VZ Holding AG

A founder-controlled Swiss advice platform whose consulting funnel compounds into recurring assets

Ticker / price	Equity value	TTM diluted EPS	Current income yield
SIX: VZN / CHF 175.40	~CHF 6.9bn	CHF 6.46	1.7% dividend

Market data as of August 14, 2026. Equity value uses 39.4m shares; a conventional enterprise value is not meaningful for a deposit-taking group. [1][2]

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5-YEAR TSR REFERENCE CASE: 8.2% = 1.7% + 10.0% - 3.5%			
8.2%	**1.7%**	**10.0%**	**(3.5%)**
Annualized TSR	Dividend yield	EPS growth	Multiple reversion

Mechanical bridge: CHF 175.40 / CHF 6.46 TTM EPS = 27.2x, reverting over five years to the 2016-2025 average year-end P/E of 22.8x. The bridge is a reference, not the base valuation conclusion. [1][7]

Thesis

VZ turns retirement and wealth-planning projects into long-duration platform relationships spanning wealth management, custody, mortgages, insurance and pensions. The model combines a trusted, conflict-light advisory proposition with a self-trained consultant base and recurring fees on CHF 67.7bn of assets. Founder Matthias Reinhart still controls 61%, while career insider Giulio Vitarelli is scaling Switzerland and building smaller options in Germany and the UK. Quality is exceptional; price is not. At 27.2x TTM earnings versus a 22.8x decade mean, the investment requires double-digit EPS growth and disciplined international execution rather than multiple expansion.

Four-question scorecard

Question	Score	Why it is not higher
Business quality	4.5 / 5.0	Recurring fees, high trust and 48% EBIT margin; market levels and key-person service still matter
Price	3.0 / 5.0	27.2x TTM EPS is above the 22.8x decade mean and embeds continued double-digit growth
People / allocation	4.5 / 5.0	Founder control, insider CEO and 50% payout; UK roll-up adds a new allocation test
Hidden nugget	4.0 / 5.0	Consulting capacity creates a measurable client/AUM flywheel; Germany and Lumin are under-earning options

2 Business and Industry

An advice-led distribution engine with bank economics behind it—not a conventional asset manager

Business model in plain English

VZ begins with fee-paid retirement, estate, tax or investment advice, principally for affluent clients aged 50 and older. A completed project can convert into recurring wealth management, custody, mortgage, insurance or pension services. VZ does not rely on product commissions or retrocessions; the client relationship and platform economics sit together. Approximately two-thirds of revenue is linked to assets under management, while banking income, consulting and other platform fees diversify the mix.

Activity	What the client buys	Economic model	Durability
Consulting	Retirement / tax / estate plan	Project fees; acquisition funnel	Capacity- and reputation-led
Private-client platforms	Portfolio, custody, mortgage, insurance	Recurring AUM / banking fees	High switching friction
Corporate clients	Insurance and pension administration	Recurring service fees	Embedded workflows
Germany / UK	Advice and wealth management	Local platforms + tuck-ins	Early-stage optionality

Why business quality is 4.5 / 5.0

- The funnel is unusually observable: consultant capacity drives projects, projects drive platform clients, and platform clients drive net new money, cross-sell and recurring fees.
- Client satisfaction and trust reinforce retention. VZ solicits feedback after projects and periodically on-platform; management reports a consistently exceptional Net Promoter Score. [1]
- The model scales. 2025 EBIT margin was 47.7%, and H1 2026 reached 48.4% despite continuing hires and international investment. [1][3]
- Capital strength is a commercial asset. A 28.4% combined CET1 ratio and Aa3 deposit rating reassure clients while allowing conservative mortgage and securities portfolios. [3]
- The score stops short of 5.0 because revenue moves with markets, consultants are the scarce input, founder control limits outside influence, and foreign expansion may not reproduce Swiss economics.

Industry structure and profit pool

Force	Assessment	Investment implication
Customer power	Medium	Transparent fees matter, but retirement decisions are complex and trust-heavy
Supplier / talent	Medium-high	Consultants are trained internally; hiring pace limits organic growth
Rivalry	Medium	Banks, independent advisers and digital platforms compete; VZ is differentiated by independence
New entrants	Low-medium	Technology is accessible, but reputation, regulation and adviser training are not
Substitution / AI	Medium	AI lowers analysis cost but is less likely to replace high-consequence personal advice

CUSTOMER VALUE PROPOSITION Independent, integrated advice reduces conflicts and turns fragmented retirement, investment, mortgage and insurance decisions into one accountable relationship.

3 Financials and Business Quality

Double-digit client and asset growth is converting into widening absolute profit without stretching regulatory capital

Metric	2023	2024	2025	H1 2026 / latest
Revenue	CHF 463.8m	CHF 525.1m	CHF 574.5m	CHF 316.5m
EBIT	CHF 218.9m	CHF 253.9m	CHF 274.2m	CHF 153.1m
EBIT margin	47.2%	48.4%	47.7%	48.4%
Net profit	CHF 187.0m	CHF 219.1m	CHF 236.4m	CHF 131.9m
Assets under management	CHF 44.9bn	CHF 53.1bn	CHF 61.8bn	CHF 67.7bn
Net new money	CHF 4.4bn	CHF 5.1bn	CHF 5.8bn	CHF 3.3bn
FTE	1,391	1,568	1,717	1,794

Company-reported figures. H1 items cover six months except balance-sheet, AUM and FTE figures at June 30, 2026. [1][3][8]

Owner-earnings bridge

Driver	Five-year base assumption	Reasoning
Platform clients / NNM	High-single to low-double digit	Consultant hiring plus cross-sell; CHF 3.3bn H1 NNM
AUM markets	4%-5%	Neutral long-run market contribution, not the recent bull-market pace
Revenue	9%-10% CAGR	AUM fees dominate; bank income can vary with rates
EBIT margin	47%-48%	Scale offset by hiring, technology and foreign build-out
Share count	Broadly flat	Treasury shares principally support employee ownership
EPS	~10% CAGR	Revenue growth with stable margin and 50% dividend payout

Balance sheet, ratings, maturities and covenants

This is a regulated financial balance sheet: CHF 6.38bn due to customers funds mortgages, deposits and securities, so subtracting deposits from enterprise value is misleading. At June 2026 VZ had CHF 1.21bn equity, CHF 1.71bn cash, CHF 6.17bn financial assets and CHF 763m long-term debt, principally CHF 669m of loans from central mortgage institutions matched against mortgages. VZ Depository Bank is rated Aa3 for long-term deposits and A3 for counterparty risk, both stable. The interim report does not publish a corporate bond maturity ladder or maintenance covenant; funding is mainly customer deposits and mortgage-institution advances, with regulatory capital and liquidity requirements the binding constraints. CET1 was 28.4%, far above minimum needs. [1][3]

BALANCE-SHEET JUDGMENT Very strong regulatory capitalization and conservative assets support a 4.5 quality score. The risk is asset-liability and market sensitivity, not conventional refinancing leverage.

4 Valuation and Hidden Nugget

A wonderful flywheel at a full price; international optionality is valuable only if acquired and integrated with restraint

Ten-year P/E context

2016-2025 year-end P/E	Low	Average	High	Today
Reported range	17.5x	22.8x	26.1x	27.2x

Annual year-end P/E series from CompaniesMarketCap; current P/E uses CHF 175.40 and CHF 6.46 TTM EPS. [2][7]

Five-year valuation cases

Case	2031 EPS	Exit P/E	Dividends	2031 value	5-year CAGR
Bear	CHF 7.49	18x	~CHF 17.5	CHF 152	(2.8%)
Base	CHF 10.40	23x	~CHF 17.5	CHF 257	7.9%
Bull	CHF 12.44	27x	~CHF 17.5	CHF 353	15.0%

Analyst estimates. Bear/base/bull EPS growth is 3%/10%/14%. Dividends are simplified and understate a growing 50% payout in the upside cases.

Hidden nugget — the consulting-to-platform flywheel

The market sees a premium Swiss wealth manager; the deeper asset is a repeatable acquisition system for affluent households. VZ controls the top of the funnel through paid consulting, trains the scarce advisers itself, and then converts projects into recurring multi-product relationships. H1 2026 added more than 5,100 platform clients and CHF 3.3bn of net new money. That makes consultant hiring today a leading indicator of AUM and earnings several years out. Germany remains subscale, while Lumin plans four to eight UK adviser tuck-ins annually: neither must succeed for the Swiss thesis, but disciplined replication could extend the runway. [1]

What the market may miss	Evidence	What would prove it
Consultants are growth capex	NNM depends structurally on adviser count	Stable NNM per consulting FTE
Cross-sell compounds cohorts	Satisfied clients add services / wallet share	Recurring revenue outgrows client count
UK succession supply	Deferred earnouts reduce integration risk	Tuck-ins retain revenue after two years
Founder time horizon	61.2% ownership; stable control	No empire-building or minority leakage

LBO reality check

A sponsor paying a 20% premium would invest roughly CHF 8.3bn of equity value. Even allowing debt equal to 4x annualized EBIT (~CHF 1.2bn)—aggressive for a regulated, founder-controlled financial group—sponsor equity is about CHF 7.1bn. If EBIT reaches ~CHF 0.49bn and the business exits at 18x with CHF 0.5bn of debt, equity value is ~CHF 8.4bn: only ~1.2x MOIC and ~3%-4% IRR before fees. Regulation, depositor confidence and 61% founder control further constrain feasibility. The failed LBO is useful: today's equity value already capitalizes much of the quality.

VALUATION CONCLUSION WATCH / wait for a larger margin of safety. A high-quality compounder can still be a poor purchase if the entry multiple requires the operating bull case.

5 CEO and Capital Allocation

A career adviser succeeded the founder; the next proof point is exporting the model without diluting its economics

Giulio Vitarelli — operator formed inside the system

Vitarelli, born in 1971, joined VZ roughly 25 years ago after studying law at the University of Zurich. He began as a junior consultant, joined the executive board in 2002, and ran VZ's Swiss consulting business from 2012 through 2022. He became Group CEO at the start of 2023 when founder Matthias Reinhart moved to chair. This is unusually relevant experience: Vitarelli has worked at the client, branch and group levels and understands the adviser-training bottleneck that governs growth. [5][6]

Capital priority	Evidence / policy	Underwriting judgment
Organic capacity	Adds advisers, branches and internal training	Best reinvestment; measure NNM/FTE and retention
Technology	Financial portal, process AI and data quality	Supports service and productivity, not an advice substitute
Dividend	50% of net profit; CHF 2.95 for 2025	Clear, sustainable and aligned with minority owners
UK M&A	Lumin targets 4-8 small IFAs annually	Attractive succession supply; integration and earnouts need scrutiny
Germany	Capacity expansion and potential new cities	Large option but slower evidence than Switzerland
Balance-sheet capital	28.4% CET1; conservative securities	Trust asset; some capital may be structurally excess
Buybacks	Treasury shares primarily fund employee plan	Not a valuation-timed repurchase program

What the founder structure changes

Reinhart owns 61.2%, employees a further 4.8%, and management about 0.8%. The structure encourages multi-year investment and protects culture, but minority holders cannot force capital returns, strategic change or a sale. The relevant governance test is therefore behavior: related-party discipline, transparent transfer of responsibility, sensible UK prices and preservation of the 50% payout.

Capital-allocation rules for the next five years

1. Fund Swiss consultant capacity wherever cohort economics and training quality remain intact.
2. Require UK acquisitions to retain client revenue after two years and disclose purchase multiples including earnouts.
3. Keep CET1 comfortably above regulatory and internal trust thresholds; do not optimize away the balance-sheet moat.
4. Maintain the 50% dividend policy unless a clearly superior organic or tuck-in opportunity is documented.
5. Avoid a large platform acquisition that substitutes purchased AUM for the proven consulting funnel.

MANAGEMENT JUDGMENT — 4.5 / 5.0 The succession, ownership and operating record are strong. The deduction is prospective: international roll-up skill has not yet been proven at meaningful scale.

6 Risks and Disconfirming Evidence

The thesis fails if consultant productivity, client trust or international discipline weakens—not merely if markets have a bad quarter

Risk	Why it matters	Early warning / thesis killer	Response
Market drawdown	AUM fees are ~two-thirds of revenue	Two years of weak AUM despite positive NNM	Lower EPS and multiple
Consultant bottleneck	Advisers create projects and NNM	NNM/FTE falls >20% across normal markets	Cut growth case
Client trust / conduct	Reputation is the moat	Material complaints, remediation or NPS break	Exit; hard to repair
Fee compression	Margins are exceptionally high	AUM fee yield falls without better retention	Model lower margin
UK integration	New acquisition engine	Earnouts rise while acquired revenue churns	Value Lumin at zero
Germany economics	Long runway but long build	Persistent losses with no cohort payback	Stop expansion value
Founder control	Minority influence is limited	Related-party leakage or opaque succession	Governance discount
Rates / banking	Bank income and assets reprice	Deposit spread compression plus duration losses	Stress capital / earnings
AI / digital advice	Could commoditize analysis	Younger cohorts avoid paid projects	Re-underwrite funnel

Pre-mortem: it is 2031 and the investment failed

VZ kept hiring, but new consultants produced fewer qualified retirement projects and client acquisition cost rose. A market correction exposed how much recent fee growth came from asset prices, while price competition compressed the fee yield. Lumin bought adviser books faster than it integrated them, creating earnout liabilities and churn. Founder control prevented a reset. EPS grew only 3%, the P/E returned to 18x, and dividends could not offset the de-rating.

Disconfirming evidence hierarchy

A six-month market decline is not disconfirming. Lower bank income after rate cuts is not disconfirming if platform growth persists. The strongest evidence is falling NNM per adviser, weakening conversion or retention, declining recurring revenue per client, or UK acquisitions that require rising deferred consideration merely to hold revenue flat.

SINGLE MOST IMPORTANT UNKNOWN Can VZ sustain consultant cohort productivity while scaling headcount and exporting a culture built over three decades in Switzerland?

TWO-QUARTER DASHBOARD Consultant FTE | projects | platform clients | NNM/FTE | recurring fee yield | NPS / retention | CET1 | UK acquired revenue and earnouts

7 Portfolio Decision and Research Plan

The holding period is always 5-8 years; patience is the primary source of margin of safety at today's price

Conviction	Score	Reason
Analytical	4 / 5	The funnel and balance sheet are legible; fee yield and cohort economics need more disclosure
Portfolio	3 / 5	Excellent diversifier, but market sensitivity overlaps other financial holdings
Temporal	4 / 5	Five years captures consultant cohorts and tests Germany / UK without requiring a sale

Position-size recommendation

Do not initiate at CHF 175 unless the portfolio specifically needs a high-quality Swiss financial compounder. A 1.5%-2.0% starter becomes attractive near CHF 145 (~22.5x TTM EPS) with intact NNM/FTE. Increase toward 3.5% below CHF 130 or after EPS compounds above 10% while the P/E falls below 23x. Full size requires proof that UK acquisitions add value without weakening capital or culture.

Action	Price / evidence rule	Rationale
Watch	>CHF 160	Quality is recognized; return relies on sustained double-digit EPS
Buy starter	≤CHF 145 with NNM/FTE intact	Near decade mean valuation
Add	≤CHF 130 or <23x with >10% EPS growth	Better balance of quality and return
Trim	>30x without >12% organic EPS	Multiple outruns the funnel
Exit	NNM/FTE down >20% for two years or trust event	Core acquisition engine breaks

Next research steps

- Reconstruct platform-client cohorts: project conversion, NNM per consultant, fee yield, retention and cross-sell by vintage.
- Obtain the maturity and collateral profile of central mortgage-institution advances and internal liquidity stress thresholds.
- Model Germany and Lumin separately, including acquired revenue retention, earnout payments and local adviser productivity.
- Interview former consultants and clients on training quality, conflicts, pricing, NPS and reasons for switching.
- Track founder / employee ownership, treasury-share issuance and any change to the 50% payout policy.

FINAL DECISION WATCH / HIGH QUALITY, INSUFFICIENT MARGIN OF SAFETY. Business quality is 4.5/5.0 and hidden nugget is 4.0/5.0; buy only when price no longer assumes the flywheel works perfectly.

Source notes

[1] VZ Group H1 2026 report
[2] StockAnalysis VZN market quote
[3] VZ Group key figures and Moody's ratings
[4] VZ Group investor relations / reports
[5] VZ corporate governance and ownership
[6] Giulio Vitarelli biography and interview
[7] CompaniesMarketCap VZ P/E history
[8] VZ 2024 results and historic operating figures

Framework source: Chapter 4 and Appendix E of Investing Book July 34(1). Facts are drawn primarily from company reports. Valuation, probabilities, operating bridges, LBO returns and position sizing are analyst estimates, not company guidance. For this regulated group, deposits and mortgage-institution funding are operating liabilities rather than conventional corporate net debt.

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