

February 27, 2020

Somers Limited
(“Somers”, the “Company” or the “Group”)

Financial Results for the quarter ended December 31, 2019

For Immediate Release - (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, is pleased to announce its results for the quarter ended December 31, 2019.

Overview of the quarter ended December 31, 2019:

- Net asset value (“NAV”) per share of \$20.41 as at December 31, 2019 (September 30, 2019: \$17.10);
- Shareholders’ equity of \$421.9 million as at December 31, 2019 (September 30, 2019: \$353.6 million); and
- Net income of \$74.6 million for the quarter (2018: loss of \$16.8 million).

Investment highlights:

- All material Regulatory and Government approvals were received post the quarter end for the sale of Bermuda Commercial Bank Limited (“BCB”);
- Resimac Group Limited (“Resimac”), remains Somers’ largest investment with a value of \$227.8 million and reported Assets under Management (“AuM”) at December 31, 2019 of A\$14.2 billion (June 30, 2019: A\$13.4 billion);
- Waverton Investment Management Limited (“Waverton”) completes acquisition of Timothy James & Partners bringing total Assets under Influence to £9.9 billion as at December 31, 2019; and
- MJ Hudson Group plc successfully completes its IPO on the London Alternative Investment Market, raising £30 million and valuing Somers’ investment at £10.4 million.

Commenting on the financial results, Warren McLeland, Chairman of Somers said:

“The first quarter of the year included buoyant global stock markets, clarity on Brexit and an agreement on phase 1 of the US/China trade war. This had a positive impact on Somers’ two main foreign currency exposures, Sterling and the Australian Dollar. On top of this, Resimac announced strong financial results during the quarter providing a significant increase to the valuation. This gain at Resimac, the positive move in the global markets and stronger foreign currencies enabled Somers to announce a record profit for the quarter of \$74.6 million and an increase in the Company’s net asset value to \$20.41. Importantly, our underlying investments continue to perform strongly with their core fundamentals continuing to provide excellent growth.

Alasdair Younie, Director of ICM Limited (Somers investment adviser), said:

“Post the quarter end we were delighted to announce that all material Regulatory and Government approvals had been received for the sale of BCB. We expect the sale to complete shortly and will advise shareholders of the anticipated use of the proceeds upon completion.”

Summary of Somers' results for the quarter ended December 31, 2019

Introduction

Somers recorded a profit of \$74.6 million (2018: loss of \$16.8 million) during the quarter primarily due to valuation increases at Resimac and PCF and the strengthening of both Sterling and the Australian Dollar against the US Dollar. The first quarter earnings per share was \$3.61 (2018: loss per share of \$0.84). The Company's net asset value per share ended the quarter at \$20.41 (September 30, 2019: \$17.10).

During the quarter Somers recorded a \$71.1 million gain on its investment portfolio (2018: loss of \$10.3 million). The gain was due to an increase in the value of Resimac on the back of continued strong financial results, an increase in the share price of PCF and an increase in the valuation of MJH resulting from its successful IPO. Partially offsetting this, was a valuation decrease at BCB and a decrease in the Thorn share price.

Net foreign exchange gains were \$13.2 million for the quarter (2018: loss of \$5.5 million). As at December 31, 2019 80% of Somers' investment portfolio was exposed to foreign currencies, primarily Sterling and the Australian Dollar, and over the course of the quarter these currencies increased in value versus the US Dollar by 7.7% and 3.9% respectively. These exchange gains were all unrealised.

Somers' total assets increased to \$512.3 million (September 30, 2019: \$423.1 million) due to the valuation and currency movements outlined above. The investment portfolio was \$507.0 million as at December 31, 2019 (September 30, 2019: \$410.3 million) with equity investments (\$503.2 million) accounting for 92.2% of this total. The remaining 0.8% (\$3.8 million) consisted of convertible loan notes and other financial investments. Within investments, Resimac at \$227.8 million, Waverton at \$76.0 million, BCB at \$75.0 million and PCF at \$61.2 million together represent 86.8% of total investments.

Borrowings

Total borrowings were \$73.6 million at December 31, 2019 (September 30, 2019: \$67.9 million) due to increased shareholder loans to fund investments.

Shareholders' Equity

Shareholders' equity increased by 21.6% to \$421.9 million as at December 31, 2019 (September 30, 201: \$353.6 million). During the December quarter Somers bought back 838 shares at an average cost per share of \$15.00 and the number of shares in issue as at December 31, 2019 was 20,670,010.

Directors and Officers Interest in Somers' Share Capital

At December 31, 2019, the Directors and Officers of the Company and their related interests had combined interests totaling 152,453 common shares representing 0.7% of the Company's issued share capital. No rights to subscribe to shares or debt securities in the Company have been granted to, or exercised by, any Director or Officer of the Company during the December quarter.



Media Contacts:

Alasdair Younie
Director
ICM Limited
Tel: 441-299-2897
Email: ay@icm.bm

ENDS -

About Somers Limited:

Somers is a listed financial services investment holding company whose major assets include: a 62.5% holding in Resimac Group Limited, a leading non-bank Australian financial institution with over A\$14 billion assets under management; 100% shareholding in Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, a 62.7% shareholding in UK specialist bank, PCF Group plc; and, a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £9.9 billion assets under influence. Somers has shareholders' funds of approximately US\$422 million. Somers' shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH). More details on the Company can be found at www.somers.limited