

# TOTAL FOUNDATION SOLUTIONS.

**VAN ELLE HOLDINGS PLC**

**ACQUISITION OF ROCK AND ALLUVIUM**



## TRANSACTION OVERVIEW

- Agreement to acquire 100% share capital of Rock and Alluvium Limited from Galliford Try
- 5-year Trading Agreement: Van Elle to provide piling and geotechnical services to Galliford Try
- Consideration: £3.8m on a cash-free, debt-free basis
  - Initial payment of £1.8m
  - Approximately £2.0m deferred for 12 months
- Final consideration subject to completion accounts
- Transaction expected to complete mid-November 2023



## BACKGROUND

- Established 1963, based in Leatherhead, Surrey, with an operational base in Thurrock, Essex
- Main sectors: Residential and Commercial
- Regions: Primarily London and the South-East
- Strong reputation with a highly trained workforce and experienced management team (57 employees)
- Well invested fleet of 11 CFA piling rigs, age 2-8 years

## ROCK AND ALLUVIUM FINANCIALS

- Draft financials for the year to 30 June 2023
  - Revenue £15.5m and operating loss of £0.2m
  - Net assets (excl. cash and intercompany) of £3.7m
- Upturn in workload in H2 FY2024 from secured orderbook and momentum on previously delayed projects





## STRATEGIC RATIONALE

- Immediate South-East presence from improved order book and strong customer relationships not currently served by Van Elle
- Positive medium-term prospects in the residential and commercial sectors
- High quality rig fleet complements Van Elle mid-term capex requirements to replace ageing rigs
- Higher rig utilisation anticipated from deployment across Van Elle portfolio
- Breadth of Van Elle capabilities significantly expands R&A growth opportunities
- Synergies expected from leveraging shared services and operational efficiencies
- Expected to be earnings accretive in the first full year of trading with margins in line with the General Piling division



## GALLIFORD TRY TRADING AGREEMENT

- 5-year agreement to provide piling and geotechnical services across £1.6bn Group
- Covers all Galliford divisions; infrastructure, water and construction
- Strengthens highways pipeline and accelerates access to growing water sector (in which Galliford are UK market leader)
- Target highways projects already in negotiation
- Work mix will be a blend of the Group's General Piling and higher-margin Specialist Piling division
- Estimated revenues of at least £10m per annum





# Q&A



# DISCLAIMER

This presentation has been prepared by or on behalf of Van Elle Holdings plc ("Van Elle"). The information set out in this presentation is not intended to form the basis of any contract. By attending (whether in person, by telephone or webcast) this presentation or by reading the presentation slides, you agree to the conditions set out below. This presentation (including any oral briefing and any question-and-answer session in connection with it) is for information only. The presentation is not intended to, and does not constitute, represent or form part of any offer, invitation, inducement or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. It must not be acted on or relied on in connection with any contract or commitment whatsoever. It does not constitute a recommendation regarding any securities. Past performance, including the price at which Van Elle's securities have been previously bought or sold and the past yield on Van Elle's securities, cannot be relied on as a guide to future performance. Nothing herein should be construed as financial, legal, tax, accounting, actuarial or other specialist advice. The release, presentation, publication or distribution of this presentation in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. It is your responsibility to satisfy yourself as to the full observance of any relevant laws and regulatory requirements. Any failure to comply with applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. In addition, in the United Kingdom, this presentation is being made available only to persons who fall within the exemptions contained in Article 19 and Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"). This presentation is not intended to be available to, and must not be relied upon, by any other person. Nothing in this presentation constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient. None of Van Elle, its shareholders, subsidiaries, affiliates, associates, or their respective directors, officers, partners, employees, representatives and advisers (the "Relevant Parties") makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation, or otherwise made available, nor as to the reasonableness of any assumption contained in such information, and any liability therefore (including in respect of direct, indirect, consequential loss or damage) is expressly disclaimed. No information contained herein or otherwise made available is, or shall be relied upon as, a promise, warranty or representation, whether as to the past or the future and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness or correctness of such information. Unless expressly stated otherwise, no statement in this presentation is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Van Elle for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings or earnings per share of Van Elle. Statements of estimated cost savings relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, any cost savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

By attending the presentation to which this document relates and/or by accepting this document you will be taken to have represented, warranted and undertaken that you have read and agree to comply with the contents of this notice. This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Van Elle. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Van Elle to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions including as to future potential cost savings, synergies, earnings, cash flow, return on average capital employed, production and prospects. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. There are a number of factors that could affect the future operations of Van Elle and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) changes in demand for Van Elle's products; (b) currency fluctuations; (c) loss of market share and industry competition; (d) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; and (e) changes in trading conditions. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as at the specified date of the relevant document within which the statement is contained. Van Elle does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. Certain financial data has been rounded. As a result of this rounding, the totals of data presented in this presentation may vary slightly from the actual arithmetic totals of such data.