

Bexil Corporation Announces Second Quarter 2019 Financial Results

August 5, 2019 – Bexil Corporation (ticker: BXLC) (“Bexil” or the “Company”) today reported its financial results for the second quarter ended June 30, 2019.

For the three months ended June 30, 2019, Bexil recorded net income attributable to Bexil shareholders of approximately \$0.45 million or \$0.50 of diluted earnings per share, compared to net income attributable to Bexil shareholders of approximately \$0.29 million or \$0.31 of diluted earnings per share for the three months ended June 30, 2018.

For the six months ended June 30, 2019, Bexil recorded net income attributable to Bexil shareholders of approximately \$2.60 million or \$2.88 per share compared to a net loss attributable to Bexil shareholders of approximately \$0.61 million or \$0.68 of diluted earnings per share for the six months ended June 30, 2018.

The Company’s book value per share attributable to Bexil shareholders at June 30, 2019 was \$23.92, based on shareholders’ equity attributable to Bexil shareholders of approximately \$20.58 million and 860,460 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 six months ended June 30, 2019 are appended to the copy of this press release on www.Bexil.com.

About Bexil Corporation

Bexil is primarily engaged through a 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 certain “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 consider the risks, uncertainties and other factors, together with all of the other information included in the Company’s Annual Report, at <http://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
June 30, 2019
(Unaudited)

Assets

Cash and cash equivalents	\$ 1,180,729
Investments in securities	16,678,012
Accounts receivable	277,693
Intangible asset, net	1,621,875
Deferred tax assets, net	1,822,992
Total assets	<u>\$ 21,581,301</u>

Liabilities and equity

Accounts payable and accrued expenses	\$ 1,098,887
Securities sold, not yet purchased	66,200
Total liabilities	<u>1,165,087</u>

Commitments and Contingencies

Equity

Bexil Corporation shareholders' equity	
Common stock, \$0.01 par value, 9,900,000 shares authorized; 860,460 issued and outstanding	8,605
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized; zero shares issued and outstanding	—
Additional paid in capital	14,924,981
Notes receivable for common stock issued	(1,117,081)
Accumulated comprehensive loss	(554)
Retained earnings	6,768,488
Total Bexil Corporation shareholders' equity	<u>20,584,439</u>
Noncontrolling interests in subsidiary	(168,225)
Total equity	<u>20,416,214</u>
Total liabilities and equity	<u>\$ 21,581,301</u>

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Management and other fees	\$ 545,428	\$ 508,442	\$ 1,096,638	\$ 1,060,131
Dividends and interest	255,544	186,674	500,843	370,792
Realized gain on investments in securities	2,319	10,225	35,463	8,552
Unrealized gain (loss) on investments in securities	164,576	51,334	2,002,699	(1,103,973)
	<u>967,867</u>	<u>756,675</u>	<u>3,635,643</u>	<u>335,502</u>
Expenses				
Compensation and benefits	312,063	297,284	634,613	608,388
General and administrative	126,253	142,457	269,709	293,701
Professional services	62,196	22,119	111,147	38,650
	<u>500,512</u>	<u>461,860</u>	<u>1,015,469</u>	<u>940,739</u>
Income (loss) before taxes	467,355	294,815	2,620,174	(605,237)
Income tax expense	17,330	7,622	35,307	7,622
Net income (loss)	450,025	287,193	2,584,867	(612,859)
Net loss attributable to noncontrolling interests	641	264	1,138	447
Net income (loss) attributable to Bexil Corporation shareholders	<u>\$ 450,666</u>	<u>\$ 287,457</u>	<u>\$ 2,586,005</u>	<u>\$ (612,412)</u>
Net income (loss) per share				
Basic, attributable to Bexil Corporation shareholders	\$ 0.52	\$ 0.32	\$ 2.98	\$ (0.68)
Diluted, attributable to Bexil Corporation shareholders	\$ 0.50	\$ 0.31	\$ 2.88	\$ (0.68)
Weighted average shares outstanding				
Basic	865,788	892,843	866,752	894,460
Diluted	903,185	927,950	897,108	894,460
Other comprehensive gain (loss), net of tax				
Unrealized gain on investment securities	1,228	887	326	505
Other comprehensive gain	1,228	887	326	505
Comprehensive income (loss)	451,253	288,080	2,585,193	(612,354)
Comprehensive loss attributable to	641	264	1,138	447
Comprehensive income (loss) attributable to Bexil Corporation shareholders	<u>\$ 451,894</u>	<u>\$ 288,344</u>	<u>\$ 2,586,331</u>	<u>\$ (611,907)</u>

BEXIL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended June 30, 2019 and 2018
(Unaudited)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Net income (loss)	\$ 2,584,867	\$ (612,859)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Purchase of investment securities, trading	(1,125,632)	(4,922,715)
Proceeds on sales of investment securities, trading	830,669	2,886,438
Stock-based compensation expense	14,586	22,211
Realized gain on investments in securities	(35,276)	(8,552)
Unrealized (gain) loss on investments in securities	(2,002,699)	1,103,973
Amortization	180,208	180,208
Accretion of discount	(11,996)	—
Decrease in accounts receivable	124,455	1,989
Decrease in accounts payable and accrued expenses	(145,390)	(91,882)
(Decrease) increase in payable for securities purchases	(216,394)	245,000
Increase in securities sold, not yet purchased	65,550	—
Decrease in securities loaned	(1,632)	—
Net cash provided by (used in) operating activities	<u>261,316</u>	<u>(1,196,189)</u>
Cash flows from investing activities		
Purchase of investment securities, available-for-sale	(3,336,138)	—
Proceeds on sale investment securities, available-for-sale	<u>2,495,000</u>	<u>—</u>
Net cash used in investing activities	<u>(841,138)</u>	<u>—</u>
Cash flows from financing activities		
Repayments on notes receivable for common stock issued	52,437	40,544
Common stock repurchases	(88,387)	(144,733)
Common stock issued upon exercise of stock options	<u>—</u>	<u>107</u>
Net cash used in financing activities	<u>(35,950)</u>	<u>(104,082)</u>
Net decrease in cash and cash equivalents	(615,772)	(1,300,271)
Cash and cash equivalents, beginning of period	1,796,501	3,213,551
Cash and cash equivalents, end of period	<u>\$ 1,180,729</u>	<u>\$ 1,913,280</u>
Supplemental disclosures		
Income taxes paid	\$ 109,077	\$ 7,622
Interest paid	\$ —	\$ 3,587