VAN ELLE
TOTAL FOUNDATION SOLUTIONS

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VAN ELLE HOLDINGS PLC

INTERIM RESULTS - 31 OCTOBER 2024

Mark Cutler — Chief Executive Officer

Graeme Campbell — Chief Financial Officer

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
Revenue	**65.2**	68.2
Gross profit	**20.2**	20.7
	30.9%	*30.3%*
Underlying EBITDA	**6.2**	6.2
Underlying operating profit	**2.1**	2.7
Statutory operating profit	**1.9**	2.7
Finance costs	**-**	(0.2)
Underlying profit before tax	**2.1**	2.5
Statutory profit before tax	**1.9**	2.5
EPS	**1.3p**	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

ScrewFast FOUNDATIONS

Albion Drilling Group Ltd

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

Ground Engineering Services

Smartfoot®

STRATA GEOTECHNICS

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

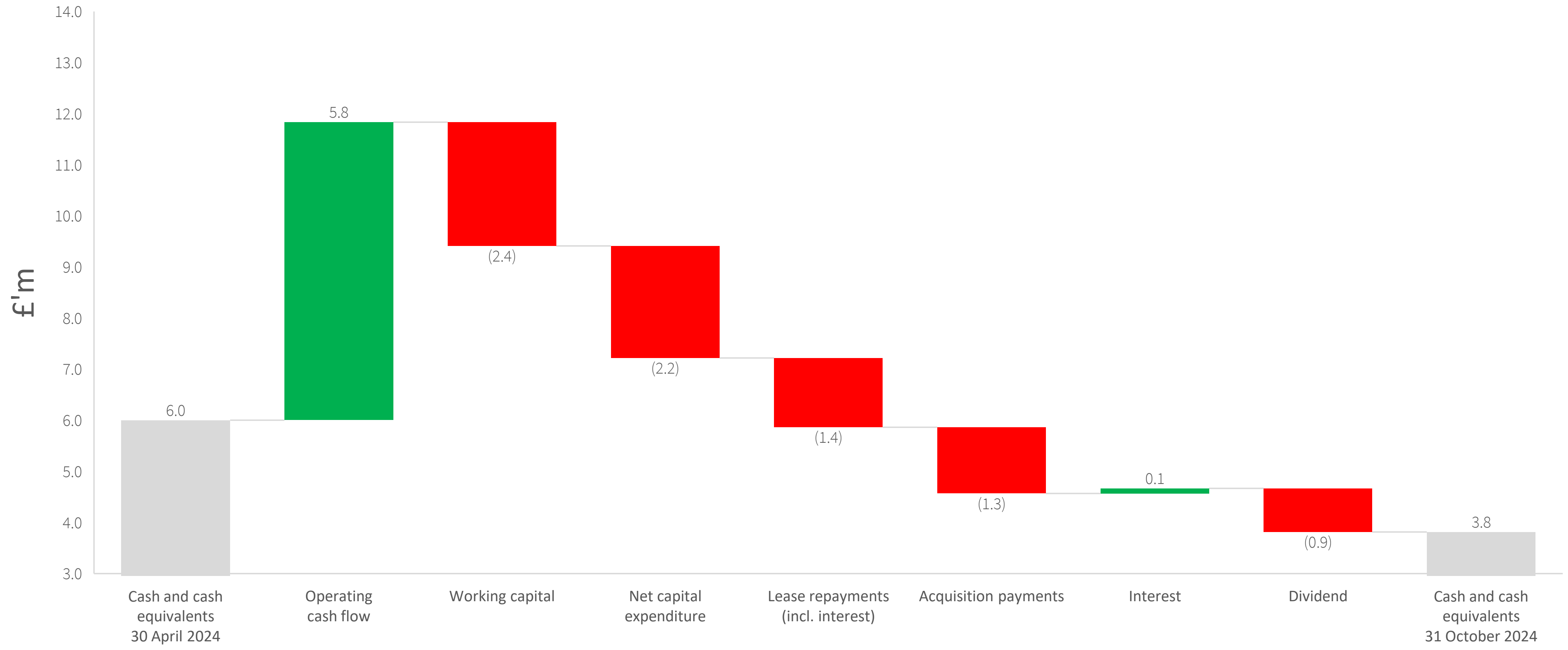
FINANCIAL REVIEW – BALANCE SHEET

	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)**
Net assets	**53.9**	**52.7**	**51.0**

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

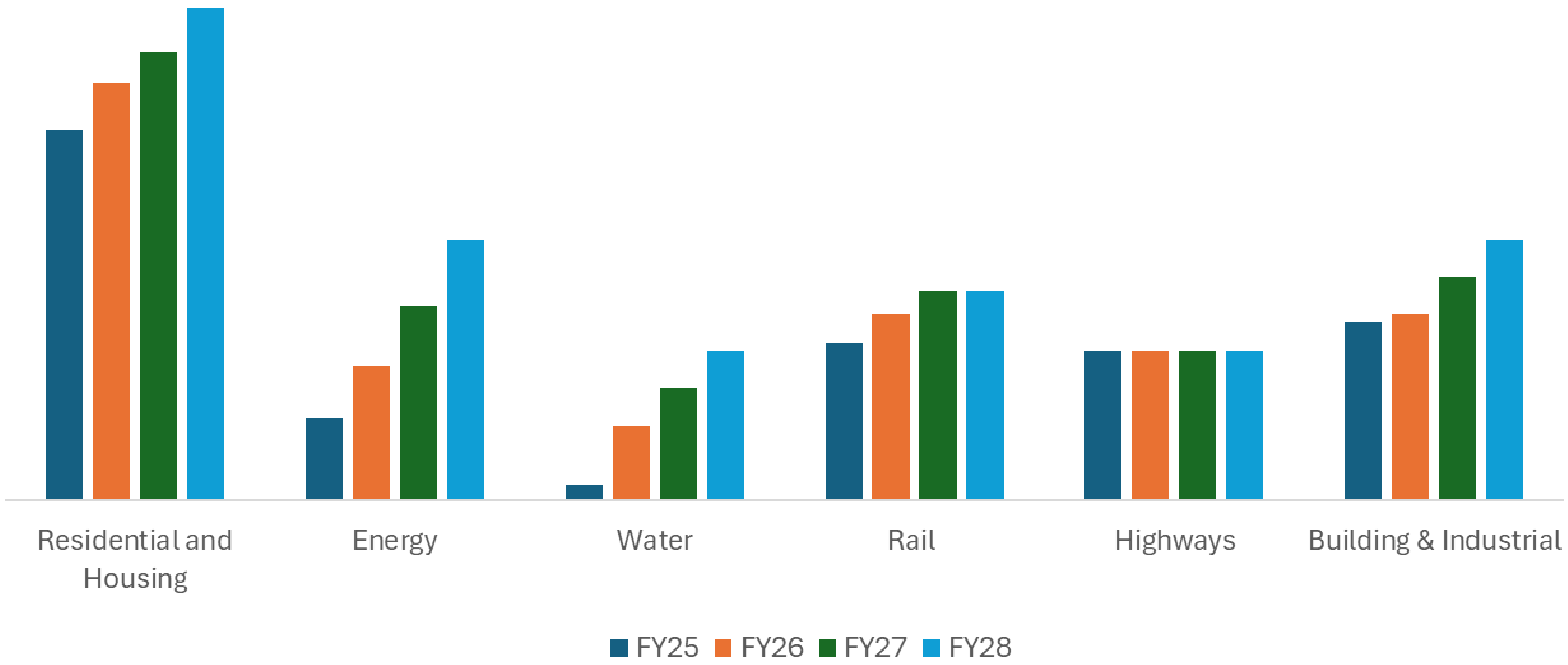
- Fixed assets includes:
  - Net capital spend of £2.2m in H1
  - Plant and equipment from the Albion Drilling acquisition of £2.7m (at fair value)
  - Goodwill from Albion Drilling of £0.6m
- Working capital increase impacted by R&D tax credit claim not received at 31 October
- Net funds / (debt):
  - 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



£'m
14.0
13.0
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
6.0
5.8
(2.4)
(2.2)
(1.4)
(1.3)
0.1
(0.9)
3.8
Cash and cash equivalents 30 April 2024
Operating cash flow
Working capital
Net capital expenditure
Lease repayments (incl. interest)
Acquisition payments
Interest
Dividend
Cash and cash equivalents 31 October 2024

GROWTH OPPORTUNITY BY SECTOR



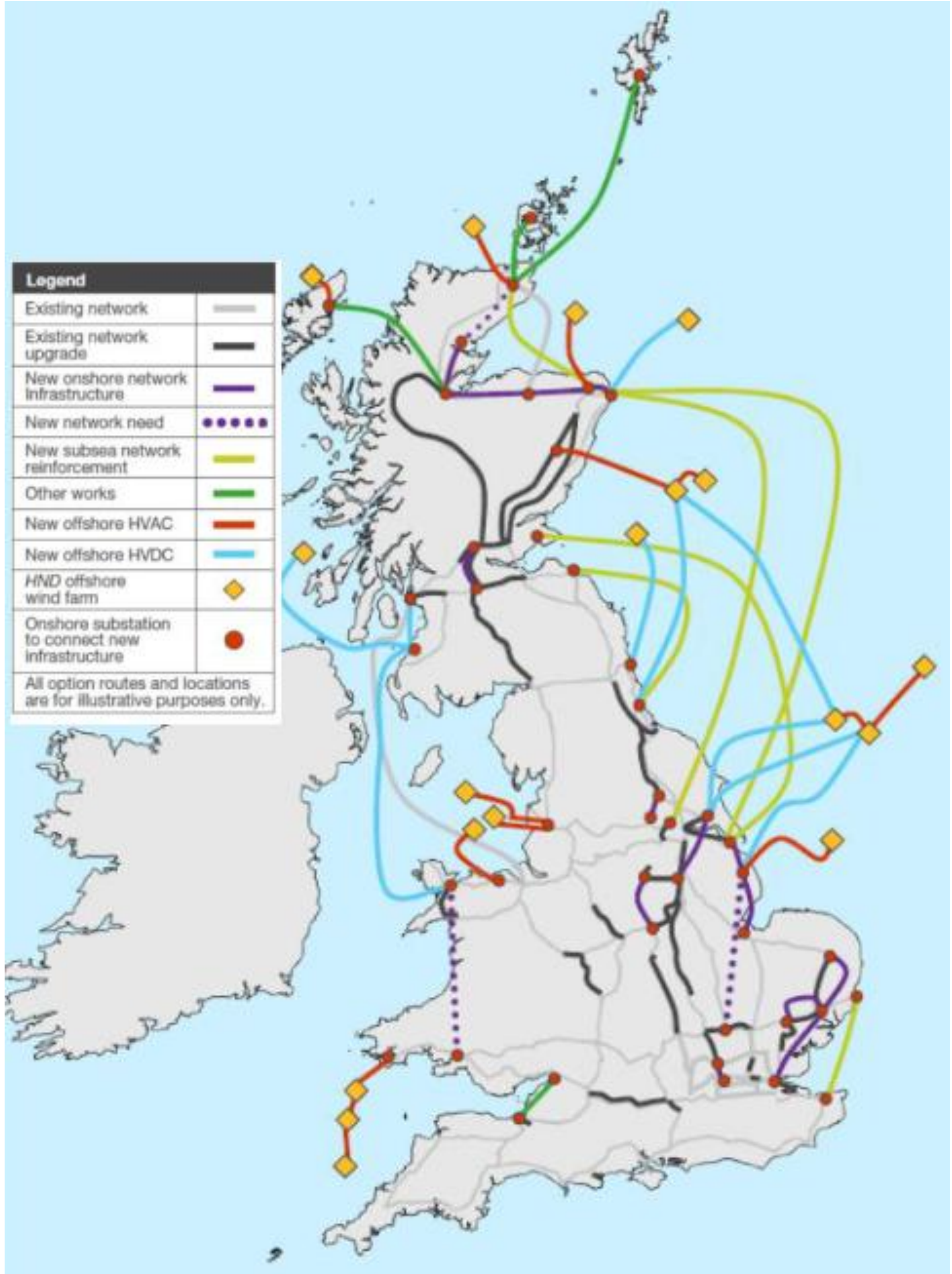
Note: Total revenue growth opportunity in line with market consensus forecasts

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

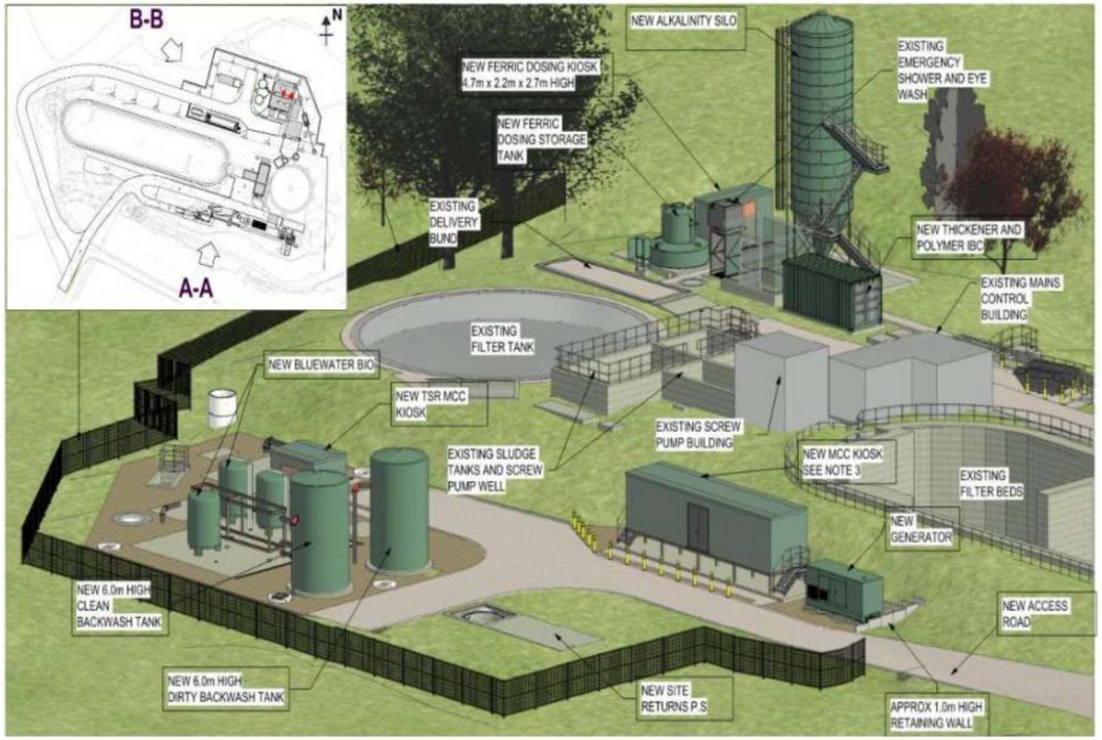
ENERGY

- £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
Expenditure
Operations **£4.4bn**
Support **£5.3bn**
Maintenance **£12.6bn**
Renewals **£19.3bn**
Industry costs & rates **£2.0bn**
Risk funding **£1.8bn**
Electricity for Traction (EC4T) **£4.3bn**

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
Financial measures		
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
Operational measures		
Number of rigs*	137	132
Average rig utilisation %	49%	54%
Total contracts delivered	593	526
Enquiries	2,003	1,959
Employee measures		
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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