

February 11, 2022

**FOR IMMEDIATE RELEASE**

**Somers Limited reports first quarter results**

Somers Limited (“Somers” or “the Company”, BSX: SOM.BH), a financial services investment holding company, is pleased to report positive progress in its investment portfolio with a number of its larger investments continuing their strong progress although market volatility has had a negative impact on valuations. Net Asset Value (“NAV”) per share at the end of December was \$26.32 and shareholders’ equity was \$586.5 million.

**Overview of the quarter ended December 31, 2021:**

- Shareholders’ equity of \$586.5 million as at December 31, 2021 (September 30, 2021: \$617.8 million);
- Net loss of \$22.5 million for the quarter (2020: income of \$190.0 million) resulting from a decrease in the value of the investment portfolio by 3.0%;
- Gearing ratio of 14.2% (September 30, 2021: 13.1%); and
- NAV per share of \$26.32 as at December 31, 2021 (September 30, 2021: \$27.70).

**Investment highlights:**

- Resimac Group Limited (“Resimac”), Somers’ largest investment, announced record home loan settlements of A\$2.5 billion for the period July to October 2021 an increase of 72% on the prior comparative period;
- Waverton Investment Management Group Limited (“Waverton”) reported Funds under Management and Administration (“FUMA”) as at December 31, 2021 of £12.8 billion;
- Aura Group announced that it had surpassed A\$1 billion in FUMA;
- Post the quarter end PCF Group plc (“PCF”) shares were re-admitted to trading on AIM and PCF released its interim results for the six months ended March 31, 2021; and
- Thorn Group Limited (“Thorn”) announced that it had completed the sale of its Radio Rentals consumer finance business and post the quarter end announced a special dividend of A\$0.07 per share.

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

“The first quarter of the financial year was characterised by volatility in the stock markets which has noticeably increased into 2022. Whilst our investee companies continue to perform well the listed share prices were under pressure during the quarter. As a result, our NAV per share decreased by 5.0% to \$26.32.

As global central banks commence and contemplate raising interest rates in 2022 and remove excessive liquidity from the financial system, combined with Covid-19 transitioning from a pandemic to being endemic, we believe that bouts of volatility may be more commonplace. However, it is important to note that the business models of our investee companies remain sound, and Somers is well positioned for this environment. The Board remains cautiously optimistic.”

## **Summary of Somers' results for the quarter ended December 31, 2021**

### **Introduction**

During the quarter, Somers' investment portfolio reduced by 3.0% owing to stock market volatility and consequently the Company recorded a \$24.4 million loss on its investment portfolio (2020: gain of \$179.9 million). This resulted in a net loss in the quarter of \$22.5 million (2020: gain of \$190.0 million) and the resultant loss per share was \$1.01 (2020: earnings per share of \$8.90).

The unrealised loss was principally due to a decrease in the value of the Company's largest investment, Resimac, whose share price decreased by 8.5% during the quarter despite continuing to report strong underlying performance. PCF's shares were re-admitted to trading on AIM at the end of January 2022 and the carrying value of these shares at December 31, 2021 was set at £0.14 being the average closing value of these shares for the five day period following recommencement of trading. Partially offsetting this were valuation increases at Waverton, which is experiencing further FUMA growth and positive financial performance and Thorn, whose share price increased almost 50% during the quarter following the announcement that it had completed the sale of its Radio Rentals consumer finance business.

Net foreign exchange gains were \$2.5 million for the quarter (2020: gain of \$25.0 million). As at December 31, 2021 95.7% of Somers' investment portfolio was exposed to foreign currencies, primarily Sterling and the Australian Dollar. Over the course of the quarter, both currencies increased in value versus the US Dollar, with the Australian Dollar increasing by 0.6% and Sterling by 0.3%. These exchange gains were primarily unrealised.

Somers' total assets decreased over the quarter to \$694.5 million (September 30, 2021: \$715.4 million) due to the valuation decreases and currency movements outlined above. The investment portfolio was \$640.8 million as at December 31, 2021 (September 30, 2021: \$660.7 million) with equity investments (\$632.3 million) accounting for 98.7% of this total. The remaining portfolio investments consisted of other financial investments. Within investments, Resimac at \$346.1 million, Waverton at \$127.9 million, and Thorn at \$32.7 million together represent 79.1% of total investments. Somers' net asset value per share ended the quarter at \$26.32 (September 30, 2021: \$27.70).

### **Borrowings**

Total borrowings were \$78.7 million at December 31, 2021 (September 30, 2021: \$77.1 million) with a slight increase in the level of gearing to 14.2% (September 30, 2021: 13.1%).

## **Shareholders' Equity**

Shareholders' equity was \$586.5 million as at December 31, 2021 (September 30, 2021: \$617.8 million). Somers bought back 18,393 shares at an average price of \$19.00 per share during the December quarter and the number of shares in issue as at December 31, 2021 was 22,285,533.

## **Directors and Officers Interest in Somers' Share Capital**

At December 31, 2021, the Directors and Officers of Somers and their related interests had combined interests totaling 111,486 common shares representing 0.50% 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 December quarter.

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### About Somers Limited:

Somers is a listed financial services investment holding company whose major assets include: a 62.3% holding in Resimac Group Limited, a leading non-bank Australian financial institution with over A\$16 billion assets under management; a 62.2% holding in Waverton Investment Management Group Limited, a UK wealth manager with £12.8 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\$587 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](http://www.somers.limited).