

## Helvetia Group analysts' conference call

### Half-year results 2017

Monday, 4 September 2017

Half-year results 2017

(the spoken words take precedence)

**Philipp Gmür, CEO Helvetia Group**

#### **(Slide 20) *helvetia 20.20* Update**

Thank you, Paul, for the details of our financial performance in the first half of 2017.

I would now like to come to the last part of our presentation and give you some more insights on strategy implementation. We will start on slide 21.

#### **(Slide 21) *helvetia 20.20*: strengthening the core business, expanding the business model and innovating new business ideas**

Ladies and Gentlemen, when implementing the *helvetia 20.20 strategy* we are putting a special emphasis on two aspects:

The first focus is on our core business because here

- we have strong existing customer relationships,
- we generate stable revenues, and
- we operate the business very profitably.

So, one important pillar of our strategy is to strengthen our core business by optimising our existing business operations to make them more efficient.

At the same time we aim to expand our business into adjacent fields to broaden our revenue base for sustainable growth. In a nutshell: by strengthening and expanding the current business model we will build a stable foundation for the future to meet the changing needs of the customers. In the programs initiated to transform the core business we want to achieve:

- above-market organic growth in the profitable private and corporate customer segments
- easy and convenient access to all our services and products through different channels, chosen by our customers
- efficiency improvements in operations e.g. automation or faster response times for our customers as well as

- focused churn management and cross- and upselling possibilities for Helvetia

At our Capital Markets Day we stated that we will spend CHF 25 million after tax for the implementation of strategic initiatives in 2017. The majority of these investments are allocated to these programs which include projects as e.g. SME-effort, CRM or building up the eco system “home” where MoneyPark is already a first strong anchor. To reinforce this, MoneyPark acquired Lausanne-based Defferrard & Lanz SA ("DL") in July 2017, doubling its volume of brokered mortgages. The companies complement each other perfectly: MoneyPark is primarily present in german-speaking Switzerland and Ticino, while DL enjoys a strong position in french-speaking Switzerland. The merger will allow MoneyPark to tap into the strategically important market in french-speaking Switzerland in a quick and comprehensive manner. Helvetia welcomes this acquisition.

Ladies and Gentlemen, strengthening the core business alone does not make a difference. We also have a laboratory where we want to drive innovation and explore new ideas in order to differentiate ourselves from our competitors.

Our approach to innovation is characterised by a variety of different methods, which we are pursuing simultaneously. These include what we call "prototyping" of different ideas, investments in venture capital, internal start-ups through a corporate incubator and acquiring specific skills through M&A and cooperations.

As a result we have a portfolio of "research & development" type projects, which we try out through prototypes. Successful ones are rolled-out quickly to the organisation, unsuccessful ones are either modified or abandoned early. Current examples we are working on are the Chatbot or Famii (a family assistance app developed by smile.direct). Some of these will succeed and some will fail. I am very proud, for example, that Helvetia is the first insurance company in Europe where customers can renew their contracts via SMS. What is important is that we have the courage, the culture within the company and the infrastructure to try out new ideas, obviously within a clearly controlled overall budget.

At the end of May the newly launched Helvetia Venture Fund made its first investment in baimos technologies GmbH, Munich. Baimos offers award-winning and certified products relating to the digital management and authorisation of access and locking systems. Also in May we established an Innovation Lab jointly with the University of St.Gallen (UniSG). The Lab aims at researching new business models and eco systems for the insurance sector.

The Lab is part of the Institute of Technology Management with a special focus on innovation management at the UniSG.

Ladies and Gentlemen, as you can see we are making good progress on the implementation of our strategy *helvetia 20.20*. Our implementation approaches enable us to systematically and simultaneously strengthen and expand our core business while innovating and testing new business ideas in an agile approach.

This brings us to the end of the presentation.

My colleagues and I would now be pleased to answer your questions. Thank you for your attention.