

24 February 2025

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

Trading Update

B.P. Marsh & Partners Plc (AIM: BPM), the specialist venture capital investor in early stage financial services businesses, provides an update on trading for the Group's financial year to 31 January 2025.

Highlights

- Continued strong performance from the portfolio
- The Group completed two disposals during the year, CBC UK Limited in the first half of the year and Lilley Plummer Holdings Limited in October 2024, generating aggregate upfront cash proceeds of £65.7m from investment amounts of £0.3m
- Three new investments were undertaken during the year, SRT & Partners Limited, Volt UW HoldCo Ltd and CEE Specialty s.r.o
- Group funds stood at £74.1m as at 31 January 2025 compared to £40.5m at 31 January 2024
- The Group remains debt free
- The Group has a robust pipeline of potential new and follow-on investments
- It remains the Group's intention to pay a dividend of at least £5.0m per annum in each of the financial years ending 31 January 2026, 2027 and 2028
- The Board remains pleased by the Group's ongoing performance and will be releasing its Annual Results for the year to 31 January 2025 on 10 June 2025

Dividend and Share Buy-Back Programme

Dividend

- Aggregate dividends paid and proposed (since flotation) of £31.8m (89.9p per share, float price 140.0p per share)
- As previously announced on 23 January 2025, the Company will pay an Interim dividend of 6.78p per ordinary share, or £2.5m in the aggregate, on 28 February 2025 to all shareholders on the Register as at 31 January 2025, an increase of 153% up from 2.68p per ordinary share on the last Interim Dividend (or £1m in the aggregate) paid in March 2024
- It remains the Company's intention to pay a dividend of at least £5.0m per annum in each of the financial years ending 31 January 2026, 2027 and 2028, subject always to the Board's right to recommend an increased or decreased Final Dividend, for example in the event of significant realisations or capital commitments

Share Buy-Back Programme

- As previously announced on 31 October 2024, the Company agreed to add a further £1m to the Programme, bringing the ongoing Share Buy-back budget to £1.16m
- During the six-month Period to 31 January 2025 the Company bought back shares on 22 days, resulting in aggregate a total of 93,570 shares were repurchased for £506,989 and an average price of 540p per share
- The current discount of 5.55% to our Net Asset Value per share has now meant the Company is unable to buy back shares under its Share Buy-back programme, but is subject to review

Disposals

Lilley Plummer Holdings Limited ("Lilley Plummer Risks" or "LPR")

In October 2024, the Group agreed to sell its fully diluted 28.4% shareholding in Lilley Plummer Holdings Limited, the 100% owner of specialist Lloyd's broker Lilley Plummer Risks Limited, to Clear London Markets Limited. LPR is a London-based Lloyd's Broker.

Upon completion, the Group received £21.7m in cash (net of all transaction costs), representing a 26% uplift on the Group's latest valuation of the investment as at 31 July 2024.

The sale represented an Internal Rate of Return of 93.5% at completion.

CBC UK Limited ("CBC")

In March 2024, B.P. Marsh completed the sale of its 43.8% shareholding in Paladin Holdings Limited, the parent company of CBC, to Specialist Risk Group Limited. CBC is a London-based Lloyd's Broker.

Upon completion, the Group received £42.1m (net of all transaction costs), reflecting a 38.0% increase from its most recent valuation as at 31 July 2023.

In September 2024, the Group received a further £1.9m in respect of a post completion working capital adjustment to the proceeds. This brought the total proceeds received to £44.0m.

This transaction delivered an Internal Rate of Return of 44.5% at completion.

New Investments

During the Group's financial year to 31 January 2025, three new investments were completed. Origination continues to be network-driven and management team partners are often well known to B.P. Marsh. There is no bias towards particular geographies or products provided that the management team has a credible business plan to deliver attractive returns.

Devonshire UW Limited ("Devonshire") - UK - March 2024

The Group acquired a 30% Cumulative Preferred Ordinary shareholding in Devonshire for £300,000 alongside a loan facility of £1.7m in March 2024.

Devonshire continues to establish itself as a specialist underwriting agency, concentrating on transactional risks, including Warranty & Indemnity, Specific Tax, and Legal Contingency Insurance. Devonshire achieved Gross Written Premium of £12.7m in its first year of operating.

Since the business was established, Devonshire has made a number of strategic hires, which has expanded Devonshire's capabilities and expertise.

SRT & Partners Limited ("SRT") - UK - October 2024

SRT is a start-up Lloyd's and London Market focused wholesale and retail insurance broker, with a combined growth strategy of building a London Market presence, alongside the organic expansion of its already established UK wide client base and the future targeted acquisitions of UK retail brokers, who are independently owned and known to the SRT Management team.

At completion, SRT utilised the Group's funds to complete on its first two acquisitions, being Read Hunt Limited, an independent retail insurance broker, and First Business Finance Limited an independent asset finance broker, as part of a strategy to leverage both businesses to deliver a complementary revenue stream.

B.P. Marsh acquired a 30% Cumulative Preferred Ordinary shareholding in SRT and has provided £2.5m of funding via a mixture of equity and loan, which has been fully drawn down since completion.

Volt UW HoldCo Ltd ("Volt") - UK - October 2024

A London-based start-up underwriting agency which specialises in energy insurance with a clear focus on insuring property risks associated with power generation and midstream energy, in both the non-renewable and renewable sectors.

B.P. Marsh subscribed for a 25.5% Cumulative Preferred Ordinary shareholding in Volt and has agreed to provide funding of up to £2.5m via both equity and a loan facility, which has been partially drawn upon since completion.

CEE Specialty s.r.o. ("CEE Specialty") - Czech Republic - September 2024

An underwriting agency which specialises in Marine Hull, Bonds and Liability Insurance, focused on Central and Eastern Europe.

CEE Specialty was founded in 2019 by James Grindley (CEO) and Tomáš Maršálek (CFO) and is headquartered in Prague, Czech Republic, with a branch office in Bucharest, Romania.

The company comprises a team of 15 insurance professionals. B.P. Marsh acquired a 44% shareholding in CEE Specialty and provided a total of €3.3m of funding, which was utilised in full to undertake a management buy-out from Roylton Capital Investors II L.P., an alternative investment fund manager.

Follow on Funding and Investments

XPT Group Limited ("XPT") - USA

In November 2024, the Group announced a follow-on investment in XPT of US 12.6m (£10.0m) structured via both a purchase of existing equity and an additional loan facility.

The new loan facility of US 6.3m attracts an interest rate of SOFR plus 4.7%, subject to a minimum of 10%. Post the Group's equity share purchase it will have a fully diluted shareholding in XPT of 29.63%.

As announced in the Group's half year results, the valuation of the Group's stake in XPT increased by 21% over the prior six months, producing an Internal Rate of Return of 31% since investment. XPT's 2025 budget shows strong year on year growth, having achieved adjusted EBITDA for 2024 of circa 23m.

Pantheon Specialty Group Limited ("Pantheon") - UK

In October 2024, the Group acquired a further 5% stake in Pantheon Specialty for a cash consideration of £12.5m, thereby increasing its shareholding from 32% to 37%.

The Group had first taken a stake in Pantheon in June 2023, when it acquired a 25% stake, which increased to 32% in May 2024.

Since the Group's investment, Pantheon has delivered strong performance, and in its financial year up to 31 December 2024 produced an adjusted EBITDA in excess of £16m. We expect this positive momentum will continue into 2025 and beyond.

The additional equity purchased demonstrated the Group's confidence in Pantheon's future growth prospects. The Group's valuation of Pantheon has risen strongly having increased by 48% in the six months to 31 July 2024 and with the Group's investment in October 2024 representing a further increased valuation.

Other Investee Company Highlights

ATC Insurance Solutions PTY Limited ("ATC") - Australia

ATC continues to demonstrate strong performance across its diverse portfolio of products, including accident & health, motor, and sports insurance, among others.

For the financial year ending 30 June 2024, ATC achieved substantial year-on-year growth in Gross Written Premium, Revenue, and EBITDA. Specifically, ATC generated GWP of over AU 180m, marking a significant increase over the previous financial year.

Looking ahead, ATC has an ambitious budget for the financial year ending 30 June 2025, looking to increase GWP by over 20%, building on its previous success. The Group remains confident in ATC's potential for sustained growth.

Stewart Specialty Risk Underwriting Ltd ("SSRU") - Canada

Performance of SSRU over 2024 was strong, with EBITDA performance having more than doubled since 2020. SSRU's budget for 2025 shows strong year on year growth, and the Group remains confident that performance to date can continue moving forward.

SSRU remains actively engaged in seeking new partnerships, consistently introducing additional capacity to the Canadian market.

The Group acquired a 30% shareholding in SSRU for £17, which is now valued at £11.8m.

Ai Marine Risks Limited ("Ai Marine") - UK

Ai Marine since start-up in 2024 has established itself as a specialist Marine and Transport underwriting agency.

Ai Marine has set ambitious growth targets as it broadens its market presence, alongside opening of new offices in Norway and Sweden as part of its multi-faceted growth strategy.

New Business Opportunities

The Group continues to experience strong interest in new business opportunities, having received 73 new business enquiries in the period to 31 January 2025, an increase from 71 in the previous year. Currently the Group has 8 potential opportunities under review, all of which align with our core focus in the insurance and financial intermediary sector.

Insurance Market Outlook

The Group continue to track key trends in the insurance sector in which we operate, with a specific focus on premium rates and mergers and acquisitions (M&A) activity.

Given the portfolio predominantly operates in specialist risk areas, rates tend to be less volatile and therefore we remain confident that our portfolio is suitably prepared to weather a softening market.

The ongoing consolidation trends in the insurance market show no signs of slowing down as we move into 2025. This activity remains a catalyst for substantial prospects for the Group, both in terms of new investments and activity within our core portfolio.

Furthermore, both the Group and its portfolio companies continue to attract interest from entrepreneurial individuals and teams who are seeking to remain outside of this consolidation process, creating further avenues for new investments, strategic partnerships and expansion in the year ahead.

Liquidity and Loan Portfolio

Group funds were £74.1m as at 31 January 2025 (31 July 2024: £80.2m).

Between 31 July 2024 and 31 January 2025, the Group made realisations of £21.7m in respect of the sale of LPR.

In addition, in September 2024 the Group also received a further £1.9m as a post completion working capital adjustment in respect of its sale of Paladin in March 2024. This increased the aggregate proceeds received to date to £44.0m.

The Group also invested £20.0m in equity funding into the portfolio. £17.5m represented follow-on funding into the existing portfolio, including £12.5m in Pantheon and £5.0m in XPT. The remaining £2.5m was made into new portfolio investments, including £2.4m in CEE Specialty and £0.15m in SRT.

The Group's loan portfolio balance increased from £19.2m as at 31 July 2024 to £27.6m at 31 January 2025.

During the six-month period to 31 January 2025 the Group provided aggregate loans of £9.9m, either as new loans or drawdowns from existing facilities, including £5.0m to XPT, £2.3m to SRT, £1.2m to Volt, £0.5m to Devonshire, £0.4m to Ai Marine, £0.4m to Management of CEE Specialty and £0.08m to Verve.

The Group also received £1.6m in aggregate loan repayments since 31 July 2024, including £1.0m from Pantheon, £0.2m from Eidun and £0.4m from Brown & Brown (Europe) Holdings Limited which was a loan made as part of the Group's sale of its

financia and loan from Brown & Brown (Europe) Holdings Limited which was a loan made as part of the Group's sale of its investment in Kentro Capital Limited in October 2023, and is now settled.

In addition, the Group received £1.0m from the B.P. Marsh Employees' Share Trust in respect of the Group's Joint Share Ownership Plan and undertook £0.5m of share buy-backs since 31 July 2024.

The current cash and treasury balance is £74.0m and the Group is debt free. Treasury funds are all in one month or less deposit accounts.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which forms part of domestic law in the United Kingdom pursuant to The European Union Withdrawal Act 2018, as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019.

For further information, please visit www.bpmarsh.co.uk or contact:

B.P. Marsh & Partners Plc
Brian Marsh OBE / Alice Foulk

+44 (0)20 7233 3112

Nominated Adviser & Joint Corporate Broker:
Panmure Liberum Limited
Atholl Tweedie / Anrit Mahbubani / Ailsa MacMaster

+44 (0)20 7886 2500

Joint Corporate Broker:
Singer Capital Markets Advisory LLP
Charles Leigh Pemberton / James Moat / Asha Chotai

+44 (0)20 7496 3000

Financial PR & Investor Relations:
Tavistock
Simon Hudson / Katie Hopkins / Kuba Stawiski

bpmarsh@tavistock.co.uk
+44 (0)20 7920 3150

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 approaching fifteen years.

- Ends -

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTKZGZZNFDGKZM