

# TOTAL FOUNDATION SOLUTIONS.

**VAN ELLE HOLDINGS PLC**

**INTERIM RESULTS - 31 OCTOBER 2024**

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# RESULTS OVERVIEW

- Continued resilience against challenging market conditions, with early signs of improvement in housing
- Diverse rail activities provides some resilience against CP7 delays and early contract awards in energy
- Revenue decreased by 4% to £65.2m (H1 FY24: £68.2m)
- Gross margins increased to 30.9% (H1 FY24: 30.3%) due to favourable sales mix
- EBITDA flat year-on-year at £6.2m
- Underlying operating margin of 3.2%, down from 3.9% in the previous year
- Acquired Albion Drilling in October to expand technical capabilities and establish presence in Scotland ahead of expected growth in energy sector
- Interim dividend of 0.4p declared, consistent year-on-year

# OUR MARKETS



**£28.1M**  
**43%**



**£26.2M**  
**40%**



**£10.5M**  
**16%**

# FINANCIAL REVIEW - INCOME STATEMENT

|                                     | H1<br>FY25<br>£m            | H1<br>FY24<br>£m |
|-------------------------------------|-----------------------------|------------------|
| <b>Revenue</b>                      | <b>65.2</b>                 | 68.2             |
| <b>Gross profit</b>                 | <b>20.2</b><br><b>30.9%</b> | 20.7<br>30.3%    |
| <b>Underlying EBITDA</b>            | <b>6.2</b>                  | 6.2              |
| <b>Underlying operating profit</b>  | <b>2.1</b>                  | 2.7              |
| <b>Statutory operating profit</b>   | <b>1.9</b>                  | 2.7              |
| Finance costs                       | -                           | (0.2)            |
| <b>Underlying profit before tax</b> | <b>2.1</b>                  | 2.5              |
| <b>Statutory profit before tax</b>  | <b>1.9</b>                  | 2.5              |
| <b>EPS</b>                          | <b>1.3p</b>                 | 1.6p             |

- Impact of challenging market conditions
  - Revenue down 4% vs prior year
- Continued gross margin improvement through better contract execution and positive mix impact
- EBITDA flat year-on-year
- Non-underlying costs for ongoing restructuring and costs of acquisition
- Increased depreciation on higher asset base



# OUR BUSINESS

## General Piling



## Specialist Piling & Rail



## Ground Engineering Services



Includes:

Rock & Alluvium 

|                  | H1<br>FY25<br>£m | H1<br>FY24<br>£m |
|------------------|------------------|------------------|
| Revenue          | 23.0             | 25.4             |
| Operating profit | 0.5              | 1.8              |

 ScrewFast  
FOUNDATIONS

  
Albion  
Drilling Group Ltd

|                  | H1<br>FY25<br>£m | H1<br>FY24<br>£m |
|------------------|------------------|------------------|
| Revenue          | 23.2             | 20.3             |
| Operating profit | 2.0              | 0.5              |

Smartfoot®

 STRATA  
GEOTECHNICS

|                  | H1<br>FY25<br>£m | H1<br>FY24<br>£m |
|------------------|------------------|------------------|
| Revenue          | 18.7             | 22.1             |
| Operating profit | 0.3              | 1.8              |

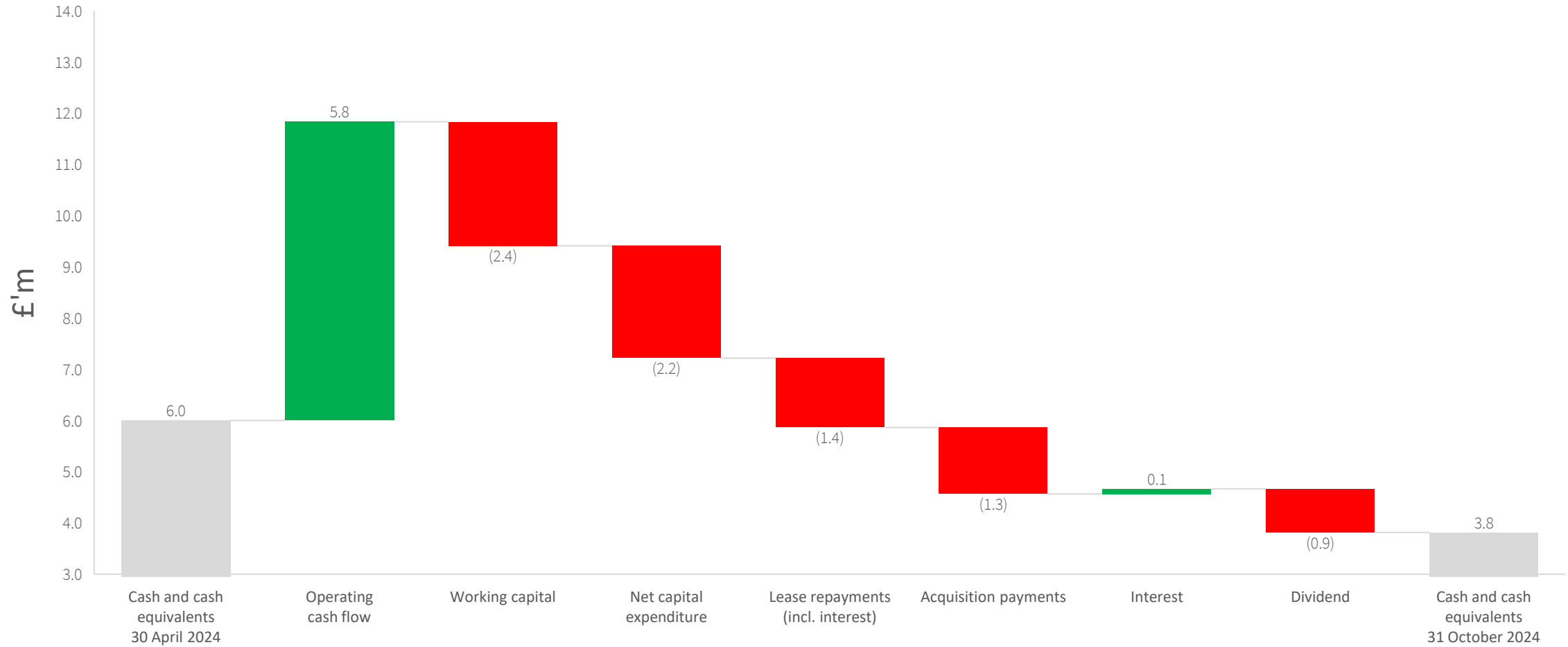
# FINANCIAL REVIEW – BALANCE SHEET

|  | 31 Oct<br>2024<br>£m | 30 Apr<br>2024<br>£m | 31 Oct<br>2023<br>£m |
|--|----------------------|----------------------|----------------------|
| Fixed assets (including intangible assets) | 51.3                 | 48.4                 | 45.5                 |
| Net working capital                        | 17.0                 | 14.6                 | 9.3                  |
| Net (debt)/funds                           | (4.3)                | (1.6)                | 1.9                  |
| Deferred consideration                     | (3.0)                | (2.1)                | -                    |
| Taxation and provisions                    | (7.1)                | (6.6)                | (5.7)                |
| <b>Net assets</b>                          | <b>53.9</b>          | <b>52.7</b>          | <b>51.0</b>          |

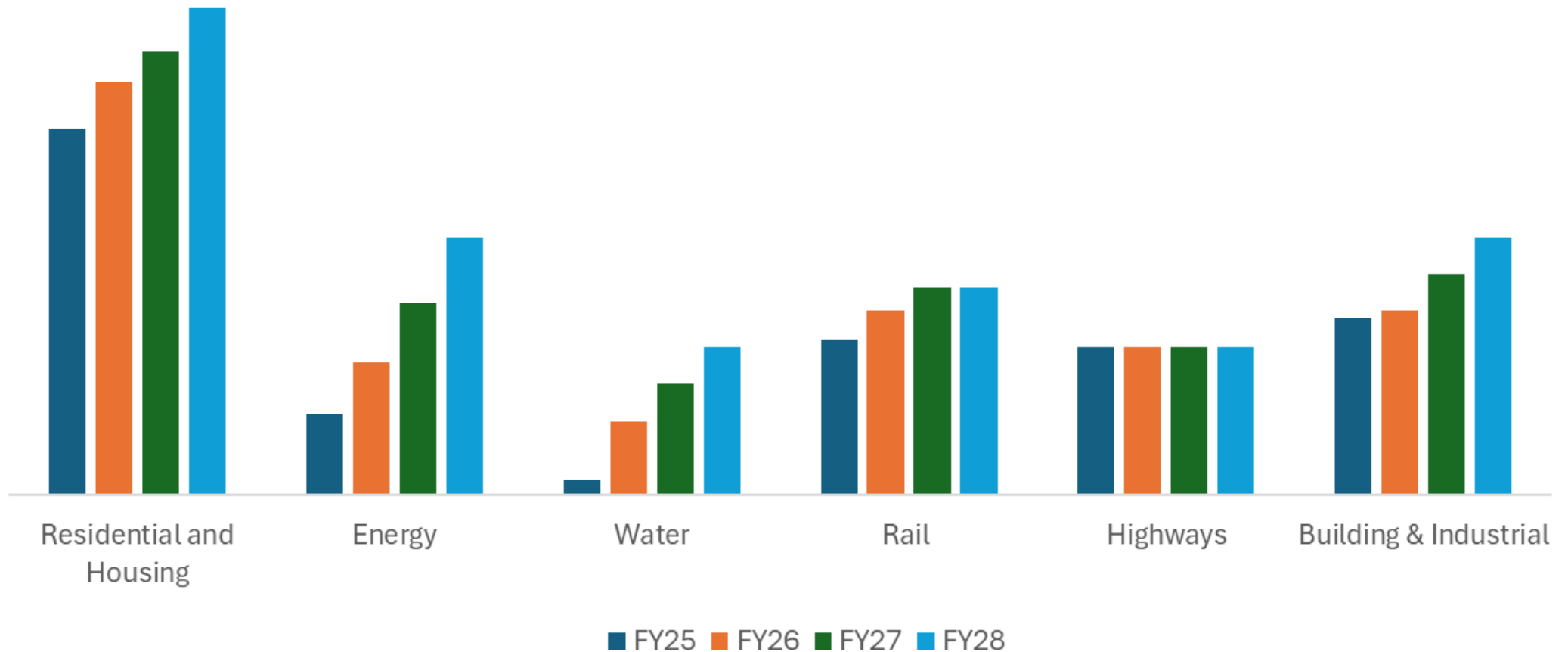
Note: Net working capital and taxation and provisions are stated net of claim liabilities and associated insurance assets

- Fixed assets includes:
  - Net capital spend of £2.2m in H1
  - Plant and equipment from the Albion Drilling acquisition of £2.7m (at fair value)
  - Goodwill from Albion Drilling of £0.6m
- Working capital increase impacted by R&D tax credit claim not received at 31 October
- Net funds / (debt):
  - Cash £3.8m
  - Hire purchase debt £0.7m
  - IFRS 16 lease liabilities £7.4m
- £11.0m funding facility undrawn at 31 October 2024

# CASH FLOW



# GROWTH OPPORTUNITY BY SECTOR



Note: Total revenue growth opportunity in line with market consensus forecasts



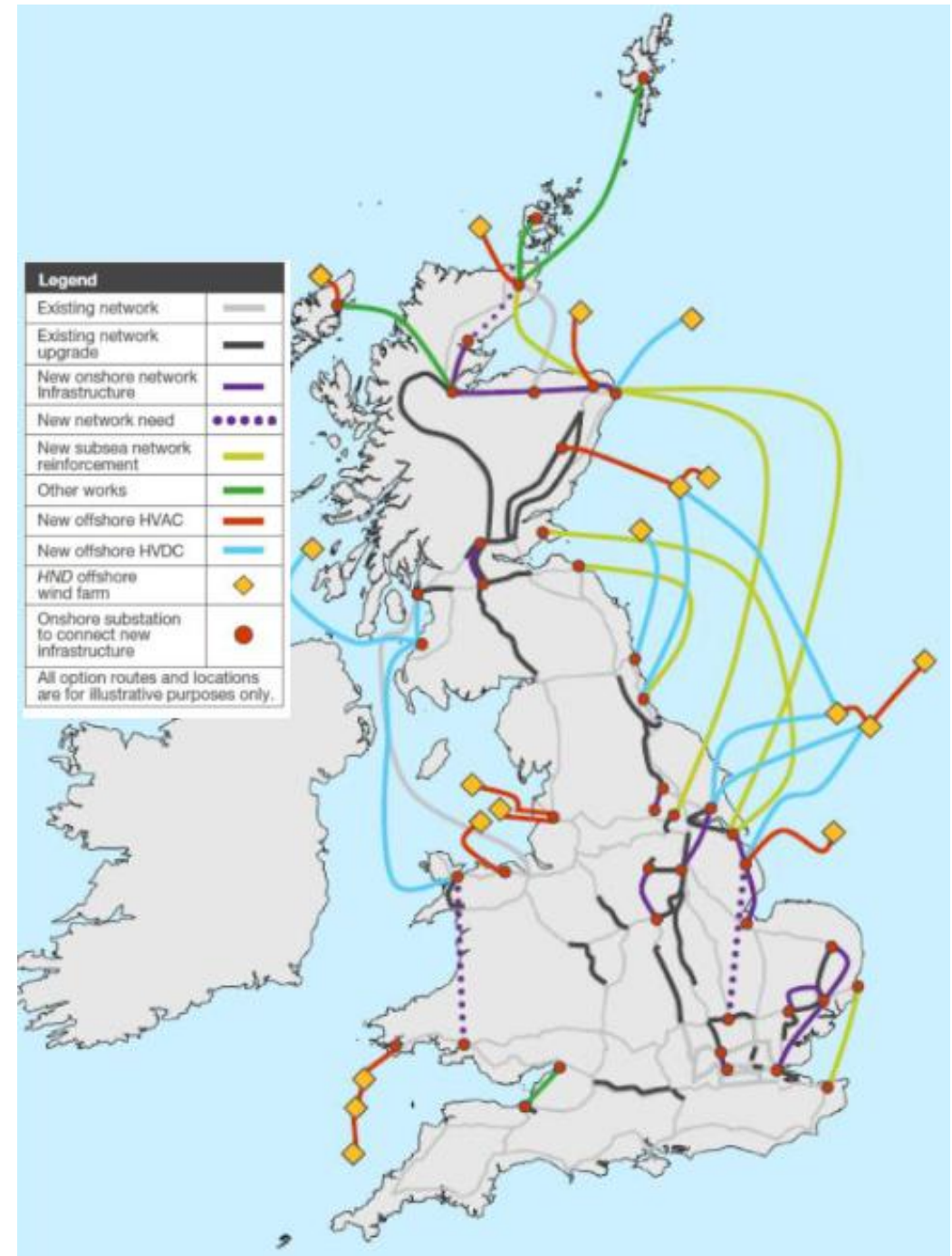
# HOUSING

- Ongoing market recovery: Q4 FY25 at near capacity, expansion initiatives underway
- Anticipate 10% year on year growth FY26-FY28
- Diverse customer base across UK, both open market and partnership housing
- Smartfoot system assists industry resource challenges, simplifies brownfield development and reduces build time



# ENERGY

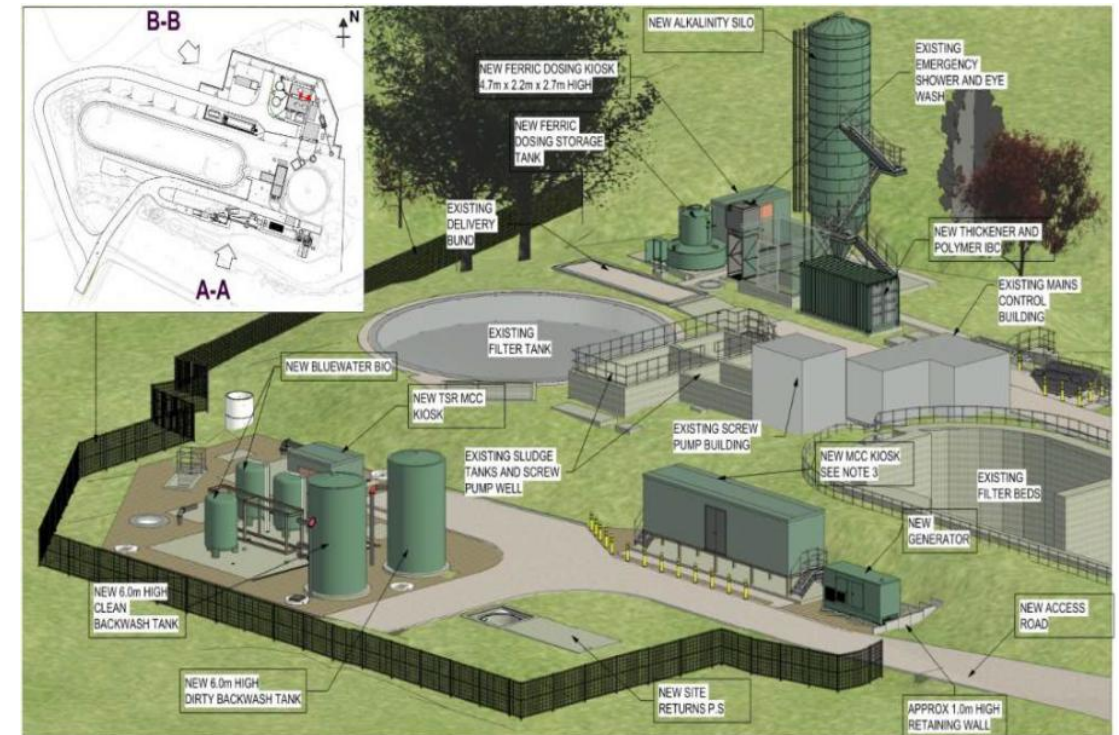
- £20m substation and non-ASTI awards YTD and £30m 8-year Wood ASTI partnership announced
- £200m targeted bid pipeline for major transmission infrastructure
- Acquisition of Albion Drilling in October 2024 strengthens resource and customer position in Scotland
- Differentiated by scale and breadth of technical capability





# WATER

- Significant increased investment in AMP8 and SR21-27 in Scotland
- Strategic partnership with Galliford Try underpins 50% of expected revenues
- Further partnerships in negotiation for FY2026 ramp-up



# RAIL

- Resilient performance through dip CP6 to CP7
- Balanced portfolio including CP7 regional projects, emergency works, Transpennine Route Upgrade and Access for All stations
- CP7 increased spend on civils, geotechnical, climate change
- 10-year civils framework in Southern region underway
- Canada revenues growing, key frameworks secured but major ONxpress project further delayed

| CP7   |
|---|
| <b>Expenditure</b>                            |
| Operations <b>£4.4bn</b>                      |
| Support <b>£5.3bn</b>                         |
| Maintenance <b>£12.6bn</b>                    |
| Renewals <b>£19.3bn</b>                       |
| Industry costs & rates <b>£2.0bn</b>          |
| Risk funding <b>£1.8bn</b>                    |
| Electricity for Traction (EC4T) <b>£4.3bn</b> |

**Figure 1: Network Rail regions and routes**

- Eastern**
  - 1 Anglia Route
  - 2 East Coast Route
  - 3 East Midlands Route
  - 4 North & East Route
- North West & Central**
  - 5 Central Route
  - 6 North West Route
  - 7 West Coast South Route
- Scotland's Railway**
  - 8 Scotland Route
- Southern**
  - 9 Kent Route
  - 10 Network Rail High Speed
  - 11 Sussex Route
  - 12 Wessex Route
- Wales & Western**
  - 13 Wales & Borders Route
  - 14 Western Route



# CURRENT TRADING AND OUTLOOK

- Housing market continuing to improve, Q4 operating at near capacity
- Delayed projects in London will proceed once Building Safety Act approval delays are unblocked
- Rail UK activity increasing in H2, supported by TransPennine Route upgrade works
- Energy and water sectors expected to yield materially increased volumes from FY2026
- Order book growth of 24% to £43.4m at 31 December 2024 (£35.1m at 30 April 2024)
- Cost programme to reduce overheads continues and well-positioned to benefit from improvements in the market
- The Board remains confident of achieving 5-10% annual revenue growth, 6-7% EBIT margin and 15-20% ROCE when markets recover



# Q&A



# STATISTICS

|                                      | H1 2025 | H1 2024 |
|--------------------------------------|---------|---------|
| <b>Financial measures</b>            |         |         |
| Revenue (£m)                         | 65.2    | 68.2    |
| Gross profit %                       | 30.9%   | 30.3%   |
| Underlying operating profit margin   | 3.2%    | 3.9%    |
| Overheads % (underlying)             | 30.1%   | 27.5%   |
| Net capital expenditure (£'m)        | 2.2     | 2.5     |
| Order book (£'m)                     | 43.4    | 32.7    |
| <b>Operational measures</b>          |         |         |
| Number of rigs*                      | 137     | 132     |
| Average rig utilisation %            | 49%     | 54%     |
| Total contracts delivered            | 593     | 526     |
| Enquiries                            | 2,003   | 1,959   |
| <b>Employee measures</b>             |         |         |
| RIDDOR accident frequency rate (AFR) | 0.0     | 0.19    |
| Average employees                    | 663     | 635     |
| Number of apprentices/trainees       | 36      | 29      |
| Total training days delivered        | 1,905   | 1,960   |

\* Excludes 13 rigs acquired as part of the acquisition of Albion Drilling

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