

May 19, 2022

FOR IMMEDIATE RELEASE

Somers Limited reports second quarter results

Somers Limited (“Somers” or “the Company”, BSX: SOM.BH), a financial services investment holding company, is pleased to report continued progress in its investment portfolio with a number of its larger investments continuing their strong operational growth although market volatility has had a negative impact on valuations. Net Asset Value (“NAV”) per share at the end of March was \$24.39 and shareholders’ equity was \$554.5 million.

Overview of the quarter ended March 31, 2022:

- Shareholders’ equity of \$554.5 million as at March 31, 2022 (September 30, 2021: \$617.8 million);
- Interim dividend of \$0.24 per share (2021: \$0.24);
- Net loss of \$46.9 million for the quarter (2021: net income of \$13.0 million) resulting from a decrease in the market value of the investment portfolio;
- Gearing ratio of 12.9% (September 30, 2021: 13.1%); and
- NAV per share of \$24.39 as at March 31, 2022 (September 30, 2021: \$27.70).

Investment highlights:

- Resimac Group Limited (“Resimac”), Somers’ largest investment, announced a 6% increase in half year net profit after tax, to a record A\$53.5 million while AuM is now A\$14.6 billion and the interim dividend increased by 67% to A\$0.04 per share;
- Waverton Investment Management Group Limited (“Waverton”) reported Funds under Management and Administration (“FUMA”) as at March 31, 2022 of £12.7 billion;
- MJ Hudson Group plc (“MJH”) announced an 89% increase in half year adjusted EBITDA to £3.4 million;
- Thorn Group Limited (“Thorn”) announced a special dividend of A\$0.07 per share following the completion of the sale of its Radio Rentals consumer finance business; and
- Aura Group announced for the year ended December 31, 2021 FUMA of A\$1.6 billion.

Commenting on the financial results, Peter Durhager, Chairman of Somers said:

“Somers financial results in the current financial year are being materially impacted by increased volatility brought on by high levels of inflation, rising interest rates, continued supply chain disruption and the conflict in Ukraine. Global central banks are focused on reducing inflation through increasing interest rates which is tightening financial conditions and stock markets are adjusting to the new paradigm. This has had an impact on valuations and is likely to continue in the short to medium term. However, as long term investors, Somers remains optimistic that our investments are well placed to withstand this period and continue to produce strong results. As such we are pleased to be able to maintain the interim dividend at \$0.24 per share.”

Summary of Somers' results for the quarter ended March 31, 2022

Introduction

During the quarter, Somers' investment portfolio reduced to \$583.8 million (December 31, 2021: \$640.8 million) owing to the current stock market volatility. Consequently the Company recorded a \$71.9 million loss on its investment portfolio (2021: gain of \$14.4 million). This resulted in a net loss in the quarter of \$46.9 million (2021: gain of \$13.0 million) and the resultant loss per share was \$2.20 (2021: earnings per share of \$0.60).

The unrealised loss was principally due to a decrease in the value of a number of the Company's investments. The Company's largest investment, Resimac, share price decreased by 9.3% during the quarter despite continuing to report strong underlying financial performance. PCF's shares were re-admitted to trading on AIM at the end of January 2022 but were suspended again on March 31, 2022 as the company had not published its financials for the year ended September 30, 2021 and the share price fell by 43% during the quarter. It is anticipated that the financials will be published during this quarter. In addition there were valuation decreases at Waverton and The Market Herald.

Net foreign exchange gains were \$11.1 million for the quarter (2021: loss of \$3.7 million). As at March 31, 2022 95.2% of Somers' investment portfolio was exposed to foreign currencies, primarily Sterling and the Australian Dollar. Over the course of the quarter, the Australian dollar increased in value versus the US Dollar by 3.4% and Sterling fell by 2.7%. These exchange gains were primarily unrealised.

Somers' total assets decreased over the quarter to \$628.2 million (September 30, 2021: \$715.4 million) due to the valuation decreases and currency movements outlined above. The investment portfolio was \$583.8 million as at March 31, 2022 (September 30, 2021: \$660.7 million) with equity investments (\$575.5 million) accounting for 98.6% of this total. The remaining portfolio investments consisted of other financial investments. Within investments, Resimac at \$324.3 million, Waverton at \$113.8 million, and Thorn at \$31.9 million together represent 80.5% of total investments. Somers' net asset value per share ended the quarter at \$24.39 (September 30, 2021: \$27.70).

Borrowings

Total borrowings were \$71.4 million at March 31, 2022 (September 30, 2021: \$82.0 million). Gearing remains at a modest 12.9% representing a slight decrease from the previous quarter. (September 30, 2021: 13.1%).

Shareholders' Equity

Shareholders' equity was \$554.5 million as at March 31, 2022 (September 30, 2021: \$617.8 million). Somers bought back 26,543 shares at an average price of \$19.00 per share during the March quarter and the number of shares in issue as at March 31, 2022 was 22,733,325.

Directors and Officers Interest in Somers' Share Capital

At March 31, 2022, the Directors and Officers of Somers and their related interests had combined interests totaling 111,814 common shares representing 0.49% of Somers' issued share capital. No rights to subscribe to shares or debt securities in Somers have been granted to, or exercised by, any Director or Officer of Somers during the March quarter.

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About Somers Limited:

Somers is a listed financial services investment holding company whose major assets include: a 62.4% holding in Resimac Group Limited, a leading non-bank Australian financial institution with A\$14.6 billion assets under management; a 61.8% holding in Waverton Investment Management Group Limited, a UK wealth manager with £12.7 billion funds under management and administration; and a 64.4% shareholding in UK specialist bank, PCF Group plc. Somers has shareholders' funds of approximately US\$555 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.