

Media Release

Küsnacht, March 2, 2021

2020 annual results

Bellevue Group increases bottom-line profit by 59% to CHF 22.3 mn – assets under management reach a new record high of CHF 12 bn

- **Total operating income improves by 8.4% to CHF 109.9 mn and costs rise at a slower rate, resulting in a 14.3% increase in operating profit to CHF 46.3 mn**
- **Assets under management grew by 13.6% to CHF 12.0 bn due to a good balance of new money and investment performance**
- **Healthcare strategies particularly popular, attracting more than CHF 1 bn in new money, while traditional niche strategies lost assets – net new money of CHF 377 mn**
- **Reported net profit of CHF 22.3 mn after valuation adjustment of CHF 9.6 mn**
- **Investment performance of 80% of all client assets beat the benchmark performance**
- **Shareholder-friendly dividend policy maintained, 20% increase in the ordinary dividend to CHF 1.50 and distribution of a special dividend of CHF 2.50 per share proposed**
- **Innovative products in the pipeline to generate additional growth, as recently demonstrated with the launch of the BB Entrepreneur Private Fund**
- **Demand for healthcare strategies remained strong during the early months of 2021**

André Rüegg, CEO of Bellevue Group, on the annual results for 2020: “Our Group performed very well as a pure asset manager in the face of an extremely challenging market environment. In view of the unrelenting pandemic, 2020 became the year of health and interest in healthcare investment ideas soared. The products in our core areas of specialty experienced very strong inflows. At the same time, we were able to take advantage of the swift market recovery to achieve excess return and most of the assets we manage delivered substantial added value. The renewed increase in assets under management with recurring revenues creates a very sound platform for Bellevue Group’s future development. We will continue to profile ourselves as an innovative, specialized asset manager by creating a steady flow of new products.”

Assets under management at new record high of CHF 12 bn

After plunging nearly 20% in March due to the onset of the pandemic, client assets recovered and ended the year at a new record high of CHF 12.0 bn. Bellevue Group used the surprisingly quick market recovery to its advantage. Most of its investment products outperformed and the various healthcare strategies recorded a total inflow of more than CHF 1 bn. The funds with the greatest new money inflows over the year were BB Adamant Digital Health (CHF 348 mn), BB Adamant Medtech & Services (CHF 268 mn) and BB Adamant Asia Pacific Healthcare (CHF 179 mn), and BB Healthcare Trust (CHF 115 mn), an investment trust listed in London. A total of CHF 9.4 bn is now being managed in Bellevue’s healthcare strategies.

Alternative investment strategies also attracted greater attention. BB Pureos Bioventures, for example, has acquired USD 168 mn since its inception in 2018. In view of the capital commitments received in early 2021 and the persisting high levels of interest, this fund will likely pass the USD 200 mn threshold at the end of March 2021, when the final closing is scheduled. Direct equity investments continued to grow as well. As

expected, the traditional investment strategies attracted less interest and lost assets of CHF 503 mn. Resulting net new money for the year amounted to CHF 377 mn. 2020 thus brought further proof that only innovative investment strategies will attract the interest of investors today.

Outperformance by 80% of all assets under management

Bellevue Group's goal is to create sustainable value for its clients with innovative investment ideas. That goal was impressively achieved once again during the past year. 80% of all assets under management outperformed their respective benchmark 2020. In fact, 84% of the assets managed by Bellevue since inception have outperformed their benchmarks.

Nearly every healthcare strategy delivered a double-digit return for the year. Each of the four flagship products now manage CHF 1 bn or more in assets and they, too, generated strong returns in the year under review. The two investment companies BB Biotech and BB Healthcare Trust closed 2020 with a performance, respectively, of more than 19% in CHF (30% in USD) and 29% in GBP (33% in USD) and delivered an excess performance of 4% and 19% in USD versus their respective benchmarks. The BB Adamant Digital Health Fund advanced no less than 68% in USD. BB Adamant Emerging Markets Healthcare and BB Adamant Asia Pacific Healthcare, both regional healthcare strategies, generated likewise strong returns of 51% and 45% in USD. Bellevue Group's impressive performance track record is attributed in no small terms to the stability of its portfolio management teams. 16 of Bellevue's 19 lead portfolio managers have held their respective position from the initial launch of the strategies.

In the first quarter of 2020 Bellevue Group increased its focus on long-term sustainability. All investment portfolios were systematically assessed and scored using an ESG integration process that takes sustainability risks, violations of human rights and standards, carbon emissions and other factors into consideration.

Group net profit increased 59% to CHF 22.3 mn

Bellevue Group was able to improve its performance and efficiency at the operational level too. Consolidated operating income rose by 8.4% to CHF 109.9 mn. Approximately 93% of this sum is asset-based and thus recurring earnings that are not dependent on investment performance.

Operating expenses showed a proportionately smaller increase of 4.4% to CHF 63.6 mn despite continuous expansion of the investment teams and higher profit-based compensation. This led to a 14.3% year-on-year increase in Bellevue Group's operating profit to CHF 46.3 mn and the cost/income ratio improved to 57.9%. Reported bottom-line profit was reduced by valuation adjustments in connection with the repositioning of the StarCapital subsidiary, resulting in consolidated net profit of CHF 22.3 mn – an increase of 59.3% from the previous year.

20% increase in the ordinary dividend and a special dividend of CHF 2.50 per share proposed

Bellevue Group is maintaining its shareholder-friendly dividend policy. A 20% increase in the ordinary dividend to CHF 1.50 per share will be proposed at the Annual General Meeting. This corresponds to a dividend yield of nearly 5% based on the closing price of December 31, 2020.

Furthermore, the board plans to distribute proceeds from the sale of Bank am Bellevue, which closed in April 2020, and other reserves from the 2019 disposal of the equity interest in SIX to shareholders by way of a special dividend of CHF 2.50 per share. Return on equity based on reported net profit and average equity capital after distribution of the proposed dividends stands at 21.7%, which is better than average compared to peers.

Bellevue Group strengthened its shareholder structure during the year under review by welcoming Hansjörg Wyss as a major shareholder. He has a long-term investment horizon and, together with the core shareholders and employees, will contribute to the steady growth and development of the company.

Sharpening Bellevue's profile as an innovative, focused asset manager

Bellevue Group's more focused business model with the three core competencies of specialized healthcare strategies, alternative investment solutions, and traditional niche investment vehicles gives it a truly unique profile as a specialized pure play asset manager. Selective investments will be made to support the ongoing growth of the core "healthcare" segment. A stronger push to expand the "Private Markets" unit and the development of new ideas and innovations for our traditional and non-traditional investment strategies will enhance growth prospects under the current business model. This is also intended to give a lasting boost to Bellevue's diversification and differentiation potential as a "House of Ideas". With the launch of the BB Entrepreneur Private Fund, a growth financing vehicle for successful Swiss SMEs, a new cycle of product innovation already commenced in January 2021. At the same time, necessary measures will be taken to clean up and reposition the traditional products.

Bellevue Group expects the general market environment to remain volatile, but with support from global monetary and fiscal policy coordination. Although valuations are rich, equities are still considered the most attractive asset class today. That said, changing policy frameworks, such as the new administration in Washington and the implications that may have for the US healthcare sector, will be closely monitored. Bellevue Group is well-positioned with its robust business model, acknowledged investment expertise and stable shareholder structure. That claim is underscored by the very pleasing course of business during the opening months of 2021.

The 2020 annual report can be viewed online at report.bellevue.ch/2020 or www.bellevue.ch.

Events calendar:

March 23, 2021: General Meeting of Shareholders
July 29, 2021: Publication of half-year results for 2021

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Bellevue Group

Bellevue Group is an independent Swiss financial boutique specializing in asset management. Established in 1993 and listed on the SIX Swiss Exchange, the standalone asset manager has about 100 employees and is focused on a diverse, award-winning range of investment solutions in the three areas of specialized healthcare strategies, alternative investment strategies and traditional investment strategies.

KEY FIGURES BELLEVUE GROUP

	2020	2019 restated*	Change in %
Consolidated income statement (in CHF 1'000)			
Revenues from asset management services	108'819	102'156	+6.5%
Total operating income	109'851	101'368	+8.4%
Total operating expenses	-63'599	-60'905	-4.4%
Total operating profit	46'252	40'463	+14.3%
Group profit before tax from continuing operations	31'897	27'875	+14.4%
Group net profit from continuing operations	23'022	19'460	+18.3%
Group net profit	22'304	14'033	+58.9%
Cost/Income Ratio ¹⁾	57.9%	60.1%	-
Earnings per share (in CHF)	+1.72	+1.45	+18.6%
Asset under management (in CHF mn) ²⁾			
Total managed assets	12'038	10'599	+13.6%
Net new money	377	422	-10.7%
Consolidated balance sheet (in CHF 1'000)			
Total assets	235'564	393'146	-40.1%
Total liabilities	69'748	194'796	-64.2%
Total shareholders' equity	165'816	198'350	-16.4%
Total shareholders' equity after the proposed dividend	111'970	144'504	-22.5%
Equity per share (in CHF)	12.32	14.73	-16.4%
Return on equity ³⁾	21.7%	12.2%	-
Dividend			
Ordinary dividend per share (in CHF) ⁴⁾	1.50	1.25	+20.0%
Special dividend per share (in CHF) ⁴⁾	2.50	2.75	-9.1%
Dividend yield (excl. special dividend) ⁵⁾	4.9%	5.2%	-
Staff (FTE)			
Number of staff (at cutoff date)	98.7	116.3	-15.1%
Year average number of staff	100.4	113.1	-11.2%
Share price			
Share price of Bellevue Group registered shares (in CHF) as at 31.12.	30.80	23.90	+28.9%
Year low / Year high (in CHF) ⁶⁾	19.70 / 31.00	18.47 / 24.60	
Market capitalization (in CHF mn)	415	322	+28.9%

* The previous-year period has been adjusted. We refer to the statements on the change in presentation in section 16.3 and on the correction of errors in section 4.2.

1) Defined as: operating expenses / operating income

2) Related to continuing operations

3) Based on group net profit and average shareholders' equity after deduction of the proposed dividend

4) Proposal of the Board of Directors to the Annual General Meeting

5) Calculated from share price as at 31.12.

6) End of day prices