



## PRESS RELEASE

# INOVEST Announces Financial Results for the Third Quarter of 2018

**Manama, Bahrain; November 4<sup>th</sup> 2018:** INOVEST announced its financial results for the first nine months of 2018, reporting a consolidated net profit attributable to parent shareholders of US\$12.31 million, representing a 35% decline as compared to US\$18.90 million for the same period of last year. The decline continues to stem from Recoveries due to Impaired Receivables booked during 2017. The Group also reported that Earnings Per Share attributable to the equity shareholders of the parent company in the nine months of 2018 amounted to US cents 4.35 as compared to US cents 6.64 for the same period in 2017. Within the same timeframe this year, the consolidated net operating profit increased by 15% from US\$10.39 million to US\$11.92 million. The operating income similarly increased by 11%, reaching US\$19.52 million in comparison to US\$17.64 million for the same period of 2017. This quarter on quarter improvement is the result of consistent growth and delivery from the Group's Contracting arm as well as rental income from leased investment properties, as well as capital gains from exiting one of the Company's investments. On the other hand, the Group's operating expenses remained reasonably stable, standing at US\$7.60 million in the first nine months of 2018 in comparison to US\$7.25 million for the same period of 2017, reflecting a marginal increase of 5% linked to real estate investments.

Looking at the Group's key balance sheet indicators, the Equity Attributable to Parent Shareholders, increased by 10% to stand at US\$134.83 million at the end of the of September 30<sup>th</sup> 2018 in comparison to US\$122.40 million at 2017 year-end. Within the same period, INOVEST reported consolidated total assets of US\$272.56 million, representing an increase of 3% during the first nine months of 2018 in comparison to US\$265.35 million as of 2017 year-end. On the liquidity front, INOVEST maintained its liquidity position, with cash and bank balances representing 11% of the total consolidated assets. As of September 30<sup>th</sup> 2018, the cash and bank balances rose to reach US\$30.38 million, a 40% increase from US\$21.740 million as of 31 December 2017.

A more detailed look at INOVEST's quarterly financial results illustrates that for the three months ended 30 September 2018, INOVEST's recorded a consolidated net profit attributable to the parent shareholders of US\$2.14 million in comparison to US\$1.64 million for the same quarter of last year representing an increase of 31%. Accordingly, the Earnings Per Share attributable to the equity shareholders of the parent company for the third quarter of 2018 amounted to US cents 0.76 as compared to US cents 0.57 for the same period in 2017. The consolidated net operating profit for this quarter increased by 40% to reach US\$2.10 million in comparison to US\$1.50 million for the third quarter of 2017. The operating income for this quarter increased by 16% to reach US\$4.63 million in comparison to US\$3.97 million for the third quarter of 2017.

Commenting on the results, INOVEST's Chairman Dr. Omar Al Mutawa said, "The Group's performance within the past nine months gives us an appropriate level of optimism and assurance that we will close this year on a successful note despite regional economic fluctuations. Looking forward, we have endeavored to set a specific mandate for the creation of sustainable growth platforms to propel our performance and deliver results in a calculated manner. We have thankfully begun to see the results of this through both financial and administrative improvements in our project portfolio, and in improving asset performance. Moreover, under an overarching strategy to assimilate a distinct portfolio of investments, we have begun to assess a number of direct investment opportunities as well as considerations for exits from legacy investments." Dr. Al Mutawa further noted, "This year also brings with it the development of a new strategic three-year plan, which has at its core the principles of growth, diversity and sustainability. Within those parameters, the Group's investment structure will continue to balance opportunistic direct investment into well assessed and calculated opportunities with investments in identified value added sectors." Ob behalf of the Board of Directors, Dr. Al Mutawa expressed their faith in the Group's resource and asset base, and in INOVEST's ability to deliver tangible value to its stakeholders.

# INOVEST.

From his end, Acting CEO, Mr. Yasser Al Jar, noted that the successful culmination of several initiatives spearheaded by the Executive Management under the guidance of the Board of Directives have created a positive impact on the Group's financial position; citing clear cooperation between the two as a cornerstone of the Group's success. Mr. Al Jar illustrated that the Group's key financial indicators such as operating income, net operating income, total assets and cash balances have all rallied positively on a quarterly basis, as has the Group's liquidity position which has a clear impact on Shareholder Equity. He explained that these indicators have been consistently positive in spite of a decline in Net Profit attributable to the Parent Company, which is primarily due to provisions taken across the previous year. "We have sought this quarter, to sustain our efforts towards enhancing performance within our current investments whilst effectively managing operating expenses. This is all to lay the grounds for forthcoming strategic initiatives designed not only to translate goals to reality, but also to deliver value additions to our shareholders and to the communities we serve."

It is noted that this press release and INOVEST'S financial results are available on Bahrain Bourse and Boursa Kuwait's websites, and that INOVEST is listed under the respective ticker/trading codes "INOVEST\$" and "INOVEST/817".

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## About INOVEST

Established in 2002 in the Kingdom of Bahrain, INOVEST is a Category 1 Investment Firm (Shari'a Principles) regulated by the Central Bank of Bahrain and publicly listed on both Bahrain Bourse and Boursa Kuwait. INOVEST's business spans three principle areas: direct investment, asset management, and real estate investment. Based in the Kingdom of Bahrain, INOVEST is the ultimate parent company for Al Khaleej Development Company "**Tameer**", Bahrain Investment Wharf "**BIW**" and Tamcon Contracting Co. For more information, please visit [www.inovest.bh](http://www.inovest.bh)