

QUARTERLY PERFORMANCE OVERVIEW

Fiscal Year 2024

For the period July 1, 2023 to September 30, 2023

Message from the Chief Executive Officer

“We are delighted to announce the start of our new journey as Investcorp Capital plc, with our new public shareholders by delivering robust financial results for the first quarter of fiscal year 2024.

Driven by strong business activity, the company has achieved a net income of \$13 million, marking a substantial 44% increase over the same period last year and substantially covering the dividends of AED 0.097 due to IPO investors during first quarter of 2024.

Our steadfast commitment remains towards the realization of our mission – to open up a world of private markets to all investors through an innovative investment vehicle.

We look forward to navigating these uncharted waters with dedication and strategic foresight.”



Timothy Mattar

Chief Executive Officer

Summary of Financial Performance

Investcorp Capital delivered a robust set of financial results for the first quarter of fiscal year 2024 (Q1 FY24), achieving a net income of \$13 million. This represents a substantial 44% increase compared to the same period last year, which was driven by strong business activity.

Key highlights include:

- The net profit of \$13 million for Q1 FY24, substantially covers the dividends due to IPO investors for the first half of FY24 (north of 8% annualized).
- Return on equity (RoE) of 10%, calculated on a Last Twelve Months (LTM) basis.
- Gross operating income of \$19 million, and total operating expenses of \$3 million. The income-to-expense ratio stands at 6.3x.
- The portfolio's diversification is noteworthy, with 74% of assets invested in recurring fee / yield generating assets (excluding cash).
- The borrowing amount of \$163 million results in a leverage ratio of 0.13x, indicating a conservative financial position.

This performance demonstrates effective management and strategic decision-making by Investcorp Capital navigating the current market landscape.

Investcorp Capital's business is cyclical, and the first quarter usually sees lower volumes, making it not entirely reflective of the full fiscal year.

Key Metrics

	Sep'23	Jun'23
Total assets (\$m)	1,469	1,426
Gross leverage ratio	0.13x	0.03x
Co-investment / long-term capital ratio	0.60x	0.63x
Return on equity ¹	10% ²	9%
Cash generating assets / total assets (%)	74%	74%

Business Activity

Capital Financing Services

The Capital Financing Services business primarily acts as an underwriter for acquisitions of target assets which have a strong record and potential for growth.

During Q1 FY24, Investcorp Capital deployed \$217 million across global credit, corporate investments and real estate. Realized Capital Financing Services exposures amounted to \$87 million in Q1 FY24 across corporate investments and real estate.

The major activities during the quarter included:

The deployment into the issuance of one new European CLO, **Harvest 30**, which was successfully priced during the period.

The deployment into **Shearer Supply**, a leading independent distributor of HVAC equipment for residential and light commercial properties in the Southern United States.

¹ Calculated based on average equity

² Based on LTM September 2023

The deployment into **PT Multitrend Indo** (Mothercare Indonesia). Mothercare is Indonesia's leading baby and kids omni channel platform, operating more than 126 retail stores and distributing more than 21 brands including "Mothercare" and "ELC".

For real estate, the deployment into the **Student HMO II Portfolio**, a diversified real estate investment portfolio in eight individual student housing properties, located in five key regional university cities and the capital city in the United Kingdom.

Investcorp Capital also deployed into the **US light Industrial Portfolio**, a real estate investment portfolio comprising of 31 buildings properties totaling approximately 1.6 million square feet across five major US markets. The properties in the portfolio are located in geographies with strong demand for infill industrial projects and include Atlanta, Georgia, Boston, Massachusetts, Central New Jersey, Allentown, Pennsylvania and San Antonio, Texas. The properties will benefit from their locations in well-established markets within the United States that contain major population bases, diversified economies, and consistent rent growth.

Capital Deployments

Investcorp deploys capital as a principal investor along with its clients in various asset classes and acts as a strategic partner to drive growth of these business.

During Q1 FY24, \$45 million was invested across global credit, corporate investments, strategic capital and real estate. Proceeds from capital deployment investment realizations totaled \$27 million during Q1 FY24 across global credit and real estate. All realizations during the quarter were equal to or above the FV marks carried at June 30, 2023.

The major activities during the quarter included:

Investment into global credit, with the issuance of one new European CLO, **Harvest 30**

Investment into **Shearer Supply** and **Nexii**, Nexii provides a solution to address construction emissions caused by the heavy use of concrete (a carbon intensive mater) and inefficient, energy intensive tradition construction processes. Nexii's solution combines a propriety concrete alternative, Nexiite in a pre-fabricated panel form factor which is particularly well suited to standard design and retrofitting existing structures.

Furthermore, investment into the **Strategic Capital Fund**, as well as the investment into the **Student HMO II Portfolio** for real estate.