

# 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 FY25 £m	H1 FY24 £m
<b>Revenue</b>	<b>65.2</b>	68.2
<b>Gross profit</b>	<b>20.2</b> <b>30.9%</b>	20.7 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

Includes:

Rock & Alluvium 

	H1 FY25 £m	H1 FY24 £m
Revenue	23.0	25.4
Operating profit	0.5	1.8



Specialist Piling & Rail



	H1 FY25 £m	H1 FY24 £m
Revenue	23.2	20.3
Operating profit	2.0	0.5



Ground Engineering Services



	H1 FY25 £m	H1 FY24 £m
Revenue	18.7	22.1
Operating profit	0.3	1.8

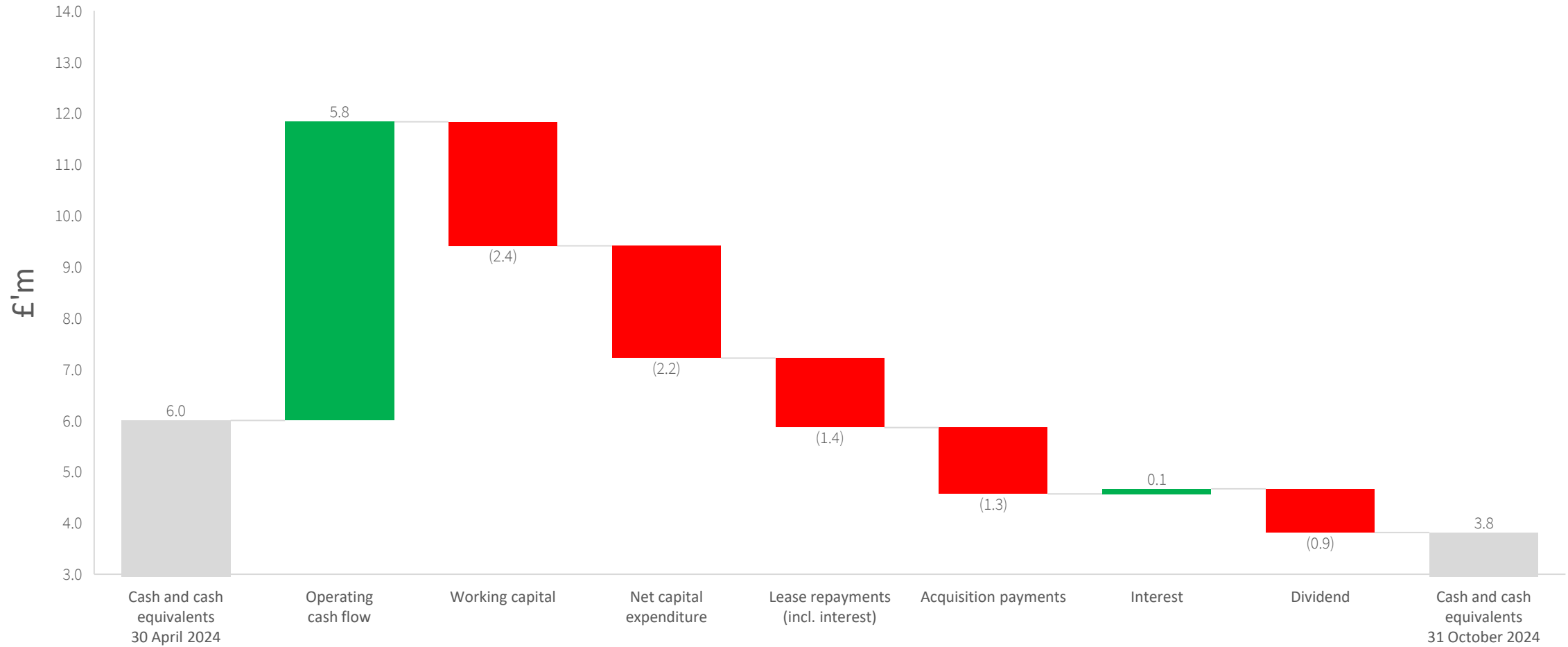
# FINANCIAL REVIEW – BALANCE SHEET

	31 Oct 2024 £m	30 Apr 2024 £m	31 Oct 2023 £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>

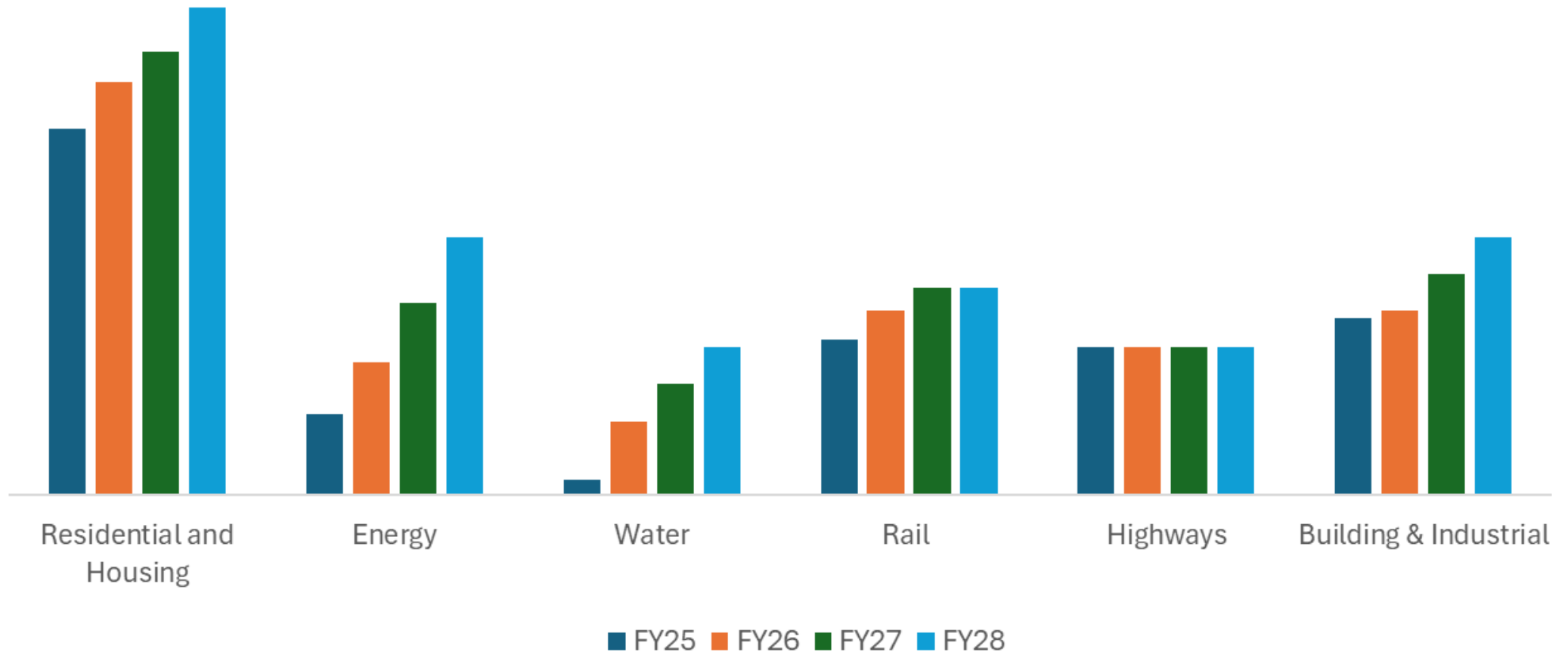
Note: Net working capital and taxation and provisions are stated net of claim liabilities and associated insurance assets

- 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



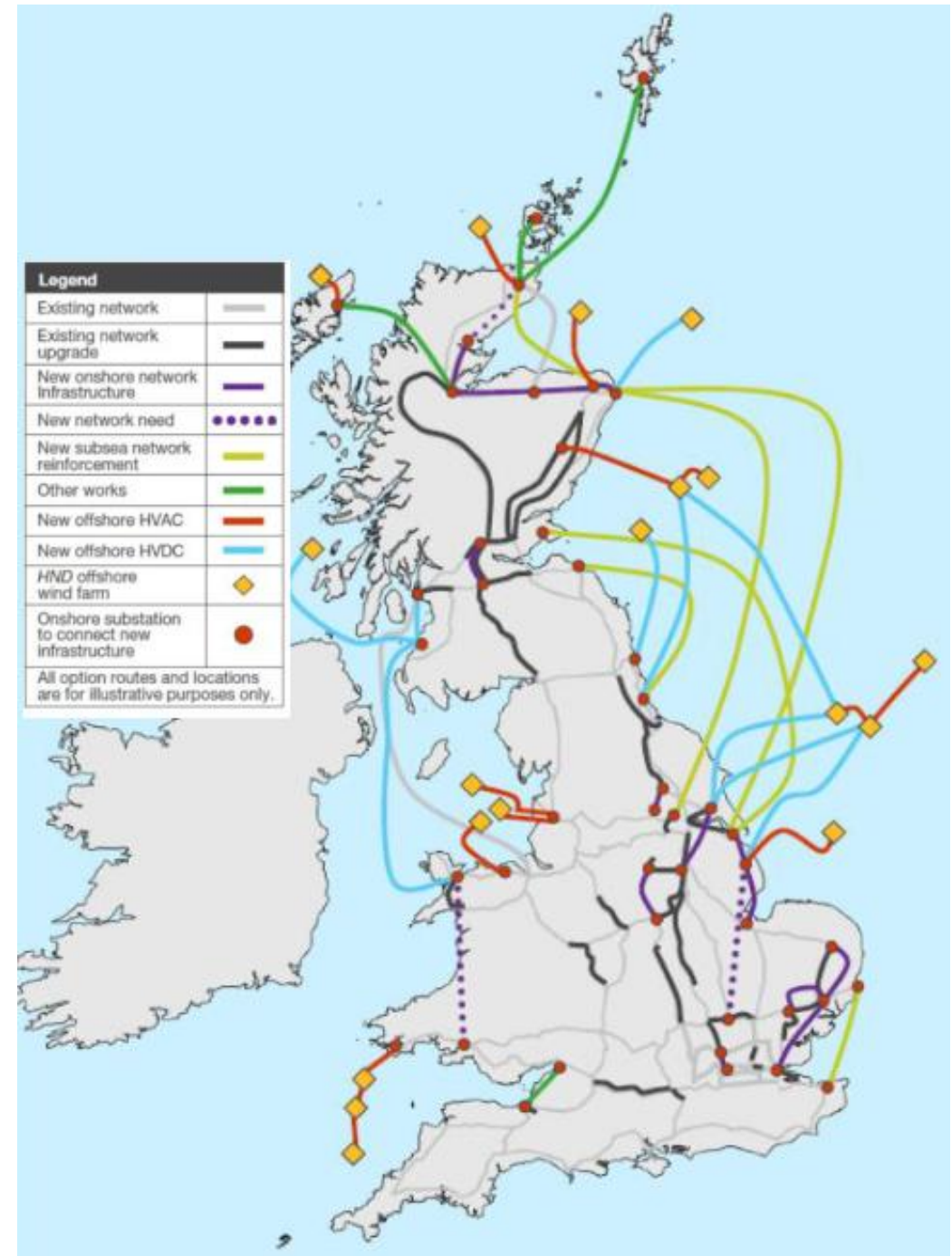
# HOUSING

- 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



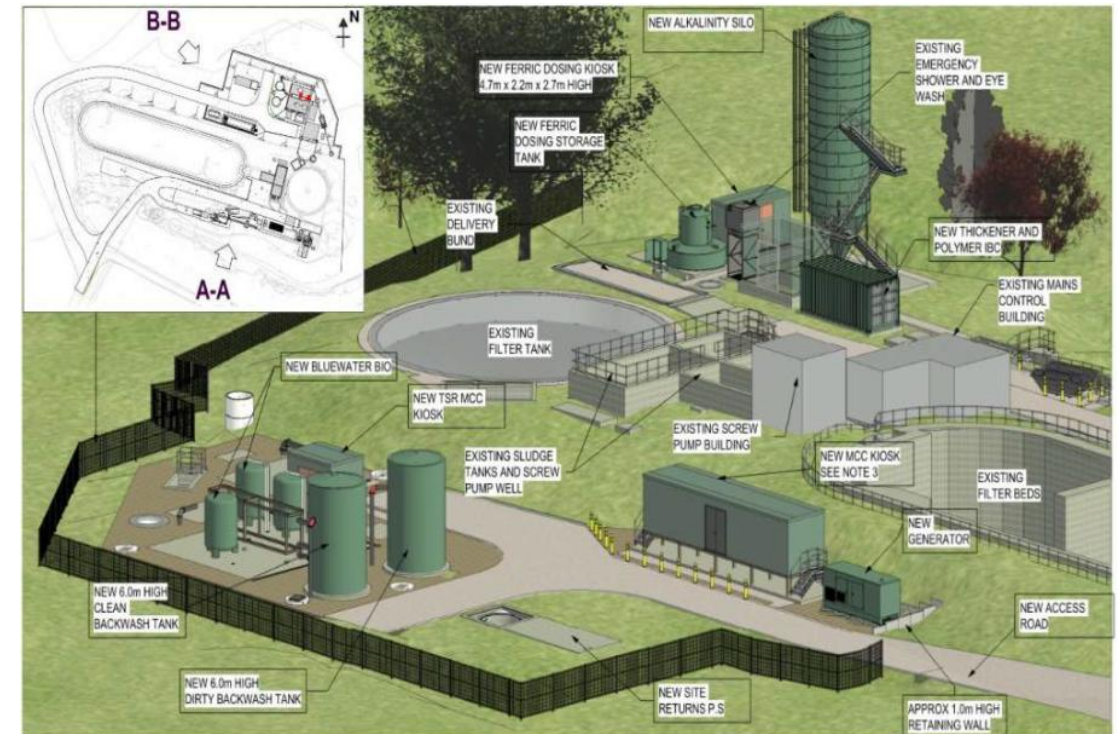
# ENERGY

- £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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