

Fox Marble Holdings (FOX LN)

Stock Data

Share Price:	9.25p
Market Cap (M):	£19.9
EV (M):	£20.9

Price Chart



52 Week Range

6.625p	9.25p	13.25p
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Company Summary

Fox Marble Holdings plc is a natural stone extraction company operating in Kosovo and the Balkans region. The Company is currently extracting blocks from the Cervenilla, Malesheva, Prilep and Syrigane quarries and constructing a cutting and polishing plant in Kosovo.

MAIN SHAREHOLDERS HOLDING

Christopher Gilbert	9.07%
Albani Etrur	6.96%
Milton Group	6.21%
Hargreaves Lansdown Asset	6.18%
Redfern Dominic	5.60%

Source: Bloomberg

Fox Marble Publishes Preliminary Results for the year ended 31 December 2017

The Event

Fox Marble has announced its preliminary results for the year ended 31 December 2017. The result was a loss of €3.4M based on revenues of €1.20M.

Comment

This is a disappointing result for Fox-Marble, with BHC having forecast revenues of €2.5M. However, there are some very positive takes on the second half of 2017.

Revenues were up sharply by 2.6x from H1 to H2 2017. The H2 revenue was €0.874M (H1: €0.329M). This reflected the success of the marketing and sales teams in addition to the commissioning of the factory in September 2017. BHC believes that this trend will continue due to the new sales contract with OM Enterprises, signed in September 2017, a 3 year sales agreement with Mr Shailesh Patil and re-occurring block orders to large wholesalers in India and Turkey.

There will also be the boost offered by the commissioning of the factory, and 2018 should add a substantial increase in profitability as the finished items, polished slabs, sell for substantially more than blocks. The relevant prices as for 2017 were €170/t for blocks and €72/m² for slabs. Additionally, finance costs will also drop due to the repaying of the outstanding loans.

However, the major boost should come from quarrying. In 2017, Fox Marble focused on the development of the M3 quarry in Maleshevë, where Illirico Selene and Illirico Bianco are produced. The market for this marble is proving to be very promising and the Company has sold over 1,900t of this material. 2017 saw a fourfold increase in production at this quarry and a new quarry face has been opened to further expand production. The other 3 operating quarries will be operated in line with demand.

FYE Dec (€M unless stated)	2015	2016	2017	2018E
Revenue	0.2	0.8	1.2	8.9
EBITDA	-2.3	-2.3	-2.8	4.5
NPAT	-3.0	-2.8	-3.4	3.6
EPS (€c)	-1.7	-1.6	-1.9	1.5
CFPS (€c)	-1.3	-1.3	-1.7	2.1

Source: Company Data & Brandon Hill Capital estimates

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

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Sell	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

Research Disclaimers

Research disclosure as of 10 May 2018

Company Name	Disclosure
Fox Marble Holdings (FOX LN)	1, 2, 3, 7, 8, 9

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Brandon Hill Contact List

International Sales

Oliver Stansfield

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

Pierre Iseux

Tel: +44 20 3463 5024

Email: pierre.iseux@brandonhillcapital.com

Andrew Hall

Tel: +44 20 3463 5025

Email: andrew.hall@brandonhillcapital.com

Arron Smyth

Tel: +44 20 3463 5042

Email: arron.smyth@brandonhillcapital.com

Research

Peter Rose

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

William Arnstein

Tel: +44 20 3463 5020

Email: william.arnstein@brandonhillcapital.com

Corporate Finance & Broking

Jonathan Evans

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

Wei Jiao

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

Robert Beenstock

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com

Enzo Aliaj

Tel: +44 20 3463 5026

Email: enzo.aliaj@brandonhillcapital.com