

27 November 2024

B.P. Marsh & Partners Plc
("B.P. Marsh", "the Company" or "the Group")

Follow on Investment - XPT Group LLC ("XPT")

B.P. Marsh and Partners Plc (AIM: BPM), the specialist private equity investor in early stage financial services businesses, is pleased to announce that it has provided XPT with a further US 12.6m, structured via both a purchase of existing equity and an additional loan facility.

This provision of funding will take place alongside the extension of XPT's current banking facilities. At present, XPT has a US 67m banking facility with Apogem Capital LLC ("Apogem"). Alongside, B.P. Marsh's new investment, Apogem will provide an additional US 55m loan facility, increasing XPT's overall banking facility to US 122m.

Given this increase, Apogem has syndicated the loan facility with First Eagle Bank, which is providing a portion of the additional funds. First Eagle Bank, headquartered in Chicago, Illinois, was established in 1991. The bank has grown to manage approximately US 600 million in assets and over US 100 million in capital, making it one of the most well-capitalised banks in the Chicago area.

The Group's provision of funding has been structured as follows:-

- An equity share purchase from three members of XPT's senior management; and
- A new loan facility of US 6.3m which will attract an interest rate of SOFR plus 4.7% (subject to a minimum of 10%).

After the Group's equity share purchase, and XPT's new Q4 investments, the Group's fully diluted shareholding in XPT will be 29.63%.

The transaction has been financed using the Group's existing cash reserves.

The Group's new loan facility, combined with additional bank financing, will enable XPT to achieve its growth targets through organic expansion, individual hires, and mergers & acquisitions.

Following these new funding arrangements, XPT's Platinum Specialty Underwriters program business will complete investments in the Property and Professional Liability product segments.

In XPT's current financial year to 31 December 2024, the business is on track to produce Gross Written Premium of close to US 1bn (31 December 2023: US 675m).

As announced in the Group's most recent set of results for the half year to 31 July 2024, the valuation of the Group's stake in XPT increased by 20.8% over the prior six months, producing an associated internal rate of return of 31%.

Dan Topping, Chief Investment Officer of the Company, commented:

"We are delighted to support XPT Group with this additional funding. This investment reflects our continued confidence in XPT's robust business model and impressive growth trajectory. Since our initial involvement in 2017, XPT has demonstrated exceptional performance, driven by strategic acquisitions, talent hires, and solid organic growth.

By increasing our equity stake and providing further loan support, we are reinforcing our commitment to XPT's ongoing expansion. We look forward to seeing this new capital boost XPT's growth strategy as they continue to cement their position in the market.

We are also pleased to welcome First Eagle Bank as a financial institution providing further funding support to XPT allowing it to continue its growth trajectory."

XPT's Chief Executive Officer, Thomas Ruggieri stated:

"We remain appreciative of the continued support from B.P. Marsh. This latest round of funding further solidifies our partnership and provides XPT with the resources to accelerate our strategic growth initiatives.

Since our founding in 2017, we have focused on expanding our footprint through both acquisitions and organic growth, allowing us to reach nearly 1 billion in Gross Written Premium this year.

This new funding from B.P. Marsh, coupled with the increased banking facility from Apogem and now First Eagle Bank, empowers us to pursue new opportunities, strengthen our team, and continue to deliver exceptional value to our clients across the United States."

For further information:

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Notes to Editors:

B.P. Marsh's current portfolio contains seventeen companies. More detailed descriptions of the portfolio can be found at www.bpmarsh.co.uk.

Since formation over 30 years ago, the Company has assembled a management team with considerable experience both in the financial services sector and in managing private equity investments. Many of the directors have worked with each other in previous roles, and all have worked with each other for over ten years.

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