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Van Elle Holdings PLC
14 April 2023

Van Elle Holdings plc
(‘Van Elle’, the ‘Company’ or the ‘Group’)

Pre-close trading update

Van Elle Holdings plc, the UK’s largest ground engineering contractor, provides an update on trading and strategic opportunities ahead of its financial year ending 30 April 2023 (“FY23”).

Full year 2023 expectations in line

Group revenues are approximately 20 per cent ahead of the previous year, however the Group’s trading performance since the interim results announcement in January has been subject to the impact of industry-wide softening and investment delays due to macro-economic factors in the housing and infrastructure markets respectively. Despite these challenges, the Group remains on track to deliver profit before tax for FY23 in line with previously upgraded expectations*.

Industry forecasts expect weaker market conditions to continue into the new financial year, particularly in the new-build housing sector. As a result, the Group is undertaking a range of cost saving measures to support margins and has made strategic progress on new growth opportunities, as noted below.

** Company compiled analyst consensus for FY2023 underlying profit before tax is £5.3m with a range of £5.2m - £5.4m.*

Launch of Smartdeck foundation system

Despite a slowdown in new-build housing starts since autumn 2022, the medium and longer-term opportunities in the housing sector remain compelling, as the Government drives its agenda to deliver 300,000 net additional dwellings per annum.

To expand its range of efficient foundation systems, the Group has launched Smartdeck, an innovative piled raft foundation solution which integrates piling and foundations to floor slab level. The system complements the Company’s established Smartfoot precast foundation beam system. Discussions are ongoing with key customers and the Company expects to deploy Smartdeck on projects commencing in H1 FY24.

Smart Motorways retrofit safety works commenced

In January 2022, the Government paused new “all-lane-running” Smart Motorway projects until sufficient safety data is available for review. However, the 10-year National Highways Smart Motorway Programme Alliance is progressing important additional safety measures on the existing network including new emergency areas. As a national framework partner to the Alliance, Van Elle expects to participate in the delivery of these programmes from H1 FY24.

Incorporation of Van Elle Canada Inc

The Company has previously noted that international opportunities in rail were being assessed in order to support growth and increased resilience against UK rail investment uncertainty, leveraging its market-leading capabilities. The Group has now incorporated Van Elle Canada Inc ahead of major rail infrastructure and electrification opportunities in Ontario for which it is well positioned to commence works during FY24.

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About Van Elle Holdings plc:

Van Elle Holdings is the UK’s largest specialist geotechnical engineering contractor. The Company provides a range of ground engineering techniques and services including - ground investigation, general and specialist piling, rail geotechnical engineering, modular foundations, and ground improvement and stabilisation services.

Van Elle operates through three divisions: General Piling, Specialist Piling and Rail, and Ground Engineering Services; and is focused on three end markets: residential and housing, infrastructure and regional construction - across which the Group has completed more than 20,000 projects over the last 35 years.

General Piling provides a range of larger piling and ground engineering solutions for open-site construction projects. Specialist Piling and Rail provides a range of geotechnical solutions in operationally constrained environments including on-track rail applications. Ground Engineering Services offers a range of ground investigation and geotechnical services and modular foundation solutions such as Smartfoot®. Van Elle has a market-leading reputation and the UK’s largest rig fleet of over 120 rigs.

Having floated on AIM in 2016 it now has a strong national presence, diversified offering and market-leading brand name.

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