

Group Overview – Summer 2018

Profitability increased by 35% to £3.2m y/e March 2018
EPS 19.7p per share ,cash reserves £17.0m.
Full year dividend 4.5p per share

Non-Executive Chairman **Robin Williams**
Chief Executive **John Foster**



Overview & History

- ❖ Quoted on LSE since 1998 – moved to AIM 2003
- ❖ Market Cap £42m @ £3.40 per share (June 2018)
- ❖ Diverse trading business – 1 in Falklands, 2 in UK
- ❖ All consistently profitable over 20 years
- ❖ Long standing supportive shareholder base
- ❖ Significant cash resources & borrowing capacity (HSBC)
- ❖ Dividend proposed 4.5pence per share
- ❖ **Focussed on maximising value from existing operations and**
- ❖ **delivering value accretive UK acquisitions**
- ❖ Focus on sustainable capital growth & increased scale
- ❖ Name change to FIH group plc - Sept 2016 (from Falkland Islands Holdings)
- ❖ Robin Williams appointed non executive Chair on 11 September 2017



Existing Operations

- ❖ March 2018 Group Revenue £43.8m , PBT £3.3m , Cash £17.0m
- ❖ Diverse trading group – 3 consistently profitable operating businesses:
 - ❖ ***Falkland Islands Company (FIC)*** – Stanley based mini conglomerate – retail , automotive , house building , consumer finance and support services. Royal Charter 1852 .
 - ❖ ***Momart*** – UK's leading specialist Fine Art handling company – Royal Warrant
 - ❖ ***Gosport Ferry (PHFC)*** – Vital passenger ferry service across Portsmouth Harbour since 1874
- ❖ Strong track record over 10 years
- ❖ Strong niche positions with predictable earnings
- ❖ Current trading in line with prior year



Strategy

Group:

- ❖ Maximise opportunities from existing businesses, especially in Falkland Islands
- ❖ Leverage cash flow to finance strategic acquisitions to create scale & critical mass

FIC:

- ❖ Focus on increased efficiency & investment prior to expected development of oil

Momart:

- ❖ Secure returns from expanded storage – leverage brand strength and reputation

PHFC:

- ❖ Maintain service & safety standards with modern fleet, steady profits & strong cash flow

Trading Overview : Year ended 31 March 2018

FIH group plc	2018 £'000	2017 £'000	Change %
Group Revenue	43,830	40,494	8.2
Operating profit	3,633	2,805	29.5
Group share of SAAtCO JV	18	24	-25.0
Trading Profit / PBIT	3,651	2,829	29.1
FIC Pension scheme financing costs	(73)	(88)	-17.0
Pontoon lease interest	(227)	(229)	-
Net Bank/ HP interest payable	(116)	(116)	-
Net financing costs	(416)	(433)	-3.9
Underlying Pre Tax Profit (PBT)**	3,235	2,396	35.0
Amortisation of non-trading intangibles	-	(136)	
Profit on sale Fixed Assets / exceptional costs	61	(373)	
Profit Before Tax	3,296	1,887	74.7
Diluted EPS on taxed underlying PBT	19.7p	15.3p	28.5
<i>**Underlying PBT = profit before taxation, amortisation and non trading items</i>			

Borrowings, Cash & Liquidity

All figs £ '000's	31-Mar	31-Mar	
	2018	2017	
Bank Loans*	(3,329)	(3,828)	
HP on Momart Trucks	(173)	(214)	
Total bank borrowings & HP	(3,502)	(4,042)	
Free Cash	17,018	15,079	
Net cash excl 50 year Pontoon lease	13,516	11,037	
Long term Pontoon Finance Lease	(4,764)	(4,797)	
Total Net Cash	8,752	6,240	
*Bank loan interest: 5 year fixed at 3.6% pa to October 2020			

Split by Business : Year ended 31 March 2018

FIH group plc	2018 £'000	2017 £'000	Change %
Revenue			
FIC	18,259	17,828	2.4
PHFC	4,349	4,286	1.5
Momart	21,222	18,380	15.5
Total Revenue	43,830	40,494	8.2
Underlying Pre-tax profit			
FIC	1,338	1,086	23.2
PHFC	860	871	-1.3
Momart	1,037	439	136.2
Underlying pre-tax profit (PBT)	3,235	2,396	35.0

Falkland Islands Company (FIC)





FIC Overview

- ❖ Established 1852 –Based in Stanley 150 staff + 6 in UK
- ❖ Largest private employer in Falklands
- ❖ Leading retailer – supermarket , DIY, gifts, clothing, electrical
 - ❖ Authorised Land Rover dealer (vehicle sales & maintenance)
 - ❖ Leading local housebuilder with large rental portfolio
 - ❖ Wide range agency services (shipping, travel, freight & insurance)
 - ❖ Legacy property assets 370 acres prime land in/around Stanley
- ❖ Continuing further capital investment to position company for growth
- ❖ Well positioned for when oil development resumes (700% growth in GDP predicted in 5 years) – decision on Sea Lion expected by June 2019

 **Momart** : Expanded storage space at Leyton, East London





Momart Overview

- ❖ Established 1972 – based in London – 130 staff
- ❖ Specialist fine art handling – installation, transport and storage of fine art
- ❖ UK Market leader with global reputation for technical excellence & service
- ❖ Key partner to all UK's leading museums – trusted specialist in co-ordination & installation of large public exhibitions
- ❖ Royal Warrant holder for work with Royal Collection
- ❖ Strong association with leading living artists & private collectors
- ❖ Specialist team supports private galleries and auction houses
- ❖ Dedicated modern storage space at Leyton East London (100,000sq ft)
- ❖ Notable recent exhibitions: “Charles 1” at the Royal Academy, “Soul of a Nation” at Tate Modern , “Scythian Nomads” at the British Museum , Michelangelo at the National Gallery and “Opera” at the V&A



Gosport Ferry (PHFC)





Gosport Ferry Overview

- ❖ Passenger ferry service – 5 minute crossing every 7½ mins
- ❖ Established 1874 – operates 364 days a year – 18½ hours a day
- ❖ Commuter service for travel to / from Portsmouth
- ❖ No direct competitors (14 mile journey around harbour by car)
- ❖ Fares set by company – no direct regulation
- ❖ Recently modernised fleet – 3 modern vessels
- ❖ Strong, predictable cash flow
- ❖ Limited capital investment required in medium term
- ❖ Positive outlook – expansion Portsmouth Naval Base to support new carriers and redevelopment of former military sites in Gosport (eg Haslar Hospital)

Appendices

Management, Shareholders
& Acquisition Criteria



Management Team

Robin Williams Chairman

Robin joined the board in September 2017. In his early career Robin worked in corporate finance for a number of leading City investment banks before leaving to co-found Britton Group a US/UK based packaging group in 1992. Later Robin worked on the board of Hepworth plc and since 2004 has been a non executive director of a number of publicly listed companies. He is currently non-executive chairman of Xaar plc, Keystone Law plc and Stirling Industries plc, and is a non-executive director of Van Elle plc.

John Foster Chief Executive

John joined the Board in 2005. He is a Chartered Accountant and previously served as Finance Director on two fully listed plcs, Macro 4 plc and toy retailer, Hamleys. In the mid 1990's, he spent three years in charge of acquisitions and disposals at FTSE 250 company Ascot plc and before that worked for nine years as a venture capitalist with a leading investment bank in the City.

Rob Johnston Non-Executive Director

Rob joined the Board in June 2017 and is an experienced non- executive director and investment professional. Rob has served on the boards of several quoted companies in both North America and in UK, including Fyffes PLC and Supremex, Inc. He is currently also a director of AIM listed , Produce Investments plc

Jeremy Brade Non-Executive Director

Jeremy joined the Board in 2009. He is a Director of Harwood Capital Management where he is the senior private equity partner. Formerly Jeremy was a diplomat in the Foreign and Commonwealth Office, and before that an Army officer.



Major Shareholders

Major shareholders	No of shares held	% of issued capital
6 th Marital Trust	3,596,553	28.9
Argos Argonaut Fund	1,228,736	9.9
J.F.C. Watts	797,214	6.4
Martin Janser	796,818	6.4
Bona Fide Global Fish Fund	671,000	5.4
Christian Struck	377,000	3.0
Others	4,967,097	40.0
Total shares in issue	12,434,418	100.0

Acquisition Criteria 2018

- ❖ **Rationale** : To augment existing business units with scalable, quality acquisitions that will deliver sustainable long term growth in shareholder value
- ❖ Direct synergies with its existing operations desirable but not essential
- ❖ **Sectors of interest:**
 - ❖ High added value **support services** (incl. fine art services & storage)
 - ❖ Transport & Specialist logistics

 - ❖ **Also :**
 - ❖ Industrial services / B2B services / general
 - ❖ Oil services
 - ❖ Consumer services



Acquisition Criteria 2018 cont.

- ❖ Location: Predominantly UK possibly with European / N American links
- ❖ Key attributes of target businesses include:
 - ❖ Scalable
 - ❖ High added value services in B2B or consumer markets
 - ❖ High barriers to entry
 - ❖ Well established market presence
 - ❖ Pricing power within their markets focussed on business or consumer services
 - ❖ Quoted or unquoted private companies including Private Equity backed businesses
 - ❖ Competent operating management
 - ❖ Cash generative
 - ❖ Asset backed
- ❖ Excludes:
 - ❖ Sales less than £10m or greater than £100m
 - ❖ Start-ups / early stage
 - ❖ Emerging High risk technology businesses
 - ❖ Loss making

