

TOTAL FOUNDATION SOLUTIONS.

VAN ELLE HOLDINGS PLC

ACQUISITION OF SCREWFAST FOUNDATIONS

20 APRIL 2021



AGENDA

ACQUISITION SUMMARY

SCREWFAST FOUNDATIONS

FINANCIAL PERFORMANCE & IMPACT ON VAN ELLE

SYNERGY BENEFITS & PROSPECTS

**THE
UK'S LARGEST
GEOTECHNICAL
ENGINEERING
CONTRACTOR**

PRESENTATION TEAM

MARK CUTLER
CHIEF EXECUTIVE OFFICER



GRAEME CAMPBELL
CHIEF FINANCIAL OFFICER



DAN DYE
MANAGING DIRECTOR
SCREWFAST FOUNDATIONS



ACQUISITION SUMMARY

- Acquisition of 100% equity of ScrewFast Foundations Ltd
- Initial cash consideration of £1.76m
- Schedule of payments: Deferred consideration of £0.74m together with contingent cash consideration of up to £1.18m*, payable in August 2023
- Consideration to be funded from existing cash resources
- Anticipated to be modestly earnings enhancing during the first full year of operation within the Group
- For the twelve months ended 30 May 2020, ScrewFast recorded revenues of £5.9m, EBITDA of £0.65m and a profit before tax of £0.36m
- Order book at 31 March 2021 of £5.1m

* Subject to certain financial performance criteria being achieved

**THIS IS A VERY EXCITING,
COMPLEMENTARY
ACQUISITION FOCUSSED ON
OUR HIGHER MARGIN,
SPECIALIST PILING
ACTIVITIES WHICH
STRENGTHENS OUR LEADING
POSITION IN GROWTH
MARKETS SUCH AS
HIGHWAYS AND RAIL**

STRATEGIC RATIONALE FOR THE ACQUISITION/WHY NOW?

- Specialist Piling segment of Group's operations stated as initial target area for niche bolt-ons
- Strategic fit with ScrewFast identified for several years and strong progress on Smart Motorways noted during FY20-21
- Patented, steel modular foundation system complements Smartfoot and off-site MMC agenda
- Timing complements Van Elle growth prospects in highways (Smart Motorways Alliance) and rail (CP6 signalling and electrification programmes) and supports ScrewFast shareholder decision
- Deal structure and strengthened balance sheet enables cash purchase
- Design led solution allows earlier access and greater influence over scope and choice of technical solution under Van Elle range of services for customer programmes
- Widens additional sector opportunities in power and telecoms
- Expected to be margin and ROCE enhancing in the medium term

SCREWFAST FOUNDATIONS LTD

DAN DYE | MANAGING DIRECTOR



SCREWFAST IS AN INNOVATIVE AND SPECIALIST BUSINESS THAT FITS WELL BOTH CULTURALLY AND TECHNICALLY INTO THE DIVERSE RANGE OF END-TO-END SERVICES AND MARKET PROSPECTS OFFERED BY VAN ELLE, WHO WE HAVE WORKED ALONGSIDE ON SEVERAL RECENT PROJECTS

SCREWFAST FOUNDATIONS - OVERVIEW

Introduction to the company and rationale for sale

- Formed in 2000
- 6 private shareholders
- Strong brand in rail and highways
- Opportunity to capitalise on significant visible workflow
- Strength of Van Elle brand and balance sheet
- Van Elle – synergies and perfect home – culturally and technically
- Support of customers and peers

USP's

- Innovation based solutions approved and proven over many years
- Multi-disciplined internal design
- Highly accredited manufacture capability
- Design-led route to market
- Scalable installation capacity without significant capital expenditure required



CAPABILITIES AND CASE STUDIES

History, capabilities and track record

- 21 years of innovation
- Flagship work
 - Highways
 - Olympics
 - Substations
- Focus on relationships
- Uniquely placed and designer & contractor

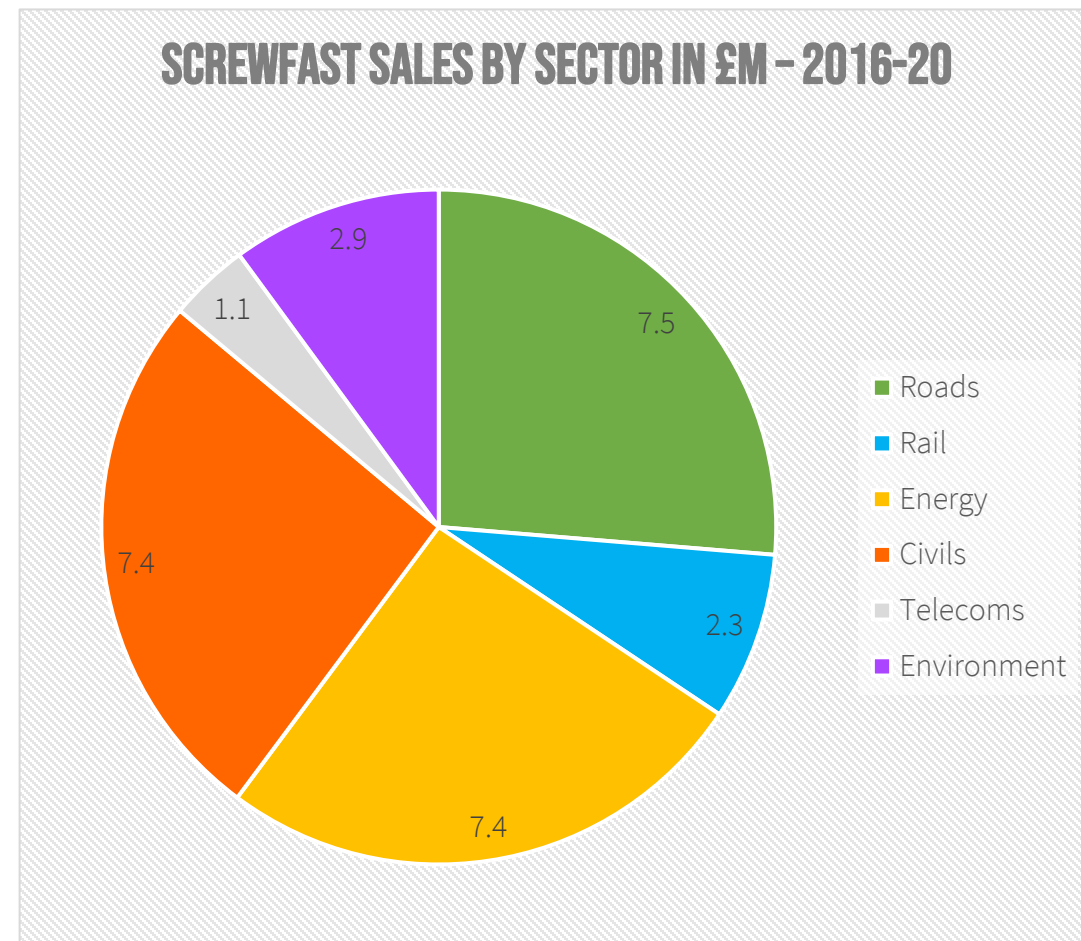
Market position in growth sectors

- Energy
- Roads
- Telecoms
- Rail
- Civils



FINANCIAL PERFORMANCE & IMPACT ON VAN ELLE

- Complementary, earnings-enhancing acquisition
- Strong recent performance in highways sector but diversified contract delivery over the past 5 years
- For 12 months ended 30 May 2020:
 - Revenues of £5.9m
 - EBITDA of £0.65m
 - Profit before tax of £0.36m
- Gross margins typically delivered at the upper end of Van Elle's divisions
- Order book at 31 March 2021 of £5.1m with order pipeline well-balanced between the highways and energy sectors
- Opportunity for growth in the Rail sector by leveraging current Van Elle capabilities
- Working capital increase likely to be necessary to support growth
- Low short-term capital expenditure requirements
- Synergies anticipated by leveraging the Van Elle group's shared resources



SUMMARY OF KEY BENEFITS

- Key sector alignments – highways, energy, telecoms, rail and civils
- Strengthens the Group's position in its market leading Specialist Piling segment across growth markets of infrastructure and housing
- Helical piling and integrated foundation system complements Van Elle's existing breadth of capabilities:
 - Captures more of the value chain through providing modular forms of construction and enabling cross-selling opportunities
- Strengthens market leading position in highways sector ahead of Highways England's 5–10-year Smart Motorway Alliance
- New clients and market opportunities in the power and telecoms sectors
- Strengthens provision of foundation solutions to electrification and signalling programmes in the rail sector



Q&A



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