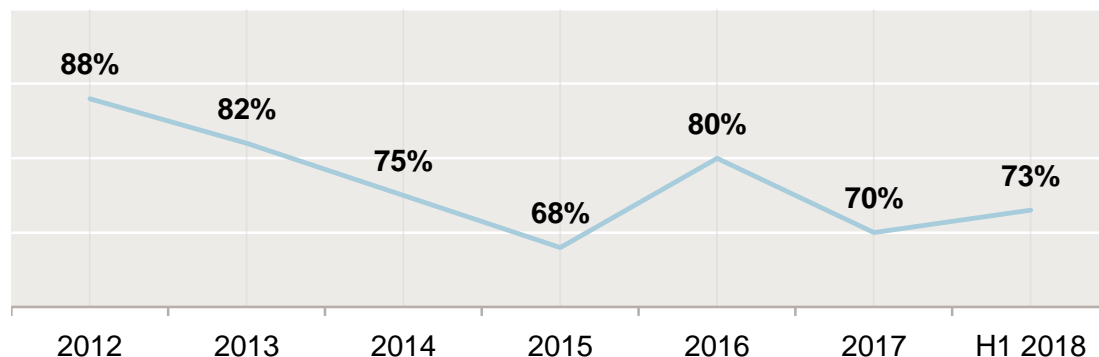
CHF million



Group operating profit up 15% to CHF 13.5 mn

- Continued growth in operating profit of +6% to CHF 49.7 mn, in line with growth in the underlying revenue base (AuM)
- Operating expenses increase at a slower rate of approx. 3% to CHF 36.2 mn, despite ongoing development expenses
- Operating profit largely based from recurring income sources

Cost/Income ratio (CIR)



Cost/income ratio of 73% within the targeted mid-term range

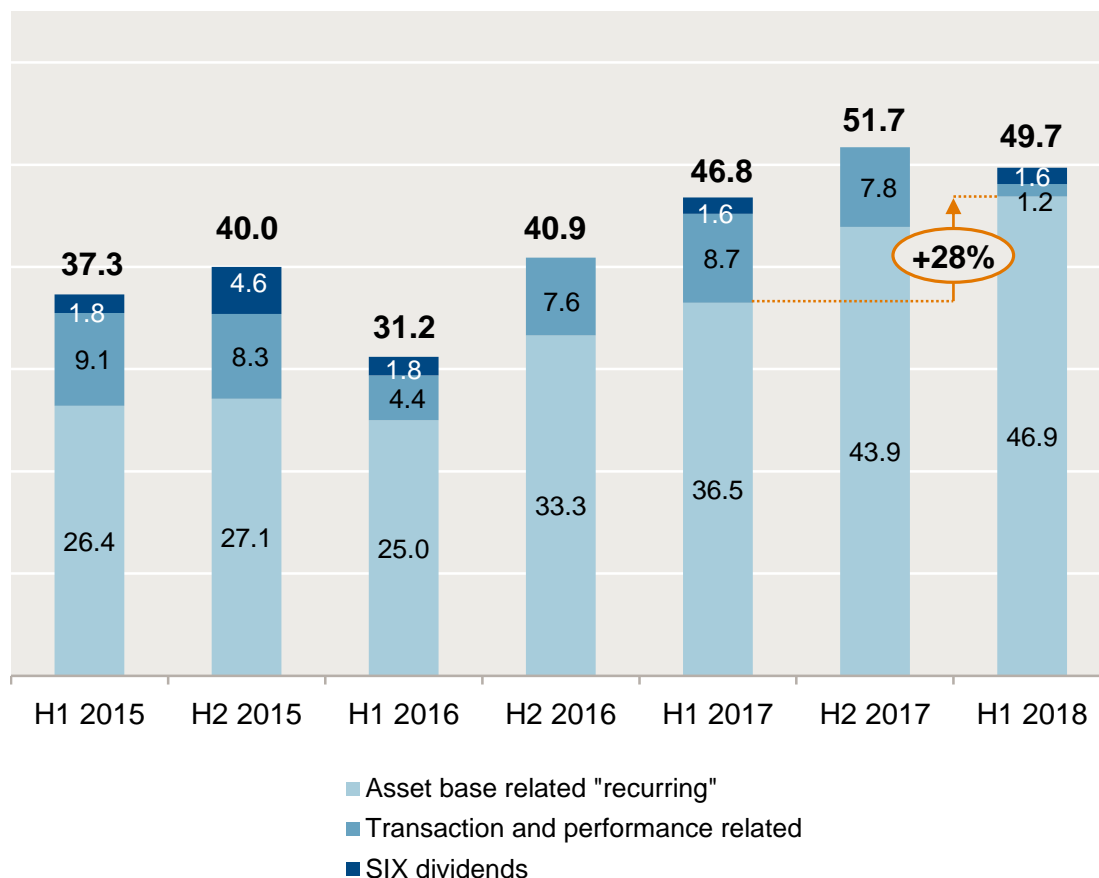
- Slight increase in CIR due to ongoing investments (talent pool, infrastructure, new products & services)
- Targeted mid-term range of 70-75% confirmed
- Further efficiency gains are possible with growth of the AuM base

Significant increase in earnings power without sacrificing quality

Breakdown of operating income 2015 – H1 2018

Operating income

CHF million



Sustainable increase in recurring revenue

- Significant increase in recurring, asset-based revenue of 28% to CHF 46.9 mn
- Recurring revenue as a % of total revenue very high at 94% (prior-year period: 78%)
- Performance fees of CHF 1.7 mn comparable to year-ago figure, but well below H2 2017 level (CHF 7.5 mn)

Structurally induced decline in transaction-driven income

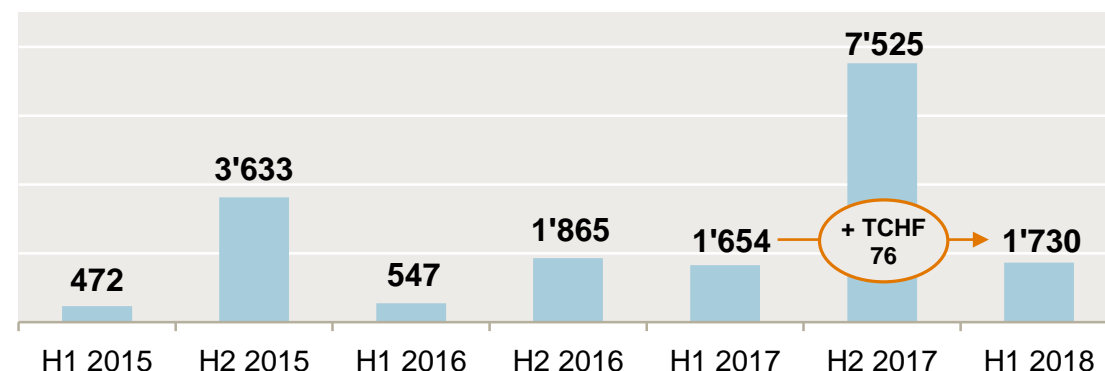
- No income from now-discontinued Brokerage and Corporate Finance activities (H1 2017: approx. CHF 5 mn).
- Market-induced decline in income from continuing trading activities

Non-recurring income dependent on market developments

Development 2015 – H1 2018

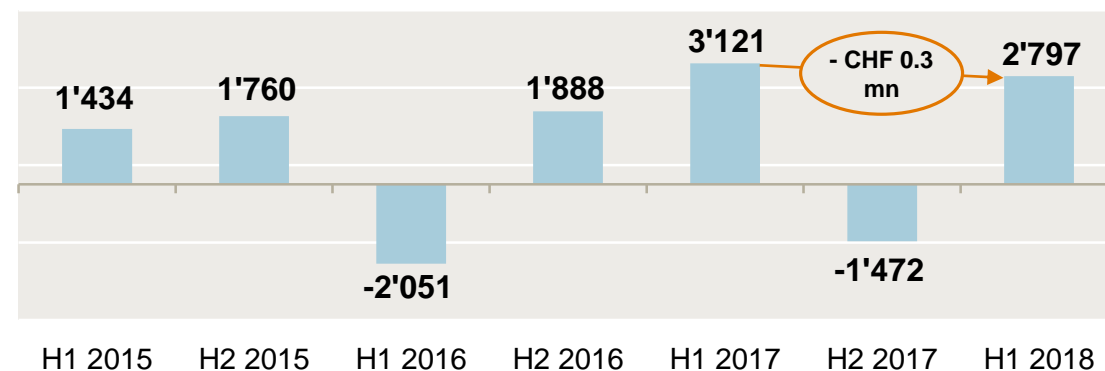
Performance fees (operational)

CHF 1,000



Net result of financial assets measured at fair value (non-operational)

CHF 1,000



Performance fees can distort operating results

- Performance fees of CHF 1.7 mn comparable to previous period but well below H2 2017 level (CHF 7.5 mn) due to external market circumstances
- Currently relatively minor impact on total operating income (approx. 3% of total)

Investments in own products and price adjustment for StarCapital acquisition

- Unrealized profit of CHF 1.7 mn from investments in own products as of the reporting date (total investment CHF 29 mn)
- Adjustment of +CHF 0.2 mn to the closing acquisition price for StarCapital solely due to exchange-rate fluctuations
- Additional unrealized profit of CHF 0.9 mn on other investments



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H1 2018 Results

Daniel Koller, Group CFO

Asset Management

Divisional results

CHF 1'000	H1 2018	H1 2017	Δ YoY	
Management fees	45'579	35'439	+10'140	+28.6%
Performance fees	1'727	1'633	+94	+5.8%
Other income	-1'033	-1'053	+20	-1.9%
Services from/for other segments	-15	-18	+3	-16.7%
Operating income	46'258	36'001	+10'257	+28.5%
Personnel expenses	-19'334	-17'460	-1'874	+10.7%
General expenses	-7'312	-4'762	-2'550	+53.5%
Services from/for other segments	-105	-113	+8	-7.1%
Operating expenses	-26'751	-22'335	-4'416	+19.8%
Operating profit	19'507	13'666	+5'841	+42.7%
Cost/Income Ratio	57.8%	62.0%		-4.2%
Income from other financial instruments at fair value	1'872	2'987	-1'115	-37.3%
Depreciation	-1'289	-1'191	-98	+8.2%
Result before taxes	20'090	15'462	+4'628	+29.9%
Taxes	-3'337	-3'059	-278	+9.1%
Result after taxes	16'753	12'403	+4'350	+35.1%
Ø Average number of staff (full-time equivalent)	79.5	66.1	+13.4	+20.3%

Operating income

- Management fees
 - Investment companies +31%
 - Funds & Mandates +50%
 - Ventures -22%
- Performance fees
 - CHF 1.5 mn Venture products
- Other income
 - Mainly distribution costs (D)

Operating expenses

- Personnel costs
 - Fixed compensation +19% ~ increase FTE
 - Variable compensation +16%
- General expenses
 - New: Research expenses (MiFID II) CHF 1.1 mn
 - Higher costs of consulting and audit, IT, travel and representations costs and advertising costs

Others

- Income from FI at fair value
 - Value increase Seed Capital CHF 1.7 mn
 - FX gain on remaining purchase price of SCAG CHF 0.2 mn

Bank am Bellevue

Divisional results

CHF 1'000	H1 2018	H1 2017	Δ YoY	
Asset management	767	245	+522	n.m.
Interest income	2'018	1'319	+699	+53.0%
Trading income	-520	2'188	-2'708	-123.8%
Brokerage and Corporate Finance	921	6'332	-5'411	-85.5%
Other income	262	709	-447	-63.0%
Services from/for other segments	15	18	-3	-16.7%
Operating income	3'463	10'811	-7'348	-68.0%
Personnel expenses	-3'391	-7'248	+3'857	-53.2%
General expenses	-2'643	-3'199	+556	-17.4%
Services from/for other segments	-763	-692	-71	+10.3%
Operating expenses	-6'797	-11'139	+4'342	-39.0%
Operating profit	-3'334	-328	-3'006	n.m.
Cost/Income Ratio	196.3%	103.0%		+93.2%
Depreciation	-153	-497	+344	-69.2%
Result before taxes	-3'487	-825	-2'662	n.m.
Taxes	6	-262	+268	n.m.
Result after taxes	-3'481	-1'087	-2'394	n.m.
Ø Average number of staff (full-time equivalent)	17.9	33.7	-15.8	-46.9%

Operating income

- Brokerage and CF
 - Discontinuation of CF transactions and decline in Brokerage income due to restructuring
- Asset management
 - Revenues Wealth Management
- Trading income mainly driven by trades in own funds
- Other income
 - Mainly income from custody fee minus commission expenses (previous year: under general expenses)

Operating expenses

- Personnel expenses
 - H1 2017: Restructuring costs CHF 3.4 mn included

Group

Divisional results

CHF 1'000	H1 2018	H1 2017	Δ YoY	
Operating income	-62	11	-73	n.m.
Personnel expenses	-2'626	-1'732	-894	+51.6%
General expenses	-860	-710	-150	+21.1%
Services from/for other segments	868	805	+63	+7.8%
Operating expenses	-2'618	-1'637	-981	+59.9%
Operating profit	-2'680	-1'626	-1'054	+64.8%
Income from other financial instruments at fair value	925	134	+791	n.m.
Depreciation	-	-2	+2	n.m.
Result before taxes	-1'755	-1'494	-261	+17.5%
Taxes	3	6	-3	-50.0%
Result after taxes	-1'752	-1'488	-264	+17.7%
Ø Average number of staff (full-time equivalent)	8.0	7.2	+0.8	+11.1%

Operating expenses

- Personnel expenses
 - Net (with offsetting other segments, without BoD) CHF 0.8 mn
 - BoD: CHF 1.0 mn
- General expenses
 - Higher costs for legal consultations
 - Higher costs for audit

Others

- Income from FI at fair value
 - Gain Forward Ventures CHF 0.9 mn (thereof: CHF 0.5 mn cash distribution)

Consolidated financial statements

CHF 1'000	H1 2018	H1 2017	Δ YoY	
Operating income	49'659	46'823	+2'836	+6.1%
Operating expenses	-36'166	-35'111	-1'055	+3.0%
Operating profit	13'493	11'712	+1'781	+15.2%
Cost/Income Ratio	72.8%	75.0%		-2.2%
Income from other financial instruments at fair value	2'797	3'121	-324	-10.4%
Depreciation	-1'442	-1'690	+248	-14.7%
Group profit before taxes	14'848	13'143	+1'705	+13.0%
Taxes	-3'328	-3'315	-13	+0.4%
Group net profit	11'520	9'828	+1'692	+17.2%
Ø Average number of staff (full-time equivalent)	105.4	107.0	-1.6	-1.5%

Summary

- Improvement of the operating profit compared to previous year to CHF 13.5 mn (+15%)
- Group net profit after tax of CHF 11.5 mn



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Business Update & Highlights

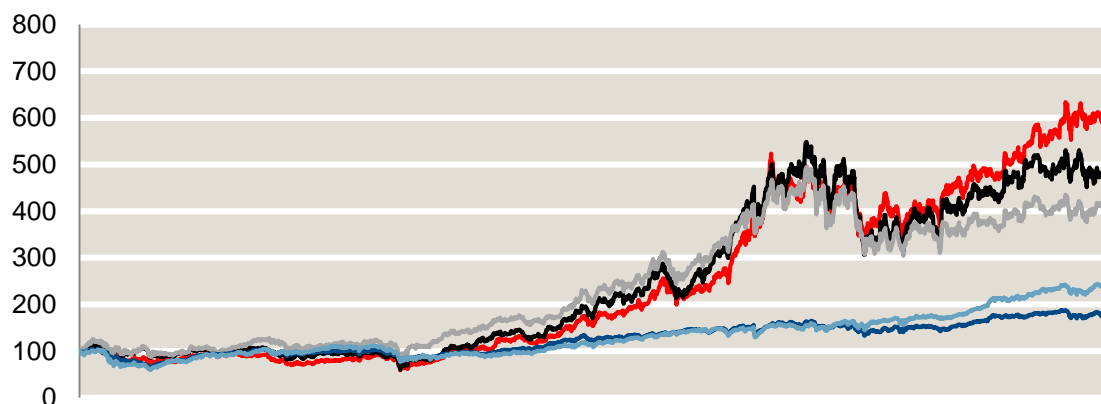
André Rüegg, Group CEO

Highlight #1: Very good developments of BB Biotech Ltd.

BB Biotech Ltd. continuously strong, with upcoming inclusion in the SPI Index and SMIM

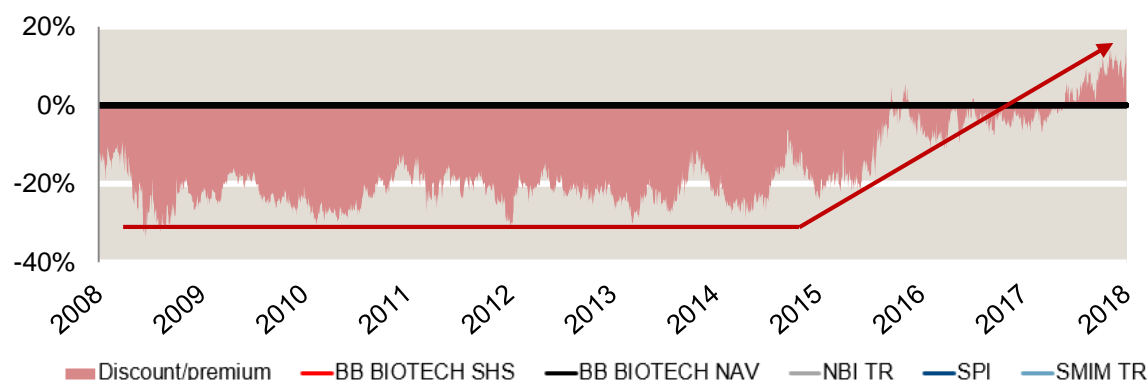
10Y performance (in CHF)

Rebased, in %



Change in discount/premium to NAV

in %



Convincing long-term performance, also vs. SPI and SMIM

	YTD	5 years	10 years
BB Biotech shares*	8.3%	271.3%	498.9%
BB Biotech NAV*	-2.4%	151.7%	348.2%
NBI Index	5.1%	103.3%	340.6%
SPI Index	-4.0%	42.5%	76.4%
SMIM	2.2%	112.4%	139.0%

* Performance in CHF, rebased in %

Index membership as of September 24, 2018

- Confirmation of successful performance in the growing biotech market
- Expected index weighting of approx. 0.25% (SPI) and 2.2% (SMIM)
- ETFs, index funds and passively managed funds will include BION in their portfolios
- Index inclusion will also increase the attention of investors with an active investment style

Highlight #2: Wave of innovation in healthcare product range

Snapshot of our new investment products

Adamant Digital Health Bellevue Funds (Lux)

- Profit from transformative technology in the healthcare system
- Investments based on a fundamental bottom-up process supported by our 25 years of investment expertise in the healthcare sector
- Global portfolio of 30-50 stocks with attractive risk/return structure
- Investment fund under Luxembourg law (UCITS)
- Launch date: April 30, 2018

Adamant Sustainable Healthcare Bellevue Funds (Lux)

- First healthcare fund with a focus on sustainability
- Investments made using our tried-and-tested investment process
- Cooperation with global sustainability specialist Sustainalytics
- Global portfolio of 40 stocks with broad diversification by region and sub-sector
- Investment fund under Luxembourg law (UCITS)
- Launch date: June 30, 2018

Pureos Bioventures Bellevue Venture Capital

- Risk capital company that invests in private, innovative drug developers
- Focus on next-generation biologic compounds (so-called biologics)
- Experienced management team supported by a prestigious advisory board
- Portfolio of 15-20 companies, mostly based in CH, EU, US and US
- Limited partnership under Guernsey law
- First closing: End of July 2018

Highlight #3: Acquisition of MARS AM GmbH by StarCapital AG

Facts & figures

Team

Management



Andreas Bichler
Portfolio Management



Damian Krzizok
Portfolio Management



Jens Kummer
Portfolio Management

- 18 years of experience in fund management
- Working together as a team since 2008
- Proprietary investment processes and long track record with actual portfolios

Key Data

- Founded: 2013
- Registered office: Bad Homburg vor der Höhe
- License: Art. 32 KWG
- No. of employees: 4
- AuM as of 30.06.18: CHF 369 mn

Profile & Competencies

- Asymmetric risk/return profile by way of systematic investment process and strict risk management
- Primarily serving institutional investors
- Investment competence in MARS strategy
 - Multi-Asset with capital protection
 - Multi-Asset especially for trusts and endowments
 - Market-neutral factor allocation

Highlight #4: Bank am Bellevue 2.0

Revitalization and growth opportunities thanks to new profile

New strategic business profile

- Repositioning as a wealth manager completed
- Providing premium portfolio and investment advisory solutions and special services with a focus on entrepreneurial private clients
- Complementary banking services in various areas: trading, custody lending for high level private clients as well as institutional clients

Setup, expansion core team & infrastructure

- Setup as an “independent wealth manager with a banking license” is now operational
- Core team established/mobilized in stages
- Basic infrastructure and initial lineup of product/services now in place, further add-ons an evolving process

Initial achievements and challenges

- Growing visibility/acceptance in target segment is supporting efforts to attract new clients and establish recurring revenue streams
- Successful trading and core bank activities serve the new business area
- 2-3 years of investment is necessary, but at reasonable costs

Development & priorities going forward

- Progress is being made towards increasing the rate of new client wins as a key driver of future growth
- Management, organization and teams are being strengthened (operational performance and client acquisition), onboarding of new CEO Thomas Pixner
- Inorganic growth a strategic option

Strategic developments and priorities

Group Strategy & Performance



Achievements 2017

- AuM base further diversified and strengthened
- Improved earnings power
- Orderly discontinuation of Brokerage and Corporate Finance activities
- Strategic realignment of Bank am Bellevue completed
- Foundation laid for further growth – organic and inorganic



Strategic priorities in 2018

Asset Management: “Grow with the products and innovate”



Bank am Bellevue: Strengthening of Wealth Management capabilities, extension of product range



Bank am Bellevue: Broadening the new client/business base - also through acquisitions



Vision 2020

Asset and wealth manager, highly focused:

- Highly specialized sector and theme strategies
- Distinctive, holistic investment strategies
- Asset management and other services for entrepreneurial private clients



Performance snapshot

1 *Recurring revenue*

2 *Assets under management (AuM)*

3 *Cost/Income ratio*

4 *Operating profit*

5 *Return on equity*

6 *Performance quality*

Performance criteria 2018 – solid basis for future development

Better business profile enables across-the-board progress

1 *Recurring revenue*

- Further strengthening of earnings power underpinned by a growing AuM base
- Broadly based and well-diversified in terms of asset classes and client segments

2 *Assets under management (AuM)*

- Solid new money inflow of CHF 552 mn
- Within targeted NNM range of 5-10% p.a.

3 *Cost/Income ratio*

- Ongoing structural improvement since 2011, with cyclical fluctuations
- Mid-term range of 70-75% confirmed with further potential for improvement in the long term

4 *Operating profit*

- Solid result considering strategie/repositioning of the Bank
- > 90% of operating earnings recurring in nature

5 *Return on equity*

- ROE of >14% appealing in current market environment, further room for improvement long-term
- Continuation of shareholder-friendly dividend policy

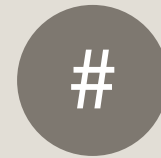
6 *Performance quality*

- Compelling to outstanding results across the board, in absolute and relative terms
- Some products still lack consistency over the cycle



4

Questions & Answers



Appendix

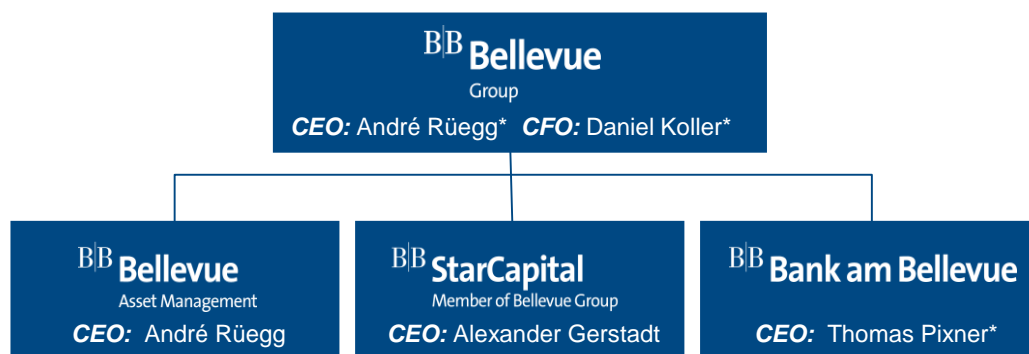
Business Profile & Strategy

Asset & Wealth Management – independent, entrepreneurial, committed

The Board of Directors

Chairman: Thomas von Planta
 Daniel Sigg Mirjam Staub-Bisang
 Rupert Hengster Veit de Maddalena

Legal entities



Business segments & activities

Asset Management

- Healthcare strategies
- Specialized regional strategies
- Absolute return strategies
- Balanced strategies
- Bond strategies global
- Value strategies equity
- Multi Asset Class solutions

Bank am Bellevue

- Wealth Management
- Investment Office Services
- Trading/Custody Services
- Selective lending services

Established

1993

Credo

“We eat our own cooking”

Market cap in CHF

317 million

Number of employees

117

AuM in CHF

12.7 bn

Shareholders' equity in CHF

170 mn

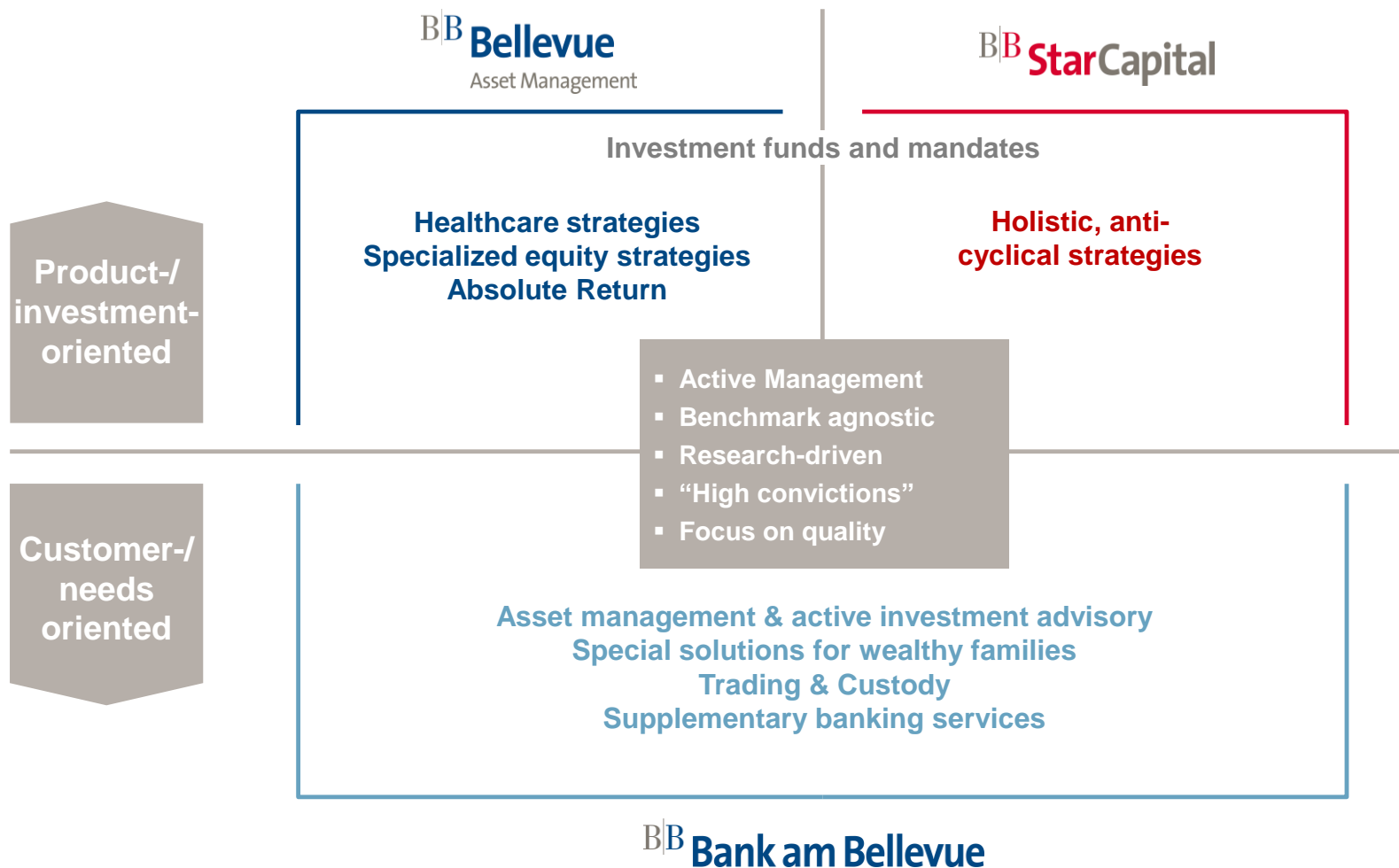
Shares held by anchor shareholders & employees

43.6%

* Member of the Executive Board of Bellevue Group AG

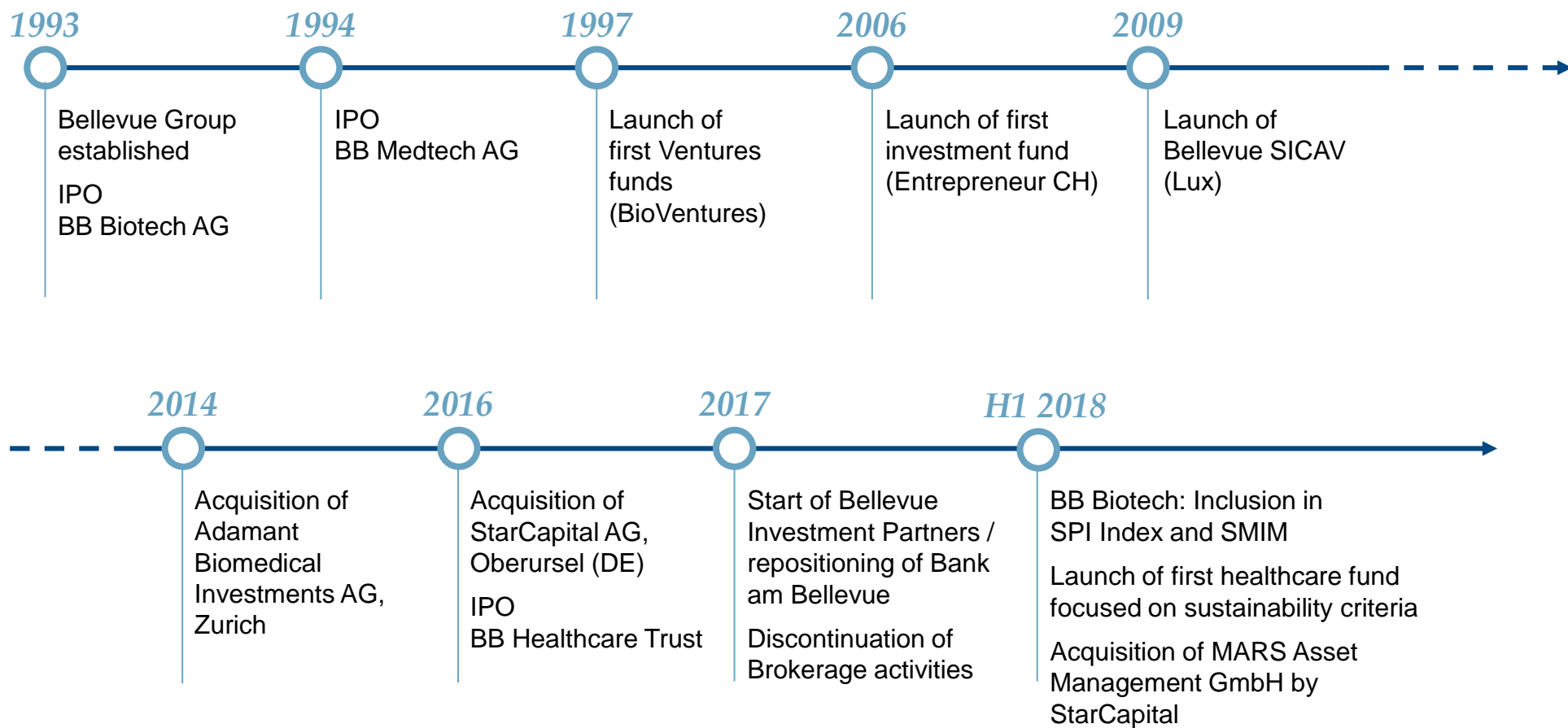
Business Profile & Strategy

Asset & Wealth Management – business model and offering



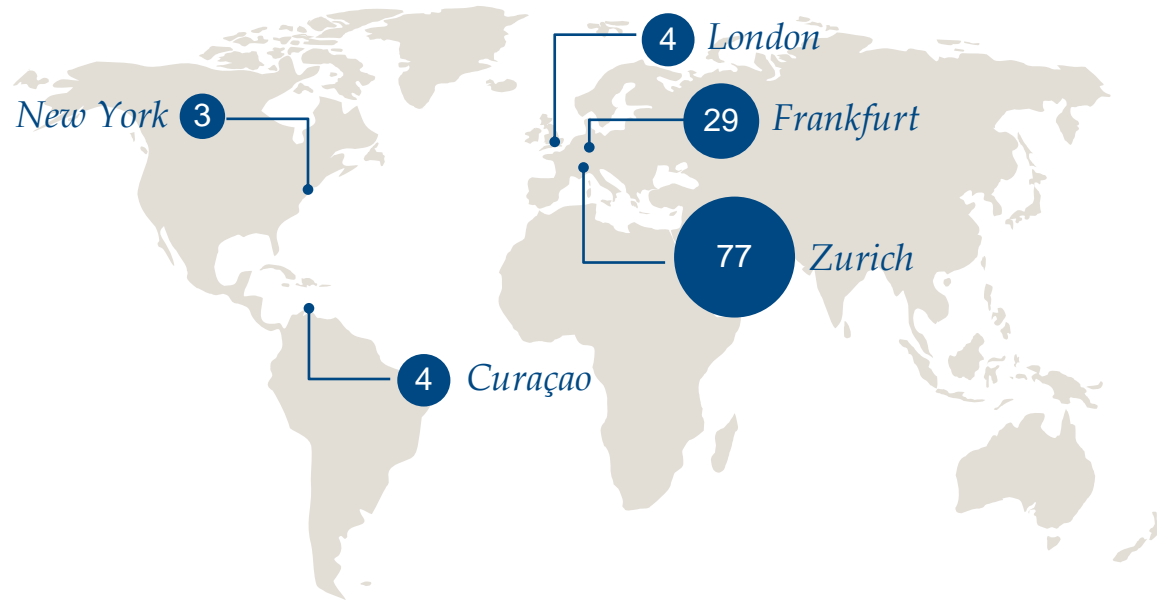
Business Profile & Strategy

Milestones in the Group's history



Business Profile & Strategy

Organizational stability, continuity and growth



“We eat our own cooking”

- Portfolio managers and key employees have a personal stake in the performance of our investment vehicles
- Our corporate culture is shaped by the independent and entrepreneurial way we think and act.

A stable workforce

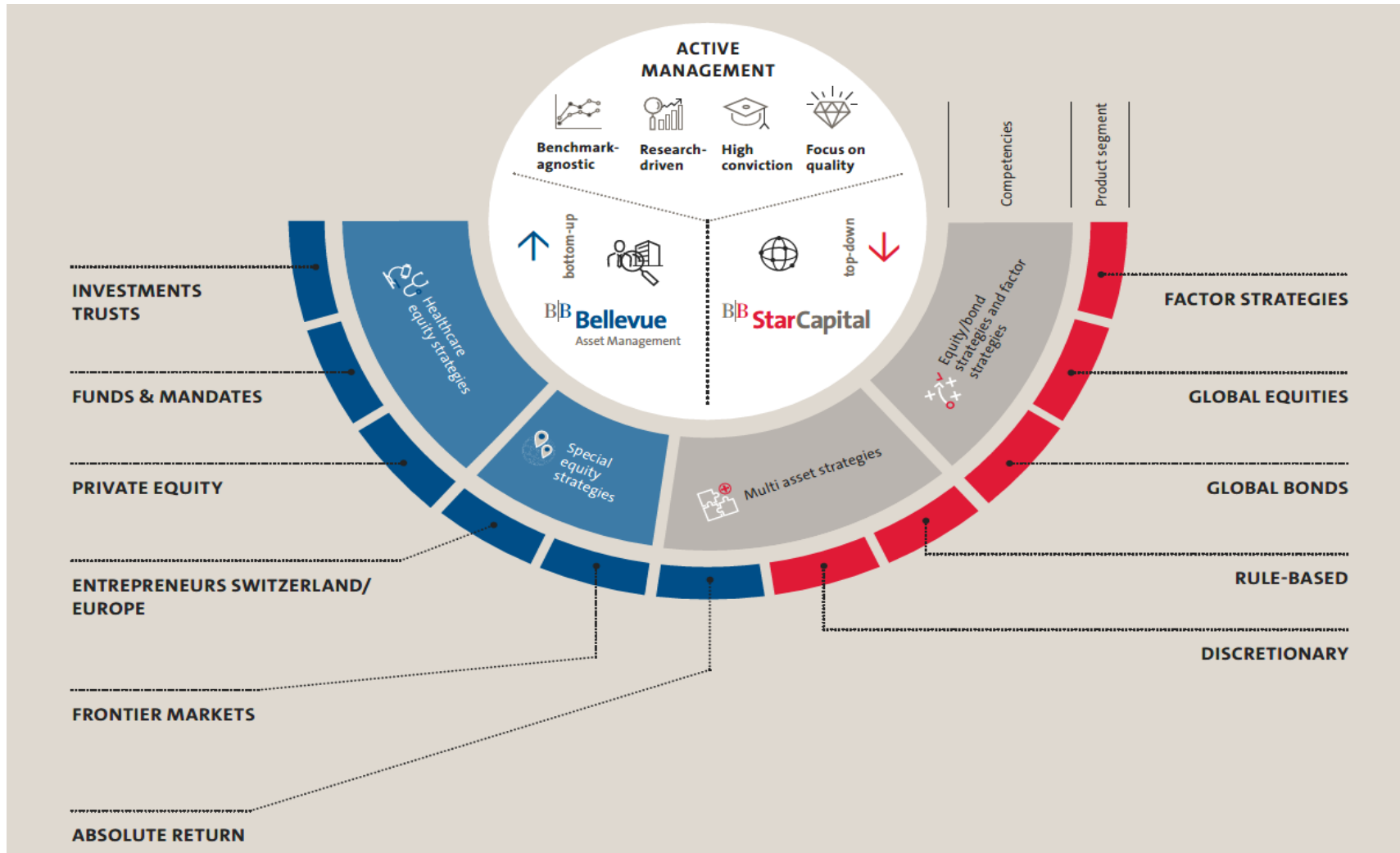
- Bellevue has a low employee turnover rate
- High commitment from key employees and talents at all units

On a growth track

- Expansion of its international presence in Zurich, London and Frankfurt is enlarging its talent pool

Business Profile & Strategy

Asset Management – business model and offering

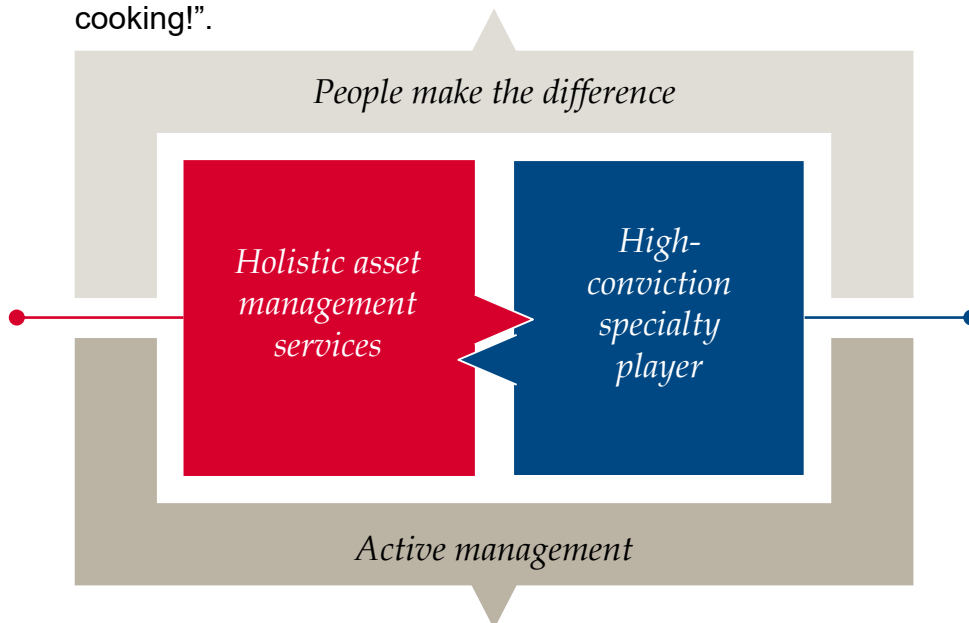


Business Profile & Strategy

Bellevue Asset Management & StarCapital: Complementarity based on active management

Our corporate culture is shaped by the independent and entrepreneurial way we think and act. Portfolio managers and key employees have a personal stake in the performance of our investment vehicles “We eat our own cooking!”.

StarCapital prides itself on its holistic analysis of financial markets underpinned by in-house capital market research capabilities.



Bellevue Asset Management concentrates on attractive special investment themes backed by structural growth trends.

We are proponents of active investment strategies, away from well-worn paths. Transparent, disciplined investment processes, supported by rigorous controls and an advanced risk monitoring and control system.

Business Profile & Strategy

Competencies in Asset Management



Healthcare strategies

- Healthcare Global
- Biotech
- Medtech & Services
- Generics
- Healthcare Asia/Emerging Markets
- Ventures
- Institutional Mandates

AuM
CHF 6.0 bn



Specialized equity strategies

- Entrepreneur Switzerland
- Entrepreneur Europe
- Entrepreneur Europe Small
- Africa
- Institutional Mandates

AuM
CHF 0.9 bn



Global bond & equity strategies

- Argos (flexible, dynamic bond strategy)
- Bondvalue (flexible, defensive bond strategy)
- Starpoint (flexible equity strategy)
- Priamos (quantitative value/QV concept)
- Institutional Mandates

AuM
CHF 1.7 bn



Multi-asset strategies

- Global Macro
- Winbond (defensive)
- Huber Strategy1 (dynamic)
- Allocator
- Emerging Markets
- Various strategies «STARS» & «MARS»
- Institutional Mandates

AuM
CHF 2.0 bn

Excellent performance

Numerous awards received by Asset Management



Healthcare strategies



Specialized equity strategies



Global bond & equity strategies

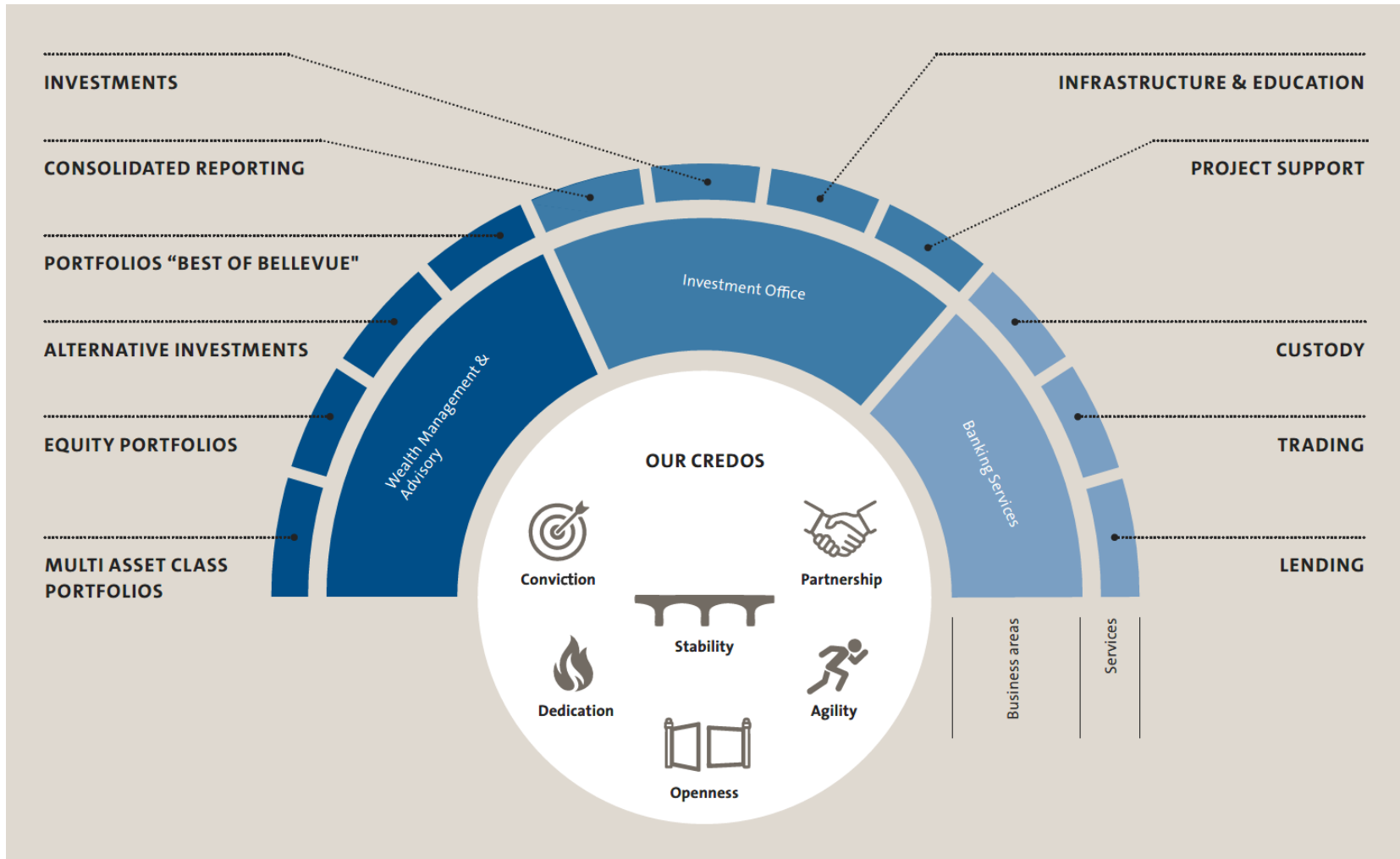


Multi-asset strategies



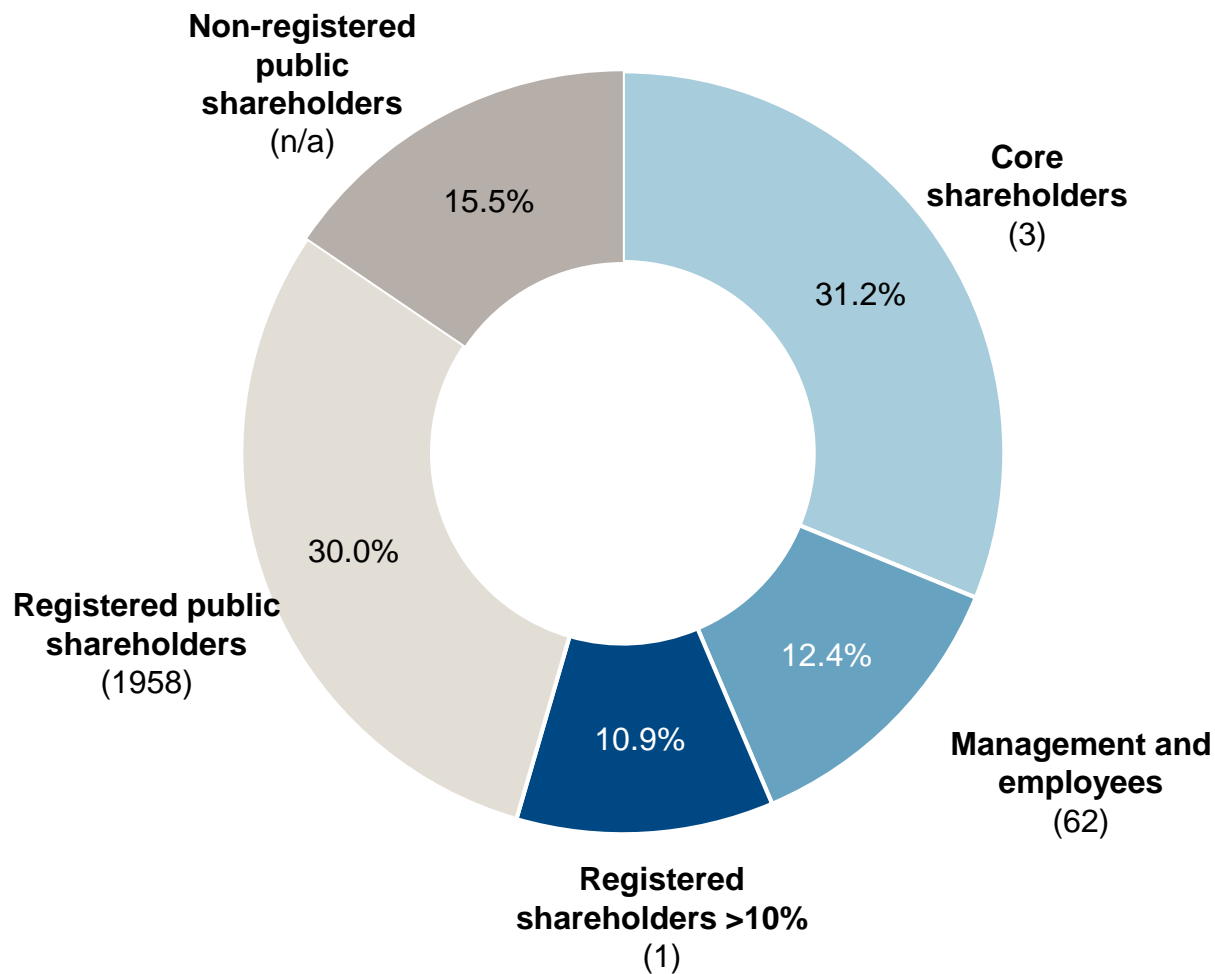
Strategic developments and priorities

Bank am Bellevue – business model and offering



Business Profile & Strategy

Structure of the shareholder base as of June 30, 2018



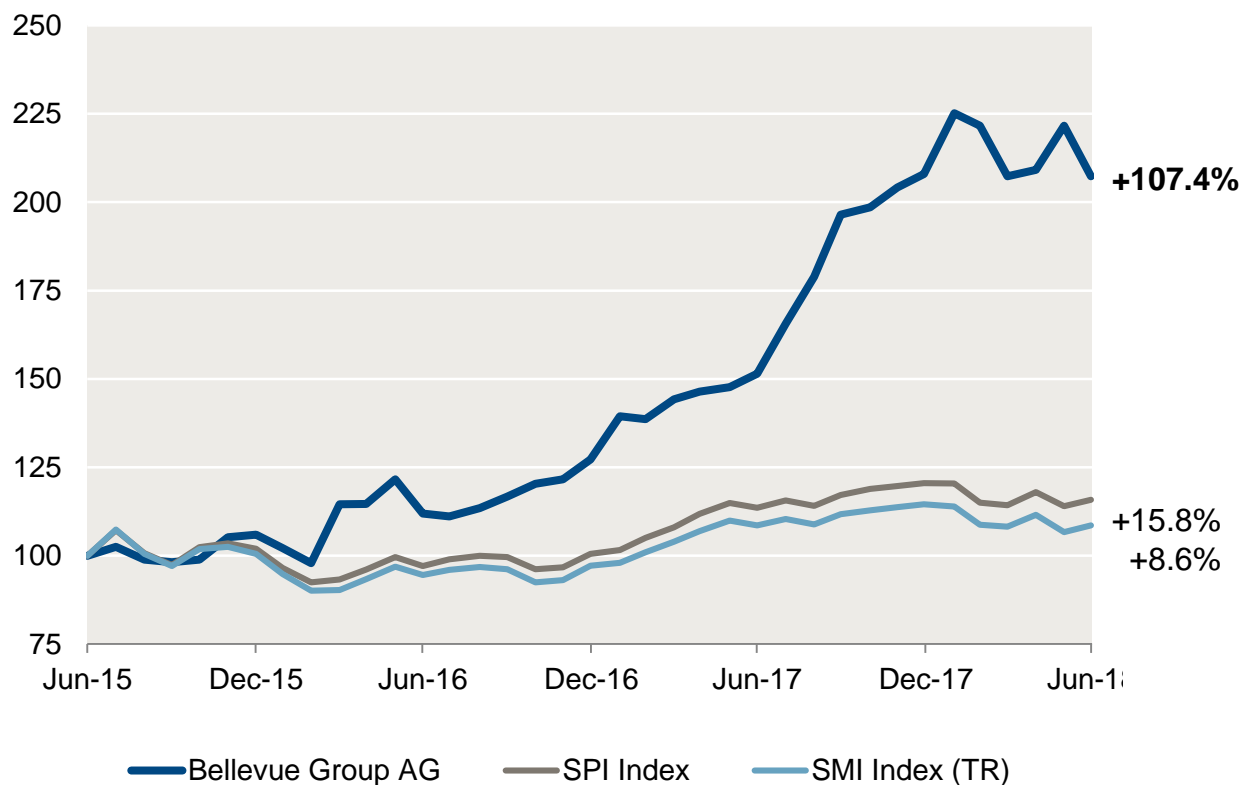
- Strong commitment of core shareholders
- Substantial increase in management/employee shareholders (31.12.2017: 9.6%)
- Base of institutional shareholders is steadily growing
- Very transparent shareholder base: >84% registered (2,024 shareholders)
- Shareholder-friendly dividend policy unchanged, strengthening sense of continuity

Business Profile & Strategy

Strong performance vs. CH-Indices

Performance (3 years)

Rebased in %



Market capitalization as of
30.06.2018

CHF 317 mn

Dividend for 2017

CHF 1.10*

Dividend yield as of 31.12.2017

4.5%

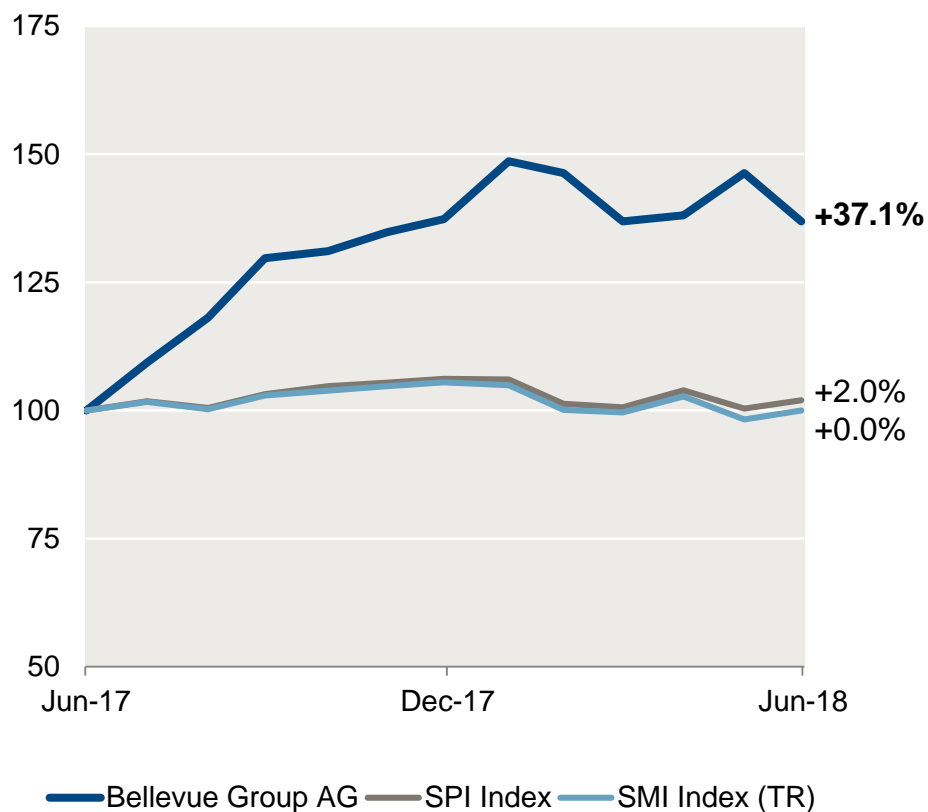
* cash distribution from capital contribution reserves

Business Profile & Strategy

Strong performance vs. CH-Indices

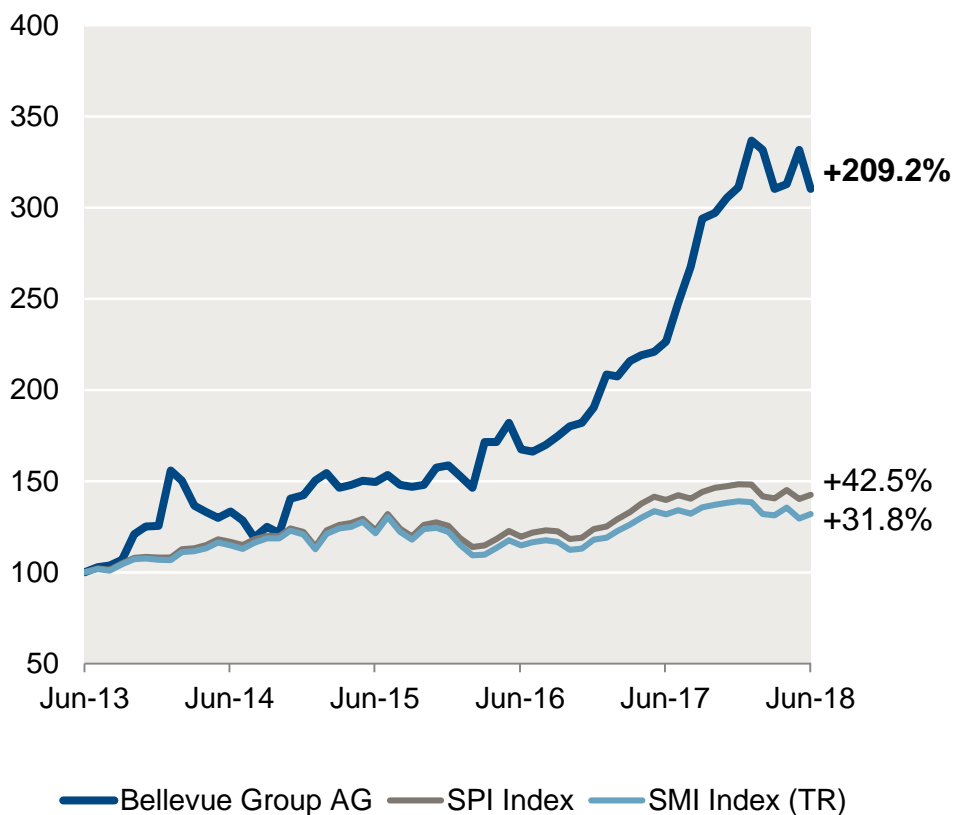
Performance (1 year)

Rebased in %



Performance (5 years)

Rebased in %



Why turn to Bellevue Group?

Highlights Bellevue Group

*Distinctive financial boutique
with a focus on Asset &
Wealth Management*

- Independent, efficient, entrepreneurial management style ever since it was established in 1993
- Highly specialized, well-diversified spectrum of Asset Management competencies
- Portfolio and investment advisory solutions and special services with a focus on entrepreneurial private clients

*Outstanding investment and
capital market expertise*

- Active investment strategies, benchmark agnostic, expertise in various investment classes with a focus on equity strategies
- Excellent long-term track records with superior investment returns
- Recognized sector expertise in the healthcare industry (e.g. BB Biotech and BB Adamant Team), specialized equity strategies (e.g. Entrepreneur family) and holistic strategies

*Robust and risk-averse
financial profile*

- Sustainable earnings power (>90% recurring) with attractive margins
- Sound balance sheet with a CET 1 ratio of 16.6% (as of 31.12.2017)
- Shareholder-friendly dividend policy with an attractive yield (currently 4.5%)
- 44% of outstanding shares held by core shareholders and employees

*Significant potential for
further growth*

- Agile, scalable business model with little complexity creates opportunities for profitable growth
- Stable and growing base of local and international clients
- Experienced, tested management team and steady expansion of the international talent pool

Contact



Investor Relations

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