



B. P. MARSH  
& PARTNERS PLC

# Annual Results

For the year ending 31 January 2024

Dan Topping, Chief Investment Officer  
Jon Newman, Group Finance Director

11<sup>th</sup> June 2024





## Our Purpose

B.P. Marsh is a specialist private equity investor in early stage financial services businesses which are based in the UK and internationally



## Our Team

We are a complementary team of highly experienced leaders in the financial services industry, with deep sector knowledge acquired over several decades



## Our Story

B.P. Marsh was founded in 1990 and has since invested in 57 companies

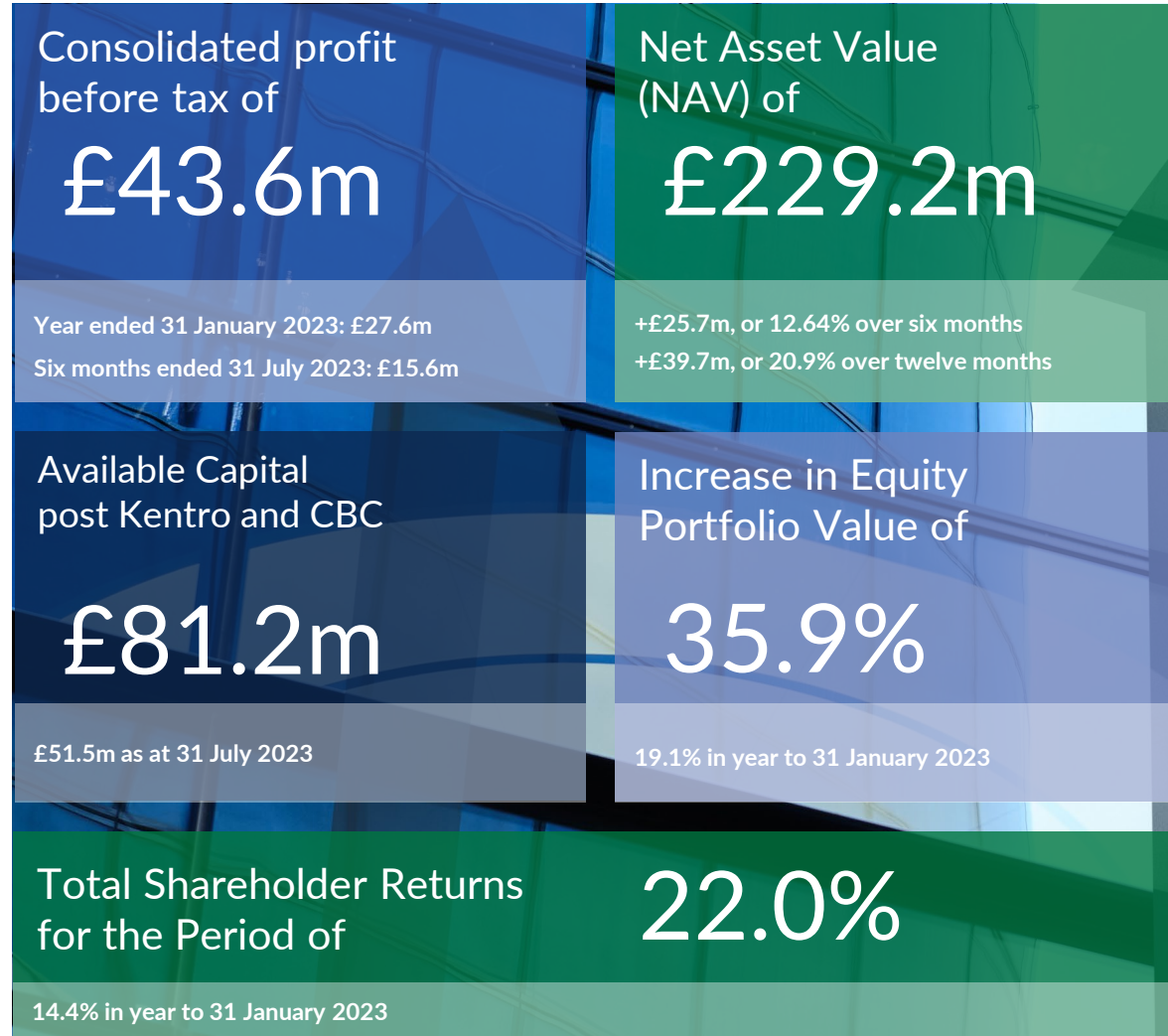
We have 15 investments in our current portfolio based in the UK and around the world



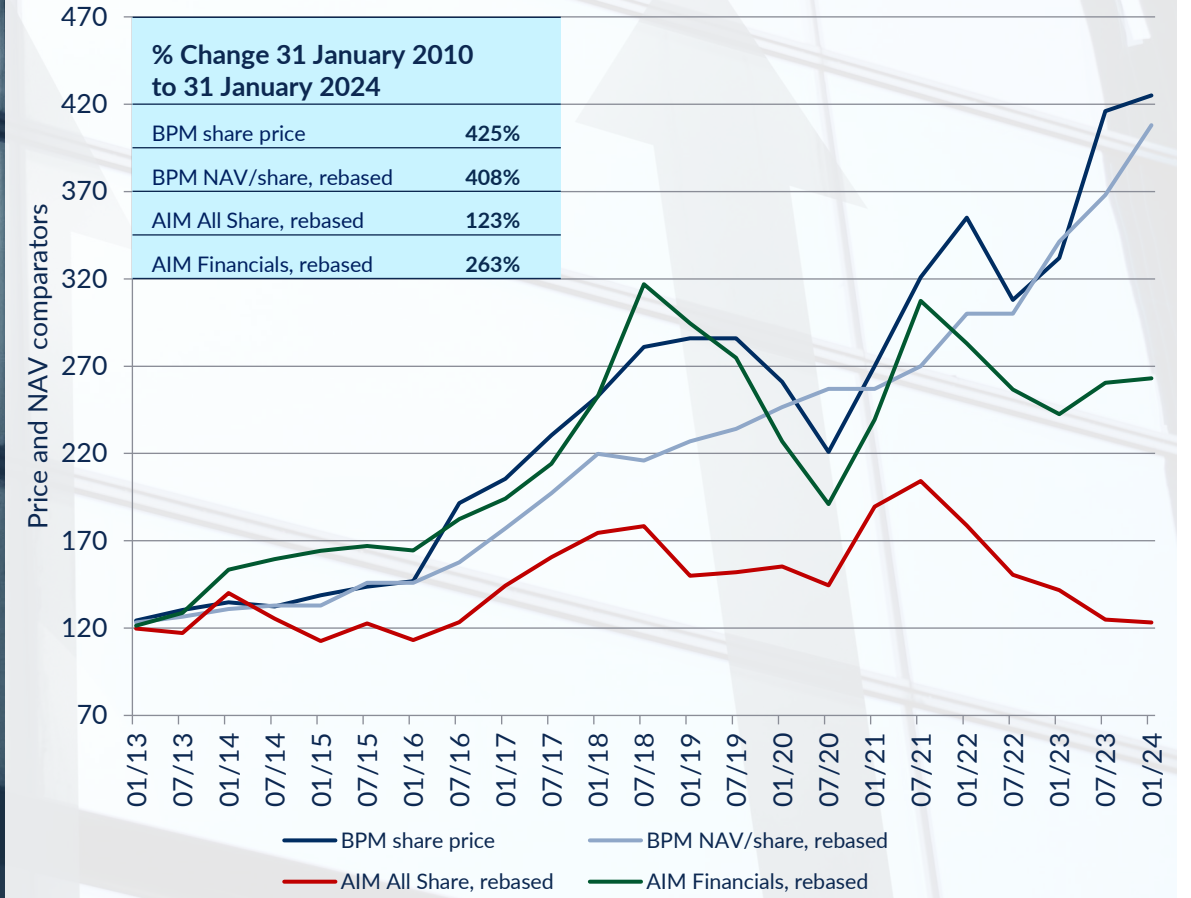
## Our Investment Strategy

We take a long term view, with an average holding period of 7.3 years making an initial investment of up to £5m for minority equity positions (20-40% shareholdings)

# Year Ending 31 January 2024 Results

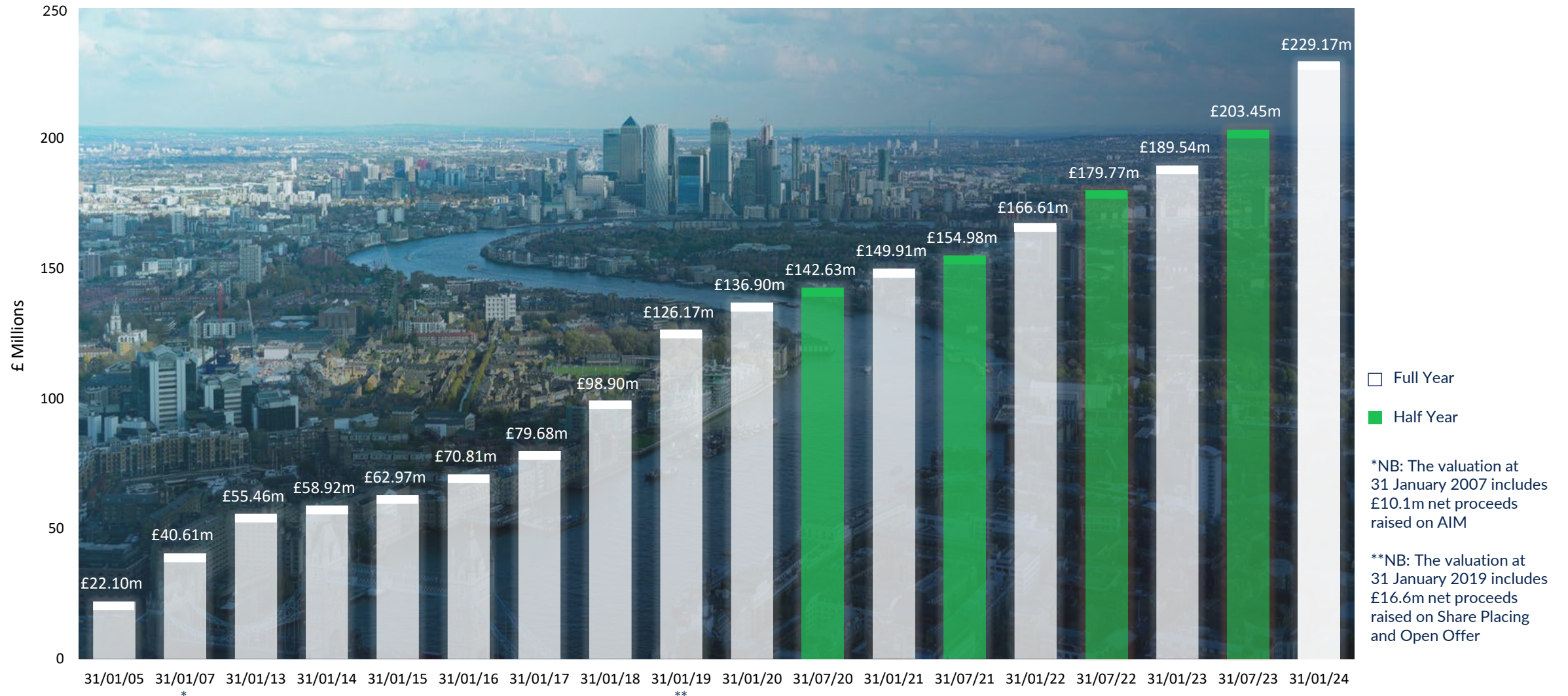


## Change 31 January 2013 to 31 January 2024





# Performance: Net Asset Value (NAV)

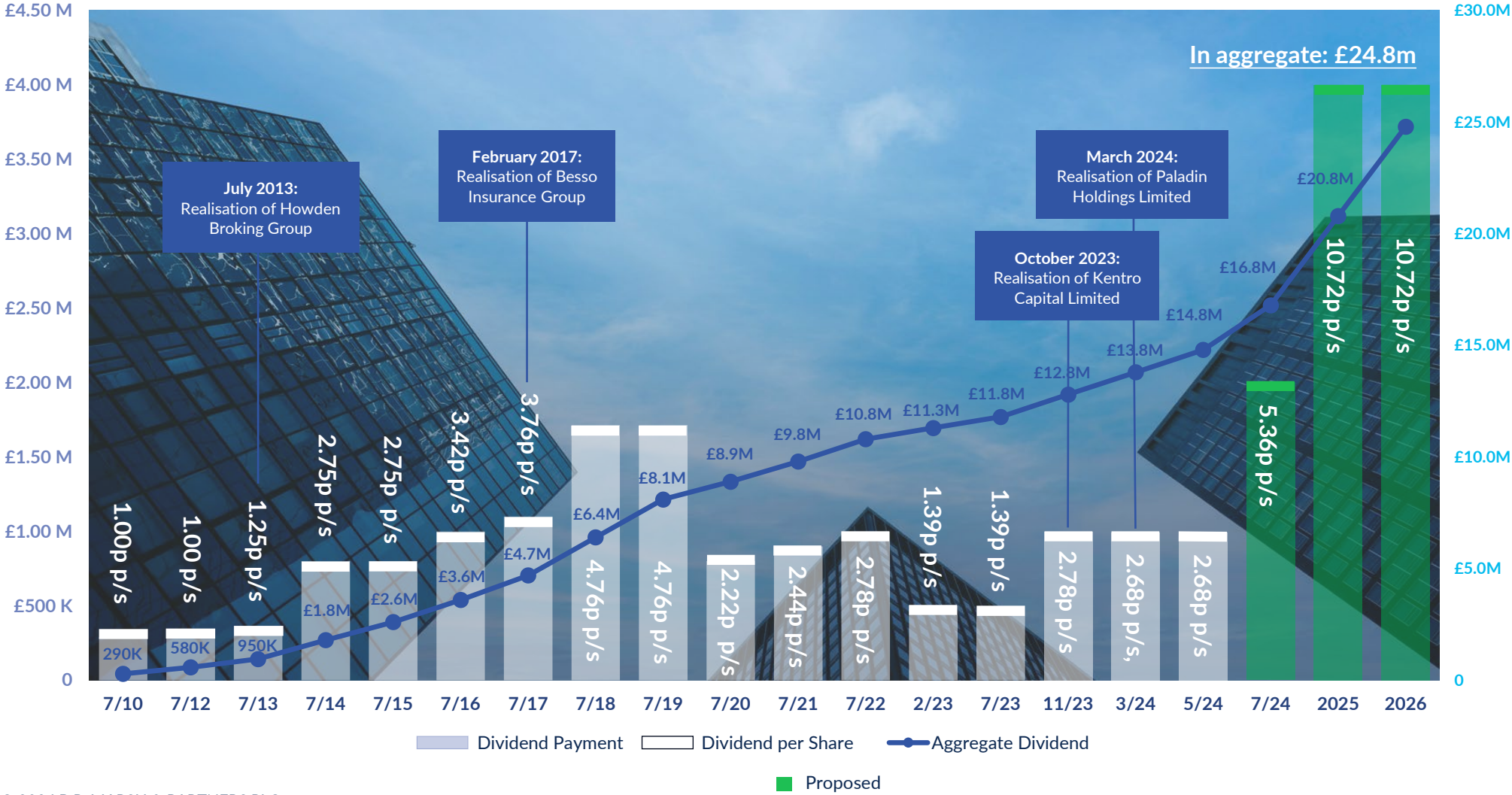




# Dividends



Historical



The Group paid an interim dividend of **£1.0m** in March 2024

Following the completion of the sale of Paladin Holdings Limited/CBC UK Limited, the Group paid a further dividend of **£1.0m** in May 2024

The Group is proposing a Final Dividend of **£2.0m** for the Year to 31 January 2024

The Board has proposed further dividends of **£4m** per annum for the next **2 years**. This would increase the aggregate dividend to **£24.8m** by 2026

By 2026, the Company expects to distribute a total of **£24.8m** to shareholders in Dividends since Flotation or **70.61p** per share (Flotation Price **140p** per share)



# Disposal: Paladin Holdings Limited / CBC UK Limited ("CBC")



On 22 March 2024, the Group completed the sale of Paladin Holdings Limited, the holding company of CBC, to Specialist Risk Group Limited

## Sale of Paladin/CBC: £42.1m

(upfront consideration)

- £3,500 Initial Equity Investment
- IRR of 44% incl. income and fees

The investment and subsequent sale of the Group's holding in CBC is another example of B.P. Marsh's successful strategy of partnering with entrepreneurial management teams to assist their growth prior to a management-led exit

The Group originally invested £3,500 in Paladin/CBC alongside loan funding of £4,000,000 for a 35% shareholding in February 2017

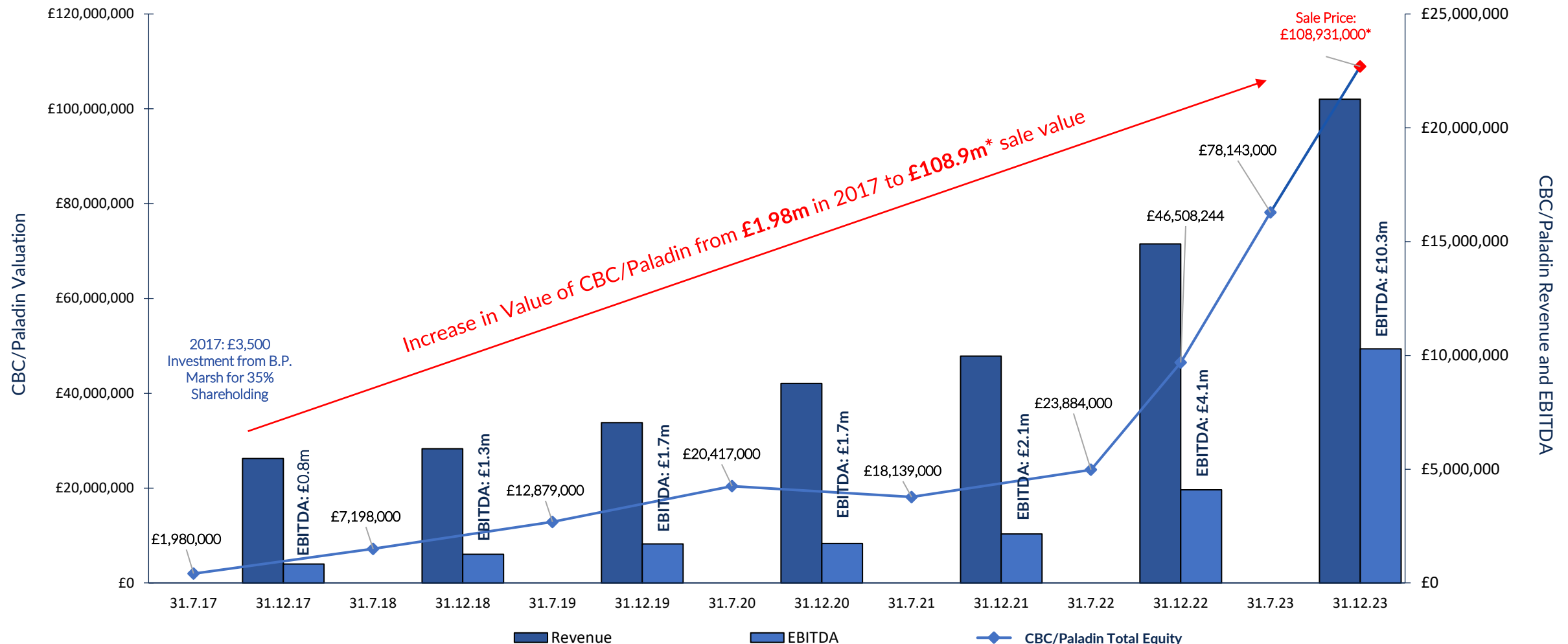
Through further funding since 2014, this shareholding increased to 43.8%

The Group supported CBC in its growth in revenue from £5.5m in 2017 to over £21m in 2023

CBC's EBITDA has grown from £(50)k in 2016 to an adjusted EBITDA of £10m in 2023



# Disposal: Paladin Holdings Limited/CBC UK Limited



\*Potential for deferred consideration if Paladin achieve defined performance hurdles in FY24 and FY25



# Disposal: Kentro Capital Limited ("Kentro")



On 9 October 2023, the Group completed the sale of its stake in Kentro to Brown & Brown Inc

## Sale of Kentro: £51.5m

- £15.1m Equity invested
  - 3.41x multiple
- IRR of 24% incl. income and fees

The investment and subsequent sale of the Group's holding in Kentro is another example of B.P. Marsh's successful strategy of investing for the long term

The Group originally invested **£1.5m** in Kentro, known then as Nexus Underwriting Management Limited, for a 5% shareholding in August 2014

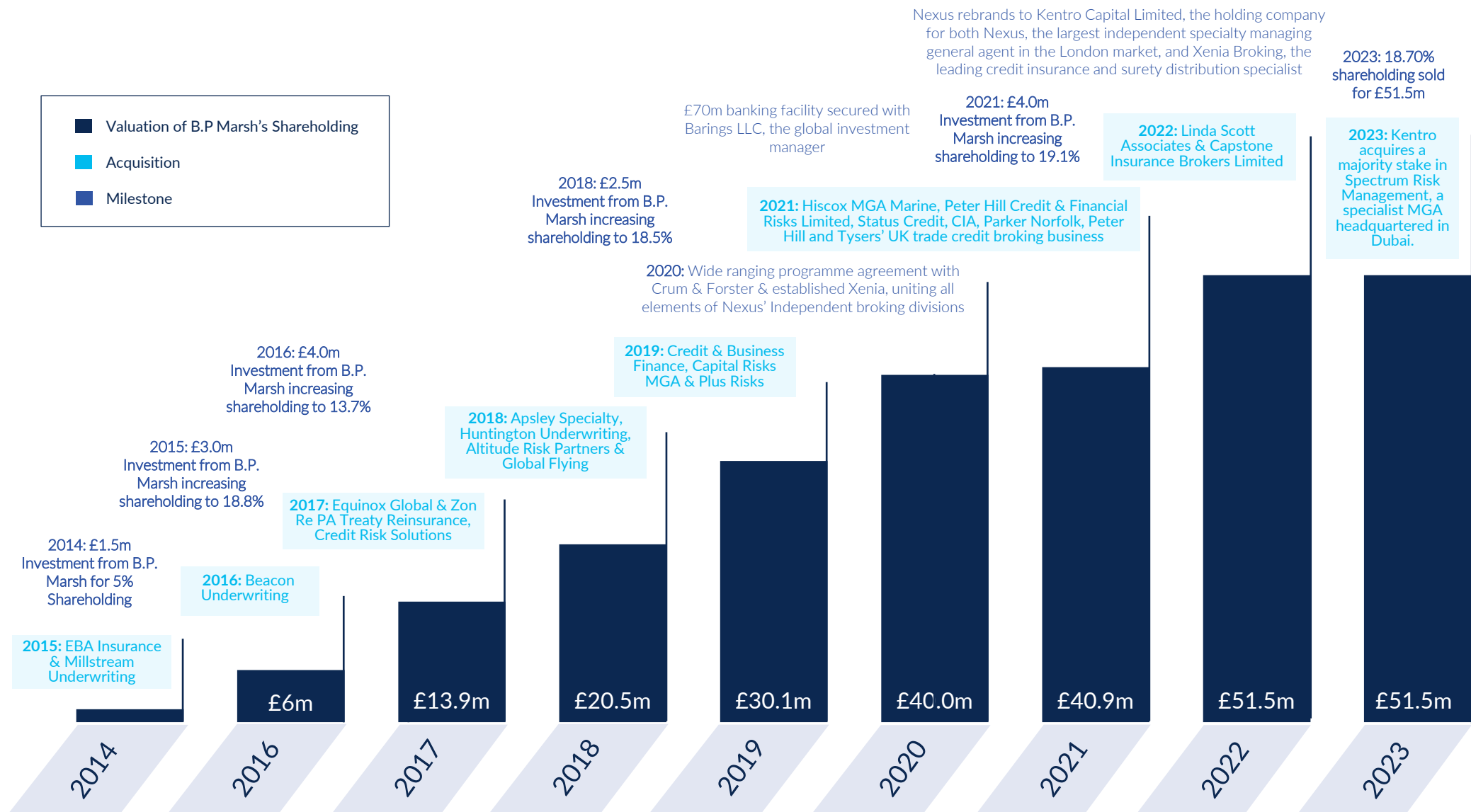
Through further funding of **£13.6m** since 2014, this shareholding increased to **18.7%**

The Group supported Kentro in its growth in Gross Written Premium from **£55m** in 2014 to now over **£500m**

Since investment Kentro has grown from 58 employees to over 350 employees



# Disposal: Kentro Capital Limited ("Kentro")





# Disposal: IFA Investments - Aspira Corporate Solutions Limited ("Aspira")



- B.P. Marsh has been invested in LEBC Holdings Limited ("LEBC"), the **Independent Financial Advisory** company providing expert financial advice to individuals, since **April 2007**
- In November 2023, LEBC agreed to sell Aspira to Titan Wealth Holdings Limited, subject to regulatory approval
- This transaction completed, post year end, in April 2024
- Completion has allowed LEBC to meet all its obligations, as agreed with the Financial Conduct Authority, regarding historical defined benefit pension transfer advice
- Upon completion B.P. Marsh received full repayment of its £3.3m loans to LEBC
- Further proceeds of the sale will be received over a three year earn-out period
- Due to the number of variables involved, a conservative approach has been taken regarding potential proceeds, which has been factored into the valuation of LEBC at 31 January 2024

# ASPIRA

## Sale of Kentro & CBC £93.6m

- £15.1m Equity invested
- IRRs of 24% for Kentro and 44% for CBC incl. income and fees

It is the Board's ongoing aim to strike a balance between long term capital growth and providing meaningful returns to Shareholders.

## £24.8m in dividends proposed to be distributed since 2010

### Kentro & CBC Dividends

- £1.0m Special Dividend paid in November 2023
- £4.0m paid/payable in 2024
- £4.0m p.a. Dividend proposed for next 2 years

## 2023 Share Buy-Back Programme

Programme commenced: 16 January 2023

- Shares Purchased: 288,330
- Total spent: £1,068,880
- Average Price Per Share: £3.71 per share

A further £1.0m has been set aside for share buy-backs in the now current year

The Board has agreed an upper purchase threshold of a 15% discount to the diluted NAV per Share, allowing the Company to buy-back shares up to a maximum price of £5.32 per share, subject to MAR restrictions

Board continues to strike a balance between:-

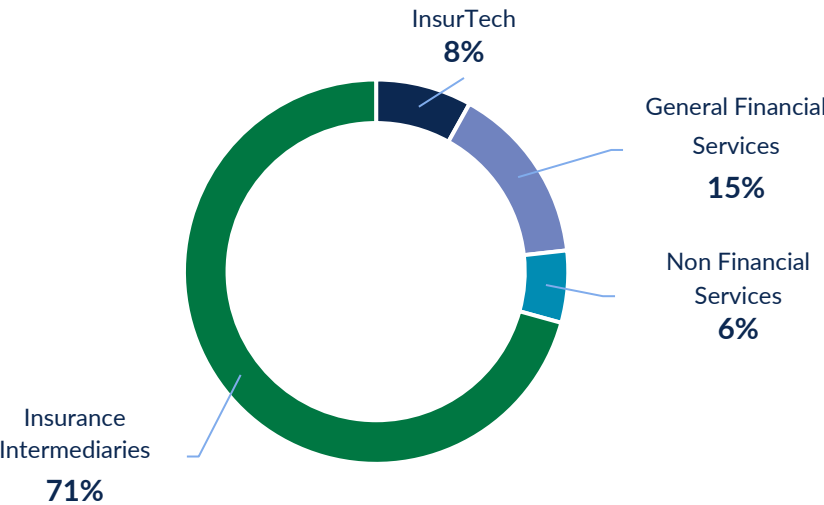
- Shareholder Returns
- Retaining funds to grow NAV
- 22.0% return to shareholders during year through NAV growth and dividends



# New Investment Origination



New Investment Opportunities to 31 January 2024, by sector:



**71** new investment opportunities in the period (Same period in 2023: 59)

**52%** of these new investment enquiries emanated from referrals or introductions from our existing network

**38%** of these opportunities were international

Our key investment sourcing channels



# New Investment - Pantheon Specialty Group Limited ("Pantheon")



## NEW INVESTMENT

Investment Date

**June 2023**

Equity Stake

**25%**

(further 7% shareholding post year-end in May 2024)

Cost of Equity

**£25**

(£7.3m post year-end further investment)

31 January 2024 Valuation

**£14.8m**

Specialist insurance brokerage with access to the global insurance marketplace

In the year, B.P. Marsh provided Pantheon with

**£4.5m of loan funding**

enabling the business to make key hires. This will further drive Pantheon's strategy of building a market-leading independent specialist broker

Post year end, BP Marsh acquired a **7%** further shareholding in Pantheon for a consideration of **£7.3m**

In its 7-month opening period to 31 December 2023, Pantheon achieved:

Revenue

**£7.4m**

EBITDA

**£2.4m**



**PANTHEON**  
SPECIALTY

In the forecast for its year ending 31 December 2024, Pantheon expects to achieve:

Revenue

**£18.3m**

EBITDA

**£12m**



# New Investment - Verve Risk Services ("Verve")

## NEW INVESTMENT

Investment Date

**April 2023**

Equity Stake

**35%**

Cost of Equity

**£430,791**

31 January 2024 Valuation

**£643,000**

London-based MGA specialising in Professional and Management Liability business for the insurance industry in the US, Canada, Bermuda, Cayman Islands, and Barbados

Scott Simmons and Alan Lambert have over **45** years' combined experience in writing US Professional and Management Liability insurance

Founded in 2016 by Scott Simmons and Alan Lambert, B.P. Marsh offered exclusive support to allow the founders to undertake an MBO

In its 8-month opening period to 31 December 2023, Verve produced:

GWP

**£5.1m**

Revenue

**£0.5m**



Verve has secured additional binders to underwrite general liability/business owners' policy and cyber insurance, expanding its specialist product offering

# New Investment - Ai Marine Risk Limited ("Ai Marine")

## NEW INVESTMENT

Investment Date

**December 2023**

Equity Stake

**30%**

Cost of Equity

**£30,000**

31 January 2024 Valuation

**£30,000**

A Managing General Agency specialising in Marine Hull insurance with a strong focus on the UK & Europe, Middle East, and Asia-Pacific regions

Founded by Charles D'Alton and Thomas Fulford Smith, marine insurance specialists having founded Latitude Brokers Limited which they led for 8 years

Since inception, Ai Marine has performed in line with the Group's expectations

Achieved Lloyd's coverholder status and additional capacity from Ascot Syndicate



"We are very pleased to be making this investment in Ai Marine and are looking forward to working with Tom and Charles, to enable Ai Marine to deliver substantial growth and robust results over the coming years"

Dan Topping, Chief Investment Officer



# New Investment - Devonshire UW Limited ("Devonshire")



## NEW INVESTMENT

Investment Date

**March 2024**

Equity Stake

**30%**

Cost of Equity

**£300,000**

31 January 2024 Valuation

**N/A**

A Managing General Agency specialising in underwriting transactional liability risks globally, excluding the US

Founded by four experienced industry practitioners, Natasha Attray, James Dodd, James Fletcher, and Charles Turnham

Collective **30** years of transactional liability underwriting experience

Provides risk solutions for large M&A transactions for brokers, corporates, private equity firms and other specialist investors

Backed by Lloyd's capacity with support from a strong panel of A-rated capacity providers



**DEVONSHIRE**

UNDERWRITING

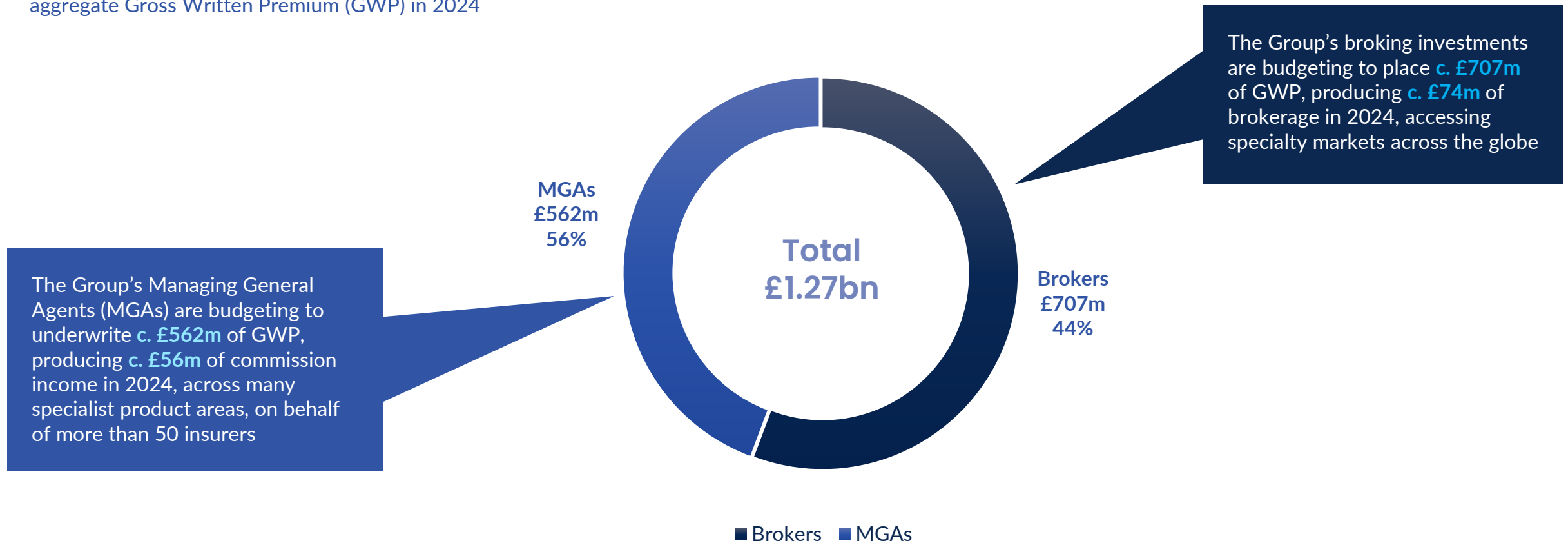
"We believe Devonshire is an excellent fit for our diversified investment portfolio of insurance intermediaries and is in keeping with the type of investment we have helped successfully to nurture over the past 30 years"

Dan Topping, Chief Investment Officer

# Insurance Intermediary Overview



B.P. Marsh's insurance intermediary portfolio companies are budgeting to produce c. **£1.27bn** of aggregate Gross Written Premium (GWP) in 2024





# Overview: Managing General Agencies ("MGAs") Investments



- B.P. Marsh's MGAs are budgeting to underwrite aggregate GWP of circa £562m in 2024
- This will produce more than £56m of commission income
- These MGAs focus on profitable underwriting in a market where access to insurer capital is restricted

\*ATC's equity investment is reported as the combined initial equity investment into ATC and MB Prestige Holdings PTY Limited

\*\* Investment in Devonshire made post year-end

MGAs	Date of Investment	Jurisdiction	Equity % at 31 Jan 2024	Cost of Investment	Valuation at 31 Jan 2024	% of NAV at 31 Jan 2024	Internal rate of return to 31 Jan 2024	Multiple on Invested Capital
ATC	Jul-18	Australia	25.56%	£3,345,229*	£18,261,000	8.0%	35.04%	5.46x
SSRU	Jan-17	Canada	30.00%	£19	£11,870,000	5.2%	94.10%	(N/A – over 1000x)
Fiducia	Nov-16	UK	35.18%	£227,909	£4,902,000	2.1%	23.87%	21.51x
Ag Guard	Jul-19	Australia	41.00%	£1,465,071	£3,361,000	1.5%	26.34%	2.29x
Sterling	Jun-13	Australia	19.70%	£1,945,411	£3,297,000	1.4%	9.10%	1.69x
Sage	Jun-20	USA	30.00%	£202,758	£1,689,000	0.7%	84.23%	8.33x
Verve	Apr-23	UK	35.00%	£430,791	£643,000	0.3%	44.24%	1.49x
Ai Marine	Dec-23	UK	30.00%	£30,000	£30,000	0.01%	285.18%	1.00x
Devonshire**	Mar-24	UK	30.00%	£300,000	N/A	N/A	N/A	N/A

# Overview: Broking Investments



- Since inception, much of B.P. Marsh's growth has been underpinned by a successful track record of investing in brokers, both in the Lloyd's and London markets, as well as internationally
- Our Broking investments are, in the aggregate, budgeting to place **more than £707m** of GWP in 2024
- This will produce **more than £74m** of brokerage, accessing specialty markets around the world

\*CBC sold post year-end

Brokers	Date of Investment	Jurisdiction	Equity % at 31 Jan 2024	Cost of Investment	Valuation at 31 Jan 2024	% of NAV at 31 Jan 2024	Internal rate of return to 31 Jan 2024	Multiple on Invested Capital
CBC*	Feb-17	UK	43.75%	£3,500	£49,549,000	21.6%	48.22%	(N/A – over 1000x)
XPT	Jun-17	USA	29.10%	£13,042,085	£39,572,000	17.3%	29.74%	3.03x
Pantheon	Jun-23	UK	25.00%	£25	£14,775,000	6.4%	(NA – over 1000%)	(NA – over 1000x)
Lilley Plummer Risks	Oct-19	UK	30.00%	£308,242	£13,446,000	5.9%	92.29%	43.62x
Asia Reinsurance Brokers	Apr-16	Singapore	25.00%	£1,551,084	£0	0%	-20.71%	0.00x



# Investment Summary - XPT Group LLC ("XPT")



B.P. Marsh originally invested **£4.8m** in June 2017

A further investment of **£2.5m** was made in January 2019, with a loan of **£1.5m** provided in April 2019

In June 2022 the Group invested a further **£2.8m** in convertible loan stock and equity

In February 2023 the Group provided further loan funding of **£4.9m**

In October 2023 the Group made a further equity investment of **£2.9m**

Including these investments, B.P. Marsh have provided XPT **£19.4m** in total

B.P. Marsh's shareholding as at 31 January 2024 is **29.1%**

As at 31 January 2024 the IRR to B.P. Marsh is **29.74%**, incl. loans

Post year-end the Group made a further equity investment of **£0.8m**

## XPT in numbers:

- 2024 forecast Gross Written Premium of over **US\$880m**
- GWP growth since formation represents a **54.1% CAGR**
- 2023 Adjusted EBITDA of **US\$15.2m**
- 22 Office locations across the US
- 16 acquisitions made to date
- 250+ employees

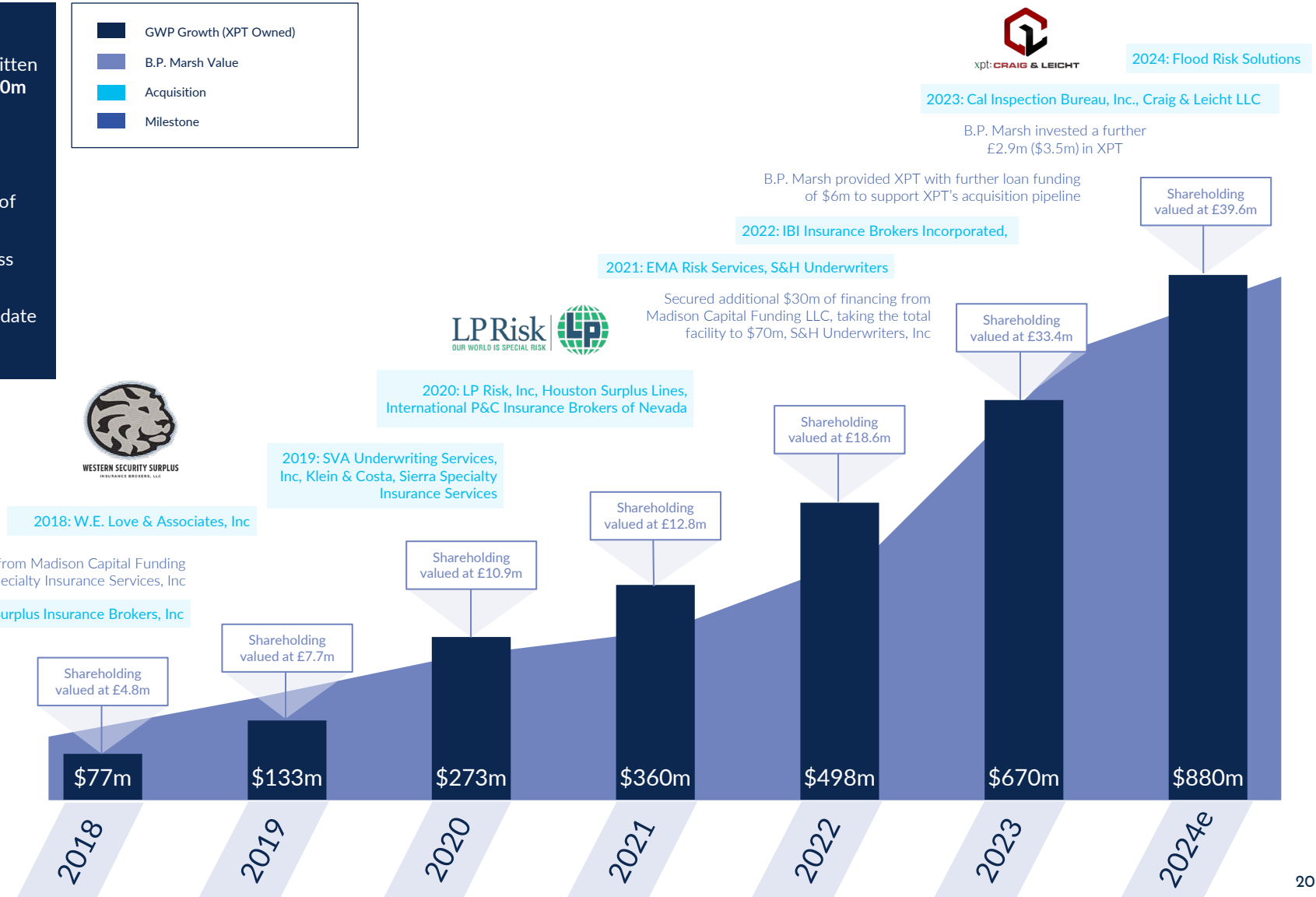


2018: W.E. Love & Associates, Inc

Secured \$40m of financing from Madison Capital Funding LLC, of Sierra Specialty Insurance Services, Inc

2017: Western Security Surplus Insurance Brokers, Inc

xpt



# Investment Summary - ATC Insurance Solutions PTY Limited ("ATC")

## CURRENT INVESTMENT

Investment Date

**July 2018**

Equity Stake

**25.39%**

Cost of Equity

**£3,345,229\***

31 January 2024 Valuation

**£18,260,000**

IRR to 31 January 2024

**35.04%**

A Managing General Agency with a specialism in Accident & Health, Construction & Engineering, Trade Pack, Sports and niche motor insurance

In its 12-month to 30 June 2023, ATC achieved:

Gross Written Premium

**AU\$ 157m**

Revenue

**AU\$ 24m**

EBITDA

**AU\$ 11m**

At investment, ATC produced GWP of

**AU\$ 61m**

ATC currently budgeting GWP of over

**AU\$ 175m**



ATC is one of the largest Lloyd's underwriting agencies in Australia

Currently has capacity arrangements with several Lloyd's syndicates and offers an extensive range of products

ATC always looks to develop its product offerings to ensure that it can meet the diverse insurance needs of its ever-expanding client base

\* Equity investment is reported as the combined initial equity investment into ATC and MB Prestige Holdings PTY Limited



# Investment Summary - Lilley Plummer Risks Limited ("LPR")



## CURRENT INVESTMENT

Investment Date

**October 2019**

Equity Stake

**30%**

Cost of Equity

**£308,000**

31 January 2024 Valuation

**£13,446,000**

IRR to 31 January 2024

**92.3%**

Marine broker, who has expanded its product offering into several niche and diverse areas, including Political Violence and Terrorism, North American Property, Aviation and Accident and Health

In its 12-month to 31 December 2024, LPR is expecting to achieve:

Revenue

**c. £10m**

EBITDA

**c. £5m**

Current valuation represents a

**92.1%**

uplift in value over the prior 12 months valuation at 31 January 2023



**LILLEY PLUMMER RISKS**  
LIMITED

LPR made several strategic hires to support growth

Part of LPR's on-going strategy to build the business into a multi-line specialist insurance broker

The business is well positioned to continue its positive growth since formation

LPR continues to actively explore new opportunities in the market through team hires and acquisitions as part of its commitment to achieving accelerated growth and its ambitious budget for the 2024 financial year

# Investment Summary - Stewart Specialty Risk Underwriting Ltd ("SSRU")



## CURRENT INVESTMENT

Investment Date

**January 2017**

Equity Stake

**30%**

Cost of Equity

**£19**

31 January 2024 Valuation

**£11,870,000**

IRR to 31 January 2024

**94.1%**

A Managing General Agency, providing a variety of Property and Casualty products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors

Since launch SSRU has shown robust growth

SSRU anticipates surpassing  
**CA\$100m** of Gross Written Premium in 2024



In its 12-month to 31 December 2023, SSRU achieved:

Gross Written Premium

**CA\$ 75m**

Revenue

**CA\$ 15m**

EBITDA

**CA\$ 7m**

Growth driven by strengthened relationships with both existing and new capacity partners

New capacity relationships with:-

- Sompo Japan Insurance (Canada Branch), introducing increased capacity within its Commercial Property and Residential Realty product offerings
- Millennium Insurance Corporation, introducing increased capacity within its Commercial Property for risks in the Energy, Mining and Manufacturing sectors



# Market Overview



B.P. Marsh continues to monitor trends in the rate of pricing for insurance business placed in the areas where the portfolio operates

Global commercial insurance rates increased by 1% in Q1 2024, the 26th consecutive quarter of rate increases

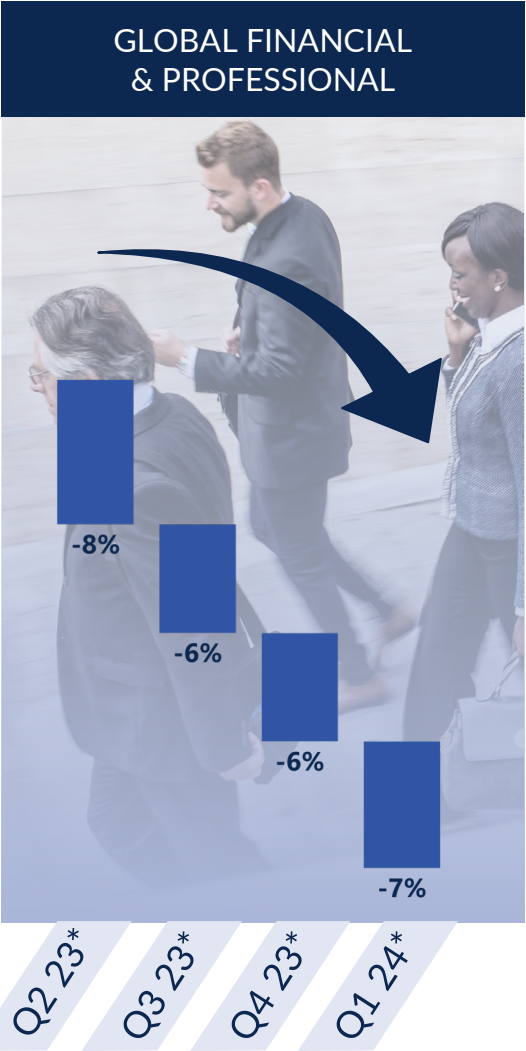
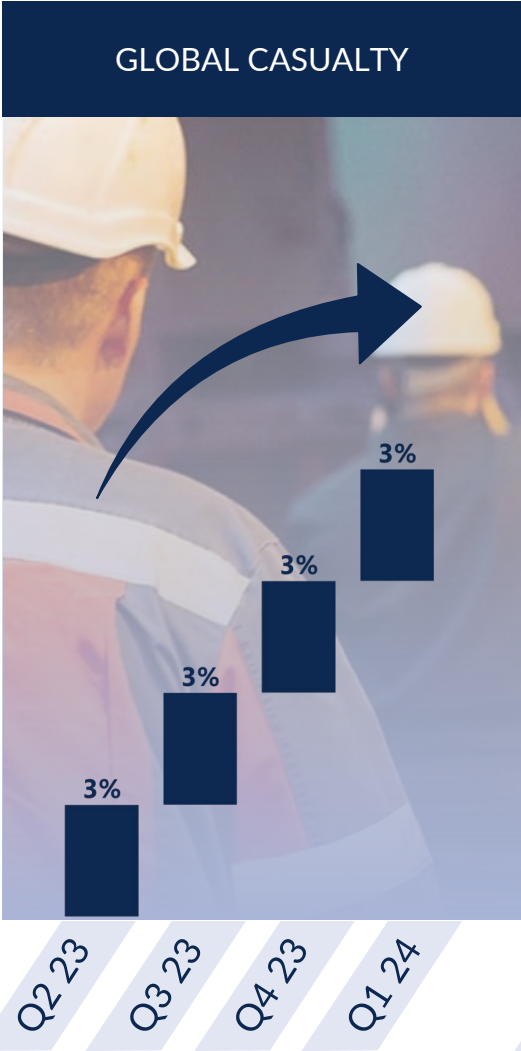
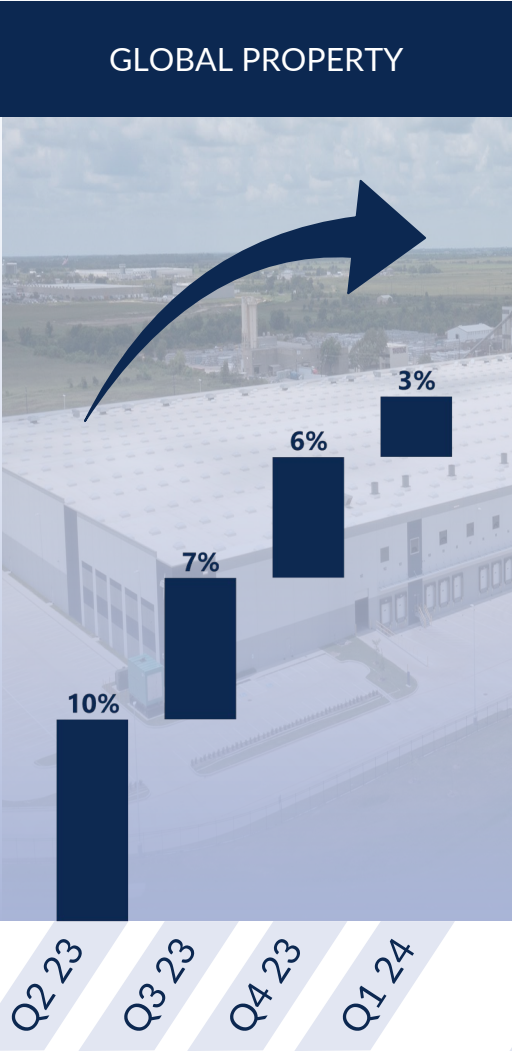
Whilst rates continue to increase, the pace is slowing, with Q1 2024 being the 14th quarter of slower rate growth

For Q1 2024 rates decreased in the UK by 2%, compared to an increase of 3% in the US and 3% in Europe

Price increases were highest in Property and Casualty lines, with both increasing 3% in Q1 2024

Generally, the slowing of rate increases is due to overall market capacity increasing, via new market entrants and existing carriers increasing their exposure

Overall, whilst the market is softening, the Group does not see the market returning to the pricing of the last soft market in the short to medium term. Given the portfolio predominantly operates in specialist risk areas, rates tend to be less volatile and therefore we remain confident that our portfolio is suitably prepared to weather a softening market



\*As of 2022 Q3, Marsh's index published a global cyber insurance pricing figure, separating cyber data from financial and professional lines data.

# Our Current International Portfolio



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

The geographic spread of our portfolio provides sufficient diversification to minimise any impact of country-specific risk



B.P. Marsh is well known within our sectors of specialisation

We are currently in detailed discussions with a number of new investment opportunities within our space

Whilst there are no guarantees that these discussions will convert into investments, we remain confident that the Group will secure a number of new high growth investments within a reasonable timeframe

# Financial Highlights – Year Ended 31 January 2024 (audited)



Net Asset Value (NAV) of  
**£229.2m**  
+£25.7m over six months  
+£39.6m over year

31 July 2023: £203.5m  
31 January 2023: £189.5m

Consolidated Profit before Tax:  
**£43.6m**

Six months ended 31 July 2023: £15.6m  
Year ended 31 January 2023: £27.6m

NAV per share of  
**629.0p** +19.5% over year  
(626.9p\* diluted)

31 July 2023: 567.3p (556.3p\* diluted)  
31 January 2023: 526.2p (516.9p\* diluted)

Underlying Profit before Tax:  
**£0.1m**

Six months ended 31 July 2023: £0.8m  
Year ended 31 January 2023: £0.3m

**22.0% Total  
Shareholder Return**

Including NAV uplift and total dividend of  
£2.0m paid Feb 2023/Jul 2023/Nov 2023

Final dividend of  
**5.36p** per share (£2.0m)

Payable on 26 July 2024 to shareholders  
registered at close of business on 28 June 2024

£1.0m (2.68p per share) paid in March 2024

£1.0m (2.68p per share) paid in May 2024

\* Please refer to Slide 50 in the appendices for details of dilutive share options



# Financial Highlights – Year Ended 31 January 2024 (audited)



Average compound NAV growth of

**9.4% p.a.**

since flotation and

**12.1% p.a.**

since 1990\*

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

Equity Investment:

**£3.4m**

- XPT Group (£2.9m)
- Verve Risk Services (£0.4m)
- Ai Marine (£0.03m)
- Pantheon (nominal value £25)

Loan Portfolio  
**£28.9m**

31 July 2023: £17.8m

31 January 2023: £11.5m

Equity Proceeds received:  
**£53.1m**

- £51.5m Kentro (sale)
- £0.8m CBC (call option exercise)
- £0.7m LPR (share redemption)
- £0.1m Summa (post sale proceeds)

Net Loans Granted  
**£17.6m**

Loans granted

- £8.8m CBC/Alchemy
- £4.9m XPT
- £4.7m Pantheon/Denison and Partners
- £0.6m Verve
- £0.5m Ai Marine
- £0.5m Brown & Brown
- £0.3m LEBC

Key repayments

- £1.6m XPT
- £0.7m Fiducia
- £0.3m LPR

NB: £(0.3)m FX movement in Year

\*This excludes any value for the Group itself

## Follow-on Funding: £9.2m

### Equity invested

- £7.3m Pantheon
- £1.1m LEBC
- £0.8m XPT

## Current Loan Portfolio: £19.0m

### Loans granted: £1.0m

- £0.7m Devonshire
- £0.3m Ai Marine

### Loans Repaid: £10.9m

- £5.9m CBC
- £3.3m LEBC
- £1.5m Pantheon
- £0.2m Fiducia

## £40.5m cash

and treasury balances at 31 January 2024

31 July 2023 : £4.3m

31 January 2023 : £12.1m

## Current liquidity of £81.2m

Following receipt of funds from CBC sale  
Group is debt free

Sale of CBC completed providing £42.1m of  
upfront consideration

## Discount to NAV (diluted)

# 24.23%

Based on share price of 475p per share on 10 June 2024



# Summary



B.P. Marsh's expertise and experience puts us in a prime position to support SME financial intermediaries to reach the next level

Our investments continue to achieve attractive returns over long periods with low risk for investors

The share price is currently at a significant discount to NAV

The global insurance market continues to be a promising destination for investors and investees through all phases of business growth

Our position as capital provider of choice for the sector in which we operate offers us unparalleled access to new opportunities

Pursuant to completion of Kentro the Group will have substantial investment funds

Through an extensive network of brokers, insurers, and investors, we have global coverage to find the right opportunities

We're farmers not hunters. We grow businesses in a financially sustainable and secure way





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# Equity Investments - Underwriting Agencies



Investment	Sector	Jurisdiction	Fair market value 31 January 2024 (£'000)	Equity As at 31 January 2024	Cost of equity investment (£'000)	Year of initial investment	Movement in Period to 31 January 2024 (£'000)	Movement in Period to 31 January 2024 (%)
ATC	MGA	Australia	18,261	25.6%	6,477	2018	1,212	7.1%
SSRU	MGA	Canada	11,870	30.0%	-	2017	870	7.9%
Fiducia	MGA	UK	4,902	35.2%	228	2016	679	16.1%
Ag Guard	MGA	Australia	3,361	41.0%	1,465	2019	(2,133)	(38.8%)
Sterling	MGA	Australia	3,297	19.7%	1,945	2013	(144)	(4.2%)
Sage	MGA	USA	1,689	30.0%	203	2020	59	3.6%
Verve	MGA	UK	643	35.0%	431	2023	212	49.3%
Ai Marine	MGA	UK	30	30.0%	30	2023	-	-
Criterion	MGA	Singapore	-	29.4%	50	2018	-	-

**IRR Note:** All references to IRRs within this presentation include all fees, loan interest and dividend income and are based upon 31 January 2024 valuations, unless the investments have been realised then they are based on cash received at completion

# Equity Investments - Brokers and IFA



Investment	Sector	Jurisdiction	Fair market value 31 January 2024 (£'000)	Equity As at 31 January 2024	Cost of equity investment (£'000)	Year of initial investment	Movement in Period to 31 January 2024 (£'000)	Movement in Period to 31 January 2024 (%)
Paladin (CBC)	Insurance Broking	UK	49,549	43.8%	4	2017	31,169	169.6%
Pantheon	Insurance Broking	UK	14,775	25.0%	-	2023	14,775	N/A – over 1000%
LPR	Insurance Broking	UK	13,446	30.0%	308	2019	6,446	92.1%
ARB	Insurance Broking	Singapore	-	25.0%	1,551	2016	-	-
EC3	Insurance Broking	UK	-	35.0%	6,500	2017	-	-
LEBC	IFA	UK	3,987	59.3%	12,374	2007	(11,960)	(75.0%)
XPT	Insurance Group	USA	39,572	29.1%	13,042	2017	2,526	6.8%
<b>Portfolio Value/Total</b>			<b>165,382</b>		<b>44,608</b>		<b>43,711</b>	<b>35.9%*</b>

\*Adjusted for £3.4m new investments and £53.1m disposals during year



# Loan Portfolio



Investment	31 January 2024 (£'000)	31 July 2023 (£'000)	31 January 2023 (£'000)
Ag Guard	621	653	682
Ai Marine	500	-	-
Alchemy	6,000	-	-
Brown & Brown	524	-	-
Denison and Partners	670	670	500
Fiducia	1,481	1,771	2,225
LEBC	3,300	3,000	3,000
LPR	-	-	300
Paladin (CBC)	5,901	5,096	3,096
Pantheon	4,536	500	-
Sage	117	118	120
Verve	569	569	-
XPT	4,684	5,457	1,606
<b>Total</b>	<b>28,903</b>	<b>17,834</b>	<b>11,529</b>

# Portfolio as at 31 January 2024



<p>Ai Marine Risk Limited Shareholding: 30.0%</p>	<ul style="list-style-type: none"><li>• Investment date: December 2023 (through Dempsey Group Limited)</li><li>• Ai Marine is a Marine Hull Insurance MGA focussing on the UK &amp; Europe, Middle-East and Asia-Pacific regions</li></ul>
<p>Agri Services Company PTY Limited Shareholding: 41.0%</p>	<ul style="list-style-type: none"><li>• Investment date: July 2019</li><li>• Ag Guard is an Australian-based MGA which provides insurance to the Agricultural Sector</li></ul>
<p>Asia Reinsurance Brokers (Pte) Limited Shareholding: 25.0%</p>	<ul style="list-style-type: none"><li>• Investment date: April 2016</li><li>• ARB is a Singapore-headquartered independent specialist reinsurance and insurance risk solutions provider</li></ul>
<p>ATC Insurance Solutions PTY Limited Shareholding: 25.6%</p>	<ul style="list-style-type: none"><li>• Investment date: 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></ul>

## Portfolio as at 31 January 2024 Continued



CBC UK Limited Shareholding: 43.8%	<ul style="list-style-type: none"><li>Investment date: 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></ul>
Criterion Underwriting (Pte) Limited Shareholding: 29.4%	<ul style="list-style-type: none"><li>Investment date: July 2018</li><li>Criterion is a Singapore-based Managing General Agency</li></ul>
EC3 Brokers Limited Shareholding: 35.0%	<ul style="list-style-type: none"><li>Investment date: December 2017</li><li>EC3 is a Lloyd's broker and reinsurance broker</li></ul>
The Fiducia MGA Co Limited Shareholding: 35.2%	<ul style="list-style-type: none"><li>Investment date: 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>



## Portfolio as at 31 January 2024 Continued



LEBC Holdings Limited Shareholding: 59.3%	<ul style="list-style-type: none"><li>Investment date: April 2007</li><li>LEBC is a holding company that, until April 2024, owned two businesses that were national Independent Financial Advisory companies providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas</li></ul>
Lilley Plummer Holdings Limited Shareholding: 30.0%	<ul style="list-style-type: none"><li>Investment date: October 2019</li><li>Lilley Plummer Risks is an independent Lloyd's broker that provides a wide array of offerings in several diverse and niche areas</li></ul>
Pantheon Specialty Group Limited Shareholding: 25.0%	<ul style="list-style-type: none"><li>Investment date: June 2023</li><li>Pantheon was founded by Robert Dowman in 2023 and acquired 100% of Denison And Partners Limited. Mr. Dowman has over 30 years of experience in the Insurance Industry, seen as a leading London Market Casualty Broker</li></ul>
Sage Program Underwriters, Inc Shareholding: 30.0%	<ul style="list-style-type: none"><li>Investment date: June 2020</li><li>Based in Bend, Oregon and founded in 2020 by CEO Chuck Holdren, Sage provides Workers Compensation insurance to niche industries, including inland delivery and field sport sectors</li></ul>

## Portfolio as at 31 January 2024 Continued

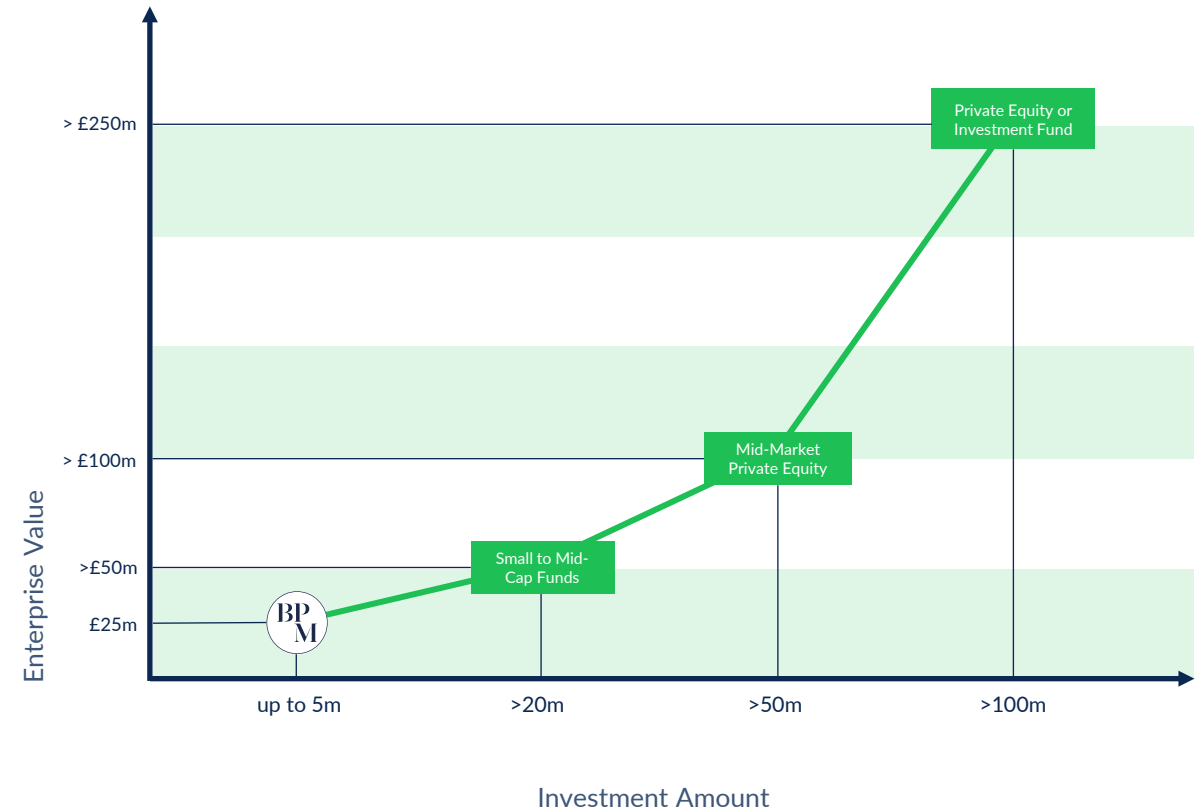


Stewart Specialty Risk Underwriting Ltd Shareholding: 30.0%	<ul style="list-style-type: none"><li>Investment date: January 2017</li><li>SSRU is a recently established Specialty Casualty Underwriting Agency, based in Toronto, Canada. It provides specialist insurance products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors</li></ul>
Sterling Insurance PTY Limited Shareholding: 19.7%	<ul style="list-style-type: none"><li>Investment date: June 2013 (through 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>
Verve Risk Services Limited Shareholding: 35.0%	<ul style="list-style-type: none"><li>Investment date: April 2023</li><li>Verve Risk Services is a Managing General Agency specialising in Professional and Management Liability for the insurance industry, operating in the USA, Canada, Bermuda, Cayman Islands and Barbados.</li></ul>
XPT Group LLC Shareholding: 29.1%	<ul style="list-style-type: none"><li>Investment date: June 2017</li><li>XPT Group is a New York-based specialty lines insurance distribution group looking to build a wholesale insurance broking and underwriting agency platform across the U.S. Specialty Insurance Sector</li></ul>

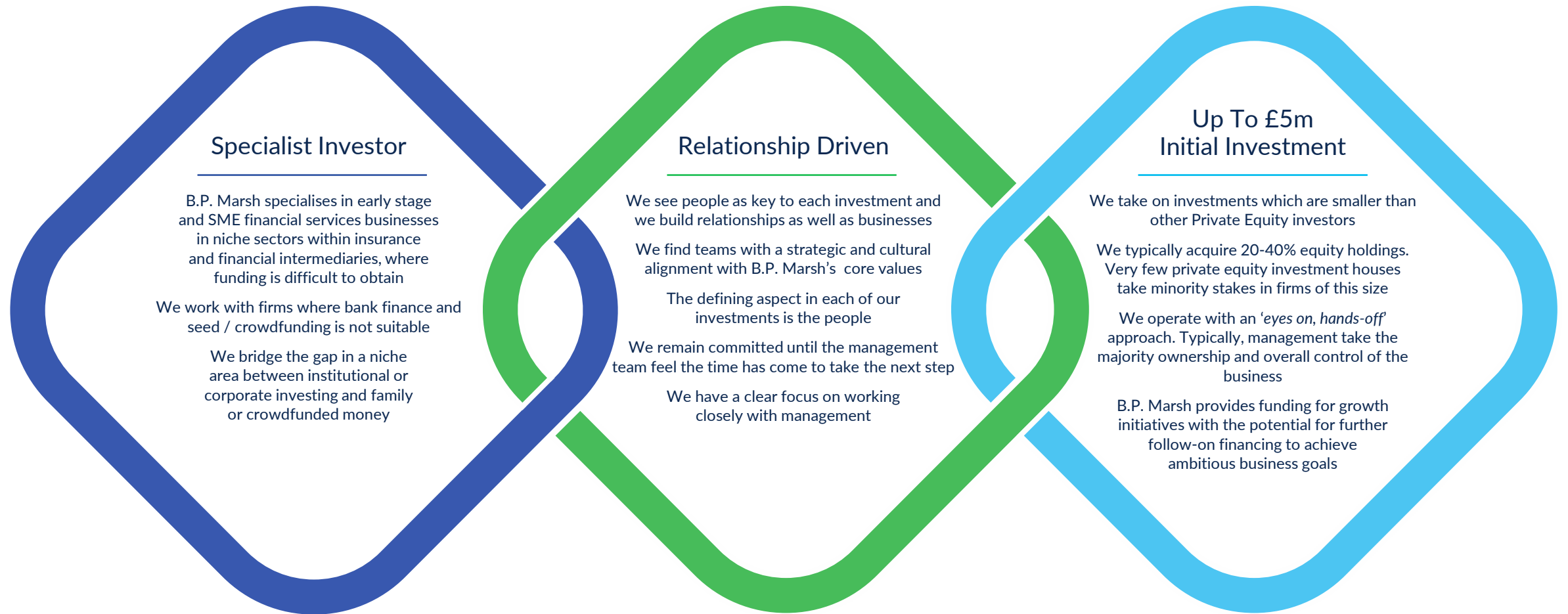
# Bridging the Gap



- B.P. Marsh specialises in providing early-stage finance, investing in businesses with an enterprise value of between £0 and c. £25m
  - Our flexible approach to investment translates into us operating in a niche segment where funding is difficult to obtain
  - The Group's primary competitors would typically require an enterprise value of at least £50m before an opportunity becomes of interest
  - B.P. Marsh is able to tailor its investment model to suit each opportunity, offering funding to businesses which fall outside the criteria of traditional private equity houses
  - Opportunities come from specialists in their own field looking to go it alone, management teams wanting to engineer a buyout, or existing businesses seeking growth capital
  - Investing in businesses at this value stage can be high risk, however, the valuation multiples used are often lower, meaning we can often secure an advantageous price, whilst also providing the investment capital required
- With the support of B.P. Marsh, these businesses develop over time achieving considerable growth in value
  - These investments then attract the interest of mid-market private equity houses, eventually being sold through competitive run processes
  - The Group see this investment approach as 'Bridging the Gap'









### Kentro

Originally B.P. Marsh only took a 5% shareholding in Kentro for £1.5m. This was outside our usual investment criteria. Over time, B.P. Marsh provided follow on funding and sold our 18.98% shareholding for £51.5m (received in October 2023)

### Besso

B.P. Marsh remained invested in Besso for 21 years, from 1995 to 2016. Throughout this period, we supported Besso to bring about significant growth, producing an IRR of 21.90%

### SSRU

When B.P. Marsh invested in the business we provided backing over and above financial support. This allowed SSRU to quickly expand into one of Canada's largest independent MGAs



1

## Initial Assessment

- Strong network of industry contacts brings new opportunities
- Each opportunity is scrutinised by the New Business Department
- The opportunity is then championed by the New Business Department, who are responsible for managing the investment process through to the Investment Committee and the PLC Board



2

## Due Diligence and Completion

- Work to flexible timelines
- In-house comprehensive fact-finding and due diligence process - three-year historic and forecast P&L, balance sheet, cash flow forecasts required
- Financial, legal and commercial due diligence carried out as needed
- In-depth modelling is undertaken
- Final negotiation
- Completion



3

## Post Transaction Support

- Business plan implemented
- Post-investment plan compiled by BPM team
- NED on the board and regular communication with the team
- Strategic support when necessary
- Secretarial and administrative support, with one of the BP Marsh team being seconded if needed
- Hiring expertise to strengthen the team
- Follow-on funding



4

## Exit Strategy

- Consider exit strategy when the business is ready to move to the next level
- Advise on which investment partners to take on in the next phase of the business
- Develop a strategic plan to see the investee company into the future
- Exit the business through IPO, trade sale or to a new financial investor



# Consolidated Statement of Financial Position (IFRS) at 31 January 2024



	31 January 2024 (Audited)	31 July 2023 (Unaudited)	31 January 2023 (Audited)
Tangible and intangible assets	65	72	79
Right of use asset	507	590	671
Investments at fair value – Equity Portfolio	165,382	185,815	171,461
Debtors / Loans receivable	31,830	20,156	13,403
Cash and treasury funds	40,513	4,337	12,155
Creditors < 1 year (Loans and tax and other payables)	(2,023)	(1,406)	(2,005)
Creditors > 1 year (Loans and tax & other payables)	(416)	(505)	(596)
Net Assets (excl. Deferred tax)	235,858	209,059	195,168
Deferred Taxation provision	(6,687)	(5,604)	(5,631)
NET ASSETS			
20.9% increase in year to 31 January 2024 after dividend (22.0% adjusting for dividend)	229,171	203,455	189,537

# Consolidated Statement of Comprehensive Income (IFRS) at 31 January 2024



	Audited year to 31 January 2024 £'000	Unaudited 6 months to 31 July 2023 £'000	Audited year to 31 January 2023 £'000
Gains on investments (realised and unrealised)	43,674	14,714	27,430
Amounts recovered from / (impairment of) investments and loans	24	12	30
Operating income	7,468	3,955	4,919
Total income	51,166	18,681	32,379
Operating expenses and FX movement	(8,214)	(3,193)	(4,831)
Net financial income/(expenses)	666	70	42
Profit before tax	43,618	15,558	27,590
Taxation	(1,089)	(6)	(3,747)
Post tax profit for period	42,529	15,552	23,843
Earnings per share – basic	114.7p*	43.3p	66.2p
Earnings per share – diluted	114.0p**	41.6p**	63.6p**

\*Calculation includes 1,206,888 allocated shares held under joint ownership arrangements as these were considered dilutive as at 31 January 2024 due to dividend and voting rights

\*\*Calculation includes all 1,443,147 shares (allocated and unallocated) held under joint ownership arrangements proportioned over the period from the vesting date of 12 June 2021

# Consolidated Statement of Cash Flows (IFRS) at 31 January 2024



	Audited year to 31 January 2024 £'000	Unaudited 6 months to 31 July 2023 £'000	Audited year to 31 January 2023 £'000
Net cash (used by)/from operating activities	(1,075)	213	451
FX Movement	(52)	(49)	(36)
Taxation	(33)	(33)	(14)
Purchase of property, plant and equipment	(14)	(7)	(11)
Equity investments made	(3,364)	(431)	(2,941)
Net proceeds on sale of equity investments	53,117	791	8,259
Net sale/(purchase) of equity treasury investments	1,131	600	(504)
Net loans (granted to)/repaid by investee companies	(17,630)	(6,592)	(1,040)
Net financial income/(expenses)	48	(20)	(44)
Net decrease in lease liabilities	(176)	(87)	(167)
Dividends paid	(2,028)	(1,000)	(1,001)
Payments made to repurchase company shares	(1,053)	(692)	(16)
Increase/(decrease) in cash in the period	28,871	(7,307)	2,936
Cash at beginning of period	11,564	11,564	8,628
Cash and cash equivalents at period end	40,435*	4,257*	11,564*

\* £40.5m including equity treasury balances of £0.1m (31 July 2023: £4.3m including equity treasury balances of £0.1m, 31 January 2023: £12.1m including treasury balances of £0.6m)



# B.P. Marsh & Partners PLC Board



**Brian Marsh**  
Executive Chairman  
55+ years of experience



**Dan Topping**  
Chief Investment Officer  
17+ years of experience



**Pankaj Lakhani**  
Non-Executive Director  
40+ years of experience



- Founded B.P. Marsh in 1989
- Previously Chairman and major shareholder of the Nelson Hurst & Marsh Group
- Bought and sold many financial services businesses throughout distinguished career

- Joined B.P. Marsh in 2007 and appointed Chief Investment Officer in 2016
- Responsibility for the investment strategy at B.P. Marsh; sourcing structuring, developing, supporting and monitoring the Portfolio

- Worked for several Lloyd's insurance broking and underwriting firms
- Finance Director at Victor O. Schinnerer & Co Ltd (trading as Admiral/Encon Underwriting Agencies)
- Joined B.P. Marsh as an NED in 2015

**Alice Foulk**  
Managing Director  
13+ years of experience



**Jon Newman**  
Group Finance Director  
25+ years of experience



**Nick Carter**  
Non-Executive Director  
50+ years of experience



- Joined B.P. Marsh in 2011, appointed Managing Director in 2016
- Central to the management of B.P. Marsh, ensuring objectives and goals are achieved

- Joined B.P. Marsh in 1999 and appointed Group Finance Director in 2003
- Oversees all financial activities at B.P. Marsh, alongside assisting with the financial strategy across the Portfolio of Investments

- Held variety of senior management positions at Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers
- Consultant at both Alexander Forbes Pty. Ltd and Prime Professions Ltd
- Joined B.P. Marsh as an NED in 2019

Highly experienced and respected senior team, with deep industry knowledge across the financial services industry

c.30 years' average experience

# B.P. Marsh & Company Limited Board



**Brian Marsh**  
Executive Chairman  
55+ years of experience



**Dan Topping**  
Chief Investment Officer  
17+ years of experience



**Jon Newman**  
Group Finance Director  
25+ years of experience



- Founded B.P. Marsh in 1989
- Previously Chairman and major shareholder of the Nelson Hurst & Marsh Group
- Bought and sold many financial services businesses throughout distinguished career

- Joined B.P. Marsh in 2007 and appointed Chief Investment Officer in 2016
- Responsibility for the investment strategy at B.P. Marsh; sourcing structuring, developing, supporting and monitoring the Portfolio

- Joined B.P. Marsh in 1999 and appointed Group Finance Director in 2003
- Oversees all financial activities at B.P. Marsh, alongside assisting with the financial strategy across the Portfolio of Investments

**Alice Foulk**  
Managing Director  
13+ years of experience



**Abi Barber**  
Investment Director  
10+ years of experience



**Francesca Lowley**  
Group Management Accountant  
11+ years of experience



- Joined B.P. Marsh in 2011, appointed Managing Director in 2016
- Central to the management of B.P. Marsh, ensuring objectives and goals are achieved

- Joined B.P. Marsh in 2013 and became Investment Director in 2019, with a seat on the B.P. Marsh & Company Board
- Focus on investments in Australia, as well as Lilley Plummer Risks, Fiducia and XPT, working for the CIO

- Joined B.P. Marsh in 2013 and became Group Management Accountant in 2019, joining the B.P. Marsh & Company Board
- Produces Group Management Accounts alongside assisting in the routine running of the Finance department

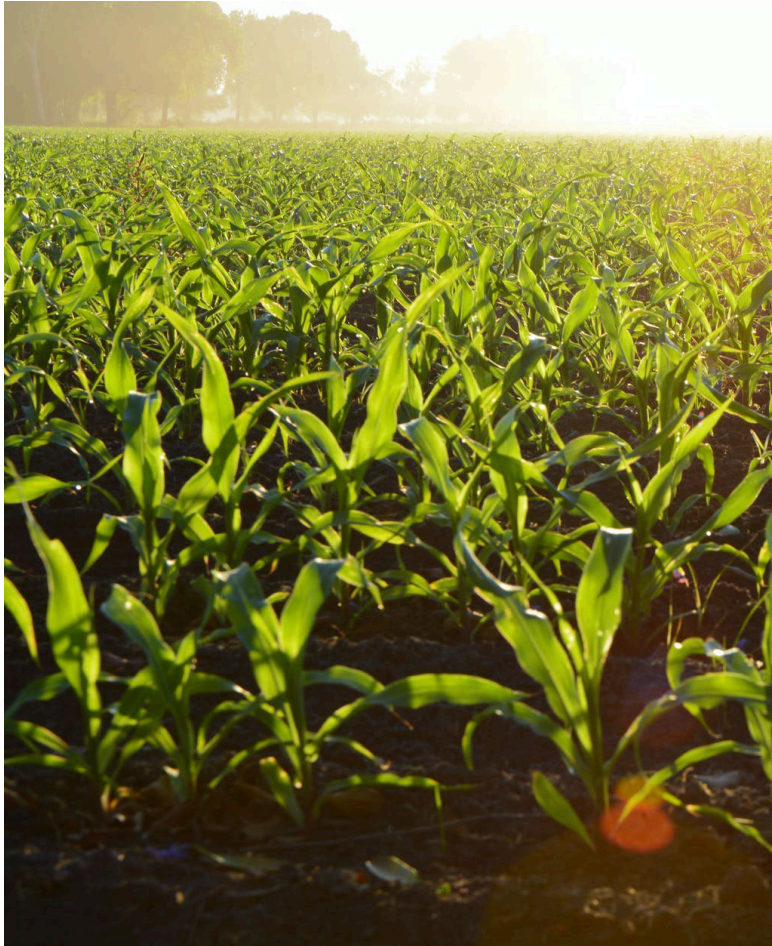
**c.15 years  
average tenure**

**Oliver Bogue**  
Investment Director  
13+ years of experience



- Joined B.P. Marsh in 2011, as assistant to the Group Company Secretary
- Appointed Investment Director in 2016, working for the CIO, joining the B.P. Marsh & Company Board

**c.18 years  
average experience**



- B.P. Marsh believes that day-to-day operational control of the business is the domain of the executive management team. However, our position is well protected and portfolio investments are actively monitored
- 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
- From the time of investment, we outline the matters which would require consent from the Group, above certain agreed thresholds, before an investee company may proceed. These can 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

# Environmental, Social and Governance Policy



- B.P. Marsh is committed to being a responsible investor with Environmental, Social and Governance (ESG) focused principles incorporated throughout our investment strategy
- The Group has a strong ambition to be an exemplary ESG leader within the sub-sector in which we invest
- Commencing in 2022, the Group has carried out annual surveys of its portfolio companies to assess their impact on the greater environment and society in which they operate
- The results revealed that many of our portfolio companies shared our view of the importance of prioritising sustainability, socially responsible practices, and good governance
- The Group also carefully considers its suppliers both prior to and during engagement and notes that many of these are already ahead of the curve in the implementation of ESG policies
- B.P. Marsh recognises that a focus on ESG is an ongoing commitment and, as such, the Group continues to assess its position and review best practice as it arises. Please see below some examples of the ongoing practices at B.P. Marsh towards this commitment

Environmental	Social	Governance
<ul style="list-style-type: none"><li>• Facilitation and active encouragement towards the recycling of appropriate materials and reduction of waste where possible to lower the environmental footprint of B.P. Marsh</li><li>• Use of teleconferencing software to limit regional and international travel when possible</li><li>• Implementation of Corporate Policy that all unavoidable business flights are offset at the time of booking by using the online platform created by Ecologi Action Limited</li></ul>	<ul style="list-style-type: none"><li>• Adoption of Diversity Policy in 2021 that respects the increasingly diverse society in which we operate</li><li>• All staff offered private medical insurance, income protection and life cover following one year of service</li><li>• Facilitation for all staff to continually develop their knowledge and skillset through attendance of industry events, formal qualifications, and electronic training sessions</li></ul>	<ul style="list-style-type: none"><li>• Incorporation of earlier assessment of ESG risks and opportunities in the investment process and extension of Company Secretary services to Portfolio Companies</li><li>• B.P. Marsh adheres to the existing Quoted Companies Alliance (“QCA”) Corporate Governance Code and publishes a Compliance Statement annually.</li><li>• The Group will be using the transition period before implementation of the 2023 QCA Corporate Governance Code to ensure that it is in a position to apply the new standards for the financial year ending 31 January 2026</li></ul>



# Key Shareholders as at 24 May 2024



Directors	
Brian Marsh OBE	38.1%
Alice Foulk	Less than 0.5%*
Daniel Topping	Less than 0.5%*
Jonathan Newman	Less than 0.5%*
Pankaj Lakhani	Less than 0.5%
Nicholas Carter	Less than 0.5%
Group Company Secretary	
Sinead O'Haire	Less than 0.5%*

\*does not include shares beneficially owned through the Company's Joint Share Ownership Plan

Major Shareholders (>3%)	
PSC UK Pty Limited	19.84%
Mr. Martin MacLeish	5.02%
Hargreaves Lansdown Asset Mgt	4.44%
Interactive Investor	3.88%
JTC Employer Solutions**	3.54%
Mr. Colin Thompson	3.48%
James Sharp & Co	3.38%

\*\*Trustee of the Company's Joint Share Ownership Plan

## Share Option Plan (SOP) and Joint Share Ownership Plan (JSOP)

On 6 September 2023 the Board adopted a new nil-cost Share Option Plan for selected employees and executive directors over **4.5%** of shares (**1,682,500** shares)

The number of options expected to vest (split 50% in September 2026, and 50% in September 2027), subject to NAV increasing from £189.5m by 31 January 2026 are as follows (adjusted for dividend distributions):

**100% - 10%** NAV compound growth  
**50% - 9.25%** NAV compound growth  
**25% - 8.5%** NAV compound growth

The SOP is expected to become **1.1% dilutive** from **643p/share** NAV, and **4.5% dilutive** from **649p/share**

A **3.9%** three-year JSOP was created in June 2018 within an Employee Benefit Trust to incentivise and retain the management team and staff, which vested in June 2021

**1,206,888** of **1,461,302** issued shares are jointly owned by employees and the Trust, and **236,259** forfeited shares are owned in full by the Trust

Employees are entitled to any gain on shares sold by the Trust in excess of **312.6p**

In October 2023 the 1,206,888 allocated Trust shares were granted voting and dividend rights and are now included within shares in issue, whereas the forfeited shares are treated as part of diluted shares in issue (previously all shares were treated as part of diluted shares in issue)

The Group issued these shares to the Trust at **281p** per share, and the Group is entitled to receive up to **£4.1m** when the shares are eventually sold. The NAV per share of 629.0p at 31 January 2024 includes **£3.4m** receivable and the undiluted NAV per share of 626.9p includes **£4.1m** receivable



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

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Tavistock  
Telephone: 020 7920 3150