



## PRESS RELEASE

# INOVEST Announces Financial Results for the Third Quarter of 2019

**Manama, Bahrain; November 3<sup>rd</sup>, 2019:** INOVEST announced its financial results for the first nine months of 2019, reporting a consolidated net profit attributable to parent shareholders of US\$5.01 million, representing a 59% decline as compared to US\$12.31 million for the same period of last year. The Group also reported that Earnings Per Share attributable to the equity shareholders of the parent company in the third quarter of 2019 amounted to US cents 1.77 as compared to US cents 4.35 for the same period in 2018. Within the third quarter of 2019, the consolidated net operating profit declined by 66% from US\$11.92 million to US\$4.10 million. This is a result of an expected decrease in revenue from the Group's contracting activities, from completion of a major government project, and the capital gain from disposal of an investments that has been taken place in the same period of last year. Accordingly, the operating income declined by 30% in the third quarter of this year, reaching US\$13.67 million in comparison to US\$19.52 million for the same period of 2018. The Group's operating expenses saw an increase of 26%, standing at US\$9.57 million in the third quarter of 2019 in comparison to US\$7.60 million for the same period of 2018. The increase stems, as in previous quarters this year, from completion of a major government project and therein the reclassification of labour expenses within the Group's contracting arm from a project level cost to an operational level. Further looking at the Group's key balance sheet indicators, the Equity Attributable to Parent Shareholders, declined slightly by 1% to stand at US\$135.83 million at the end of the of September 30<sup>th</sup> 2019 in comparison to US\$136.53 million at the end of 2018. Within the same period, INOVEST reported consolidated total assets of US\$244.48 million, representing a decline of 8% during the third quarter of 2019 in comparison to US\$267.00 million at the end of 2018. On the liquidity front, cash and bank balances continue to represent a healthy 16% of the total consolidated assets. As of September 30<sup>th</sup>, 2019, the cash and bank balances rose to reach US\$40.10 million, a 10% increase from US\$36.38 million at the end of 2018. The increase in liquidity is largely the result of revenues from contracting investment activities and exits from investments.

Looking at the quarterly results illustrates that for the third quarter of the current year, INOVEST recorded a consolidated net profit attributable to the parent shareholders of US\$0.71 million in comparison to US\$2.14 million for the same quarter of last year, representing a 67% decrease and, accordingly, the Earnings Per Share attributable to the equity shareholders of the parent company for the third quarter of 2019 amounted to US cents 0.25 as compared to US cents 0.76 for the same period in 2018. The consolidated operating income for this quarter also decreased by 18% to reach US\$3.80 million in comparison to US\$4.60 million for the third quarter of 2018. The net operating profit decreased by 67% to US\$0.70 million for the third quarter ended 30 September 2019 compared to US\$2.10 million for the same period last year.

Commenting on the results, INOVEST's Chairman Dr. Omar Al Mutawa said, "Our results for this and previous quarters are in line with the expectations delineated in our 2019 strategic plan and are furthermore a reflection of the oscillations and challenges within our industry and the wider economic climate. INOVEST's performance over the past nine months continues to be an indicator of the Group's ability to overcome challenges, to strive towards and meet the goals established within our strategy, and to deliver sustainable improvements and growth through well assessed directives.

From his end, CEO of INOVEST, Mr. Yasser Al Jar, said "Our key financial indicators have held steady, with continued profitability and solid liquidity as well as a seasoned approach towards the impact of market challenges and business fluctuations. We remain true to the achievement of our corporate and investment objectives, specifically towards maturing and in due course announcing opportunities within the industrial, education, and healthcare sectors. Within our existing investments we have undertaken initiatives towards improving performance and returns which will reflect positively on the Group level performance in the coming quarters and ensures that we continue to work towards and achieve a solid, sustainable, business platform."



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)