

## Investcorp reports full year results for the fiscal year ended 30 June 2021

*Firm continues to show resilience to COVID-19 impact with 17% growth in Assets Under Management (AUM) to a record high of US\$ 37.6 billion*

*Income rebounds to a net profit of US\$ 125 million*

**Bahrain, 4 August 2021** – Investcorp today announced its fiscal year results for the twelve months ended 30 June 2021 (FY21). The press release and the full set of financial statements are available on its website at [www.investcorp.com](http://www.investcorp.com).

Investcorp's FY21 results were driven by good levels of activity across the core businesses of private equity, real estate, credit management and absolute return investments. This resulted in delivering a net profit attributable to the equity holders of the parent of US\$ 124 million compared to a loss of US\$ 165 million in FY20 and diluted earnings per share of US\$ 1.34 compared to a loss of US\$ 2.57 per share in FY20. Total comprehensive income attributable to the equity holders of the parent was US\$ 132 million compared to a loss of US\$ 210 million in FY20.

Total shareholders' equity (excluding non-controlling interest) as of June 30, 2021, increased 46% to US\$ 1,270 million (FY20: US\$ 867 million) and total assets increased 13% to US\$ 2,391 million (FY20: US\$ 2,123 million). The FY21 recommendation for distribution of preferred and ordinary dividends is US\$ 44 million in aggregate, with the proposed ordinary dividend being US\$ 0.30 per share versus US\$ 0.10 per share for FY20.

Mohammed Alardhi, Executive Chairman, said: "We are delighted to report strong financial and operational performance in what has been an incredibly challenging period for businesses globally. Whilst the coronavirus pandemic continues to present significant headwinds for many, we are making good progress on our growth journey and diversifying our investor, product and geographic

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base, which has not only helped us weather the pandemic but emerge from it in a robust position, well placed for our future long-term plan.

The business delivered 17% growth in AUM to a record high of US\$ 37.6 billion and strong performance across all business lines. This is a testament to the resilience of Investcorp's business model and heightened demand for sophisticated and tailored solutions that meet the needs of our growing and global client base.

I am particularly pleased with the external recognition we gained for our Diversity, Equity and Inclusion efforts and for the strengthened adherence we have made to our ESG policies.

We look to this next chapter at Investcorp with confidence and excitement. Whilst challenges remain, we are committed to our long-term strategy of driving sustainable growth and value enhancement for our clients and shareholders."

## **Financial and operational highlights**

- Fee income increased by 24% to US\$ 356 million during the fiscal year (FY20: US\$ 288 million), whilst deal fees increased by 39% to US\$ 139 million (FY20: US\$ 100 million in FY20), driven primarily by good levels of transactional and fundraising activity. Recurring AUM fees also increased by 15% to US\$ 217 million from US\$ 188 million in FY20.
- The continued recovery in asset values, driven by improved operating results of underlying portfolio companies as well as healthy financial markets, resulted in asset-based income of US\$ 107 million compared to a loss of US\$ 110 million in FY20.
- The firm's diversification strategy by geography, client and product type translated into broad-based growth in AUM to a record high of US\$ 37.6 billion, representing an increase of 17% from US\$ 32.2 billion in June 2020.

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- Activity metrics were solid with investment activity of US\$ 3.3 billion (FY 20: US\$ 3.1 billion), placement and fundraising of US\$ 4.3 billion (FY 20: US\$ 4.9 billion) and distributions of US\$ 3.0 billion (FY20: US\$ 2.6 billion).
- Placement and fundraising reached US\$ 4.3 billion, deal-by-deal placement activity stood at approximately US\$ 1.3 billion across thirteen new products, and fundraising was US\$ 0.9 billion across seven closed-end funds and US\$ 0.5 billion for open-end funds. In addition, fundraising across three new CLOs totaled US\$ 1.3 billion. Fundraising also includes the US\$ 252 million of preference share capital raised.
- Investment activity of US\$ 3.3 billion includes \$1.2 billion for private equity and strategic capital, \$0.7 billion for real estate and \$1.4 billion for five CLOs. Private equity investments included five new investments in the US and Europe and two add-on acquisitions in addition to 11 investments in businesses across Asia. Exit activities included the realization of six private equity investments and the sale of multiple real estate properties in the US and Europe.
- As of June 30, 2021, total equity (excluding non-controlling interests) was US\$ 1,270 million and total accessible liquidity was US\$ 1.5 billion. The increase in equity (excluding non-controlling interests) from US\$ 867 million as of 30 June 2020 resulted from the strong rebound in profitability in FY21, the successful issuance of US \$252 million of preference shares and the sale of \$76 million of treasury shares to the management and employees. The increase in total accessible liquidity from US \$1.2 billion as of 30 June 2020 is largely also due to the preference share issuance.
- The size of the balance sheet expanded by 13% to US\$ 2.4 billion as a result of stronger business activity which translated into increased underwriting and higher valuations for the co-investment portfolio, although co-investment exposure actually declined by US\$ 179 million as a result of exit activity during the year. Total co-investments and underwriting of US \$1.2 billion is fully covered by total equity capital of approximately US \$1.3 billion.
- Net debt declined to US\$ 443 million in FY21 from US\$ 672 million in FY20. The improved net debt position together with a higher level of equity and liquidity puts the balance sheet in a strong position heading into the next fiscal year.

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Investcorp also continued to make progress on a number of key strategic initiatives:

- The expansion into Asia continues to make good progress. A total of 11 new private equity investments were made during the year across India, China and southeast Asia. AUM in Asia increased by 17% to US\$ 1.1 billion during the fiscal year (FY20: US\$ 0.9 billion). Investcorp also opened an office in Beijing and launched its first China healthcare investment platform.
- The focus on broadening Investcorp's closed-end fund offerings resulted in the first close of the North American Private Equity Fund and Technology Fund V and continued fundraising for the Investcorp Strategic Capital Partners Fund and the Asia Food Growth Fund. Investcorp also secured its first anchor investment in the Aberdeen Standard Investcorp Infrastructure Partners' new GCC and MENA infrastructure fund from Public Investment Fund, the sovereign wealth fund of Saudi Arabia.
- The Investcorp-Tages joint venture, which is the home of Investcorp's global absolute return investments platform, had a very successful first full financial year of operations. The total income included in Investcorp's net profit attributable to the equity holders of the parent was US\$ 29 million. During the year AUM for the business also increased by 24% to US\$ 7.6 billion from US\$ 6.1 billion.
- During the year, Investcorp announced its intention to delist from the Bahrain Bourse which took place on July 12<sup>th</sup>, 2021 and is in the process of converting into a closed shareholding company. The delisting represents an important step in Investcorp's evolution with the senior leadership team now more able to focus on investing for the long-term strategy and driving growth going forward.
- Investcorp continues to champion diversity, equity and inclusion in its own workforce and beyond. The appointment of a dedicated DEI Champion in 2020 resulted in increased recognition across the industry, including being ranked by Equality Group in the top five amongst its peers globally, and its DEI Champion being awarded the Real Deals award for 'Future 40 Diversity & Inclusion Leaders'.
- Investcorp strengthened its adherence to an ambitious new set of ESG policies that will deepen its existing commitment to socially responsible investment (SRI), create new in-

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house ESG investment teams across every line of business, and develop an ESG playbook for all portfolio companies.

- Investcorp also became a signatory to the UNPRI and has built a robust set of KPIs and roadmap for implementation of its ESG framework, structured around three core pillars of “Responsibility” over the next two to three years.

**-Ends-**

## **About Investcorp**

Investcorp is a global investment manager, specializing in alternative investments across private equity, real estate, credit, absolute return strategies, GP stakes and infrastructure. Since our inception in 1982, we have focused on generating attractive returns for our clients while creating long-term value in our investee companies and for our shareholders as a prudent and responsible investor.

We invest a meaningful portion of our own capital in products we offer to our clients, ensuring that our interests are aligned with our stakeholders, including the communities that we operate within, towards driving sustainable value creation. We take pride in partnering with our clients to deliver tailored solutions for their needs, utilizing a disciplined investment process, employing world-class talent and combining the resources of a global institution with an innovative, entrepreneurial approach.

Investcorp has today presence in 12 countries across the US, Europe, GCC and Asia, including India, China and Singapore. As of June 30, 2021, Investcorp Group had US \$37.6 billion in total AUM, including assets managed by third party managers, and employed approximately 430 people from 45 nationalities globally across its offices. For further information, visit [www.investcorp.com](http://www.investcorp.com) and follow us @Investcorp on [LinkedIn](#), [Twitter](#) and [Instagram](#).

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