

MINING FLASHNOTE

Fox Marble Holdings (FOX LN)

23 June 2020

Stock Data

Share Price:	1.8p
Market Cap (M):	£5.55
EV (M):	£8.26

Price Chart



52 Week Range

7.5p	1.8p
1.32p	

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 operating a cutting and polishing plant in Kosovo.

MAIN SHAREHOLDERS	HOLDING
Andrew Muir	13.44%
Albani Etrur	8.56%
Premier Milton Group Plc	8.36%
Christopher Gilbert	8.14%
Shailesh Patil	7.25%
Artemis Investment Management	5.14%

Source: Bloomberg and Fox Marble Holdings

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Fox Marble announces largest single order of processed marble

The Event

Fox Marble has announced that it has signed a contract to supply 15,000m² of cut and polished tiles to CC Apartments LLC and 19,000m of bespoke cut to size products.

Comment

To fulfil this order, which is worth in excess of €600k, Fox Marble will be processing blocks of a range of marble from its own quarries for this project and supplying this material from its factory in Kosovo over the course of 2021 starting in January, with all revenues expected to be realised by December 2021.

This contract comes with a number of positives which may not be readily apparent immediately, but have significant advantages for Fox-Marble.

- Whilst Fox Marble will be processing blocks of a range of marble from its own quarries for this project and supplying this material from its factory in Kosovo, many of the blocks to be used will come from inventory, thereby strengthening the balance sheet.
- Some of the blocks in inventory are cracked and/or stained making them hard to sell. In making bespoke products, many of these hard to sell blocks can be utilised, so improving quarry yield.
- As the project is within Kosovo, it will not be impacted by any of the ongoing travel restrictions.
- BHC estimates it will utilise about 20% of the factory's capacity, so providing a good base load.
- The building that will house the marble is currently under construction and will not be ready for "fitting out" until the New Year.
- CC Apartments LLC is engaged in developing several prestigious projects including apartments in Kosovo, as well as Albania and surrounding countries. It is a significantly sized global firm, offering Fox-Marble the potential to form a long term partnership in providing marble products for future ventures providing a satisfactory delivery of the current contract.

International block sales have not yet resumed, due to the ongoing international travel restrictions. Most buyers of blocks need to see the blocks before they purchase them and are unable to do these until the current travel restrictions are lifted.

Research Disclosures

Peter Rose

Peter has 34 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 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.

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Research disclosure as of 23 June 2020

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

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