

Group Overview – Summer 2017

Solid profitability , PBTa £2.4m, Nav 320p per share, record cash reserves £15.1m, dividend announced 4p per share

Interim Non-Executive Chairman [Jeremy Brade](#)

Chief Executive [John Foster](#)



Overview

- ❖ Quoted on LSE since 1998 – moved to AIM 2003
- ❖ Market Cap £35m @ £2.85 per share (June 2017)
- ❖ Diverse trading business – 1 in Falklands, 2 in UK- good track record
- ❖ Consistently profitable over 20 years
- ❖ Long standing supportive shareholder base
- ❖ Significant cash resources & borrowing capacity (HSBC)
- ❖ **Now focussed on value accretive UK acquisitions**
- ❖ Focus on sustainable capital growth & increased scale
- ❖ Name change to FIH group plc - Sept 2016 (from Falkland Islands Holdings)
- ❖ Non executive board being currently strengthened



Existing Operations

- ❖ March 2017 Sales £40.5m , PBT £2.4m , Cash £15.1m
- ❖ Diverse trading group – 3 consistently profitable operating businesses:
 - ❖ **Falkland Islands Company** – Stanley based mini conglomerate –incl 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** – Vital passenger ferry service across Portsmouth Harbour since 1874
- ❖ Strong track record over 10 years
- ❖ Strong niche positons with predictable earnings



Strategy

Group:

- ❖ Maximise opportunities from existing businesses
- ❖ Leverage cash flow to finance strategic acquisitions to create scale & critical mass

FIC:

- ❖ Focus on increased efficiency & cash flow pending development of oil

Momart:

- ❖ Secure returns from expanded storage – leverage investment in sales & marketing

PHFC:

- ❖ Maintain fleet, steady profits & strong cash flow



Trading Overview : Year ended 31 March 2017

FIH group plc	2017 £'000	2016 £'000	Change +/-
Group Revenue	40,494	38,996	3.8%
Operating profit	2,805	3,307	-15.2%
Group share of SAtCO JV	24	200	-88.0%
Trading Profit	2,829	3,507	-19.3%
FIC Pension scheme financing costs	-88	-90	-2.2%
Pontoon lease interest	-239	-240	-0.4%
Net Bank/ HP interest payable	-106	-99	7.1%
Net financing costs	-433	-429	0.9%
Underlying Pre Tax Profit (PBTae)**	2,396	3,078	-22.2%
Amortisation of non-trading intangibles	-136	-136	
Profit on sale Fixed Assets / shares	157	448	
Bid costs /restructuring /impairment	-530	-591	
Profit Before Tax	1,887	2,799	-32.6%
Diluted EPS on taxed underlying PBT	15.3p	19.2	-20.2%
**PBTae - profit before taxation, amortisation and non trading items			



Borrowings, Cash & Liquidity

All figs £ '000's	31 March 2017	31 March 2016	
Bank Loans*	(3,828)	(3,264)	
HP on Momart Trucks	(214)	(309)	
Total borrowings & HP	(4,042)	(3,573)	
Free Cash	15,079	14,037	
Net cash excl 50 year Pontoon lease	11,037	10,464	
Long term Pontoon Finance Lease	(4,797)	(4,828)	
Total Net Cash	6,240	5,636	
Net Tangible Assets	27,899	26,532	
*Bank loan interest: 5 year fixed at 3.6% pa to October 2020			



Split by Business : Year ended 31 March 2017

FIH group plc	2017 £'000	2016 £'000	Change +/-
Revenue			
FIC	17,828	18,495	-3.6%
PHFC	4,286	4,244	1.0%
Momart	18,380	16,257	13.1%
Total Revenue	40,494	38,996	3.8%
Underlying Pre-tax profit			
FIC	1,159	1,937	-40.2%
PHFC	713	684	4.2%
Momart	709	457	55.1%
Momart -warehouse start-up losses	-185	-	
Underlying pre-tax profit (PBTae)	2,396	3,078	-22.2%



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
- ❖ Recently modernised – limited further capital investment required
- ❖ Well positioned for when oil price recovers & development resumes (700% growth in GDP predicted in 5 years)





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: “Abstract Expressionism” at the Royal Academy, “Sunken Cities” at the British Museum, “Painters Paintings” and Caravaggio at the National Gallery, and “You Say You Want a Revolution” ” at the V&A



Gosport Ferry





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 in 2017-18

Appendices

Management, Shareholders
& Acquisition Criteria



Management Team

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.

Jeremy Brade Interim Non-Executive Chairman

Jeremy joined the Board in 2009. He is a Director of Harwood Capital Management where he is the senior private equity partner. Jeremy has served on the boards of several private and publicly listed international companies. Formerly Jeremy was a diplomat in the Foreign and Commonwealth Office, and before that an Army officer.

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



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	756,818	6.1
Bona Fide Global Fish Fund	671,000	5.4
Others	5,384,097	43.2
Total shares in issue	12,434,418	100.0



Acquisition Criteria 2017

- ❖ Direct synergies with its existing operations desirable but not essential
- ❖ Sectors of interest:
 - ❖ Support services (incl. fine art services & storage)
 - ❖ Transport & Specialist logistics
- ❖ **Also :**
 - ❖ Industrial services / B2B services / general
 - ❖ Oil services
 - ❖ Consumer services



Acquisition Criteria 2017 cont.

- ❖ Location: 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
 - ❖ Loss making