

Group Overview – June 2019

Chairman Robin Williams

Chief Executive John Foster



Group Overview – June 2019

- ❖ **Group Profitability increased by 19% to £3.9m y/e March 2019**
- ❖ **Market Cap £40m @ 316p per share (June 2019)**
- ❖ **Encouraging trading performance in y/e 31 March 2019**
 - ❖ **FIC:** Profits up 12% to £1.50m (2018 : £1.34m) - medium term prospects encouraging.
 - ❖ **Momart:** Continued strong growth – PBT up 51% to £1.57m (2018 £1.04m) – helped by non-recurring £0.2m release of provision.
 - ❖ **PHFC:** Profits lower by £0.08m to £0.78m - on stable revenues – strong cash flow.
- ❖ **Diluted EPS on underlying profits + 20% to 24.1p (2018: 19.7p)**
- ❖ **Final dividend 3.35p proposed +11.6%** (Full year 5.0p (2018: 4.5p))
- ❖ **Cash balances £6.2m** (2018: £17.0m) following £20m Leyton property purchase in December 2018.
- ❖ **Bank debt £12.8m** (2018: £3.3m) – incl £10m property related loan now being replaced by committed long term mortgage facilities of £13.9m.
- ❖ **Outlook - Steady underlying growth in near term + encouraging medium term outlook from oil and infrastructure opportunities in Falklands, and storage growth at Momart .**



Review of Existing Operations

❖ **Falkland Islands Company (FIC)**

- ❖ Strong base profitability
- ❖ Significant opportunities from planned FIG / MoD infrastructure and housing spend.
- ❖ Tourism growth in medium term- new flight from Sao Paulo due in Nov 19.
- ❖ Additional upside from potential oil development.

❖ **Momart**

- ❖ Further growth potential from selling storage capacity & improved efficiency

❖ **Gosport Ferry**

- ❖ Stable profits and cash flow – limited growth potential

Falkland Islands Company (FIC)





Review of Existing Operations

- ❖ **Falkland Islands Company (FIC) - founded 1851**
- ❖ Revenue £17.6m – PBT £1.5m (y/e 31 March 2019) – Net Assets £17.1m
- ❖ Consistently profitable over many years
- ❖ 169 staff (FTE – 31 March 2019)
- ❖ FIC business infrastructure renewed & modernised in last 7 years
 - ❖ £7.1m capex in last 5 years.
- ❖ 370 acres freehold land in Stanley area + 300 acres in Camp
 - ❖ 54 investment properties held for rental nbv £4.5m (mkt value £6.5m)
 - ❖ 700 acres land – nbv £0.76m (mkt value £2.2m)
- ❖ Leading business positions in Retail, Automotive , House building , Property rental, Consumer finance , Insurance , Shipping & Tourist services
- ❖ FIC faces effective competition in all areas and does not participate in Fishing
- ❖ **Opportunities from planned infrastructure spend + upside from oil**



Momart : Expanded storage space at Leyton, East London





Review of Existing Operations cont.

❖ Momart – founded 1972

- ❖ Revenue £20.6m – PBT £1.6m (y/e 31 March 2019) – Net Assets £19.8m
- ❖ Leading UK based specialist art logistics & services business
- ❖ Straddles both commercial and public sector museum market
- ❖ 140 staff , 100,000sq ft of freehold art storage in East London
- ❖ London based, no overseas presence but effective network of overseas partners
- ❖ Experienced, dedicated team
- ❖ Highly competitive market & UK museums face ongoing budget squeeze
- ❖ Steady improvement in profitability in last 3 years following management changes
 - ❖ **PBIT** : 2016 £0.5m, 2018 £1.1m , **2019 £1.7m**
- ❖ Some risks from Brexit, market remains competitive and price sensitive
- ❖ Upside from incr. storage income (£0.5m pa) from selling 20% spare capacity



Gosport Ferry (PHFC)





Review of Existing Operations cont.

- ❖ **Portsmouth Harbour Ferry Company (PHFC) - founded 1874**
 - ❖ Revenue £4.3m – PBT £0.8m (y/e 31 March 2019) - Net Assets £6.5m
 - ❖ Passenger ferry across Portsmouth Harbour linking Gosport to Portsmouth
 - ❖ Modernised 3 vessel ferry fleet, dedicated local staff of 38
 - ❖ Exceptional reliability and safety record
 - ❖ Consistent profitability and steady cash flow
 - ❖ Embedded 50 year pontoon lease £4.7m + boat loans of £2m
 - ❖ Steady decline in passenger volumes in last 10 years (-29%) but profits maintained
 - ❖ Impact of demographic and economic decline in Gosport & low cost of car ownership/ fuel .
 - ❖ Attrition of passenger volumes slowed in last 3 years (-4.1%, -3.6% , -2.1% in 2019)
 - ❖ Redevelopment of former military infrastructure and strengthening regional economy give grounds for cautious optimism in medium term.



Opportunities

FIC:

- ❖ **Planned infrastructure spend by FIG on government housing, new port, air terminal, power station etc.**
- ❖ **Renewal and modernisation by UK MoD of military base at Mount Pleasant**
- ❖ **Outsourcing of services to local businesses being prioritised**

- ❖ **Planned second commercial air route from Sao Paulo due to start Nov 2019**
 - ❖ Opens up long term development of onshore tourism in pristine new wilderness destination
 - ❖ Linkage with cruise ships via re-supply & passenger exchanges
 - ❖ Gateway to Antarctica

- ❖ **Upside from oil**
 - ❖ Plans for oil production at Sea Lion being progressed by Premier Oil
 - ❖ Tender process for onshore services due to complete end 2019 to firm up final project costs for Sea Lion (estim \$1.5bn)
 - ❖ Premier seeking funding support from HMG and equity farm-in partners to supplement its internal resources.
 - ❖ Final investment decision expected by Premier late 2019 early 2020
 - ❖ Greatest potential benefits come from FI government reinvestment of royalties and corporation tax from 2024 onwards (First Oil projected 2023)



Opportunities

Momart:

- ❖ **Bottom line benefits from filling new storage capacity (+ £0.5m pa)**
- ❖ **Further margin improvements from increased efficiency and commercial focus**
- ❖ **Scope for dramatic growth restricted by lack of global network and niche nature of art logistics**

PHFC:

- ❖ **Relatively stable profits and cash flow provided volume declines remain limited**
- ❖ **Modest growth potential if erosion of passenger numbers levels off and/or reverses**

Appendices

- **Financial Results y/e 31 March 2019**
- **Board of Directors**
- **Major Shareholders**



Trading Overview : Year ended 31 March 2019

FIH group plc	2019 £'000	2018 £'000	Change %
Group Revenue	42,528	43,830	-3.0
Operating profit	4,377	3,633	20.5
Group share of SAAtCO JV	-	18	-100.0
Trading Profit / PBIT	4,377	3,651	19.9
FIC Pension scheme financing costs	(72)	(73)	-1.4
Pontoon lease interest	(226)	(227)	-0.4
Net Bank/ HP interest payable	(221)	(116)	90.5
Net financing costs	(519)	(416)	24.8
Underlying Pre Tax Profit (PBT)**	3,858	3,235	19.3
Profit on sale Fixed Assets / exceptional costs	-	61	
Profit Before Tax	3,858	3,296	17.1
Diluted EPS on taxed underlying PBT	24.1p	19.7p	22.5
<i>**Underlying PBT = profit before taxation, amortisation and non trading items</i>			

Split by Business : Year ended 31 March 2019

FIH group plc	2019 £'000	2018 £'000	Change %
Revenue			
FIC	17,554	18,259	-3.9
PHFC	4,367	4,349	0.4
Momart	20,607	21,222	-2.9
Total Revenue	42,528	43,830	-3.0
Underlying Pre-tax profit			
FIC	1,505	1,338	12.5
PHFC	784	860	-8.8
Momart	1,569	1,037	51.3
Underlying pre-tax profit (PBT)	3,858	3,235	19.3



Balance sheet

All figs £ '000's	31 March 2019	31 March 2018	
Tangible Fixed Assets	38,664	18,845	
Investment properties at net book value	5,239	4,045	
Goodwill & Intangibles	11,766	11,832	
Deferred tax asset & HP due after 1 year	1,652	1,608	
Total non current assets	57,321	36,330	
Working Capital - Net	4,555	2,159	
Cash	6,184	17,018	
Corporation tax payable	(399)	(346)	
Bank Loans etc due within 1 year	(10,645)	(631)	
Net Current Assets	(305)	18,200	
Bank Loans etc due after 1 year	(2,453)	(2,905)	
Finance Lease re Pontoon due after 1yr	(4,695)	(4,730)	
Pension Provisions & Def. Tax	(5,301)	(5,162)	
Equity Shareholders funds	44,567	41,733	



Borrowings, Cash & Liquidity

All figs £ '000's	31-Mar	31-Mar	
	2019	2018	
Bank Loans*	(12,814)	(3,329)	
HP on Momart Trucks	(248)	(173)	
Total borrowings & HP	(13,062)	(3,502)	
Cash balances	6,184	17,018	
Net (debt) / cash excl 50 year Pontoon lease	(6,878)	13,516	
Long term Pontoon Finance Lease	(4,731)	(4,764)	
Total Net (debt) / cash	(11,609)	8,752	

*Bank loan interest: 2.50% on £10,000,000 short term facility (soon to be replaced with long term £14m mortgage on Leyton property)



Management Team

Robin Williams Non Executive 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.

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
Jerry Zucker 6 th Marital Trust	3,596,553	28.8
Quaero Capital - Argonaut Fund	1,040,498	8.3
Martin Janser	854,958	6.8
J.F.C. Watts	797,214	6.4
Deep Blue Venture Holdings	796,818	6.4
Bona Fide Global Fish Fund	680,001	5.4
Christian Struck	380,000	3.0
Others	4,356,095	34.8
Total shares in issue	12,502,137	100.0

