

INVESTCORP

FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED DECEMBER 31, 2020 (REVIEWED)

Millions	Jul - Dec 2020	Jul - Dec 2019
FEE INCOME		
AUM fees	101	87
Deal fees	71	85
Fee income (a)	172	172
ASSET BASED INCOME		
Private equity investment	16	(14)
Credit management investment	16	7
Absolute return investment	3	1
Real estate investment	9	15
Treasury investments	2	1
Treasury and other income	(1)	4
Asset based income (b)	45	14
Gross operating income (a) + (b)	217	186
Provisions for impairment	(0)	(2)
Interest expense	(15)	(16)
Operating expenses	(132)	(116)
PROFIT BEFORE TAX	70	52
Income tax expense	(6)	(4)
PROFIT FOR THE PERIOD	64	48
Profit for the period attributable to :		
Equity holders of the parent	63	48
Non-controlling interest	1	0
	64	48
EARNINGS PER SHARE		
Basic earnings per ordinary share (\$)	0.92	0.67
Fully diluted earnings per ordinary share (\$)	0.88	0.65

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 2020 (REVIEWED)

Millions	Jul - Dec 2020	Jul - Dec 2019
PROFIT FOR THE PERIOD	64	48
Other comprehensive income (loss) that will be recycled to statement of profit or loss		
Fair value movements - cash flow hedges	1	0
Movements - Fair value through other comprehensive income investments	13	(2)
Other comprehensive income that will not be recycled to statement of profit or loss		
Movements - Fair value through other comprehensive income investments	(10)	-
Other comprehensive income (loss)	4	(2)
TOTAL COMPREHENSIVE INCOME	68	46
Total comprehensive income attributable to:		
Equity holders of the parent	67	46
Non-controlling interest	1	0
	68	46

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020 (REVIEWED)

Millions	December 31, 2020	June 30, 2020 (Audited)
ASSETS		
Cash, placements and other liquid assets	250	309
Positive fair value of derivatives	57	45
Receivables and prepayments	368	285
Advances	231	158
Underwritten and warehoused investments	340	192
Co-investments		
Private equity investment	367	339
Credit management investment	354	317
Absolute return investments	69	81
Real estate investment	74	71
Strategic capital investment	11	2
Total co-investments	875	810
Strategic investments and intangible assets	196	189
Premises, equipment and other assets	132	135
TOTAL ASSETS	2,449	2,123
LIABILITIES AND EQUITY		
LIABILITIES		
Payables and accrued expenses	211	186
Negative fair value of derivatives	37	26
Financing	1,186	981
Deferred fees	56	62
TOTAL LIABILITIES	1,490	1,255
EQUITY		
Preference share capital	123	123
Ordinary shares at par value	200	200
Reserves	278	296
Treasury shares	(38)	(104)
Retained earnings	398	335
Ordinary shareholders' equity excluding proposed appropriations and other reserves	838	727
Proposed appropriations	-	22
Other reserves	(4)	(5)
Non-controlling interests	2	1
TOTAL EQUITY	959	868
TOTAL LIABILITIES AND EQUITY	2,449	2,123

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED DECEMBER 31, 2020 (REVIEWED)

Millions	Jul - Dec 2020	Jul - Dec 2019
OPERATING ACTIVITIES		
Profit before tax	70	52
Adjustments for non-cash items in profit before tax :		
Depreciation and amortization	11	9
Provisions for impairment	0	2
Employee deferred awards	10	11
Operating profit adjusted for non-cash items	91	74
Changes in:		
Operating capital		
Placements (non-cash equivalent)	(13)	0
Receivables, prepayments and advances	(161)	(106)
Underwritten and warehoused investments	(148)	(85)
Payables and accrued expenses	18	(38)
Deferred fees	(6)	3
Strategic investments	(8)	(1)
Co-investments	(62)	(78)
Fair value of derivatives	19	(6)
Income taxes paid	(4)	(5)
NET CASH USED IN OPERATING ACTIVITIES	(274)	(242)
FINANCING ACTIVITIES		
Financing - net of transaction costs and new issuances	183	219
Treasury shares purchased - net of sales	45	(26)
Dividends paid	(22)	(38)
NET CASH FROM FINANCING ACTIVITIES	206	155
INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(18)
Investment in premises and equipment	(4)	(4)
NET CASH USED IN INVESTING ACTIVITIES	(4)	(22)
Net decrease in cash and cash equivalents	(72)	(109)
Cash and cash equivalents at beginning of the period	265	390
Cash and cash equivalents at end of the period	193	281
Cash and cash equivalents comprise of:		
Cash and short-term funds	78	176
Placements with financial institutions and other liquid assets	115	105
	193	281
ADDITIONAL CASH FLOW INFORMATION		
Millions	Jul - Dec 2020	Jul - Dec 2019
Interest paid	(14)	(16)
Interest received	31	17
ADDITIONAL LIQUIDITY INFORMATION		
Millions	Jul - Dec 2020	Jul - Dec 2019
Cash and cash equivalents at end of the period	193	281
Available / undrawn balances	874	722
Total available liquidity at end of the period	1,067	1,003
Placements (non-cash equivalent)	57	-

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED DECEMBER 31, 2020 (REVIEWED)

Millions	Ordinary shareholders' equity excluding proposed appropriations and other reserves							Other Reserves			Non-controlling interests	Total equity		
	Preference share capital	Ordinary share capital	Share premium	Treasury shares	Retained earnings	Statutory reserve	Fair Value reserve	Proposed appropriations	Cash flow hedges	Revaluation reserve on premises and equipment			Total	
Balance at July 1, 2019	123	200	237	(74)	540	100	(16)	987	38	(7)	4	(3)	-	1,145
Restatement arising from adoption of IFRS 16	-	-	-	-	(2)	-	-	(2)	-	-	-	-	-	(2)
Balance at July 1, 2019	123	200	237	(74)	538	100	(16)	985	38	(7)	4	(3)	-	1,143
Total comprehensive income	-	-	-	-	48	-	(2)	46	-	0	-	0	-	46
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	0	-	-	0	-	-	(0)	(0)	-	-
Treasury shares purchased during the period - net of sales and vesting	-	-	-	(19)	-	-	-	(19)	-	-	-	-	-	(19)
Loss on vesting of treasury shares	-	-	(3)	3	-	-	-	-	-	-	-	-	-	-
Investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Approved appropriations for fiscal 2019 paid	-	-	-	-	-	-	-	-	(38)	-	-	-	-	(38)
Balance at December 31, 2019	123	200	234	(90)	586	100	(18)	1,012	-	(7)	4	(3)	1	1,133
Balance at July 1, 2020	123	200	239	(104)	335	100	(43)	727	22	(9)	4	(5)	1	868
Total comprehensive income	-	-	-	-	63	-	3	66	-	1	-	1	1	68
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares sold and vested during the period - net of purchases	-	-	-	45	-	-	-	45	-	-	-	-	-	45
Loss on sale of shares - net of gain on vesting of treasury shares	-	-	(21)	21	-	-	-	-	-	-	-	-	-	-
Approved appropriations for fiscal 2020 paid	-	-	-	-	-	-	-	-	(22)	-	-	-	-	(22)
Balance at December 31, 2020	123	200	218	(38)	398	100	(40)	838	-	(8)	4	(4)	2	959

The above have been extracted from the interim condensed consolidated financial statements of Investcorp Holdings B.S.C. reviewed by Ernst & Young

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