

SHARE PRICE: 37.00p *
* as at 11 March 2021

NAV/SHARE: 59.4p

DISCOUNT: 37.7% *



ABOUT LMS CAPITAL PLC

LS Capital plc (“LMS” or “the Company”) is fully listed investment company. We harness experience, capital and access to specialist investment teams to create enhanced shareholder returns for family offices, high net worth investors and others.

We seek to achieve a balance between preserving and growing wealth. We expect to deliver an overall total return, net of costs, over the longer term of 12% to 15% per annum, of which an element will include an annual distribution.

FULL YEAR ENDED 31 DECEMBER 2020

The Company published its audited results for the year ended 31 December 2020 on 12 March 2021.

Financial Highlights

- The net asset value (“NAV”) at 31 December 2020 was £47.9 million, 59.4 pence per share (31 December 2019: £56.0 million, 69.3 pence per share);
- Dividends to Shareholders - £3.7 million, or 4.55p per share comprising a special dividend to shareholders of 4.25p per share in January 2020 and an interim dividend of 0.3p per share in September 2020;
- Excluding the impact of dividends to shareholders, NAV over the year reduced by a net £4.4 million, 5.3p per share, comprising a reduction of £6.1 million in the first half of the year, in large part due to the impact of Covid-19 on portfolio investment valuations, and an increase of £1.7 million in the second half;
- The portfolio showed an overall net reduction in value on the year of £2.1 million from net realised and unrealised losses and foreign exchange movements (2019: £0.8 million);
- Running costs were £1.7 million and there were an additional £0.2 million of investment related costs, bringing total overheads to £1.9 million (2019: £1.8 million running costs and an additional £1.4 million of non-recurring costs of legal and advisory fees, bringing total 2019 overheads to £3.2 million);

- Cash proceeds from portfolio realisations in the year totalled £9.3 million (2019: £13.2 million); and
- Year-End Cash Balance - £20.6 million representing 43.0% of the NAV (2019: £26.6 million and representing 47.5% of the NAV). The Company had no debt.

Other Highlights

- Successfully completed the first year of transition to internal management while maintaining tight control over overhead costs;
- The Board announced the initiation of a progressive annual dividend policy targeting a dividend equal to approximately 1.5% of each financial year’s closing NAV and targeting that this should be fully covered by distributable profits, subject to the Company’s liquidity and market conditions. The first interim dividend under this policy of £0.2 million (0.3p per share) was paid to shareholders in September 2020. A final dividend of 0.6p per share is recommended by the Board and subject to approval by shareholders at the Annual General Meeting (“AGM”) in May 2021; and
- Progressed with the Company’s real estate and energy teams, creating a pipeline of opportunities including £6.6 million (at year end exchange rates) deposited for the investment in Dacian, a Romanian oil and gas production company, for which final approval by the Romania authorities is pending.

OUTLOOK

The Company has a strong balance sheet with significant holdings of cash. In managing the Company’s finances, the Board is planning for less liquidity from the existing asset pool over the next year or so than might otherwise have been the case.

The Company is cautious but sees opportunity in its three core sectors. The Company will be looking at all new investments to evaluate whether they meet its long-term return requirements through the lens of the uncertainties and risks created by the Coronavirus crisis.

The Company is also focused on progressing the existing portfolio, either through an orderly realisation or through financial support where the investment case validates this course of action.

PORTFOLIO BREAKDOWN AS AT 31 DECEMBER 2020

	£m	% NAV
Portfolio total	22.2	46.3%
UK Private	1.3	2.7%
Elateral	0.4	0.8%
Nortbridge	0.8	1.7%
IDE Conv. Debt	0.1	0.2%
US Private SFEP	3.9	8.1%
Total YesTo	0.7	1.5%
Total ICU	3.2	6.7%
US Private - Other	5.7	11.9%
Medhost	5.7	11.9%
UK Listed	0.1	0.2%
IDE Group	0.1	0.2%
US Listed	0.1	0.2%
Other	0.1	0.2%
UK Funds	5.7	11.9%
Brockton Capital	4.1	8.6%
Eden	0.5	1.0%
EMAC ILF	0.8	1.7%
Simmons	0.3	0.6%
US Funds	5.4	11.3%
Weber	1.8	3.8%
Opus Capital	3.5	7.3%
Others (3)	0.1	0.2%
Cash	20.6	43.0%
Dacian Investment – Funds deposited	6.6	13.8%
Other Net Assets/Liabilities	-1.5	-3.1%
Net Assets	47.9	