

Interim Results: Six months ended 30 September 2023

Chief Executive : Stuart Munro

Chief Financial Officer: Reuben Shamu



Trading Overview

FIH group plc	2023	Restated	Change
	£'m	2022	£'m
		£'m	
Turnover	26.7	22.9	3.8
Underlying operating profit	0.9	1.0	(0.1)
Finance income	0.1	0.0	0.1
Interest payable on bank loans	(0.2)	(0.2)	-
Lease finance & pensions charges	(0.2)	(0.2)	-
Net financing costs	(0.3)	(0.4)	0.1
Underlying profit before tax	0.6	0.6	-
Non trading items	0.2	1.7	(1.5)
Profit before tax	0.8	2.3	(1.5)
Avg shares (000's)	12,520	12,520	
Diluted EPS on underlying profit after tax	3.5p	3.7p	

Prior period amounts relating to profit before tax were restated following a reassessment of the criteria for hedge accounting. Hedge accounting was discontinued from 1 January 2022, resulting in a credit of £1.3m to the prior period profit and loss (comprising a £1.7m credit to net finance income and a £0.4m charge to tax expense) which was previously accounted for in the hedging reserve.



Group Highlights

- Revenue up 17% to £26.7m (2022: £22.9m).
- Underlying pre-tax profit of £0.6m (2022: £0.6m) reflecting inflationary pressures across all businesses and investment in key people to drive growth in Momart.
- Strong cash position of £9.2m as at 30 September 2023 (2022: £7.6m).
- An interim dividend of 1.25 pence per share (2022: 1.2 pence per share) payable in January 2024.



Split by Business:

FIH group plc	2023 £'m	2022 £'m	Change £'m
FIC	15.2	12.3	2.9
PHFC	2.2	2.0	0.2
Momart	9.3	8.6	0.7
Turnover	26.7	22.9	3.8
FIC	0.2	0.3	(0.1)
PHFC	0.4	0.4	-
Momart	0.0	(0.1)	0.1
Underlying profit before tax	0.6	0.6	-
Non trading items	0.2	1.7	(1.5)
Profit before tax	0.8	2.3	(1.5)

Falkland Islands Company (FIC)





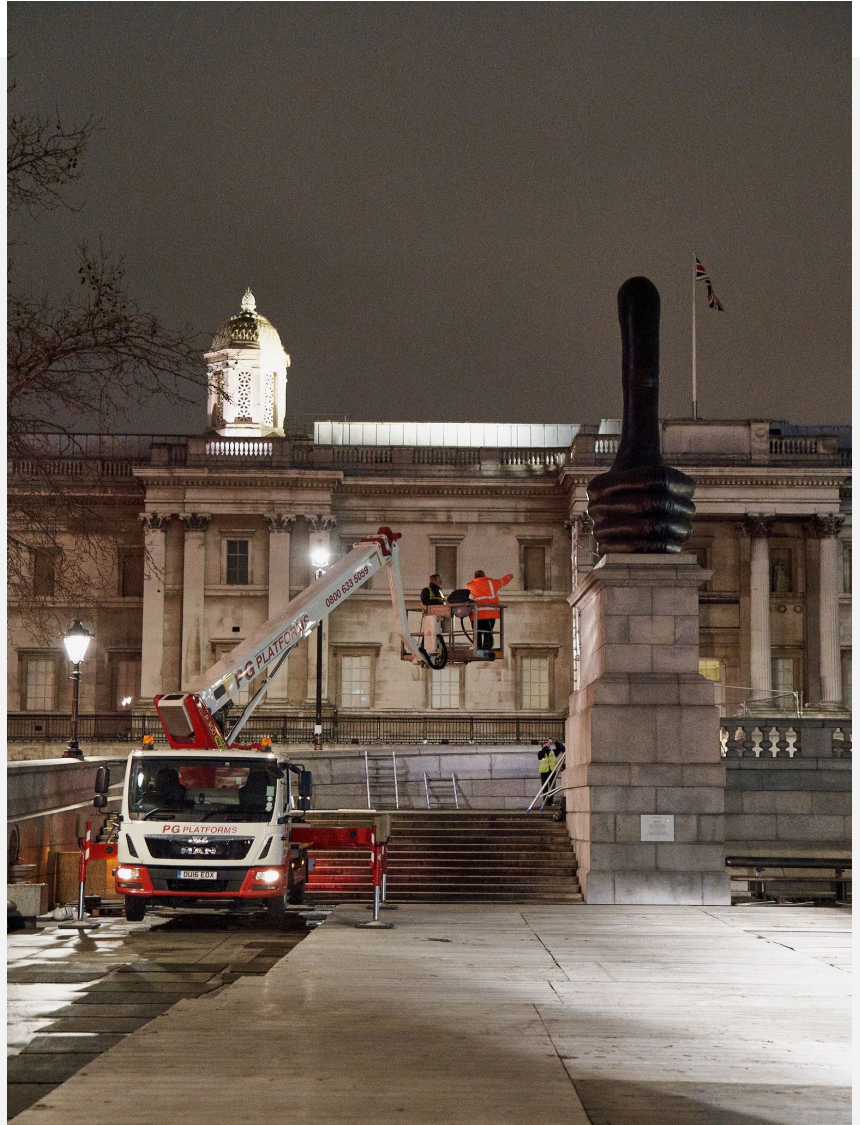
FIC Trading Overview

FIC	2023 £'m	2022 £'m	Change £'m
Retail	4.7	4.2	0.5
FBS (housing and construction)	7.3	4.3	3.0
Falklands 4x4	1.2	1.7	(0.5)
Support Services	1.5	1.6	(0.1)
Property Rental	0.5	0.5	-
Total revenue	15.2	12.3	2.9
Underlying operating profit and profit before tax	0.2	0.3	(0.1)



FIC Trading Overview

- Total revenue of £15.2m (2022: £12.3m) up 24%.
 - FBS revenue growth of 70% to £7.3m (2022: £4.3m) driven by the 70 House contract which included variations of £0.5m.
 - Retail revenue up £0.5m with inflationary pressures continuing.
 - Falkland 4x4 revenue down 29% with difficulties in sourcing both new and used vehicles.
 - Support Services were 6% below prior year which included a short-term arrangement to run a nursery which ended in the second half of the prior year.
- Underlying operating profit of £0.2m (2022: £0.3m) as a result of:
 - Inflationary pressures reducing margins in Retail.
 - Lower volumes in Falkland 4x4 from difficulties in sourcing vehicles.
 - Lower volume in Support Services.





Momart : Trading Overview

Momart	2023 £'m	2022 £'m	Change £'m
Museum Exhibitions	4.6	4.5	0.1
Gallery Services	3.2	2.8	0.4
Storage	1.5	1.3	0.2
Total revenue	9.3	8.6	0.7
Underlying operating profit	0.2	0.1	0.1
Net finance expense	(0.2)	(0.2)	-
Underlying profit /(loss) before tax	-	(0.1)	0.1



Momart Trading Overview

- Revenue up £0.7m to £8.6m from prior year.
 - £0.4m improvement in Gallery Services driven by a strong commercial market in both gallery and art fair sectors.
 - £0.1m improvement in Exhibitions with stronger performance expected in the second half based on the strength of its order book.
 - Storage income increased by £0.2m.
- Underlying operating profit of £0.2m was £0.1m ahead of prior year and included investment in additional headcount and associated recruitment costs necessary to deliver future growth.



Portsmouth Harbour Ferry Company (PHFC)



 **PHFC : Trading Overview**

PHFC	2023 £'m	2022 £'m	Change £'m
Total revenue	2.2	2.0	0.2
Underlying operating profit	0.5	0.5	-
Net finance expense	(0.1)	(0.1)	-
Underlying profit before tax	0.4	0.4	-



PHFC Trading Overview

- Passenger numbers broadly in line with the same period last year.
- Inflationary fair rises in April 2023 largely responsible for revenue increasing by £0.2m.
- Underlying operating profit of £0.5m in line with prior year.

Trading Outlook and Strategy





Trading Outlook

- PHFC
 - Performing in line with expectations.
- Momart
 - Strong order book in Exhibitions.
 - Continued growth in Gallery Services.
 - Trading cycle skewed towards the latter half of the year should deliver strong second half performance.
- FIC
 - FBS activity expected to accelerate in the second half of the year.
 - The tourist season should boost both direct and indirect revenues in a number of FIC business sectors, including Retail, Penguin Travel and Support Services.



Strategy

- **Build current businesses back to and beyond pre-COVID position.**
 - Focus on control of costs and mitigating the impact of inflation.
- **Invest in developing existing businesses.**
 - Capitalise on Government and MOD work and maximise use of land assets in the Falkland Islands.
 - Monitor potential opportunities arising from Sea Lion oil field development.
- **Explore the potential for strategic acquisitions but only if they:**
 - Can be secured at an appropriate price.
 - Add to existing activities of the Group or bring growth potential in other sectors.
 - Can be integrated and optimised within management capacity.

Appendices

Cash Flow, Balance Sheet, Net Borrowings & Liquidity



Cash flow - for the six months ended 30 September

FIH group plc	2023 £'m	2022 £'m
Underlying profit before tax	0.6	0.6
Depreciation and amortisation	1.2	1.2
Net interest	0.4	0.4
Underlying EBITDA	2.2	2.2
Movement in hire purchase debtors	0.2	0.1
Movement in working capital	(3.7)	(2.2)
Tax paid and other	-	-
Net cash flow from operating activities	(1.3)	0.1
Capital expenditure	(1.2)	(0.9)
Disposal of fixed assets	-	-
Net bank and lease liabilities interest paid	(0.3)	(0.4)
Bank loan and lease liability repayments	(0.8)	(0.8)
Net cash outflow from financing and investing activities	(2.3)	(2.1)
Total decrease in cash	(3.6)	(2.0)
Opening cash balance	12.8	9.6
Closing cash balance	9.2	7.6



Balance sheet

FIH group plc	30 Sep 2023	Restated 30 Sep 2022	31 Mar 2023
	£'m	£'m	£'m
Tangible fixed assets*	38.8	37.9	38.7
Investment properties at net book value	7.8	8.5	7.9
Goodwill & intangibles	4.5	4.6	4.4
Deferred tax, joint venture & hire purchase > 1 year	1.2	1.5	1.4
Derivative financial instruments	1.8	2.3	1.6
Total non current assets	54.1	54.8	54.0
Working capital - net	7.5	7.2	3.7
Cash	9.2	7.6	12.8
Corporation tax payable	(0.8)	(0.8)	(0.6)
Interest bearing loans and liabilities < 1 year	(1.6)	(1.4)	(1.5)
Net current assets	14.3	12.6	14.4
Interest bearing loans and liabilities > 1 year	(17.5)	(18.5)	(18.2)
Employee benefits	(1.9)	(1.9)	(2.0)
Deferred tax liabilities	(4.2)	(3.9)	(4.2)
Net assets / equity shareholders funds	44.8	43.1	44.0

* Prior year amounts relating to right of use assets were restated following a review of the accounting treatment of the seabed lease. The impact at 30 September 2022 was an increase in retained earnings of £0.2 million and reductions in property, plant and equipment and interest-bearing loans and borrowings of £0.4 million and £0.6 million respectively. There was no impact on profit for the six months ended 30 September 2022.



Borrowings, Cash & Liquidity

FIH group plc	30 Sep 2023 £'m	30 Sep 2022 £'m	31 Mar 2023 £'m
Bank loans due within 1 year	(1.0)	(1.0)	(1.0)
Bank loans due after 1 year	(11.8)	(12.7)	(12.3)
Total bank borrowings*	(12.8)	(13.7)	(13.3)
Cash	9.2	7.6	12.8
Net bank borrowings	(3.6)	(6.1)	(0.5)
Lease liabilities due within 1 year	(0.6)	(0.5)	(0.6)
Lease liabilities due after 1 year	(5.7)	(5.8)	(5.9)
Net debt	(9.9)	(12.4)	(7.0)
Net tangible assets			
	40.3	38.5	39.6
* Includes £11.9m mortgage on Leyton			
** Total lease liability includes Ferry pontoon lease of £4.6m renewable after 2061			
*** Prior period amounts relating to right of use assets were restated following a review of the accounting treatment of the seabed lease. The impact at 30 September 2022 was an increase in retained earnings of £0.2 million and reductions in property, plant and equipment and interest-bearing loans and borrowings of £0.4 million and £0.6 million respectively. There was no impact on profit for the six months ended 30 September 2022.			

