

TOTAL FOUNDATION SOLUTIONS.

VAN ELLE HOLDINGS PLC

RAIL INVESTOR PRESENTATION



CONTENTS

- Introductions
- UK Rail Sector Overview
- Van Elle Strategy & Opportunities
- Summary and Questions



INTRODUCTIONS



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UK RAIL SECTOR - OVERVIEW

POLITICAL AND INDUSTRY OUTLOOK

- Formation of Great British Railways (Williams - Shapps)
- Lower passenger numbers post-COVID, budget cuts at Network Rail
- CP6 volumes currently satisfactory
- CP6 to CP7 transition 2024 – potential slowdown
- Government commitment to decarbonisation poised to drive electrification of railways
 - England – all electric by 2040: 14,000 STK
 - Scotland – all electric by 2035: 1,800 STK
- Signalling spend committed and likely to continue in CP7



Great British Railways

The Williams-Shapps Plan for Rail

Rail Environment Policy Statement On Track for a Cleaner, Greener Railway



ROUTES TO MARKET

NETWORK RAIL

- Network Rail (NR) is ultimate and primary customer for most work
- 5 regions, 14 routes, each with autonomy
- Funding is provided by the government in 5-year control periods (CP)
- CP6 (2019-2024) spend is £19.1bn on **Renewals**; primarily Civils & Geotechnical, Track and Signalling
- The spend goes to Tier 1 contractors via a combination of national and regional frameworks
- NR self-deliver some schemes to save money
- **Enhancements** such as TRU, East-West Rail and electrification schemes are outside of this spend, on individual business case basis

OTHER RAIL SECTOR INVESTMENT

- Local Authority stations in conjunction with NR
- Other infrastructure networks - Transport for Wales, Nexus, Midland Metro
- High Speed 2



NETWORK RAIL – RENEWALS

TIER 1 FRAMEWORK CONTRACTORS – RENEWALS

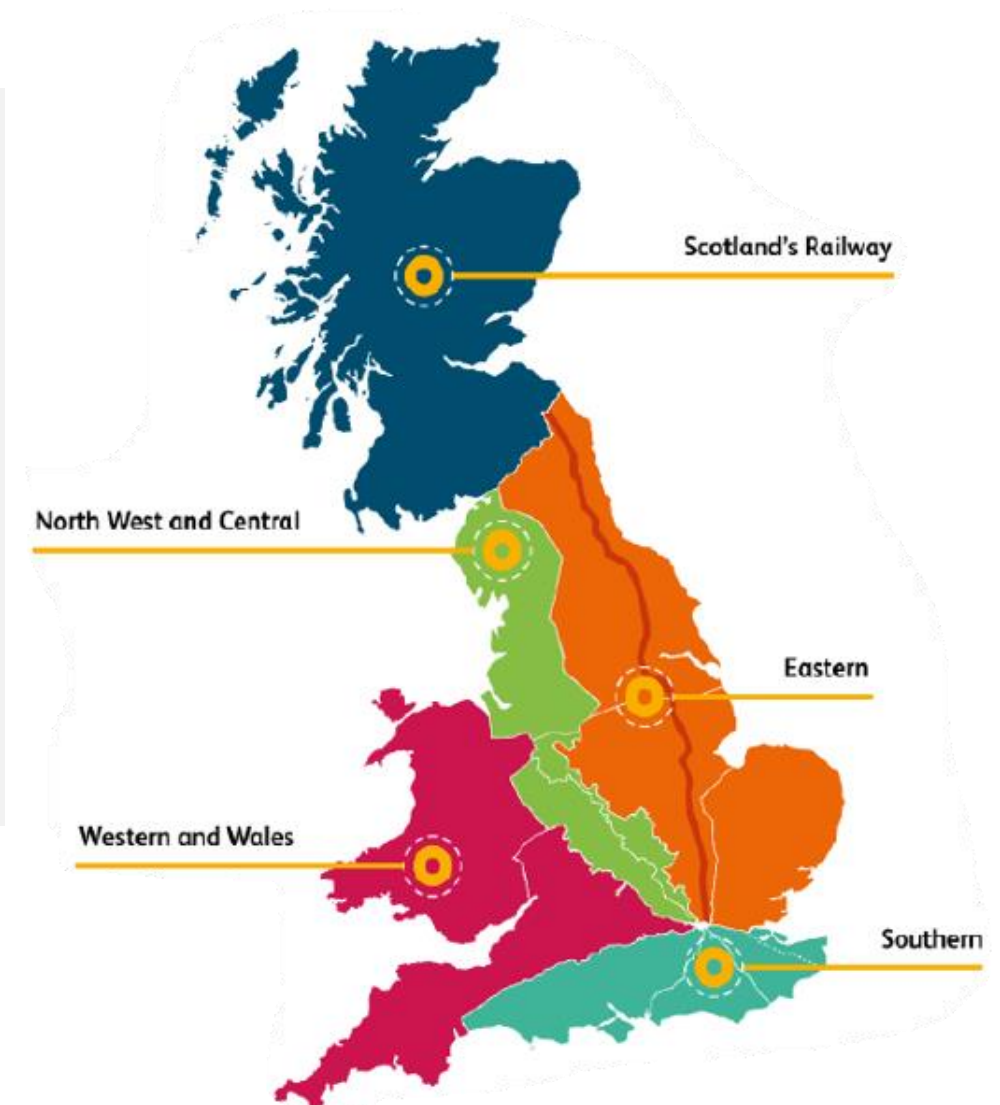
- National Signalling Frameworks
Siemens, Alstom, Hitachi/Linbrooke, Amey
- National Track Alliances
South (Colas), Central (Balfour Beatty/TSO), Scotland (Babcock)
- Regional Civils and Geotechnical Frameworks
BAM, AMCO, Story, Osborne, Murphy, Balfour Beatty
- Electrification Frameworks
SPL, Balfour Beatty, Amey



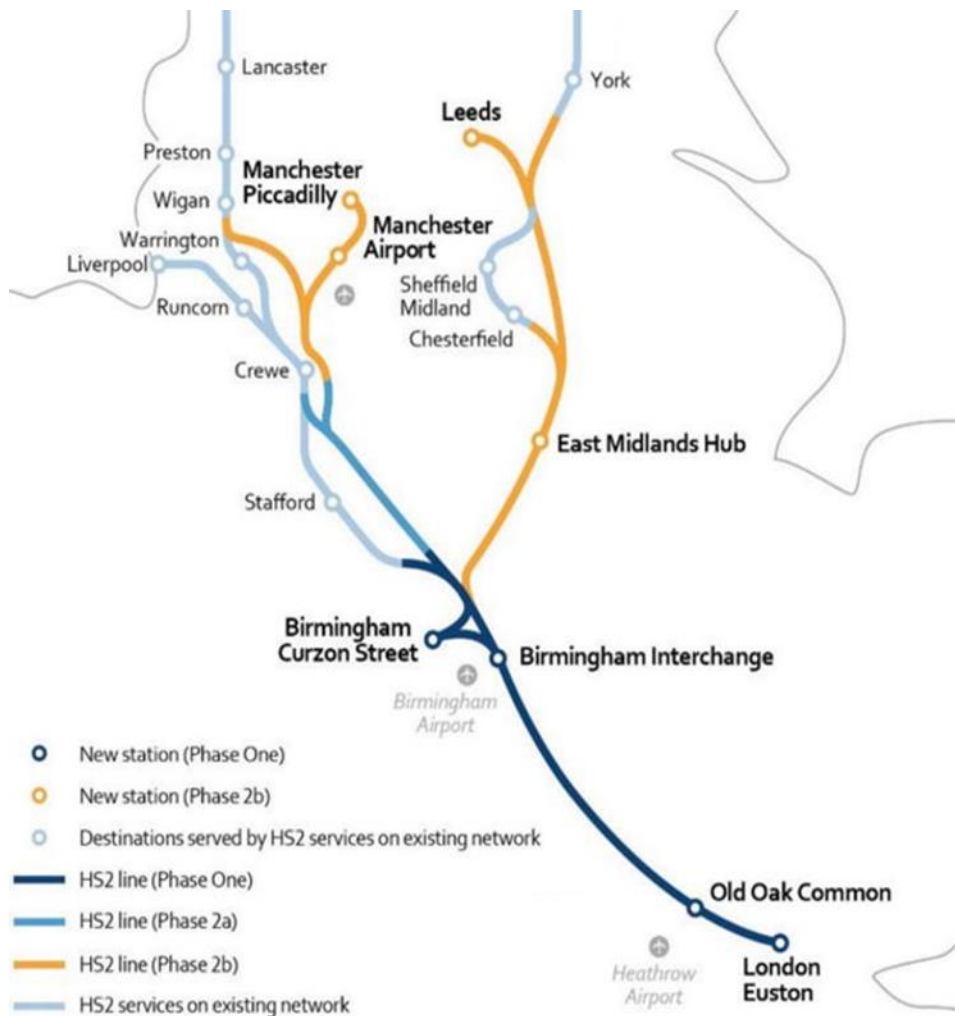
NETWORK RAIL – ENHANCEMENTS

TIER 1 CONTRACTORS - ENHANCEMENTS

- Electrification
 - Core Valley Lines - Amey
 - Midland Main Line – SPL/Balfour Beatty/Amey
- TRU
 - East of Leeds – Volker/Murphy
 - West of Leeds – Amey/Bam
- East-West Rail
 - Laing O'Rourke/Volker



HIGH SPEED 2



PHASE 1 AND PHASE 2 OPPORTUNITIES; FY23 ONWARDS

Phase 1 (London – Birmingham)

- Various early packages completed for civils JV's
- Scale of piling works increases during 2022, discussing packages with BBV and EKFB for structures, embankments and ancillary works
- Well positioned for rail interfaces via BBV and NR (e.g. Crewe)
- Bidding rail systems (e.g. electrification)

Phase 2a (Birmingham – Crewe) - enabling works

Phase 2b (East Midlands) - Ground investigation and ground stabilisation

ELECTRIFICATION OUTLOOK - ENGLAND AND WALES

TRACTION DECARBONISATION NETWORK STRATEGY

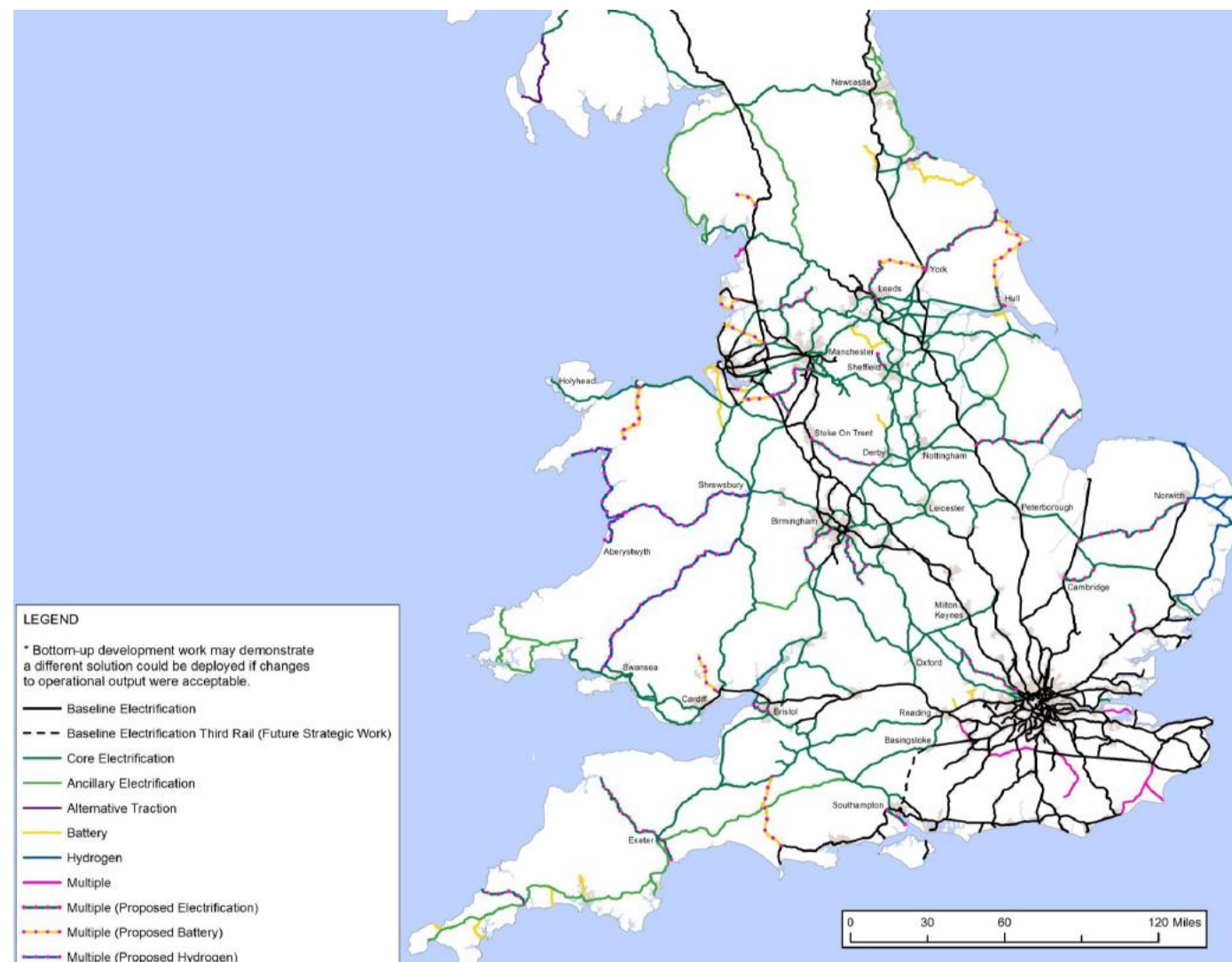
- 11,700 STK of Overhead Line Electrification
- 400 STK battery operation
- 900 STK hydrogen operation
- 2,300 STK still yet to choose

PROJECTS WITH DFT APPROVAL

- Transpennine Route Upgrade
- Midland Mainline
- Wigan to Bolton
- Core Valley Lines (TfW)

FUTURE PROJECTS

- No firm funding commitment or target in law
- All other projects require DfT funding on a project by project basis based on lowest £ per STK and return on investment

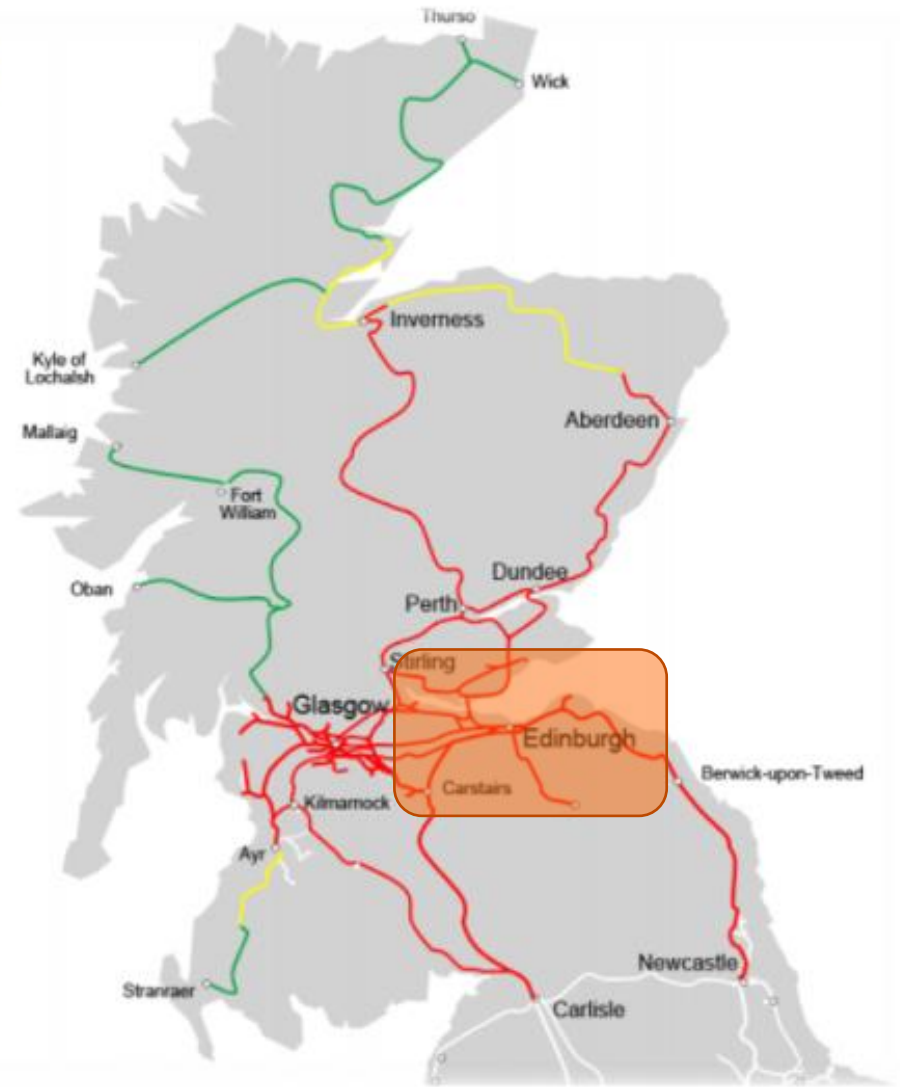


ELECTRIFICATION OUTLOOK - SCOTLAND

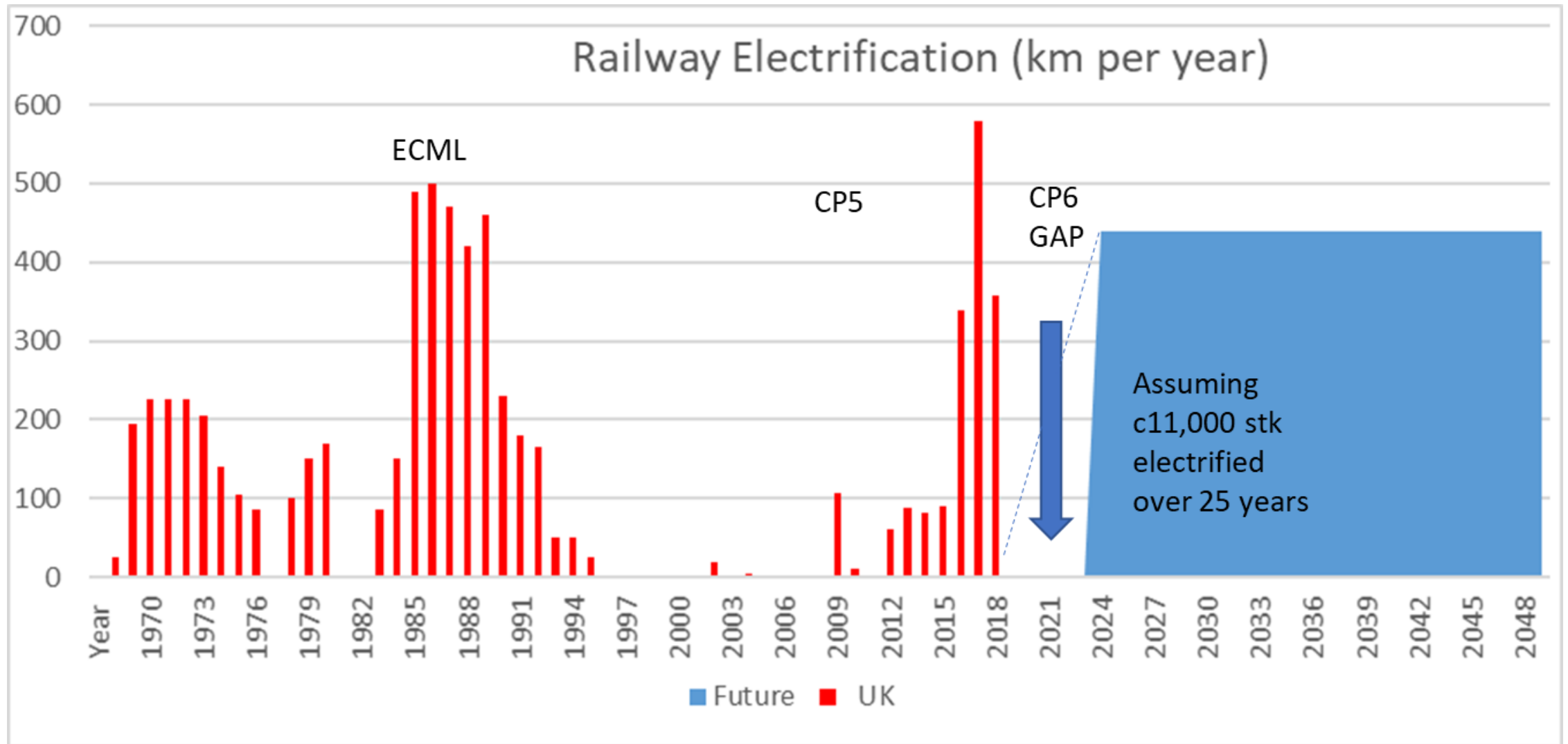
2020



2035

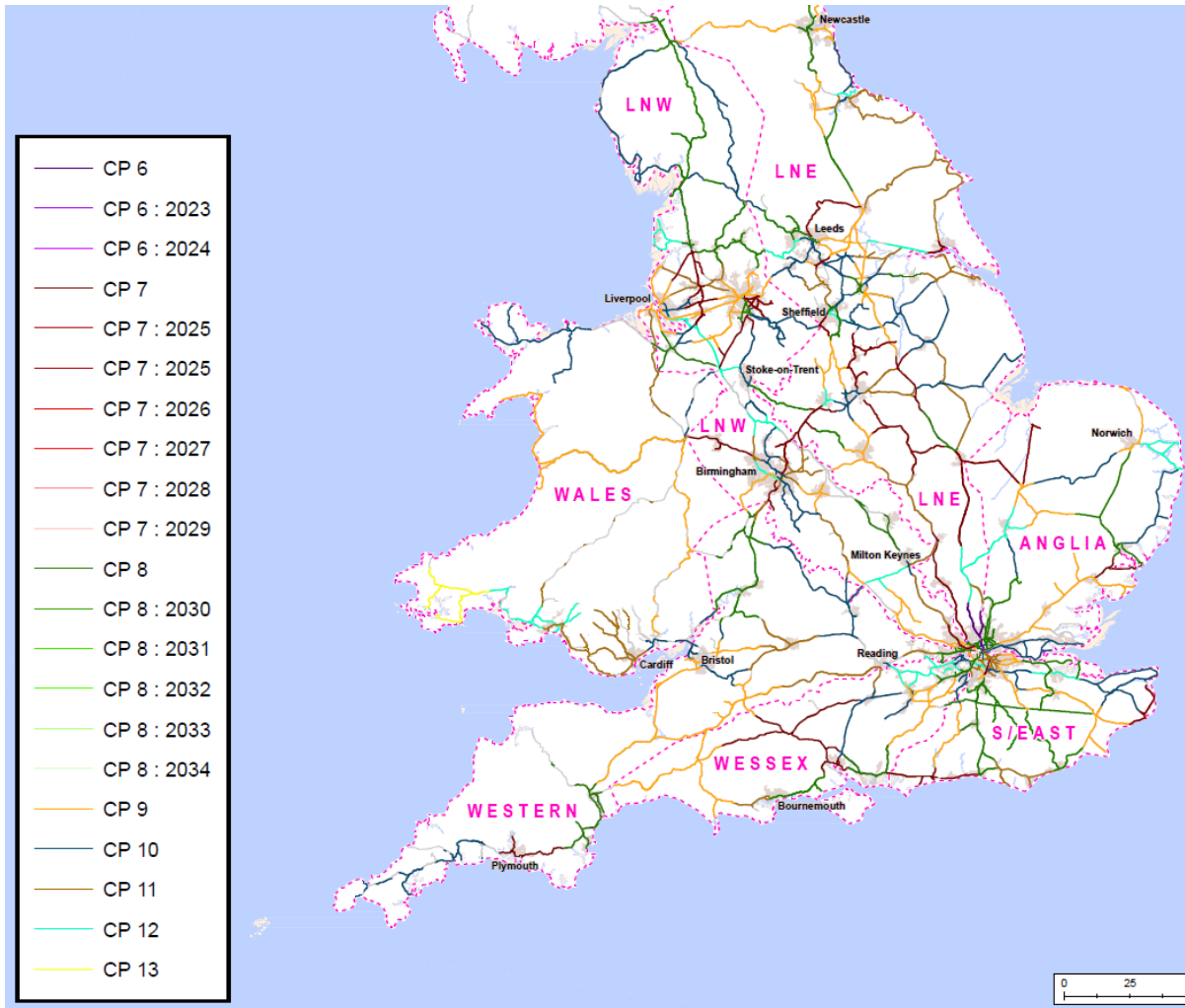


NETWORK ELECTRIFICATION



Source: Rail Industry Association

SIGNALLING MARKET



NETWORK RAIL LONG TERM DEPLOYMENT PLAN (LTDP) TO CP13

- Long-term plan to retain signalling assets and replace analogue with digital to interface with new rolling stock
- NWR £2.4bn remaining signalling spend in CP6 secured, with a plan to continue into CP7-13, peaking in CP7-9
- Delivered by Major and Minor framework contractors Siemens, Alstom, Hitachi, Linbrooke, Balfour Beatty, Osborne
- Already delivering piling work for signalling projects Van Elle USP combining Piling and minor civils in single package

CP6 TARGET PROJECTS

- Birmingham New Street and Derby (Siemens)
- Oakhampton (Linbrooke)
- Port Talbot (Siemens)
- Farncombe to Petersfield (Alstom and Osborne)
- Crewe Hub (Siemens)
- Cornwall Resignaling (Siemens)

VAN ELLE STRATEGY AND OPPORTUNITIES

DELIVERY MODEL

- Four of the Group's business units are active in the rail sector: General Piling, Specialist Piling, Rail and Strata
- The Rail division was formed in 2015 and built its reputation off the Great Western Electrification programme (GWEP)
- Since GWEP completed in 2018 there has been a pause in new electrification schemes before Core Valley Lines in South Wales commenced in late 2021
- The Rail division focuses on on-track expertise and co-ordinates all rail sector engineering and compliance activity
- Many rail projects benefit from the integration of our divisional capabilities and experience, which is a key differentiator on complex infrastructure schemes. This is particularly advantageous if we secure early involvement in rail projects from Strata undertaking ground investigation
- We have pioneered several innovations in geotechnical engineering in the sector including track bed stabilisation and road-rail vehicle (RRV) mounted techniques for complex ground conditions (such as drilling and CFA)
- We hold the UK's largest RRV piling fleet of 17 Colmar rigs, with 5 further rigs (JCB) on order for FY23
- In FY22 we delivered revenues of c.£25m in the rail sector, being 20% of total Group revenue with margins at the upper end of our range

OUR CUSTOMERS

Balfour Beatty



SIEMENS



OUR COMPETITORS / OUR USP

READYPOWER

TERRAWISE



 **keltbray** Rail

STORY

CKRail



STRATEGY



Continue to grow market share of CP6 renewals workload



Maximise opportunity from new electrification



Diversification
(signalling,
ancillary civils
&
international)



Expand involvement on High Speed 2



Develop embedded CP7 strategic partnerships

MITIGATE POTENTIAL CP6/7 DIP

SUMMARY OF FUTURE OPPORTUNITIES (UK)

ENHANCEMENTS

- CVL Phase 2
- TRU
- Midland Mainline electrification – Wigston to Nottingham and Sheffield
- Wigan to Bolton electrification
- Scotland decarbonisation

RENEWALS & STATIONS

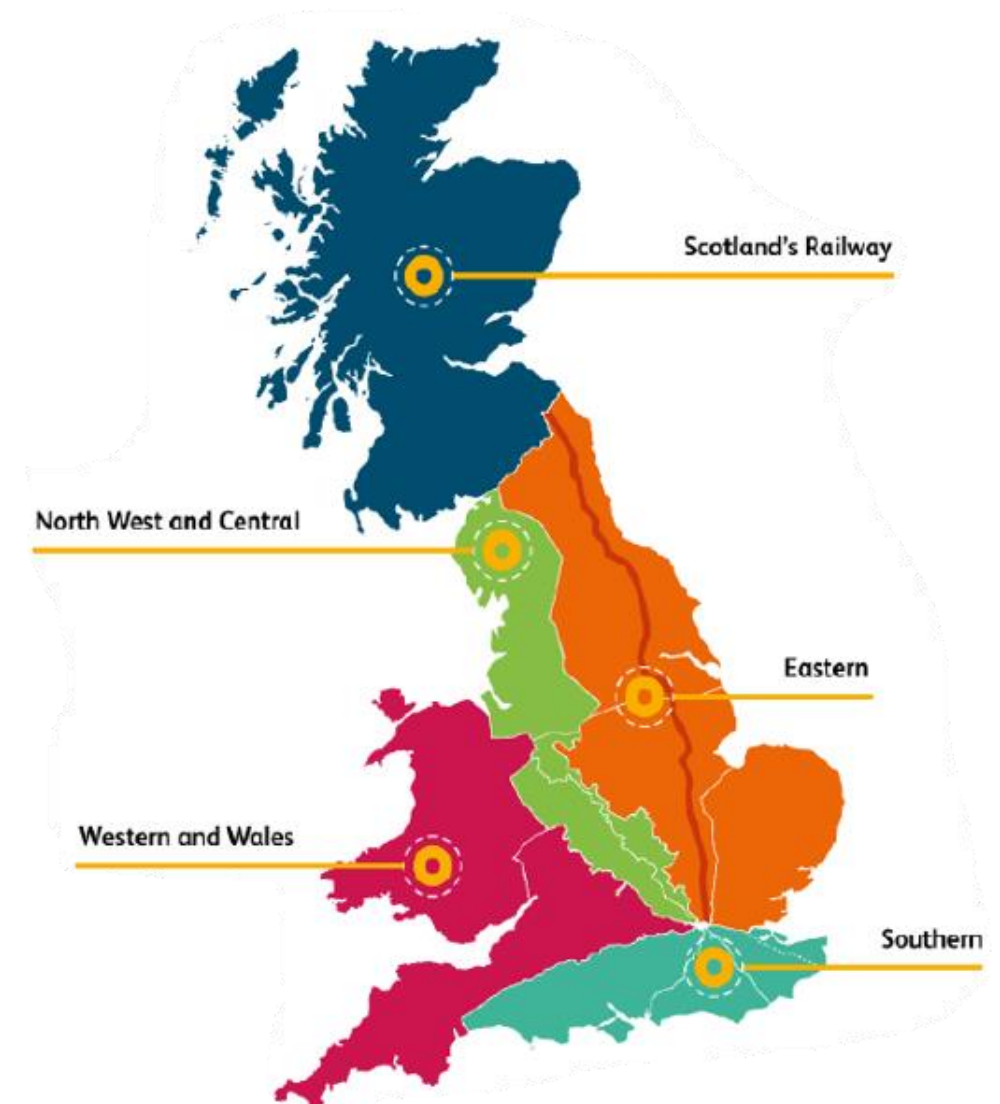
- CP6 years 4 & 5 work-bank and early transition to CP7

SIGNALLING & CIVILS

- Farncombe to Petersfield
- Port Talbot and Cornwall re-signalling
- Crewe Hub

HIGH SPEED 2

- Phase 1 civils
- Network Rail Interfaces
- Rail systems



ELECTRIFICATION OF CORE VALLEY LINES

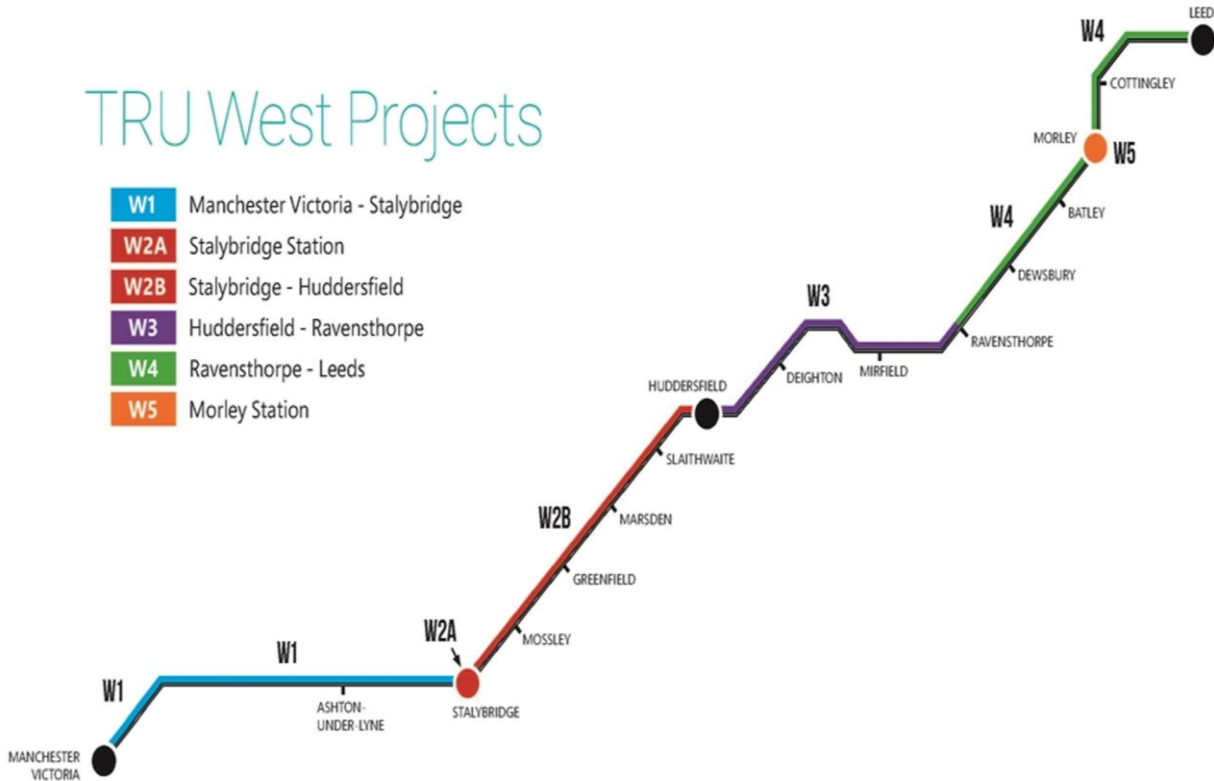


- £740m transformation of South Wales Rail Network
- 108 miles of electrification, 3500+ piles of various type
- Ground Investigation, foundations and steelwork erection contracts for Amey
- Strata GI package pre-cursor to foundations scope
- 20% complete

TRANSPENNINE ROUTE UPGRADE WEST

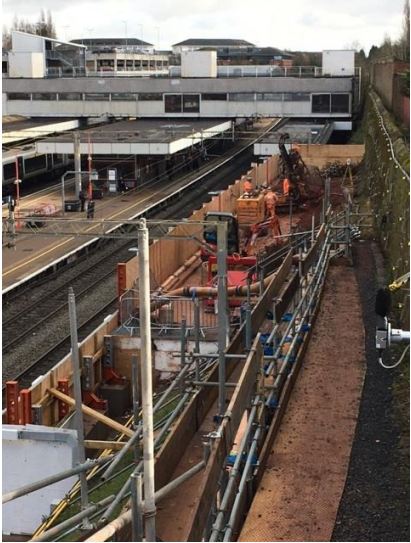
TRU West Projects

- W1** Manchester Victoria - Stalybridge
- W2A** Stalybridge Station
- W2B** Stalybridge - Huddersfield
- W3** Huddersfield - Ravensthorpe
- W4** Ravensthorpe - Leeds
- W5** Morley Station



- £3-5bn programme including 15 Stations, 134km of track, re-signalling, 79 bridges, 9 tunnels and 56km of electrification
- Awarded new piling framework
- Piling work commencing in H2 FY23, through to FY25
- General Piling, Specialist Piling and Rail divisions involved
- Expecting £5-10m annual revenues

STATIONS



Coventry - Buckingham



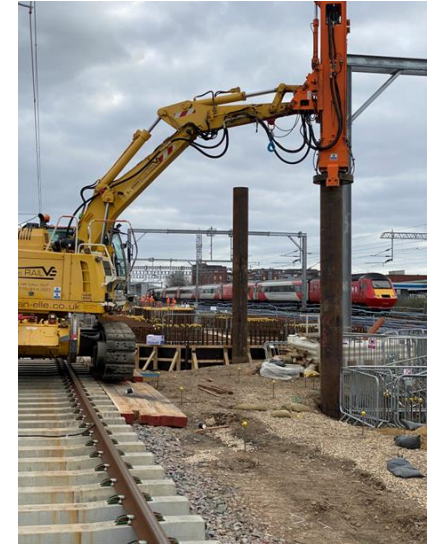
Gatwick Airport - Costain



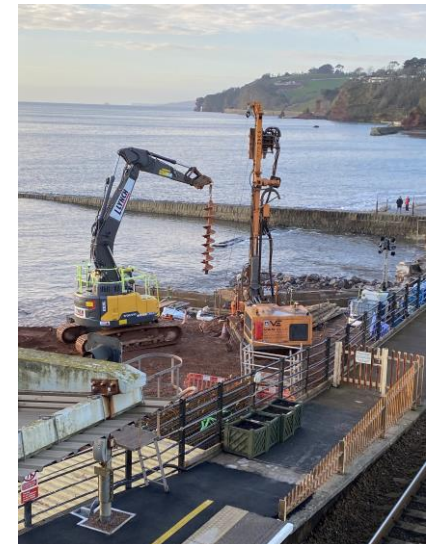
Birmingham University - Volker



Perry Barr - Galliford Try



Brent Cross - Volker



Dawlish - Bam Nuttall

- Huge experience – track record of over 200 station projects completed
- Integrated delivery model and unique capability between Specialist Piling and Rail divisions
- Typical pipeline of 3-4 stations per annum for repeat customers such as Costain, Bam and Volker

SLOPES AND EMBANKMENTS



Eden Brows – stabilisation of a deep slip on Carlisle to Settle line FY19, c.£5m for Story



Balcombe Embankment stabilisation on Brighton mainline FY22; c.£2m for Bam

- CP6 geotechnical programmes including emergency works
- Increasingly prioritising slope stabilisation schemes, emphasised by Stonehaven derailment in 2020
- Again, market leading capability combining techniques of Specialist Piling and Rail divisions



Newington emergency slope stabilisation, Kent c.£2m in FY22 for Balfour Beatty

SIGNALLING AND CIVILS



SUCCESSFUL DIVERSIFICATION INTO SIGNALLING MARKET

- Unique offering to combine piling and minor civils into single packages
- Dedicated team appointed and investment in new lighter RRV machines for civils
- Key customers; Siemens, Alstom, Linbrooke, Osborne
- Important entry to more regular maintenance works
- Key projects completed, secured or targeted*:
 - Birmingham New Street – Siemens
 - Dartmoor line - Linbrooke
 - East Coast Main Line – Siemens
 - *Crewe hub – Siemens
 - *Farncombe to Petersfield – Alstom & Osborne
 - *Port Talbot and Cornwall – Siemens

THE RAIL SECTOR – CP7 FRAMEWORK PROCUREMENT

NORTH WEST AND CENTRAL

- Procurement July - Oct 22
- Multiple specialist discipline lots
- Existing Framework suppliers include Story, Buckingham, Murphy

VAN ELLE STRATEGY

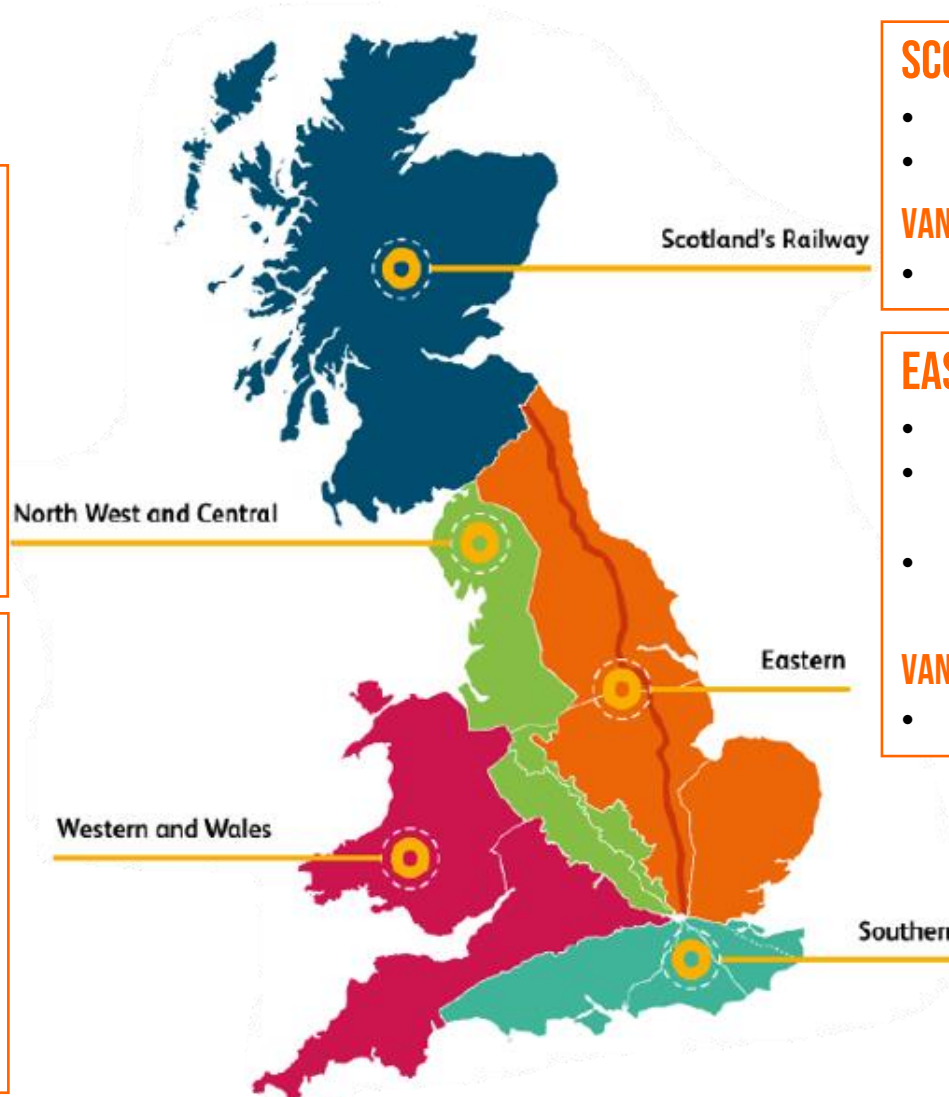
- Access via Tier 1 relationships & explore lot specific partnership for Geotech lots

WALES AND WESTERN

- PQQ Complete, ITT July - Aug 22
- Multiple specialist discipline regional lots
- Existing Framework suppliers Morgan Sindall, Alun Griffiths, BAM, Amey

VAN ELLE STRATEGY

- Access via Tier 1
- AMCO, BAM, Morgan Sindall, Octavius, Volker and Vinci pre-qualified



SCOTLAND

- Electrification Framework Q3 2022,
- Multi-disciplinary lots Q1 2023

VAN ELLE STRATEGY

- Tier 1 relationships (SPL, REL (QTS), RSA)

EASTERN

- PQQ Complete, ITT Sept 22
- Large multi-disciplinary buildings and civils lots across (North & South regions)
- Existing framework suppliers include BAM, Story, AMCO

VAN ELLE STRATEGY

- Tier 1 relationships (AMCO & BAM)

SOUTHERN

- Southern Integrated Delivery (SID) partner will take over from NR Capital Delivery
- Supported by “ECO System” of suppliers
- Procurement of SID underway
- PQQ Complete, ITT Sept 22

VAN ELLE STRATEGY

- Supplier in ECO System (procurement later)

RIG, TECHNOLOGY & SKILLED RESOURCES



ENGINEERING KNOWLEDGE + RIG FLEET + ATTACHMENTS + RESOURCES

- Colmar fleet upgrade programme
- Modernising the fleet with new UK partners
- Attachment innovations (DTH, drill masts, manipulator)
- Training next generation of RRV piling operators
- Investing in apprentices



SUMMARY

- CP6 spends are satisfactory, CP7 will have a reduced budget, but signalling spend will continue
- Decarbonisation promises by government will drive electrification schemes in Scotland then England
- HS2 growth expected FY23-FY25
- Van Elle integrated and broad capability, management improvements and diversification actions ensure we are well-placed to maximise current and future opportunities



THANK YOU