

## **Investcorp Capital performance delivers 9.6% annualized dividend yield for investors**

**Abu Dhabi, 12 February 2024:** Investcorp Capital plc (the “**Company**” or “**Investcorp Capital**”), a provider of capital and capital financing services in the alternative investments space, is pleased to announce its interim results for the six-month period ending 31 December 2023.

- **Investcorp Capital has delivered a steady performance for shareholders against a challenging market backdrop**
- **The Company delivered Comprehensive Income of \$34m, in line with H1 FY23 performance (\$34m)**
- **Very strong performance in Capital Financing Services business, with 47% increase in revenues year-on-year**
- **The Board has declared an interim dividend of 0.100 Dirhams per share, which represents an 9.6% annualized dividend yield based on current trading price of 2.09 Dirhams per share. This is in line with the Company’s commitment to deliver a dividend yield of at least 8% per year to its investors and is mostly driven by growth in NAV from the profits generated**
- **As part of its business evolution, the company strategically incorporated infrastructure into its portfolio of asset classes, expanding its potential for growth and diversification**

The Chairman of Investcorp Capital, Mohammed Bin Mahfoodh Alardhi, commented: *“Following our IPO on the ADX in November, we are delighted to announce our first set of results as a listed company. Investcorp Capital is unique in the GCC, offering investors access to diversified private market opportunities globally across multiple asset classes and an attractive 9.6% target dividend yield. We are also happy to introduce infrastructure as a fifth asset class to the company’s activities. The sector has shown great promise in recent years, especially after the COVID pandemic. Investcorp has already invested in this strategy across markets, and we are looking forward to continuing to grow in this space”.*

Abbas Rizvi, Chief Financial Officer of Investcorp Capital, added: *“Our Capital Financing Servicing business has had a particularly strong first half, and across the business we have delivered solid returns for investors. We have a strong balance sheet and our business is*

*second-half weighted. We are encouraged by what we see as a positive outlook for the global financial markets in 2024, but with inflationary pressures abating, interest rates expected to come down and general market confidence improving, we believe we are well positioned to continue to deliver returns for shareholders in the second half of the year.”*

## Key Financial Highlights

- Total comprehensive income of \$34m (H1'23: \$34m), in line with previous period
- Gross operating income of \$44m vs. total operating expenses of (\$4m), with an income to expense ratio of 11.0x
- Outperformance in Capital Financing Services business with 47% increase in revenues year-on-year
- Fair value gains and performance fee was lower than expected, driven primarily by current market environment
- Solid balance sheet with diversified portfolio of assets – 78% invested in recurring fee / yield generating assets
- Capital Deployment / Long-term capital ratio of 0.54x (0.63x in June 2023)

## Key Metrics

Balance sheet metrics	FY24 H1	FY23 <sup>1</sup>
Total assets (\$m)	1,617	1,426
Net Asset Value (NAV) per share	AED 2.44	n/a
Gross leverage ratio	0.00x	0.03x
Capital Deployment / Long term capital ratio	0.54x	0.63x
Cash generating assets / total assets (%)	78%	74%

1) Based on June 2023 balance sheet

Shareholder return metrics*	FY24 H1	FY23 H1 <sup>2</sup>
Return on Equity (RoE)	5.5%	6.1%
Cash yield on cash generating CD investments	7.9%	5.5%
Return on Investments (Rol)	6.7%	7.6%

2) Based on December 2022 performance

\*Total comprehensive income based on opening equity



## **Operational Highlights**

During the six-month period ending 31 December 2023, Investcorp Capital successfully listed on the ADX, offering public investors access to private market opportunities through its innovative investment vehicle. The Company's IPO and listing were significantly oversubscribed as investors sought to participate in the offering, drawn by access to Investcorp's Capital's diversified investments across three continents and four distinct asset classes, and its targeted 8% dividend. The Company delivers diversified and recurring revenue streams through its Capital Financing Services business, which generates underwriting and commitment fees, and its Capital Deployments business, which generates recurring income, including rental income, dividend income and interest income.

Investcorp Capital's earnings follow a seasonal pattern and are significantly second-half weighted. The first half of the financial year (H1) includes the traditionally quieter summer months of July and August, and a significant increase in activity and associated returns has been recorded historically during the second half of the financial year (H2). As an illustration, in FY23, H2 Comprehensive Income was 2.2x that of H1 (US\$74m vs. US\$34m).

## ***Capital Deployment***

Capital deployment was active, with more than \$100m invested across the Company's asset classes and geographies in H1 2024.

Proceeds from Capital Deployment investment realizations over the period totaled \$43m, which was slightly lower than expected due to prevailing market conditions. However, the portfolio remains strong and ready to deliver on target.

## ***Capital Financing Services***

Capital financing activity saw a significant uptick during the period driven primarily by higher volume and returns from the Global Credit warehousing activity, and the Capital Financing Services business achieved significant growth, with a 47% increase in revenues over the same period last year. Underwriting activity generally was solid across the different asset classes and geographies, along with placements, leading to a total \$539m deployment.



## **Outlook**

The Company expects an improving investment environment in 2024, on the back of the expected inflation and interest rate reduction in its core markets. As market confidence continues to improve, Investcorp Capital expects to see increased capital deployment opportunities across its business, as well as increased exit activities across its portfolio.

Ends

## **About Investcorp Capital plc**

Investcorp Capital is an alternative investment company that invests in private markets and provides capital financing services. It offers investors exposure to a global portfolio of investments across various asset classes, including those that have been and will continue to be carefully selected by Investcorp Group. Investcorp Capital covers strategies across corporate investments, global credit, real estate and strategic capital, to generate value and recurring income by receiving dividends, collecting rents, financing fees and interest.

Investcorp Capital was founded by Investcorp Group, a leading independent manager of alternative investments, with approximately \$50 billion in assets under management (including assets managed by third parties). Investcorp Group has over four decades of experience and expertise in delivering attractive and consistent returns across multiple strategies, sectors and geographies.

Investcorp Capital is listed on the Abu Dhabi Securities Exchange (ADX) under the symbol "ICAP". For more information, please visit [www.investcorp-capital.com](http://www.investcorp-capital.com).