



**B . P . M A R S H**  
E P A R T N E R S P L C

**Interim Results**  
**For the six month period ending**  
**31 July 2019**

---

Dan Topping, *Chief Investment Officer*  
Jonathan Newman, *Group Finance Director*

15<sup>th</sup> October 2019

# Overview



## Specialist

PE/VC investor in Financial Services intermediaries

# 25+

## Years strong

Invested in 51 companies  
since 1990



## 16 Investments

Geographically diverse  
within our specialist sector



## Up to £5m investment

For minority equity positions (20-40%)



## Long-term view

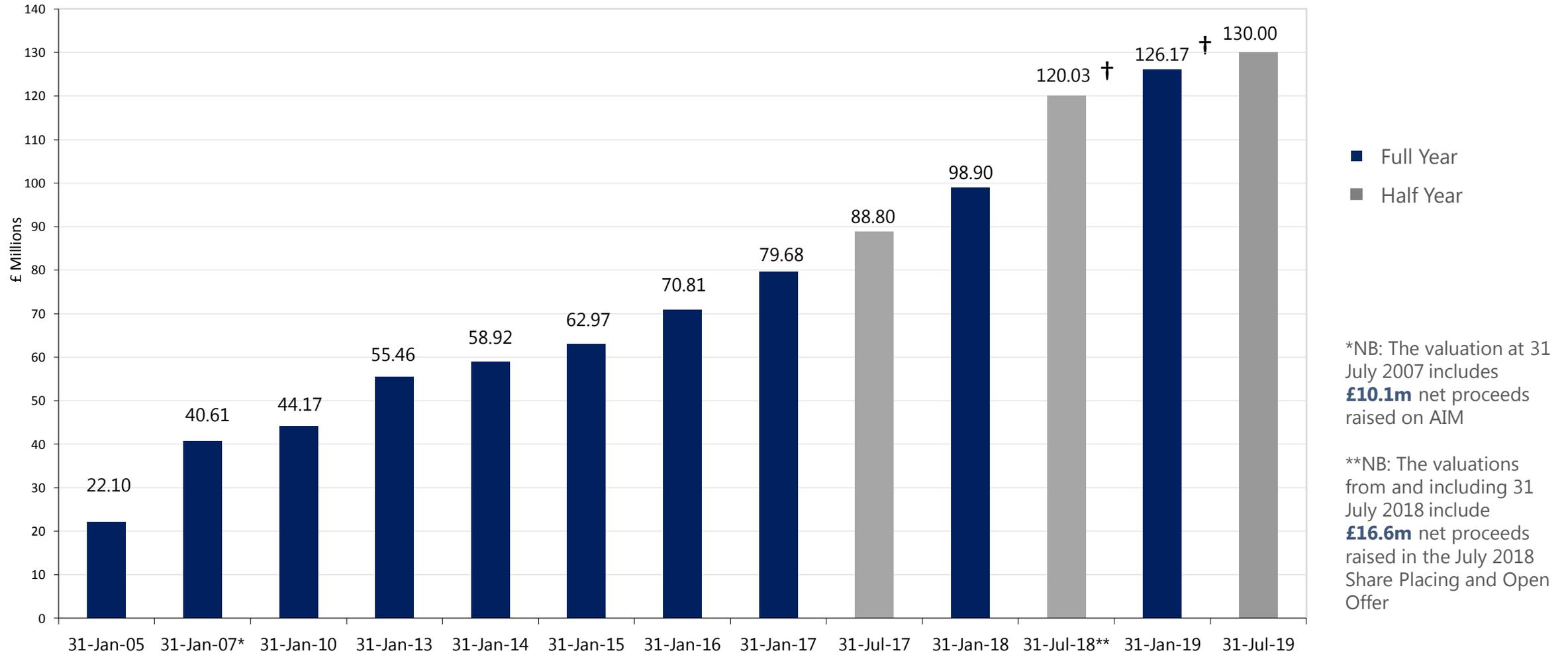
Partnership approach to investment and mutually  
agreed exit route, maximising value  
Average holding period of 6.4 years



## Industry knowledge

Significant, specialist experience and deep sector  
knowledge acquired across several decades

# Performance: Net Asset Value (NAV)



† Restated for IFRS 16: Leases

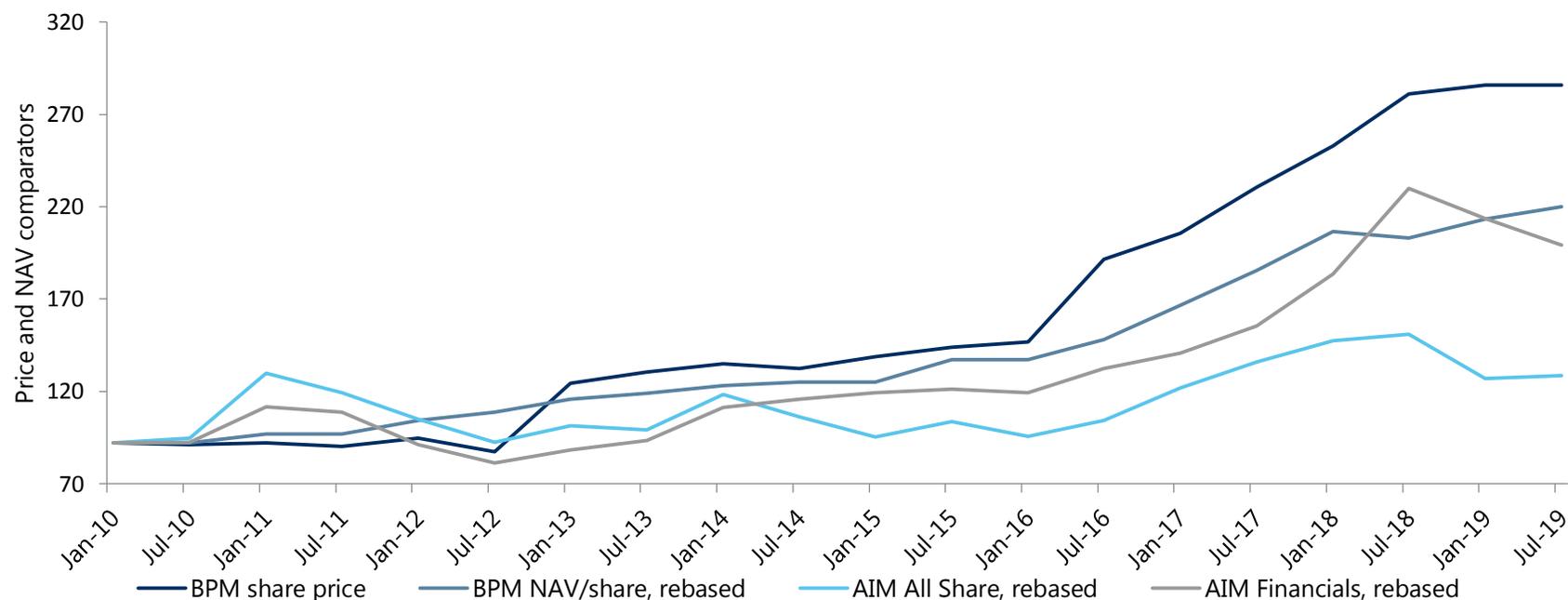
\*NB: The valuation at 31 July 2007 includes **£10.1m** net proceeds raised on AIM

\*\*NB: The valuations from and including 31 July 2018 include **£16.6m** net proceeds raised in the July 2018 Share Placing and Open Offer

## 2019 Summary – Period Ending 31 July 2019

- As at 31 July 2019 – 16 investments in portfolio with a NAV of **£130.0m** (31 January 2019 **£126.2m\***)
- Increase in Equity Portfolio Value of **4.0%** in period to 31 July 2019, to **£107.0m**
- Loan Book value of **£19.7m**
- Dividend of **4.76p** per share declared for the year ended 31 January 2019, paid on 26 July 2019, the final dividend from a three-year distribution following the realisation of Besso
- Total Shareholder return of **4.4%** for the period to 31 July 2019, including the dividend paid in July 2019
- **£1.4m** cash and **£3.0m** loan facility

\*Restated for IFRS 16: Leases



% Change 31 January 2010 to 31 July 2019

B.P. Marsh & Partners PLC	<b>+210.63%</b>
FTSE AIM All Share	<b>+39.58%</b>
FTSE AIM Financials	<b>+116.4%</b>

# Specific Activity During the Period – LEBC Update

- The FCA has undertaken a sector-wide review of the Defined Benefit (“DB”) Transfer market
- Mattioli Woods exited the DB Transfer business, with Sanlam recently announcing it is stopping network IFAs offering DB Transfer advice
- In September 2019, LEBC announced that it had voluntarily agreed to cease providing DB advice
- DB was approximately 20% of LEBC’s revenue
- Consequently, the Group has reduced its valuation in LEBC from £35.4m as at 31 January 2019, to £23.9m
- The business is undergoing a restructuring, focusing on their core offering which is expected to produce c.£19m in revenue alongside an underlying profit
- A new Chairman was recently appointed and a leading consulting firm will be engaged to assist with the process
- LEBC continues to make progress in its key areas, including developing its digital offering, Hummingbird
- The sector continues to be resilient with consolidation continuing and the potential for value accretive deals



# Specific Activity within the Portfolio During the Period

- In October 2018, the Company purchased an additional 1.9% in Nexus for cash consideration of £2.6m
- In April of this year, BP Marsh provided Nexus with a £2m revolving credit facility, as part of Nexus' wider debt fundraising exercise in order to undertake M&A activity
- In addition to the facility from the Company, Nexus secured an additional £14m loan facility from funds managed by HPS Investment Partners LLC

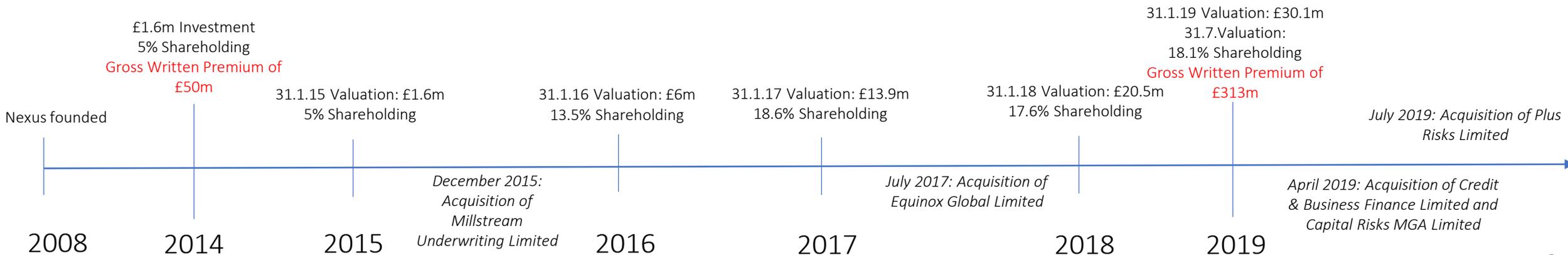
Since the Group's investment in Nexus in 2014, Gross Written Premium has grown from **£50m** and Nexus is expecting to achieve Gross Written Premium of **£313m** in 2019

Nexus continues its M&A strategy and has completed acquisitions of Credit & Business Finance Ltd, Capital Risks MGA Ltd and Plus Risks Limited in 2019



During the same period, EBITDA is expected to increase from **£2.6m** to an estimated **£15.2m** annualised in 2019

Nexus was ranked number 32 in the Sunday Times Profit Track 100 league table for Britain's fastest growing private companies in 2019



# Specific Activity within the Portfolio During the Period

- In June 2017, B.P. Marsh subscribed for a 35% holding in XPT Group LLC – the U.S. based specialty lines insurance distribution company
- During the period, XPT completed the acquisition of Klein & Costa, an MGA and surplus lines broker located in Santa Ana, California
- Post period end, XPT has completed a \$40m fundraising with Madison Capital Funding LLC (part of New York Life) and acquired Sierra Specialty Insurance Services

Since investment, XPT's Gross Written Premium has grown from \$nil to \$165m (\$200m including Sierra Specialty)

XPT has completed the acquisition of five established and profitable businesses in the U.S., including in California, Texas and North Carolina



XPT has secured in aggregate \$40m in funding from Madison Capital, including \$22m in new facilities to support future growth.

As part of the fundraising, Madison Capital invested \$2m for a 6% shareholding in XPT, which values XPT at an enterprise value of \$54m.

Dan Topping, Chief Investment Officer  
& XPT Board Member commented:

“ The fundraising with Madison is a tremendous milestone in XPT's development. Since XPT's first investment in November 2017, XPT has grown to Gross Written Premium approaching \$200m, inclusive of the Sierra acquisition. This is an outstanding achievement by the XPT team and we look forward to further supporting their growth. ”

# Specific Activity - New Investment

- This opportunity was initially introduced to B.P. Marsh by PSC Insurance Group Limited
- Founding management team Alex Cohn, Martin Birch and Ben Ko wanted a strategic partner to assist in the development of a new MGA in the Australian agricultural sector
- This investment added a further investment to B.P. Marsh's portfolio based in Australia

On 12 July 2019 the Group invested **AUD\$1.47m** in Agri Services Company PTY Limited, for a **36%** stake. Agri Services in turn acquired 100% of Ag Guard

Ag Guard is a Sydney headquartered MGA founded in 2013 as an Insurance Broker but is developing into an MGA



Ag Guard specialises in providing insurance products to the Australian agricultural sector with insurance capacity provided by Munich Re

Dan Topping, Chief Investment Officer & Ag Guard Board Member commented:

“ The investment in Agri Services sees B.P. Marsh backing a strong and experienced management team in a business that is capable of becoming a serious market player over the next 5 years. We look forward to helping them grow their business. ”

# International Portfolio

Summa Insurance Brokerage S.L.

Stewart Specialty Risk  
 Underwriting Ltd

Mark Edward Partners LLC

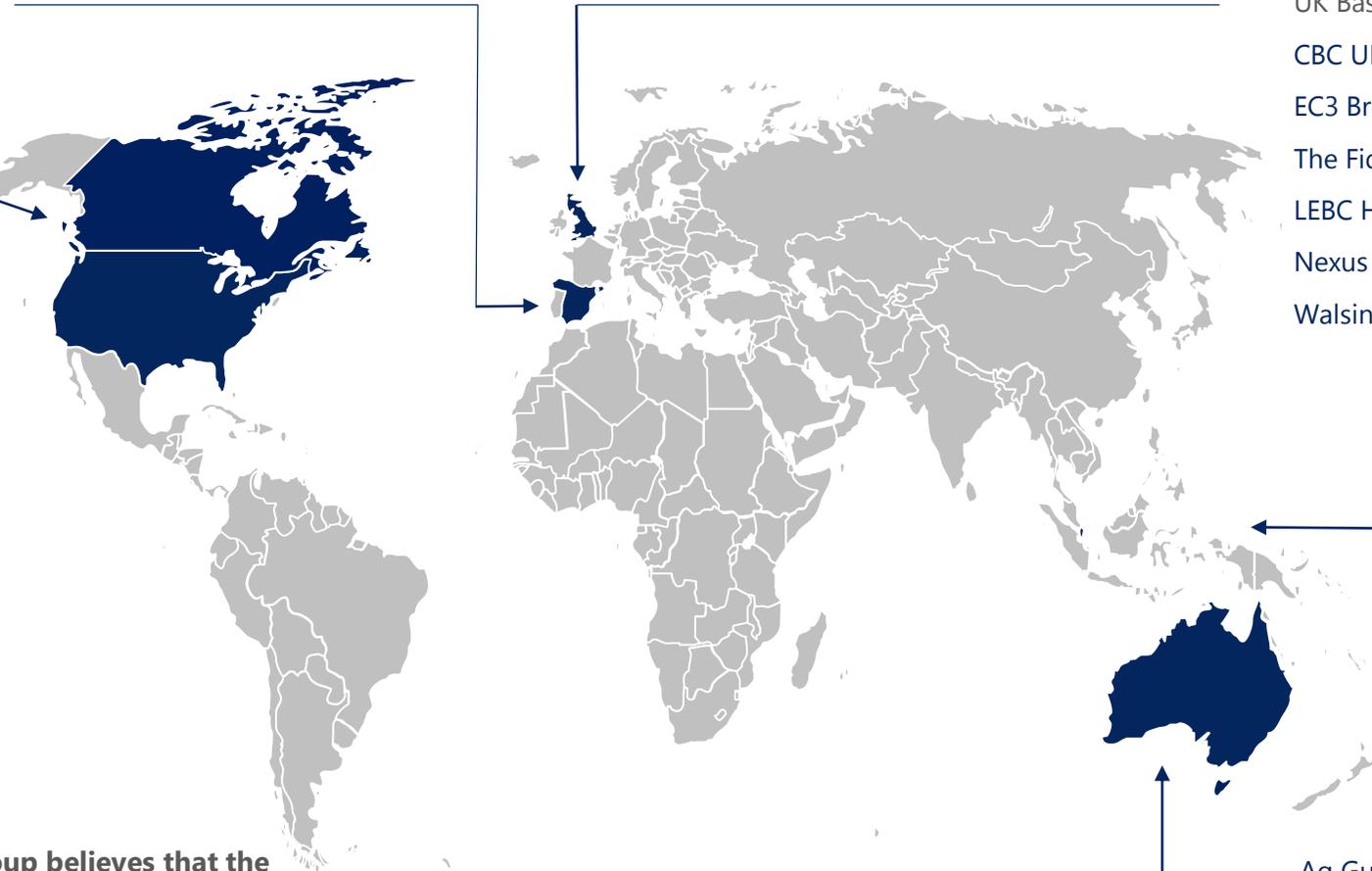
XPT Group LLC

**B.P. Marsh's international strategy is focused on areas where we see:**

- Sufficient opportunity for business development in partnership with a London-based investor
- A suitably developed regulatory and compliance environment

**Approximately 50% of our investee companies' revenue originates overseas**

**The Group believes that the geographic spread of the portfolio provides sufficient diversification to minimise any impact of specific country risk**



UK Based Investments:

CBC UK Ltd

EC3 Brokers Ltd

The Fiducia MGA Company Ltd

LEBC Holdings Ltd

Nexus Underwriting Management Ltd

Walsingham Motor Insurance Ltd

Asia Reinsurance Brokers Pte Ltd

Criterion Underwriting Pte Ltd

Ag Guard (PTY) Limited

ATC Insurance Solutions (PTY) Ltd

MB Prestige Holdings (PTY) Ltd

Sterling Insurance (PTY) Ltd

# Equity Investments – Underwriting Agencies

Investment	Sector	Jurisdiction	Fair market value 31 July 2019 (£'000)	Equity As at 31 July 2019	Cost of equity investment (£'000)	Year of initial investment	Movement in Period to 31 July 2019 (£'000)	Movement in Period to 31 July 2019 (%)
Nexus	MGA	UK	40,295	17.77%	11,126	2014	10,170	33.8%
ATC	MGA	Australia	7,157	20.0%	2,865	2018	1,737	32.0%
MB	MGA	Australia	2,568	40.0%	480	2013	94	3.8%
Sterling	MGA	Australia	2,493	19.7%	1,945	2013	79	3.3%
Walsingham	MGA	UK	1,795	40.5%	600	2013	423	30.8%
SSRU	MGA	Canada	1,103	30.0%	-	2017	370	50.5%
Fiducia	MGA	UK	926	35.18%	228	2016	413	80.5%
Ag Guard	MGA	Australia	827	36.0%	822	2019	5	0.5%
Criterion	MGA	Singapore	-	29.4%	50	2018	(50)	(100.0%)
Walsingham Holdings Limited	Holding Company	UK	44	20.0%	-	2018	25	131.6%

MGA – Managing General Agent

# Equity Investments - Brokers

Investment	Sector	Jurisdiction	Fair market value 31 July 2019 (£'000)	Equity As at 31 July 2019	Cost of equity investment (£'000)	Year of initial investment	Movement in Period to 31 July 2019 (£'000)	Movement in Period to 31 July 2019 (%)
EC3 Brokers	Insurance Broking	UK	5,911	20.0%	5,000	2017	(100)	(1.7%)
Paladin (CBC)	Insurance Broking	UK	4,907	44.3%	404	2017	-	-
Summa	Insurance Broking	Spain	4,443	77.3%	6,096	2005	365	9.0%
ARB	Insurance Broking	Singapore	692	25.0%	1,551	2016	(72)	(9.4%)
Mark Edward Partners	Insurance Broking	USA	-	30.0%	4,573	2017	-	-

# Equity Investments - Other

Investment	Sector	Jurisdiction	Fair market value 31 July 2019 (£'000)	Equity As at 31 July 2019	Cost of equity investment (£'000)	Year of initial investment	Movement in Period to 31 July 2019 (£'000)	Movement in Period to 31 July 2019 (%)
LEBC	IFA	UK	23,859	59.3%	12,374	2007	(11,626)	(32.8%)
XPT	Insurance Group	USA	9,949	35.0%	7,330	2017	2,244	29.1%

IFA – Independent Financial Adviser

## Portfolio Value

	Fair market value 31 July 2019 (£'000)	Cost of equity investment (£'000)	Movement in Period to 31 July 2019 (£'000)	Movement in Period to 31 July 2019 (%)
<b>Total</b>	<b>106,969</b>	<b>56,764</b>	<b>4,077</b>	<b>4.0%</b>

# Investment Model

## New Opportunities

### What we look for

**Entrepreneurs who have identified a niche area to apply their expertise**  
**Ambitious capable management teams with strong, demonstrable business plans**  
**Companies with solid value propositions and potential to benefit from value added**

#### **Insurance Intermediaries**

Lloyd's Brokers  
UK regional brokers  
Overseas (Re)insurance brokers  
Managing General Agents  
Third Party Administrators  
Claims Administrators  
Loss Adjusters  
Insuretech

#### **Wealth and Asset Management**

Independent Financial Advisers (IFAs)  
Wealth and asset managers  
Fund Managers  
Wealth tech and robo advisers  
Alternative finance platforms

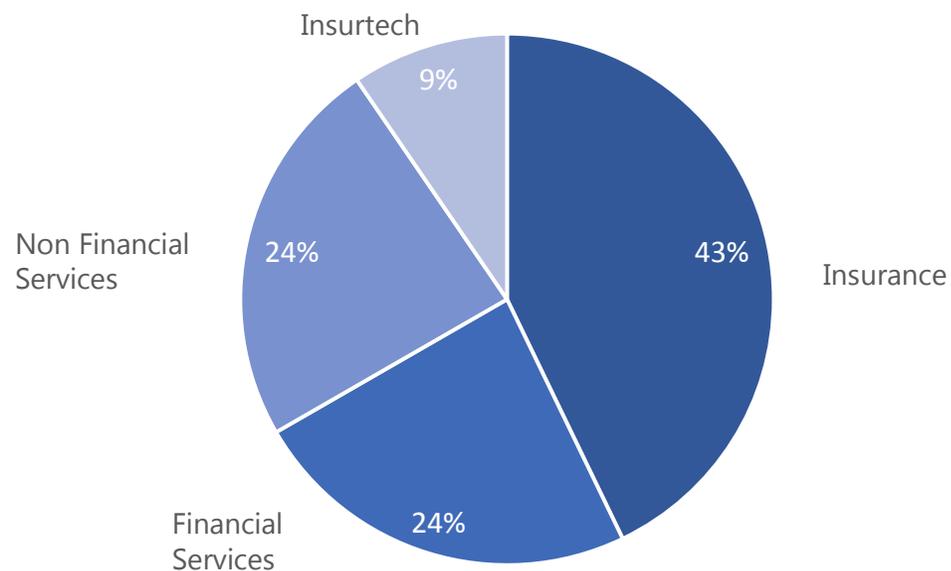
#### **Other FS intermediaries**

Consultancy firms  
Boutique advisory  
Compliance services

# Investment Opportunities

- **42** new investment enquiries in period to 31 July 2019, compared to **32** investment enquiries in the period to 31 July 2018
- **1** completed
- 36% of new investment enquiries in period to 31 July 2019 emanated internationally, compared to 64% domestic enquiries

## 42 ENQUIRIES TO 31 JULY 2019



## Current Pipeline

- Overseas MGAs
- UK broking businesses
- Wealth management sector active
- Referrals for UK and overseas investments

## Previous Non-Insurance Intermediary Investments

- Portfolio Design Group International (trader in secondary life assets, particularly UK endowment policies and US Life Settlements. Sold in 2014)
- Broucour (business sales agent for SME businesses. Sold in 2016)
- Principal Investment Management (discretionary fund manager, sold in 2008)
- Thomson Group (IFA, sold in 2001)

# Financial Highlights – Period End 31 July 2019

---

NAV of **£130.0m**

• 31 January 2019: **£126.2m†**, 31 July 2018: **£120.0m†**

NAV per share of **361p**

• 31 January 2019: **350p**, 31 July 2018: **333p**

Consolidated Profit after Tax: **£5.6m**

• Year ended 31 January 2019: **£12.4m†**. Six months ended 31 July 2018: **£6.2m†**

# Financial Highlights –Period End 31 July 2019

Average compound NAV growth of **11.7% p.a.** since 1990\*

- Excl. **£10.1m** raised on flotation and **£16.6m** raised in the July 2018 Share Placing and Open Offer

Final dividend of **4.76p** per share paid on 26 July 2019

- The final dividend from a three-year distribution following the realisation of Besso

**£1.4m** cash at 31 July 2019

**£3m** Loan Facility available

\*This excludes any value for the Group itself

# Cash Position

<b>Cash at 1 February 2019</b>	<b>£7.9m</b>
<b>Equity investments</b>	£(0.9)m
<b>Loans granted</b>	£(5.1)m
<b>Loans repaid</b>	£0.4m
<b>Tax repayments</b>	£0.3m
<b>Dividend paid</b>	£(1.7)m
<b>Net treasury gains and other investment income</b>	-
<b>Shares repurchased</b>	£(0.1)m
<b>Other operating movements</b>	£0.6m
<b>Cash at 31 July 2019</b>	<b>£1.4m</b>
Current uncommitted cash balance	£3.4m*

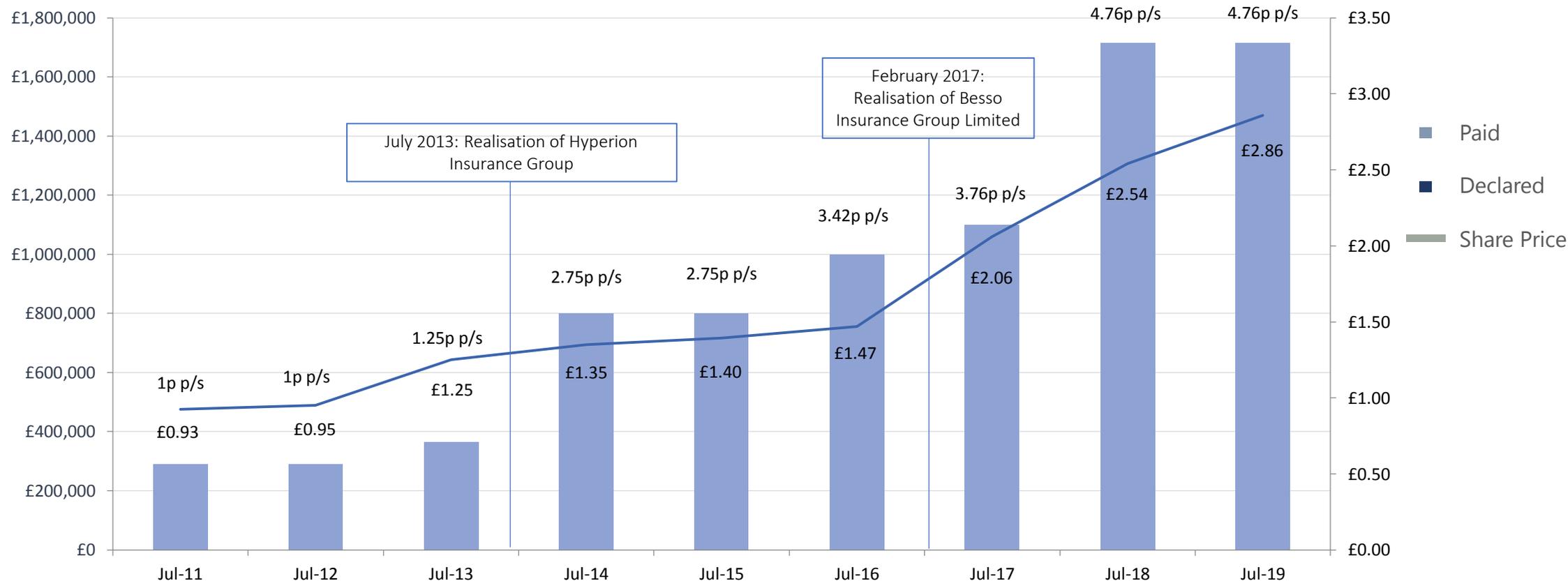
\*£3.4m of uncommitted cash includes a currently unutilised £3m loan facility with Brian Marsh Enterprises Limited.

# Loan Portfolio

Investment	31 July 2019 (£'000)	31 January 2019 (£'000)	31 July 2018 (£'000)
Bastion	-	-	61
Broucour	-	-	130
Fiducia	2,470	2,470	2,195
LEBC	1,000	-	-
MB Group	472	465	600
Nexus	6,000	4,000	4,000
Paladin (CBC)	4,596	4,096	4,096
PLUM	-	-	336
Stewart Specialty Risk	280	261	263
Summa	2,144	2,123	2,171
Walsingham	1,120	1,470	1,500
XPT	1,633	-	-
<b>Total</b>	<b>19,715</b>	<b>14,885</b>	<b>15,352</b>
<b>Provisions</b>	<b>36</b>	<b>2,595</b>	<b>2,122</b>

# Dividends

The Group's historic dividend payments are shown below, aggregate dividend per share of 20.7p since flotation



- Aggregate dividend of **£1.7m**, paid in July 2019
- The Board aims to strike a balance between rewarding shareholders with distributions from realisations and investing cash to deliver long-term capital growth
- The Board is committed to paying further dividends following significant realisations of investments at a time when these create optimal value for shareholders
- The Group is working towards further realisations in 2020

# Summary

---

- A leading specialist investor in global financial intermediary companies for 25 years
- Diversified in terms of company concentration, geography and forex, mitigating risk
- A proven track record of creating superior value for shareholders:
  - Identifying future industry leaders through the provision of early stage capital and support
  - Increasing the value of the companies it invests in - 4% growth delivered in 6 months to 31 July 2019 despite specific challenges
  - Achieving significant value for shareholders at realisation
  - Returning value to shareholders
- Compound NAV growth of 11.7% since inception

# Appendices

---

- 1. Management Team**
- 2. Non-Executive Directors**
- 3. Growth Strategy**
- 4. Investment Model**
- 5. Investment Process**
- 6. Adding Value**
- 7. Portfolio**
- 8. Minority Investor Protections**
- 9. Financials**
- 10. Key Shareholders**
- 11. Joint Share Ownership Plan**
- 12. Contacts**

# Management Team

---



**Brian Marsh**  
*Executive Chairman*

Brian Marsh has over 55 years' experience in insurance broking and underwriting. Brian was, from 1979 to 1990, chairman and major shareholder of the Nelson Hurst & Marsh Group, the international insurance intermediary, and has more than 30 years' experience building, buying and selling financial services businesses particularly in the insurance sector.



**Alice Foulk**  
*Managing Director*

Alice Foulk joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In 2014 she took over as Executive Assistant to the Chairman's Office. Alice was appointed as a director of B.P. Marsh in February 2015 and as the Managing Director in July 2016. Alice is a member of the Investment Committee and other key operating Committees of the Board.



**Jonathan Newman**  
*Group Finance Director*

A Chartered Management Accountant with over 20 years' experience in the financial services industry, Jonathan joined the Company in November 1999 and became Finance Director in December 2003. Jonathan advises investee companies and has a non-executive appointment at three investee companies.



**Daniel Topping**  
*Chief Investment Officer*

Dan Topping is a Member of the Chartered Institute of Securities and Investment (MCSI) and an Associate of the Institute of Chartered Securities and Administrators (ACIS). He graduated from Durham University in 2005 and joined B. P. Marsh in February 2007. In 2011 he was appointed as a director and currently has a number of non-executive appointments over multiple investee companies and evaluates new investment opportunities. Dan was appointed the Chief Investment Officer in July 2016.

# Non-Executive Directors

---

## **Pankaj Lakhani FCCA**

### *Non-Executive Director*

A Certified Accountant, Pankaj Lakhani has over 40 years' of accounting experience within the Insurance Market and joined the Company as Non Executive Director in May 2015. Pankaj is the Chairman of both the Audit and Remuneration Committee.

## **Nicholas Carter**

### *Non-Executive Director*

Nicholas Carter has over 50 years' experience in the Lloyd's Insurance Market. Nick held a variety of positions within Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers, Nelson Hurts Plc, Alexander Forbes Pty. Ltd and Prime Professions Ltd. Nick joined the Company as a Non-Executive Director in May 2019.

Our goal is to be the early stage capital provider of choice to the financial services sector. We apply our sector expertise to source attractive long-term investment opportunities both in the UK and internationally. We have a strong track record of helping our partner businesses develop before seeking an exit at a time that delivers maximum value for shareholders.



# Investment Model

---

## **Specialist Investor**

in early stage and SME financial services businesses, operating in niche segment where funding difficult to obtain

## **Relationship Driven**

Investors in People

## **Up To £5m Initial Investment**

20-40% minority equity stakes  
Scope for follow on funding

## **Flexible Approach**

to investment and exit

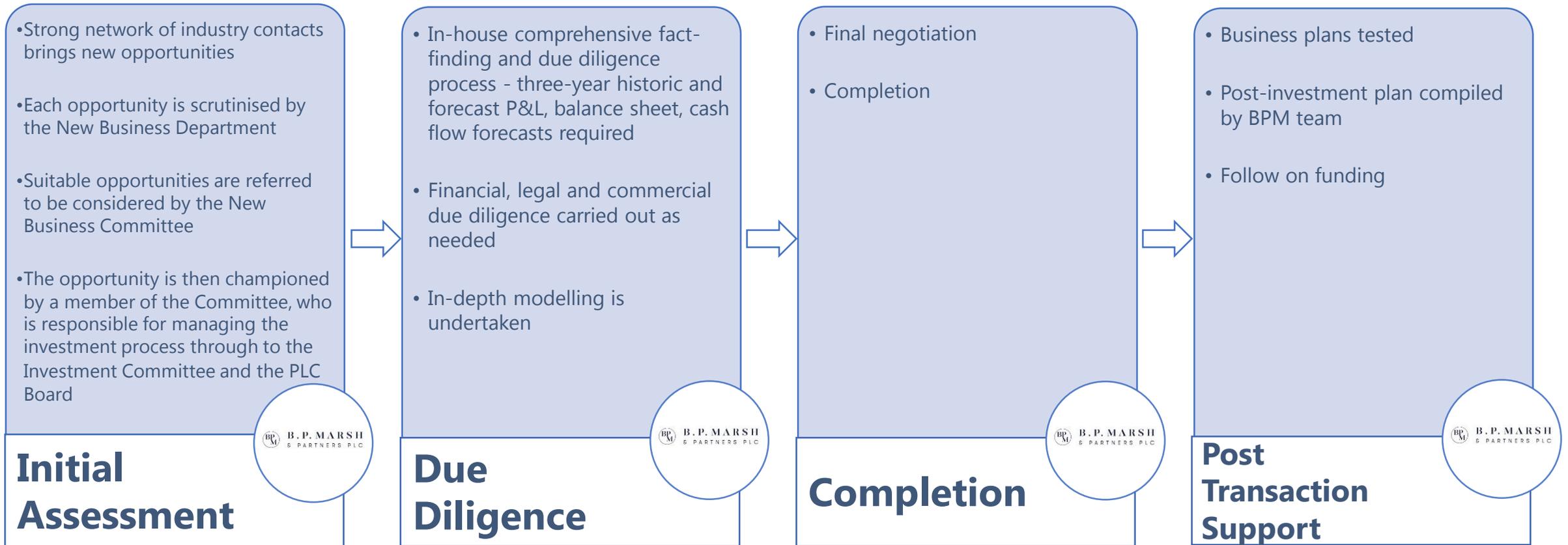
## **Long-Term View**

Partnership approach to investment and mutually agreed exit route

## **Value Add**

Apply significant specialist experience and deep sector knowledge acquired across several decades

# Investment Process



# Adding Value

---

Value creation driven by partnering with ambitious entrepreneurs seeking a partnership to provide growth capital and access to a team with a deep knowledge base in mergers, acquisitions, business sales, business growth and transformation, as well as the financial and legal aspects inherent in growing a business:

- Board level representation and support for management
- Guidance on strategy and development
- Provision of follow-on funding
- Referral of potential M&A opportunities
- Access to market intelligence and contacts
- Identification of exit path

# Portfolio as at 31 July 2019

<p><b>Agri Services PTY Limited – 36.0%</b></p>	<ul style="list-style-type: none"> <li>• Group invested in July 2019</li> <li>• Ag Guard provides insurance solutions for the Australian agricultural sector</li> <li>• Ag Guard was established in 2013 by Alex Cohn, the current Managing Director</li> </ul>
<p><b>Asia Reinsurance Brokers (PTE) Limited – 25.0%</b></p>	<ul style="list-style-type: none"> <li>• Group invested in April 2016</li> <li>• ARB is a Singapore-headquartered independent specialist reinsurance and insurance risk solutions provider</li> <li>• ARB was established in 2008, following a management buy-out of the business from AJ Gallagher, led by the CEO, Richard Austen</li> </ul>
<p><b>ATC Insurance Solutions PTY Limited – 20.0%</b></p>	<ul style="list-style-type: none"> <li>• Group invested in July 2018</li> <li>• ATC is an Australian-based MGA and Lloyd’s Coverholder. ATC specialises in Accident &amp; Health, Construction &amp; Engineering, Trade Pack and Sports insurance</li> <li>• ATC was established in 2006 by Chris Anderson, the current CEO</li> </ul>
<p><b>CBC UK Limited – 44.3%</b></p>	<ul style="list-style-type: none"> <li>• Group invested in February 2017, through Paladin Holdings Limited</li> <li>• CBC is a Retail and Wholesale Lloyd’s Insurance Broker, offering a wide range of services to commercial and personal clients as well as broking solutions to intermediaries</li> <li>• Assisted in an MBO of CBC, allowing Management to buy out a major shareholder</li> </ul>
<p><b>Criterion Underwriting PTE Limited – 29.4%</b></p>	<ul style="list-style-type: none"> <li>• Group helped establish Criterion alongside its Partners in Asiare Holdings (PTE) Limited and Asia Reinsurance Brokers (PTE) Limited in July 2018</li> <li>• Criterion is a start up Singapore-based Managing General Agency providing specialist insurance products to a variety of clients in the Cyber, Financial Lines and Marine sectors in Far East Asia</li> </ul>

# Portfolio as at 31 July 2019 Continued

<p><b>EC3 Brokers Limited – 20.0%</b></p>	<ul style="list-style-type: none"> <li>• Group invested in December 2017</li> <li>• EC3 is an independent specialist Lloyd’s broker and reinsurance broker founded by its current CEO, Danny Driscoll, who led a management buy out to acquire EC3’s then book of business from AJ Gallagher in 2014. EC3 provides services to a wide array of clients across a number of sectors, including construction, casualty, entertainment and cyber &amp; technology</li> </ul>
<p><b>The Fiducia MGA Co Limited – 35.18%</b></p>	<ul style="list-style-type: none"> <li>• Group invested in November 2016</li> <li>• Fiducia is a UK Marine Cargo Underwriting Agency, with registered Lloyd’s Coverholder status which specialises in the provision of insurance solutions across a number of Marine risks including Cargo, Transit Liability, Engineering and Terrorism Insurance</li> </ul>
<p><b>LEBC Holdings Limited – 59.3%</b></p>	<ul style="list-style-type: none"> <li>• April 2007 invested in LEBC</li> <li>• LEBC is a national Independent Financial Advisory company providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas and 16 offices throughout the UK</li> </ul>
<p><b>MB Prestige Holdings Limited – 40.0%</b></p>	<ul style="list-style-type: none"> <li>• December 2013 invested in MB</li> <li>• MB is a MGA, headquartered in Sydney, Australia, recognised as a market leader in respect of prestige motor vehicle insurance in all mainland states of Australia</li> </ul>
<p><b>Mark Edward Partners LLC – 30.0%</b></p>	<ul style="list-style-type: none"> <li>• The Group invested in October 2017</li> <li>• MEP is a New York based specialty insurance broker offering a wide range of risk management services to both commercial and private clients. Founded in 2010 by Mark Freitas, its President and CEO, MEP provides core insurance products in Financial &amp; Liability, Property &amp; Casualty, Personal Lines, Life Insurance, Cyber and Affinity Groups</li> </ul>
<p><b>Nexus Underwriting Management Limited – 17.77%</b></p>	<ul style="list-style-type: none"> <li>• Invested in August 2014</li> <li>• Nexus is an independent specialty Managing General Agency founded in 2008. Through its five operating subsidiaries Nexus specialises in Directors &amp; Officers, Professional Indemnity, Financial Institutions, Accident &amp; Health, Trade Credit Insurance and Political Risks Insurance</li> <li>• Most recently, Nexus has acquired Credit &amp; Business Finance Limited, Capital Risks MGA Limited and Plus Risk Limited</li> </ul>

# Portfolio as at 31 July 2019 Continued

<p><b>Stewart Specialty Risk Underwriting Ltd – 30.0%</b></p>	<ul style="list-style-type: none"> <li>• Invested in SSRU in July 2017</li> <li>• SSRU is a recently established Specialty Casualty Underwriting Agency, based in Toronto, Canada. SSRU provides specialist insurance products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors</li> </ul>
<p><b>Sterling Insurance (PTY) Limited – 19.7%</b></p>	<ul style="list-style-type: none"> <li>• Invested in June 2013 through the investment vehicle Neutral Bay Investments Limited</li> <li>• Sterling is a Sydney-based specialist underwriting agency offering a range of insurance solutions within the Liability sector, specialising in niche markets including hard-to-place and complex risks</li> </ul>
<p><b>Summa Insurance Brokerage, S.L. – 77.3%</b></p>	<ul style="list-style-type: none"> <li>• July 2005 the Group provided finance to a Spanish management team with the objective of acquiring and consolidating regional insurance brokers in Spain</li> <li>• Summa has acquired brokers all over Spain. It now has over 20 offices and continues to seek out new opportunities for expansion</li> <li>• Through acquisition, Summa is able to achieve synergistic savings, economies of scale and greater collective bargaining, thereby increasing overall value. Summa continues to seek new opportunities in Spain</li> </ul>
<p><b>Walsingham Motor Insurance Limited – 40.5%</b></p>	<ul style="list-style-type: none"> <li>• Walsingham is a niche UK Motor MGA, that commenced trading in July 2013, with the Group investing in December 2013</li> <li>• Specialises in fleet motor products</li> <li>• Walsingham Holdings Limited, of which the Company controls 20%, in turn owns 11.7% of Walsingham purchased from a founding shareholder in May 2018</li> </ul>
<p><b>XPT Group LLC – 35.0%</b></p>	<ul style="list-style-type: none"> <li>• Invested in this New York-based specialty lines insurance distribution company in June 2017</li> <li>• Plan to develop a wholesale insurance broking and underwriting agency platform across the U.S. Specialty Insurance Sector</li> <li>• Most recently XPT acquired Klein &amp; Costa Insurance Services</li> </ul>

# Minority Investor Protections

---

- The Group believes that day-to-day operational control of the business is the domain of the executive management team. However, the Group's position is well protected and portfolio investments are actively monitored
- The Group outlines from the time of investment the number of matters which would require consent from the Group, above certain agreed thresholds, before an investee company may proceed, these may include:
  - Alterations to share capital
  - Acquisitions
  - Capital expenditure or asset disposals of any nature outside pre-agreed limits
  - Capital protection
  - Appointments of directors and senior executives
  - Remuneration of directors and senior executives
  - Any material additional borrowing
  - Changes in the nature of the company's business
  - Application for a flotation
  - Dividend payments or other distributions including bonuses
- The Group has an extensive track record of working within companies as partners and places significant emphasis around investing time up-front in building relationships

# Consolidated Statement of Financial Position (IFRS) at 31 July 2019

	Unaudited 6 months to 31 July 2019 £'000	Unaudited 6 months to 31 July 2018 £'000*	Audited year to 31 January 2019 £'000*
<b>Tangible and intangible assets</b>	150	158	158
<b>Right of use asset</b>	1,378	1,560	1,468
<b>Investments at fair value – Equity Portfolio</b>	106,969	88,291	101,947
<b>Debtors / Loans receivable</b>	21,965	17,165	17,376
<b>Cash and treasury funds</b>	1,420	15,354	7,869
<b>Creditors &lt; 1 year (tax and other payables)</b>	(612)	(1,042)	(1,272)
<b>Creditors &gt; 1 year (Loans and, tax &amp; other payables)</b>	(1,289)	(1,453)	(1,372)
<b>Net Assets (excl. Deferred tax)</b>	<b>129,981</b>	<b>120,033</b>	<b>126,174</b>
<b>Deferred Taxation provision</b>	-	-	-
<b>NET ASSETS</b>			
<b>3% increase in Period to 31 July 2019 after dividend (4.4% before dividend)</b>	<b>129,981</b>	<b>120,033</b>	<b>126,174</b>

\* Restated for IFRS 16: Leases

# Consolidated Statement of Comprehensive Income (IFRS) at 31 July 2019

	Unaudited 6 months to 31 July 2019 £'000	Unaudited 6 months to 31 July 2018 £'000*	Audited year to 31 January 2019 £'000*
Gains on investments (realised and unrealised)	4,077	5,540	14,106
Impairment of investments and loans	(36)	-	(2,595)
Operating income	3,094	2,696	4,631
<b>Total income</b>	<b>7,135</b>	<b>8,236</b>	<b>16,142</b>
Operating expenses and FX movement	(1,535)	(1,929)	(3,953)
Net financial (expenses)/income	(24)	20	20
<b>Profit before tax</b>	<b>5,576</b>	<b>6,327</b>	<b>12,209</b>
Taxation	18	(79)	232
<b>Post tax profit for period</b>	<b>5,594</b>	<b>6,248</b>	<b>12,441</b>
<b>Earnings per share</b>	<b>15.6p</b>	<b>20.8p</b>	<b>37.6p</b>

\* Restated for IFRS 16: Leases

# Consolidated Statement of Cash Flows (IFRS) at 31 July 2019

	Unaudited 6 months to 31 July 2019 £'000	Unaudited 6 months to 31 July 2018 £'000*	Audited year to 31 January 2019 £'000*
Net cash from operating activities	850	(308)	(342)
Taxation	310	(1,168)	(1,170)
Purchase of property, plant and equipment	(8)	(5)	(20)
Equity investments made	(945)	(3,629)	(8,719)
Net proceeds on sale of equity investments	-	-	-
Net sale / (purchase) of treasury investments	14	2,807	2,801
Net loans (granted to)/repaid by investee companies	(4,711)	234	(1,953)
Net financial (expenses)/income	(24)	(35)	(39)
Net decrease in lease liabilities	(79)	(75)	(152)
Dividends paid	(1,712)	(1,714)	(1,714)
Net Proceeds from issue of Company Shares	-	16,597	16,589
Payments made to repurchase company shares	(145)	-	(79)
<b>(Decrease)/increase in cash in the period</b>	<b>(6,450)</b>	<b>12,704</b>	<b>5,202</b>
FX movement	15	(2)	5
Cash at beginning of period	7,855	2,648	2,648
<b>Cash and cash equivalents at period end</b>	<b>1,420</b>	<b>15,350</b>	<b>7,855</b>

\* Restated  
for IFRS 16:  
Leases

# Key Shareholders at 31 July 2019

## DIRECTORS

- Brian Marsh OBE - 41.77%\*

- Alice Foulk

- Daniel Topping

- Jonathan Newman

- Pankaj Lakhani

- Nicholas Carter



Less than 0.5% each

\*includes 2.62% via the Marsh Christian Trust

## CHIEF LEGAL OFFICER & GROUP COMPANY SECRETARY

- Sinead O'Haire - Less than 0.5%

## MAJOR SHAREHOLDERS (>3%)

- PSC UK Pty Limited – 19.60%
- Hargreaves Lansdown Asset Management – 4.58%
- RBC Wealth Management – 3.91% (Trustee of the Company's Joint Share Ownership Plan)
- Martin Macleish – 3.14%
- James Sharp & Co – 3.11%

# Joint Share Ownership Plan (JSOP)

---

- Previous **5%** JSOP came to an end in November 2017 and saw year-on-year improvements in shareholder return and increase in share price **138p** to **245p** over the three-year period
- A new **3.9%** three-year JSOP instituted to incentivise and retain the management team
- **1,461,302** new shares issued at market price of **281p** at close on 12 June 2018 on a partly-paid basis
- Subject to share price hurdle of **313p** on vesting date
- New shares issued into joint beneficial ownership of employees and the newly formed Trustees of B.P. Marsh Employee's Share Trust (the "Trust")
- All B.P. Marsh staff working at the Group on the date the previous JSOP matured was included, in varying proportions
- Nominal value of shares paid by the Trust out of funds loaned by the Group with additional consideration left outstanding until shares are sold

# Contacts

## B . P . M A R S H & P A R T N E R S P L C

4 Matthew Parker Street

London SW1H 9NP

Telephone: 020 7233 3112

[www.bpmarsh.co.uk](http://www.bpmarsh.co.uk)

### Nominated Adviser & Broker

Panmure Gordon

Telephone: 020 7886 2500

### Financial PR

Newgate Communications

Telephone: 020 3757 6880