



## PRESS RELEASE

# INOVEST's Net Profit Reaches US\$ 17.3 million in the First Half of 2017

- *Net profit up by 220% in comparison to the first half in 2016*
- *Operating Net Profit up by 65% in comparison to the first half of 2016*
  - *13% Return on Equity*

**Manama, Bahrain; August 1<sup>st</sup>, 2017:** INOVEST Group today announced its financial results for the first half of 2017, reporting impressive performance and solid profitability with an increase of 220% in consolidated net profit attributable to equity shareholders of US\$17.3 million as compared to US\$5.4 million in the first half of 2016. For the three months ending June 30th, 2017, the Group realized a net profit of US\$9.1 million in comparison to US\$2.2 million for the same period in 2016.

The Group's quarter-on-quarter profitability and positive performance illustrate the soundness of its business strategy and the Group's commitment to the implementation of that strategy. Looking at INOVEST's financial results show operating income has increased by 49%, reaching US\$13.7 million in the first half of 2017 compared to US\$9.2 million in the first half of 2016. Additionally, net operating profit rose by 65% to US\$8.9 million in the first six months of 2017 compared to US\$5.4 million for the same period last year. The Group reported Earnings Per Share in the second half of 2017 of US cents 6.06 compared to an Earnings Per Share of US cent 1.89 for the same period in 2016.

The Group's balance sheet reflects a strong position and steady growth with a 5% increase in total assets to reach US\$275.7 million as compared to US\$262.9 million at the end of 2016. The Group remained committed to settlement of its financial obligations such that its financing liabilities saw a decline of 11% to drop to US\$14.7 million as of 30 June 2017 compared to US\$16.4 million as of last year-end. On a liquidity front, the group position remains solid with cash representing 14% of total assets. Other key performance indicators on INOVEST's financial results for the first half of 2017 include a capital adequacy ratio standing at 133% as compared to the Central Bank of Bahrain minimum of 110%, Return on Assets of 6.6%, and a Return on Equity of 13%.

Mr. Khaled Al Sanaousi, Chairman of INOVEST Board of Directors expressed his satisfaction with these results, "We are very pleased with INOVEST's continued commitment to delivering positive results. The Group's ability to sustain such performance and to deliver on its set objectives is a clear indication of the relevance of our business strategy and of our ability to dynamically adapt and improve in a challenging business environment. God willing, with our performance and results standing as they do at the close of the second quarter of 2017, we are confident that our objectives for the year will be met, and that our second year in a three-year strategy will be another profitable and successful one."

From his end, CEO, Murad Al Ramadan, commented on the Group's performance, "Our income this quarter stem from several grounds; initially, from a strategic increase in our shareholding within an existing investment which has seen positive performance improvement, but also from the sale of



investment properties, growth in rental income, as well as a remarkable improvement in the performance of our subsidiaries and associates. On the other end our wholly owned subsidiary Tamcon Contracting continued its sustainable performance, with more projects awarded from the public and private sector alike. All the while, this has been against effective management of our operating expenses.”

Mr. Al Ramadan, further noted, “At this midpoint in the implementation of our three-year strategy, we are extremely pleased to be able to say that we were able to achieve a true turnaround in our performance, and the creation of a solid foundation for our future development. Earlier this year, we celebrated the achievement of our return to profitability in 2016 followed by the unveiling of our refreshed brand identity. These two milestones represent key objectives within our overall strategy. We believe that another objective of our strategy which focuses on sustaining growth and yielding continuously strong financial results is already seeing light. To that end, a portfolio of investment opportunities is continually being cultivated and assessed in sectors we have mentioned are of interest to us. Our efforts in the coming quarters of 2017 will demonstrate a continued commitment to utilizing our capabilities in delivering value additions to our shareholders and to the communities we serve.”

-Ends-

#### **About INOVEST**

Established in 2002 in the Kingdom of Bahrain, INOVEST is a Sharia’a compliant Category 1 investment firm regulated by the Central Bank of Bahrain and publicly listed on both the 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 parent company for Al Khaleej Development Company “Tameer” and Tamcon Contracting Co. For more information, please visit [www.inovent.bh](http://www.inovent.bh)