

Full Year Results: Year Ended 31 March 2023

Chief Executive : Stuart Munro

Chief Financial Officer : Reuben Shamu



Group Highlights

- Revenue increased by 31% to £52.7m (2022: £40.3m).
- Underlying pre-tax profit increased by 39% to £3.2m (2022: £2.3m).
- Net cash flow from operating activities up 47% to £7.5m.
- Strong balance sheet with cash up £3.2m to £12.8m (2022: £9.6m) and net debt improving by £4.1 million to £0.5m (2022: £4.6m).
- Underlying EPS of 20.1p (2022: 9.5p).
- Final dividend of 5.3 pence per share to be proposed at the AGM taking total for the year to 6.5 pence per share.



Trading Overview

FIH group plc	2023 £'m	2022 £'m	Change £'m
Turnover	52.7	40.3	12.4
Underlying operating profit	4.0	3.1	0.9
Interest payable on bank loans	(0.4)	(0.4)	-
Lease finance & pensions charges	(0.4)	(0.4)	-
Underlying Financing costs	(0.8)	(0.8)	-
Underlying profit before tax	3.2	2.3	0.9
Non trading items*	0.8	0.4	0.4
Profit before tax*	4.0	2.7	1.3
Avg shares (000's)	12,520	12,520	
Diluted EPS on underlying profit after tax	20.1p	9.5p	

* Prior year 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 £0.5 million to the prior year profit and loss (comprising a £0.7m credit to net finance income and a £0.2m charge to tax expense) which was previously accounted for in the hedging reserve.



Split by Business:

FIH group plc	2023	2022	Change
	£'m	£'m	£'m
FIC	29.4	21.6	7.8
PHFC	3.8	3.1	0.7
Momart	19.5	15.6	3.9
Turnover	52.7	40.3	12.4
FIC	1.9	1.8	0.1
PHFC	0.3	(0.1)	0.4
Momart	1.0	0.6	0.4
Underlying profit before tax	3.2	2.3	0.9
Non-trading items*	0.8	0.4	0.4
Profit before tax *	4.0	2.7	1.3

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Falkland Islands Company (FIC)





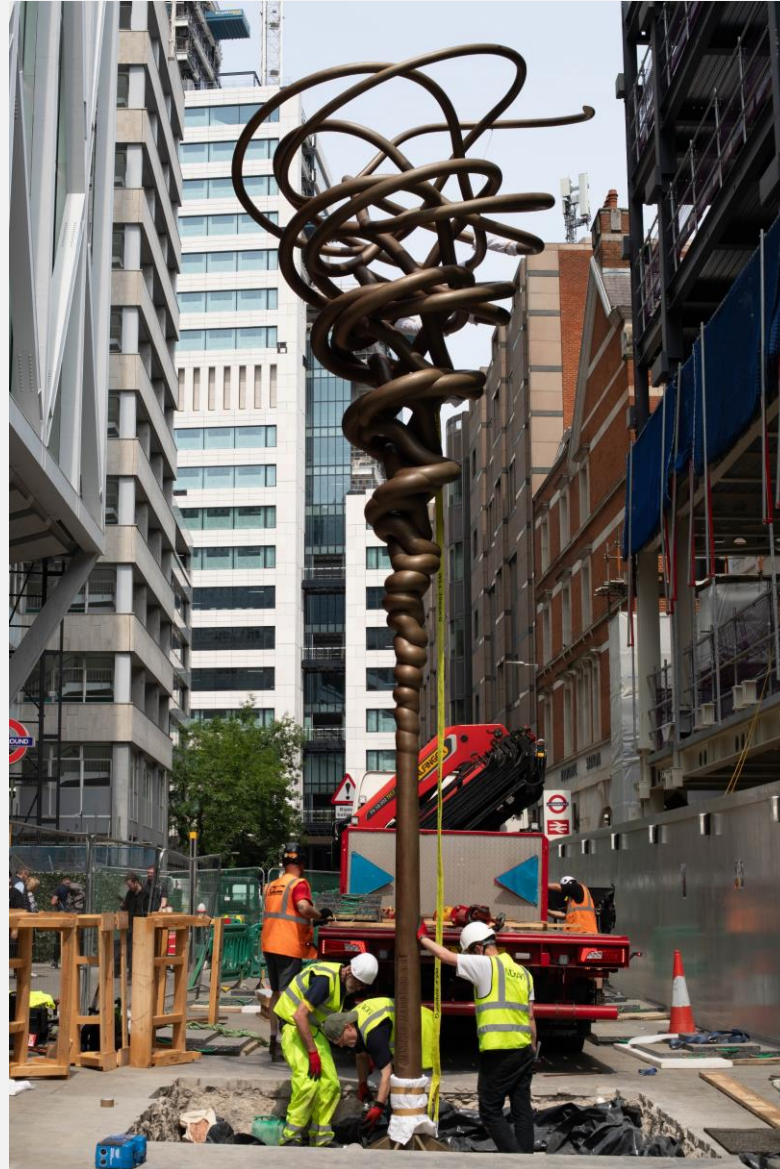
FIC Trading Overview

FIC	2023 £'m	2022 £'m	Change £'m
Retail	9.9	9.7	0.2
Falklands 4x4	3.1	2.8	0.3
FBS (housing and construction)	12.1	5.8	6.3
Support services	3.3	2.5	0.8
Property rental	1.0	0.8	0.2
Total revenue	29.4	21.6	7.8
Underlying operating profit	2	1.9	0.1
Defined benefit pension - finance expense	(0.1)	(0.1)	-
Underlying profit before tax	1.9	1.8	0.1



FIC Trading Overview

- Total revenue of £29.4m up 36% (2022: £21.6m).
 - FBS up £6.3m driven by £17.3m housing contract for FIG and MOD.
 - Support Services up £0.8m due mainly to Penguin Travel due to arrival of tourists.
 - Retail sales slightly ahead of prior year with strong tourist sales offsetting shortfalls in locally-driven business.
 - All other divisions ahead of prior year.
- Underlying pre-tax profit of £1.9m (2022: £1.8m).
- Reduction in operating margin percentage largely due to the mix and proportion of FBS activity.
- Number of rental properties increased to 85 (2022: 83) and occupancy rate increased to 90% (2022: 86%).





Momart : Trading Overview

Momart	2023 £'m	2022 £'m	Change £'m
Museum Exhibitions	9.5	7.4	2.1
Gallery Services	7.3	5.8	1.5
Storage	2.7	2.4	0.3
Total revenue	19.5	15.6	3.9
Underlying operating profit	1.4	1.0	0.4
Finance expense	(0.4)	(0.4)	-
Underlying profit before tax	1.0	0.6	0.4



Momart Trading Overview

- Revenue of £19.5m increased by 25% with improvements across all sectors.
- Strong growth in Museum Exhibitions which is still recovering from Covid-19.
- Significant progress in Gallery Services from both existing and new clients.
- Improvement in Storage driven by improved fill rate and price increases.
- Underlying pre-tax profit of £1.0m (2022: £0.6m) with margins improving from:
 - Higher volume of work relative to the fixed cost base.
 - Better staff utilisation.



Gosport Ferry





Gosport Ferry : Trading Overview

Gosport Ferry	2023 £'m	2022 £'m	Change £'m
Total revenue	3.8	3.1	0.7
Underlying operating profit	0.6	0.2	0.4
Finance expense	(0.3)	(0.3)	-
Underlying profit/ (loss) before tax	0.3	(0.1)	0.4



Gosport Ferry Trading Overview

- 99.8% service reliability.
- Passenger numbers increased by 15% to 2.0m.
- Overall passenger volume for the year at 80% of pre-pandemic levels (2022: 70%).
- Revenue increased by 23% to £3.8m including inflation-mitigating fare rises.
- Underlying pre-tax profit of £0.3m (2022 £0.1m loss) reflecting:
 - Passenger growth.
 - Fare rises.
 - Careful management of costs.

Trading Outlook and Strategy





Trading Outlook

- FIC
 - Return of tourism to the Falkland islands should continue to boost direct and indirect revenues which mitigates the challenges of the global economic crisis.
 - A strong order book in FBS and potential for new contracts with MOD and FIG bodes well for the future.
- Momart
 - The market continues to recover.
 - Renewed focus on actively developing business with new and prospective clients should continue to provide growth opportunities.
- Gosport Ferry
 - Available capacity means that future passenger growth can be accommodated without a commensurate increase in cost, which would further improve profitability.
 - Costs and fare pricing will continue to need to be carefully managed.
- The overall trading outlook remains positive.
 - The challenge of the global economic crisis remains, but the progress delivered to date, an ongoing focus on pricing and cost control and the strength that the Group's geographical breadth and diversity of operations brings, gives confidence for the future.



Strategy

- **Build current businesses back to and beyond pre-COVID position.**
 - Improved results demonstrate progress.
 - More to be done
- **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,
Non-trading items



Cash flow - for the year ended 31 March

FIH group plc	2023 £'m	2022 £'m
Underlying profit before tax	3.2	2.3
Depreciation and amortisation	2.6	2.4
Gain on disposal of fixed asset	(0.3)	-
Net interest	0.8	0.8
Underlying EBITDA	6.3	5.5
Non-trading, cash items	(0.1)	-
Movement in hire purchase debtors	0.2	(0.1)
Working capital movements	1.4	-
Tax paid and other	(0.3)	(0.3)
Net cash flow from operating activities	7.5	5.1
Capital expenditure	(2.0)	(2.7)
Disposal of fixed assets	0.4	0.1
Net bank and lease liabilities interest paid	(0.7)	(0.8)
Bank loan and lease liability repayments	(1.6)	(6.6)
Dividends paid	(0.4)	(0.1)
Net cash outflow from financing and investing activities	(4.3)	(10.1)
Total increase/(decrease) in Cash	3.2	(5.0)
Opening cash balance	9.6	14.6
Closing cash balance	12.8	9.6



Balance sheet

FIH group plc	2023 £'m	2022 £'m	2021 £'m
Tangible fixed assets	38.7	39.1	40.3
Investment properties at net book value	7.9	8.2	7.1
Goodwill & intangibles	4.4	4.2	4.2
Deferred tax, joint venture & hire purchase > 1 year	1.4	1.7	1.7
Derivative financial instruments	1.6	0.6	-
Total non current assets	54.0	53.8	53.3
Working capital - net	3.7	5.2	5.5
Cash	12.8	9.6	14.6
Corporation tax payable	(0.6)	(0.2)	(0.1)
Interest bearing loans and liabilities < 1 year	(1.5)	(1.5)	(3.4)
Net current assets	14.4	13.1	16.6
Interest bearing loans and liabilities > 1 year	(18.2)	(19.7)	(24.8)
Employee benefits	(2.0)	(2.6)	(2.8)
Deferred tax liabilities	(4.2)	(3.9)	(3.2)
Net assets / equity shareholders funds	44.0	40.7	38.9

* 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 31 March 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 year ended 31 March 2022.



Borrowings, Cash & Liquidity

FIH group plc	2023 £'m	2022 £'m	Change £'m
Bank loans due within 1 year	(1.0)	(1.0)	-
Bank loans due after 1 year	(12.3)	(13.2)	0.9
Total bank borrowings *	(13.3)	(14.2)	0.9
Cash	12.8	9.6	3.2
Net debt	(0.5)	(4.6)	4.1
Lease liabilities due within 1 year	(0.6)	(0.6)	0.0
Lease liabilities due after 1 year **	(5.9)	(6.5)	0.6
Net debt after lease liabilities	(7.0)	(11.7)	4.7
Net tangible assets	39.6	36.6	3.0

*Includes £12.1m mortgage on Leyton

** Total lease liability includes Ferry pontoon lease of £5.1m renewable after 2061

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Non-trading items

Non-trading items	2023 £'m	2022* £'m	Change £'m
Movement in fair value of non-effective portion of derivative financial instruments	0.9	0.7	0.2
Restructuring costs	(0.1)	(0.3)	0.2
Total	0.8	0.4	0.4

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