



STRATEGY | INNOVATION | EXPERTISE

15 January 2018

Randall & Quilter Investment Holdings Ltd.

Randall & Quilter sells its Insurance Services and Captive Management operations to Davies Group

Randall & Quilter Investment Holdings Ltd. ('R&Q' or 'the Group') is pleased to announce the sale of its Insurance Services and Captive Management Operations to Davies Group ("Davies") a leading operations management, consultancy and digital solutions provider. The transaction involves the sale of the entire share capital of JMD Specialist Insurance Services Group Limited and its subsidiaries, R&Quiem Limited, John Heath & Company Limited and AM Associates Insurance Services Limited as well as Randall & Quilter Bermuda Holdings Limited and its Quest subsidiaries.

The sale follows the previously announced decision to simplify the Group's operations to focus on its core, high growth activities which include: (i) the acquisition/assumption of run-off portfolios; and (ii) the use of its licensed companies in the US and EU as conduits for niche and profitable books of insurance business, primarily to highly rated reinsurers.

The agreed valuation of the businesses being sold is £20m.

Net cash consideration payable by Davies, after deducting net debt applicable to the businesses, is approximately £18.6m.

The sale agreement provides for a post completion adjustment in relation to working capital requirements, but the overall impact of the disposal on the Group is expected to be broadly neutral to book value and earnings after allowance for transaction expenses, related incentive payments, working capital adjustments and goodwill written off.

As anticipated in the October 2017 Share Placing, there will be a consequential uplift to the Group's tangible net assets of approximately £12m as a result of the transfer of value from goodwill to cash.

The net proceeds of the sale will be deployed to help finance the growing legacy transaction pipeline, especially in the US and Lloyd's, and to generate commission income from the use of Accredited and Malta's direct licenses.

Ken Randall, R&Q Chairman and CEO, commented: "The sale of our Insurance Services and Captive Management operations is a significant milestone in the Group's decision to simplify its operations and focus on our core areas of legacy acquisitions and the writing of quality programme business, which is mostly reinsured to highly rated reinsurers.

The Insurance Services and Captive Management operations are market leading, well-developed and scalable and we are confident the operations will prosper under the stewardship of Davies. As we have progressed discussions with Davies we have developed a good working relationship and hope to be able to develop business between our two organisations in the future.

The sale will enable us to focus further on our core operations where we remain excited about the growth potential in the current year and beyond, underpinning the Group's financial performance and distribution

policy.”

-Ends-

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 until the release of this announcement.

Randall & Quilter Investment Holdings Ltd.

Ken Randall
Alan Quilter

Tel. 0207 780 5945
Tel: 0207 780 5943

Numis Securities Limited (Nominated Adviser)

Stuart Skinner
Charles Farquhar

Tel: 020 7260 1000
Tel: 020 7260 1000

Shore Capital Stockbrokers Limited

Dru Danford / Stephane Auton

Tel: 020 7408 4090

FTI Consulting

Edward Berry/Tom Blackwell

Tel: 020 3727 1046

Notes to Editors:

About R&Q

The overall mission of the Bermuda based Group is to:

- generate profits and capital extractions from expert management of legacy non-life insurance acquisitions/ reinsurances, including in Lloyd's; and
- grow commission income from its licensed (and rated) carriers in the US and EU/UK, writing niche and profitable programme business, largely on behalf of highly rated reinsurers.

Our aim is to continue to grow sustainable profit streams to support our business model and increase book value and cash distributions to shareholders.

The Group was founded by Ken Randall and Alan Quilter in 1991.

Legal Entity Identifier (LEI): 2138006K1U38QCGLFC94

Website: www.rqih.com