

# TOTAL FOUNDATION SOLUTIONS.

**VAN ELLE HOLDINGS PLC**

**FULL YEAR RESULTS 30 APRIL 2024**

Mark Cutler

Chief Executive Officer

Graeme Campbell

Chief Financial Officer



# FY24 RESULTS

- Resilient performance despite challenging market conditions
- Underlying operating margin of 3.9%, consistent with prior year
- Revenue in line with expectations, 6% below prior year (12% excluding the impact of Rock & Alluvium acquisition)
- Good progress in developing closer customer relationships in the water and energy sectors with a clear pipeline of large-scale essential UK investment
- Established and commenced trading in the Canadian rail subsidiary
- Strong balance sheet with low debt and significant liquidity headroom
- Final dividend of 0.8p per share recommended, to deliver full year dividends of 1.2p (FY23: 1.2p)

# OUR MARKETS



Revenue  
**£57.2M**

REVENUE SHARE



Revenue  
**£55.2M**

REVENUE SHARE



Revenue  
**£26.2M**

REVENUE SHARE



# FINANCIAL REVIEW - INCOME STATEMENT

	2024 £m	2023 £m
Revenue	139.5	148.7
Gross profit	41.9 30.1%	40.1 27.0%
Underlying EBITDA	13.1	11.9
Underlying operating profit	5.5	5.8
Statutory operating profit	5.8	5.9
Finance costs	(0.2)	(0.5)
Underlying profit before tax	5.1	5.4
Statutory profit before tax	5.6	5.3
	2024 p	2023 p
Underlying EPS	3.5	4.4
Statutory EPS	3.9	4.4

- Revenue down 6% (12% excluding the impact of Rock & Alluvium)
- Gross margin improvement through better contract execution and positive mix impact
- Underlying operating profit stable at 3.9% despite challenging market conditions
- Inflationary pressures remain but offset efficiency projects in progress to deliver savings
- Low debt resulted in reduced finance costs

# OUR BUSINESS

## General Piling



## Specialist Piling & Rail



## Ground Engineering Services



Includes:

Rock & Alluvium 

	2024 £m	2023 £m
Revenue	56.7	54.8
Operating profit	5.2	3.4

 ScrewFast  
FOUNDATIONS

	2024 £m	2023 £m
Revenue	43.9	46.6
Operating profit	1.2	2.2

Smartfoot® 

	2024 £m	2023 £m
Revenue	38.3	47.1
Operating profit	0.9	3.6

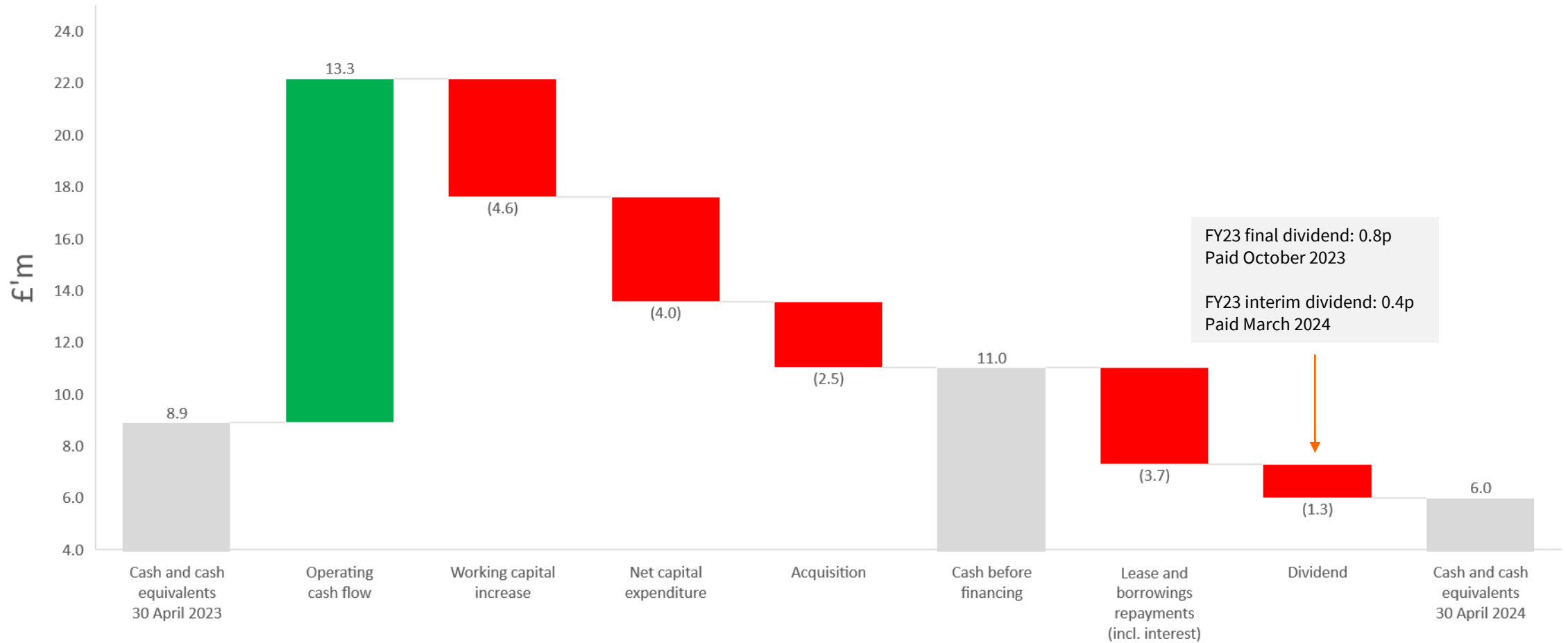
# FINANCIAL REVIEW – BALANCE SHEET

	2024 £m	2023 £m
Fixed assets (including intangible assets)	48.4	45.6
Net working capital	14.6	10.0
Net (debt)/funds	(1.6)	0.4
Deferred consideration	(2.1)	(0.8)
Taxation and provisions	(6.6)	(5.2)
<b>Net assets</b>	<b>52.7</b>	<b>50.0</b>

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

- Closing fixed assets includes:
  - Capital spend of £5.5m
  - Plant and equipment from the Rock & Alluvium acquisition of £2.9m (at fair value)
  - Goodwill from Rock & Alluvium of £0.9m
- Working capital increase primarily due to increased trading levels in Q4 and R&D tax credit debtor
- Net funds / (debt):
  - Cash £6.0m
  - Hire purchase debt £0.5m
  - IFRS 16 lease liabilities £7.1m
- £11.0m funding facility undrawn

# CASH FLOW



# CAPITAL ALLOCATION

## 1. Strong balance sheet

- Disciplined cash management with low debt (excluding IFRS 16 leases)
- Fund working capital during growth phase
- Supports supply chain and customer confidence

## 2. Investment for growth

- Invest in organic diversification and assets to maintain market-leading position
- Strategic bolt-on acquisitions delivering growth in capabilities or geographic coverage

## 3. Dividend distribution

- Grow dividends in line with earnings
- Prudent dividend distribution to allow adequate cash to support organic and acquisition growth opportunities

## 4. Distribute excess cash

- Return excess cash only when appropriate



# DELIVERY OF FINANCIAL TARGETS SUPPORTED BY GROWTH STRATEGY AND M&A

Annual Revenue Growth	5-10%
Operating Margin	6-7%
ROCE	15-20%
Leverage	<1.5 x



April 2021



November 2023

# HOUSING

- Strong market recovery anticipated from FY26 due to government intervention and interest rate reduction
- Housebuilders reporting improved customer demand and NHBC registrations growing 34% Q/Q
- Diverse customer base across open market and partnership housing
- Potential industry resource challenges and increased brownfield development favour Smartfoot system
- Early signs of progress; orders in Q1 up 30% vs FY24
- Strategic collaboration with M&J Evans launched on Nottingham Boots project



# UK RAIL

- CP7 investment; greater focus on climate change resilience (slopes, drainage etc)
- Strong tier 1 customer relationships developed during CP6
- 200<sup>th</sup> rail station delivered during FY24, the AFA programme continues in CP7
- Appointed to 5+5 year Network Rail civils framework in the Southern region
- TransPennine Route Upgrade underway; a significant 3-4 year opportunity
- Next major electrification scheme – Midland Mainline to Sheffield – due to commence FY26

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



# CANADA RAIL

- Start-up investment in FY24 coinciding with delays to Metrolinx Toronto expansion programme
- Re-set strategy to widen customer base
- High barriers to entry, highly skilled local team, market leading position with no comparable competition
- Preferred foundations partner for Go Expansion programme
- High levels of repeat work being secured, \$40m bid pipeline
- First on-track piling project delivered in Q1 FY25 and rapidly growing revenues



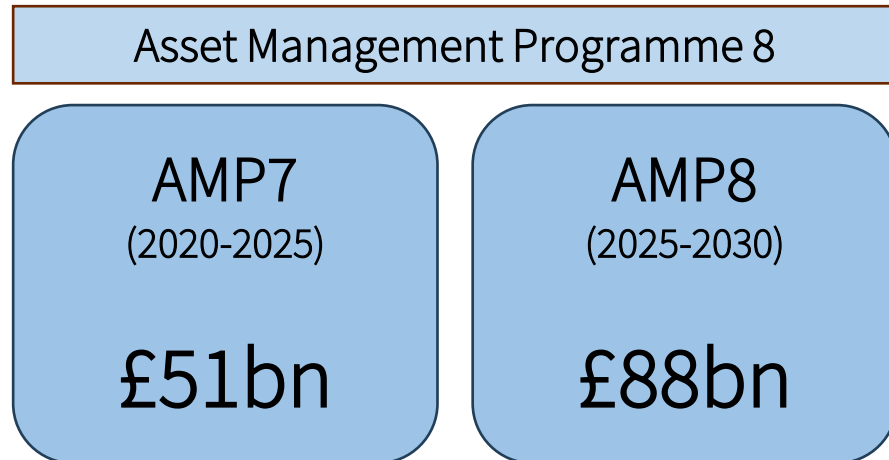
## Metrolinx GO Expansion Opportunity

- 687km of 25kV electrification
- \$16.8bn government funding approved
- 15,000 OCS foundations, signalling and retaining structures, sheet piling, bridges and station upgrades



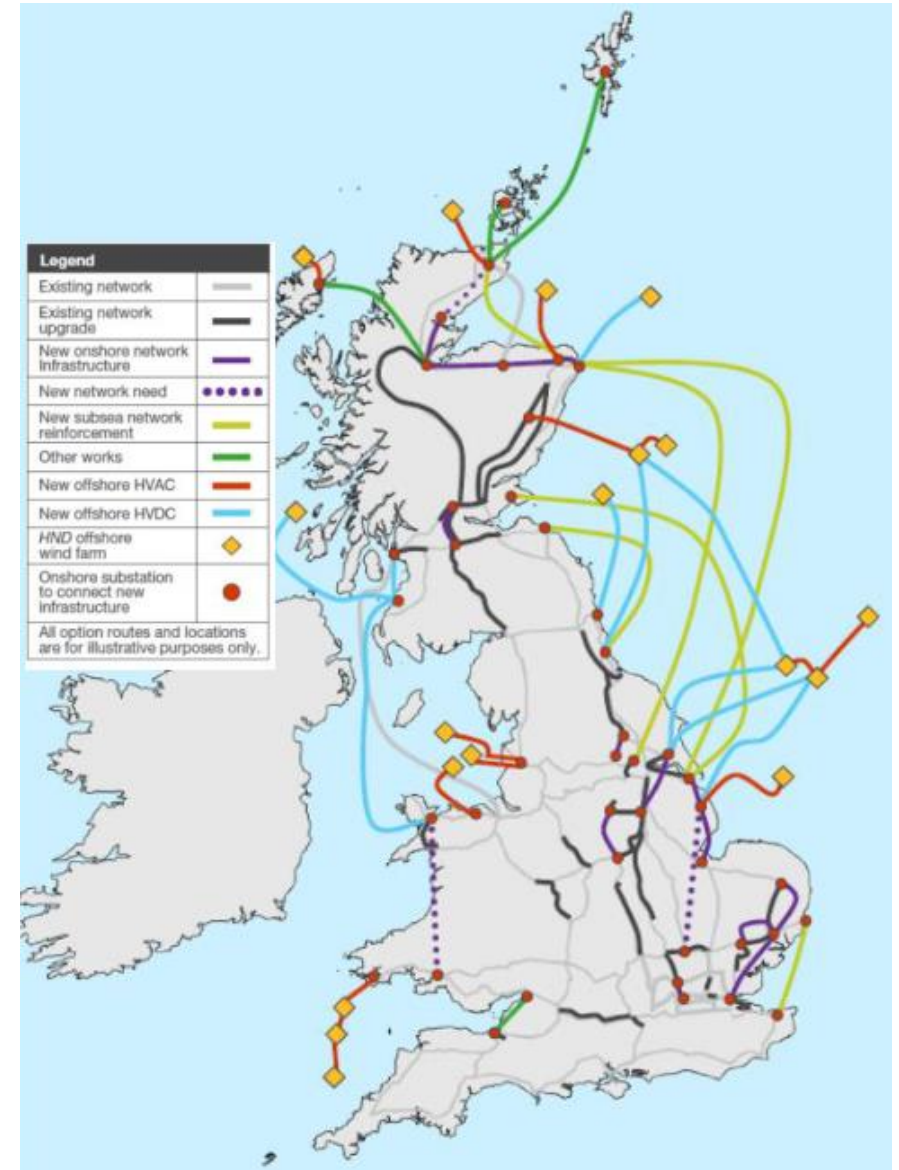
# WATER

- Significant strategic market opportunity – dedicated resource in place
- Significant increased investment AMP7 to AMP8 and SR21-27 in Scotland
- Strategic partnership with Galliford Try underpins 50% of expected revenues
- ScrewFast and civils offering are key differentiators



# ENERGY

- Huge planned investment in transmission network expansion and upgrade, substations and converter stations
- Multiple delivery programmes being mobilised by NG, SSE and SPEN
- Frameworks in place with two key target customers
- Expect to deliver projects for further 4-6 customers where relationships are being developed
- High level of customer read-across from highways, rail, water
- 94 target projects identified
- Differentiated by ability to deliver all foundation types in challenging locations, including ScrewFast and civils



# HIGHWAYS

- Smart Motorway Alliance work will complete in FY25
- Expect increased project opportunities under RIS3
- Attractive pipeline of major schemes with Galliford Try and other repeat customers
- Strata ground investigation framework with National Highways extended for 3 years



# REGIONAL CONSTRUCTION

- Confidence in regional construction markets expected to return in near term
- Increased market share in London enabled by Rock & Alluvium acquisition
- Initial delays in FY25 due to Building Safety Act
- Differentiators include deep CFA technology and integrated range of capabilities
- Increased activity expected on data centres, industrials (manufacturing facilities, battery factories etc.) and prisons
- Expanded precast factory enables capacity to deliver larger distribution sheds





# SUSTAINABILITY

## CO2 REDUCTION ROADMAP TO 2030

Baseline  
2020

2022

2025

2028

2030

### Responsible procurement

- Procurement management with sustainable approach

### GHG emissions

- Commitment to Science Based Targets initiative

### Energy Efficiency

- 100 % LED lighting at Kirkby
- 100% grid electricity from renewables

### Efficient Fleet

- Fuel efficiency focus (FORS Silver)
- Fleet age limit
- Fuel monitoring devices

### Lower carbon fleet

- Hybrid and electric company cars

### Research & Innovation

- Trials of battery powered tools

### Responsible Procurement

- Sustainable procurement ISO 20400 certified

### GHG emissions

- Validated Science Based Targets
- Value chain mapped (Scope 3)
- Carbon Management System PAS 2080 certified

### Energy Efficiency

- Energy Management certified ISO 50001
- Solar panels at Kirkby site
- On-site renewable energy feasibility across all facilities

### Lower carbon alternative trials

- Low carbon fuel for smaller plant
- Electric equipment & plant trials
- Hybrid/EV van trials

### Research & Innovation

- Trials of lower carbon concrete and steel

### Design & Manufacturing

- Carbon footprint estimations for all projects at design stage

### GHG emissions

- Monitoring of scope 3 emissions
- Life Cycle Assessment (LCA) for precast manufacturing

### Water efficiency

- Rainwater harvesting at Kirkby facility and feasibility across sites

### Lower carbon alternatives embedded

- Hybrid / EV vans
- Hybrid / Electric generators
- Ultra low emissions engines

### Design & Manufacturing

- Use of low carbon materials based on Environmental Product Declaration (EPD)
- Low carbon footprint project proposals

### Research & Innovation

- Stakeholder engagement to trial lower carbon materials & technology

### Low Carbon Plant Trials\*

- Hybrid plant/fleet (Hydrogen-diesel)
- Battery storage to power machinery

### GHG emissions\*\*

- GHG emissions against targets
- Update of Decarbonisation Strategy with latest technology available

### Research & Innovation

- Active participation in trialling latest available low carbon materials & technology across the value chain

\* Based on availability of technology

\*\* Emissions reduction target aligned to reach Net Zero by 2050

# CURRENT TRADING AND OUTLOOK

- Market conditions expected to remain challenging throughout the remainder of 2024 before an anticipated recovery in core markets in 2025
- Subdued housebuilding market in short term but post year-end orders are 30% higher than prior period
- Good positions developed in the water and energy sectors
- Growth from the Canadian rail business
- Acquired two sheet piling rigs and attachments from Fussey Piling in Q1 FY25 to accelerate growth
- Order book of £35.1m at 30 April 2024 (£30.8m at 30 April 2025)
- Well positioned to benefit from improvements in the market
- The Board is confident of achieving 5-10% annual revenue growth, 6-7% EBIT margin and 15-20% ROCE

# Q&A



# STATISTICS

	2024	2023
<b>Financial measures</b>		
Revenue (£m)	139.5	148.8
Gross profit %	30.1%	27.0%
Underlying operating profit margin	3.9%	3.9%
Overheads % (underlying)	27.9%	23.6%
Net capital expenditure (£'m)	3.6	5.6
Order book (£'m)	35.1	30.1
<b>Operational measures</b>		
Number of rigs	132	133
Average rig utilisation %*	51%	61%
Average rig utilisation % (excl. Rail)*	55%	65%
Total contracts delivered	1,254	1,022
Enquiries	3,937	4,047
<b>Employee measures</b>		
RIDDOR accident frequency rate (AFR)	0.00	0.19
Average employees	638	648
Voluntary churn	14%	18%
Number of apprentices/trainees	42	34
Total training days delivered	3,940	4,013

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