

Bexil Corporation Announces Third Quarter 2019 Financial Results

NEW YORK, NY – November 14, 2019 – Bexil Corporation (ticker: BXLC) (“Bexil” or the “Company”) today reported its financial results for the third quarter ended September 30, 2019.

For the three months ended September 30, 2019, Bexil recorded net income attributable to Bexil shareholders of approximately \$0.89 million or \$1.03 of diluted earnings per share, compared to a net loss attributable to Bexil shareholders of approximately \$0.18 million or \$0.20 of diluted earnings per share for the three months ended September 30, 2018.

For the nine months ended September 30, 2019, Bexil recorded net income attributable to Bexil shareholders of approximately \$3.48 million or \$3.94 of diluted earnings per share compared to a net loss attributable to Bexil shareholders of approximately \$0.79 million or \$0.89 of diluted earnings per share for the nine months ended September 30, 2018.

The Company’s book value per share attributable to Bexil shareholders at September 30, 2019 was \$25.25, based on shareholders’ equity attributable to Bexil shareholders of approximately \$21.17 million and 838,474 shares issued and outstanding.

The Company’s consolidated unaudited balance sheet, statements of comprehensive income (loss), and statements of cash flows as of and for the nine months ended September 30, 2019 are appended to the copy of this press release on www.Bexil.com.

About Bexil Corporation

Bexil is primarily engaged through a wholly-owned subsidiary in investment management. To learn more about Bexil, including Rule 15c2-11 information, please visit www.Bexil.com.

Safe Harbor Note

This release may contain “forward looking statements” made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Bexil, which may cause the Company’s actual results to be materially different from those expressed or implied by such statements. Investors should carefully the risks, uncertainties and other factors, together with all of the other information included in the Company’s Annual Report, at www.bexil.com/cautionary-language.html, and similar information. All forward looking statements made herein are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

The Company views book value per share, a non-GAAP financial measure, as an important indicator of financial performance. Presented in conjunction with other financial information, the combined presentation can enhance an investor’s understanding of the Company’s underlying financial condition and results from operations. The definition of book value as presented in this press release is shareholders’ equity attributable to Bexil shareholders divided by currently issued and outstanding shares.

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Bexil Corporation
Consolidated Balance Sheet
September 30, 2019
(Unaudited)

Assets

Cash and cash equivalents	\$ 1,822,657
Investments in securities	17,212,843
Accounts receivable	168,540
Intangible asset, net	1,531,771
Deferred tax assets, net	1,822,992
Total assets	<u>\$ 22,558,803</u>

Liabilities and equity

Accounts payable and accrued expenses	\$ 1,115,712
Payable for securities purchased	443,078
Total liabilities	<u>1,558,790</u>
Commitments and Contingencies	

Equity

Bexil Corporation shareholders' equity	
Common stock, \$0.01 par value, 9,900,000 shares authorized; 838,474 issued and outstanding	8,385
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized; zero shares issued and outstanding	—
Additional paid in capital	14,575,420
Notes receivable for common stock issued	(1,074,216)
Accumulated comprehensive loss	(1,591)
Retained earnings	7,661,250
Total Bexil Corporation shareholders' equity	<u>21,169,248</u>
Noncontrolling interests in subsidiary	<u>(169,235)</u>
Total equity	21,000,013
Total liabilities and equity	<u>\$ 22,558,803</u>

Bexil Corporation
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues				
Management and other fees	\$ 514,702	\$ 520,884	\$ 1,611,340	\$ 1,581,015
Dividends and interest	244,023	238,491	744,867	609,283
Realized gain (loss) on investments in securities	7,279	(1,508)	42,742	7,044
Unrealized gain (loss) on investments in securities	601,638	(487,321)	2,604,337	(1,591,293)
	<u>1,367,642</u>	<u>270,546</u>	<u>5,003,286</u>	<u>606,049</u>
Expenses				
Compensation and benefits	274,059	292,910	908,672	901,298
General and administrative	120,286	128,668	389,996	422,369
Professional services	52,499	20,292	163,646	58,942
	<u>446,844</u>	<u>441,870</u>	<u>1,462,314</u>	<u>1,382,609</u>
Income (loss) before taxes	920,798	(171,324)	3,540,972	(776,560)
Income tax expense	29,046	6,711	64,353	14,333
Net income (loss)	891,752	(178,035)	3,476,619	(790,893)
Net loss attributable to noncontrolling interests	1,010	264	2,148	996
Net income (loss) attributable to Bexil Corporation shareholders	<u>\$ 892,762</u>	<u>\$ (177,771)</u>	<u>\$ 3,478,767</u>	<u>\$ (789,897)</u>
Net income (loss) per share				
Basic, attributable to Bexil Corporation shareholders	\$ 1.07	\$ (0.20)	\$ 4.06	\$ (0.89)
Diluted, attributable to Bexil Corporation shareholders	\$ 1.03	\$ (0.20)	\$ 3.94	\$ (0.89)
Weighted average shares outstanding				
Basic	837,505	883,526	856,896	891,670
Diluted	869,495	883,526	883,598	891,670
Other comprehensive gain (loss), net of tax				
Unrealized gain (loss) on investment	(1,038)	(224)	(711)	280
Other comprehensive gain (loss), net of tax	(1,038)	(224)	(711)	280
Comprehensive income (loss)	890,714	(178,259)	3,475,908	(790,613)
Comprehensive loss attributable to noncontrolling interests	1,010	264	2,148	996
Comprehensive income (loss) attributable to Bexil Corporation shareholders	<u>\$ 891,724</u>	<u>\$ (177,995)</u>	<u>\$ 3,478,056</u>	<u>\$ (789,617)</u>

Bexil Corporation
Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2019 and 2018
(Unaudited)

	2019	2018
Cash flows from operating activities		
Net income (loss)	\$ 3,476,619	\$ (790,893)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Purchase of investment securities, trading	(1,622,396)	(5,333,446)
Proceeds on sales of investment securities, trading	1,155,030	3,153,333
Stock-based compensation expense	17,212	33,317
Realized gain on investments in securities	(42,555)	(7,044)
Unrealized (gain) loss on investments in securities	(2,604,337)	1,591,293
Amortization	270,312	270,312
Accretion of discount	(14,840)	(23)
Decrease (increase) in accounts receivable	233,608	(16,837)
Decrease in accounts payable and accrued expenses	(128,566)	(132,980)
Increase in payable for securities purchases	226,685	1,002,094
Increase in securities sold, not yet purchased	—	18,810
Decrease in securities loaned	(1,632)	—
Net cash provided by (used in) operating activities	965,140	(212,064)
Cash flows from investing activities		
Purchase of investment securities, available-for-sale	(4,938,493)	(998,935)
Proceeds on sale investment securities, available-for-sale	4,345,000	735,000
Net cash used in investing activities	(593,493)	(263,935)
Cash flows from financing activities		
Repayments on notes receivable for common stock issued	77,983	64,821
Common stock repurchases	(549,354)	(477,493)
Common stock issued upon exercise of stock options	125,880	107
Net cash used in financing activities	(345,491)	(412,565)
Net increase (decrease) in cash and cash equivalents	26,156	(888,564)
Cash and cash equivalents, beginning of period	1,796,501	3,213,551
Cash and cash equivalents, end of period	\$ 1,822,657	\$ 2,324,987
Supplemental disclosures		
Income taxes paid	\$ 64,328	\$ 8,699
Interest paid	\$ —	\$ 14,333