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13 March 2019

BURFORD CAPITAL REPORTS RECORD 2018 RESULTS

Burford Capital Limited (“Burford” or “the Company”), the leading global finance and investment management firm focused on law, announces its financial results for the year ended 31 December 2018.

Highlights¹

- 23% increase in operating profit to \$354 million (2017: \$289 million) and 24% increase in net profit after tax to \$328 million (2017: \$265 million); operating margin of 84%
- Income up 23% to \$420 million (2017: \$341 million), driven by 22% increase in income from investments to \$389 million (2017: \$318 million)
 - Unrealised gains remained generally consistent with prior year levels at 55% of income (2017: 53%; 2016: 54%)
 - 26 different investments contributed realised gains to 2018’s performance (2017: 20)
- Robust cash generation up 42% to \$513 million (2017: \$362 million)
- Returns on the core litigation finance investment portfolio rose to an 85% return on invested capital, net of losses (2017: 76%), with consistent ~30% IRRs
- 14% increase in annual dividend proposed, to total dividend of 12.5¢ per share (2017: 11.0¢); final dividend of 8.83¢ payable on 14 June 2019 with record date of 24 May 2019
- Consistently high demand for Burford’s capital reflected in new investment commitments of \$1.3 billion in 2018, showing that 2017’s similar commitment level – which more than tripled the prior year’s performance – was not a one-off event
- Assets under management in Burford’s investment management business increased to \$2.5 billion (2017: \$1.7 billion), including through new investment fund and sovereign wealth fund strategic capital relationship collectively providing the path for the next \$1.6 billion of investment
- Return on equity of 30% (34% without 2018’s new share issue, vs 37% in 2017), affected by a 71% increase in net assets to \$1.4 billion (2017: \$799 million)

¹ Figures for income, operating profit, profit before tax and profit after tax in this release exclude the impact of amortisation of the intangible asset relating to the acquisition of GKC Holdings, LLC, non-recurring investment banking and brokerage fees and also exclude third-party interests in consolidated entities and are shown to assist in understanding the underlying performance of the Company. Without those adjustments, profit after tax would have been \$318 million, and the increase over 2017 would have been 27%.

Sir Peter Middleton, Chairman of Burford, commented:

“Burford has experienced another record year, its ninth consecutive year of significant profitable growth. Burford continues to lead its growing and evolving industry, and looks forward to continuing to innovate to meet its clients’ ever-expanding needs. Risk is mitigated by the uncorrelated nature of our investment returns and our broad and widely-diversified portfolio. The Board is grateful for the continued support of our shareholders, bondholders and all of our stakeholders, and is delighted to propose another increase in the dividend.”

Christopher Bogart, Chief Executive Officer of Burford, added:

"The big question this year was whether 2017’s explosive growth was a one-time anomaly. These results show that it was not. Burford has committed \$2.6 billion to new investments in just the last two years, more than twice its lifetime cumulative commitment level prior to that time. That is extraordinary and suggests a sea change has occurred in the legal finance marketplace. We met that demand by raising incremental capital on our balance sheet and by making robust use of our new investment management business, including a ground-breaking deal with a sovereign wealth fund with very favourable terms. We also continued to grow so that we now field a team of more than 110, including 55 experienced lawyers, and we have by far the largest capital base in the business to the advantage of our clients and our investors. As we approach our tenth anniversary, we are excited to continue to lead legal finance into the future.”

Financial Summary

A financial summary is set out below. The figures below exclude third-party interests in Burford’s consolidated entities. Burford's complete annual report and audited accounts are available at http://www.rns-pdf.londonstockexchange.com/rns/67375_1-2019-3-13.pdf or from the Burford website: www.burfordcapital.com.

	2018	2017	% change
	\$'000	\$'000	
Investment income	389,498	318,234	22%
Investment management income	15,799	15,626	
Insurance income	10,406	7,613	
New initiatives income	9,529	2,968	
Other	(4,858)	(3,199)	
Total income*	420,374	341,242	23%
Operating expenses – investments	(38,543)	(33,540)	
Operating expenses – investment management	(12,175)	(7,159)	
Operating expenses – insurance	(1,992)	(2,001)	
Operating expenses – new initiatives	(4,365)	(2,271)	
Operating expenses – corporate	(9,253)	(7,298)	
Operating profit*	354,046	288,973	23%
Finance costs	(38,538)	(24,251)	

Profit before tax*	315,508	264,722	19%
Taxation	12,463	123	
Profit after tax*	327,971	264,845	24%

** Income, operating profit, profit before tax and profit after tax exclude the impact of amortisation of the intangible asset, non-recurring investment banking and brokerage fees and third-party interests in consolidated entities.*

Investor and Analyst Conference Call

Burford will host a conference call for investors and analysts at 2:00pm (GMT) / 10.00am (EDT) on Wednesday 13 March 2019.

Burford encourages investors and analysts to pre-register for dedicated access via:
<http://www.incommuk.com/customers/burfordcapital>.

The dial-in number for the conference call is +44 (0)20 3936 2999 / +1 845 709 8568 / (Toll free +44 (0)800 640 6441 / +1 855 979 6654) and the access code is 521354.

An accompanying presentation will be available on the Burford Capital website:
<http://www.burfordcapital.com/investors>.

A replay facility will be available until Wednesday 27 March 2019 by dialling +44 (0)20 3936 3001 / +1 845 709 8569 with the replay code 821240.

The person responsible for arranging for the release of this announcement on behalf of the Company is Elizabeth O'Connell, Chief Financial Officer.

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About Burford Capital

Burford Capital is the leading global finance and investment management firm focused on law. Its businesses include litigation finance and risk management, asset recovery and a wide range of legal finance and advisory activities. Burford is publicly traded on the London Stock Exchange, and it works with law firms and clients around the world from its principal offices in New York, London, Chicago, Washington, Singapore and Sydney.

For more information about Burford: www.burfordcapital.com

This release does not constitute an offer of any Burford fund. Burford Capital Investment Management LLC (“BCIM”), which acts as the fund manager of all Burford funds, is registered as an investment adviser with the U.S. Securities and Exchange Commission. The information provided herein is for informational purposes only. Past performance is not indicative of future results. The information contained herein is not, and should not be construed as, an offer to sell or the solicitation of an offer to buy any securities (including, without limitation, interests or shares in the funds). Any such offer or solicitation may be made only by means of a final confidential Private Placement Memorandum and other offering documents.