

Van Elle Holdings plc
('Van Elle', the 'Company' or the 'Group')

Interim Results for the six months ended 31 October 2024
Analyst Briefing and Investor Presentation

Van Elle Holdings plc, the UK's largest ground engineering contractor, announces its unaudited interim results for the six months ended 31 October 2024 (the 'Period').

£m	6 months ended 31 October 2024	6 months ended 31 October 2023
Revenue	65.2	68.2
Underlying EBITDA ¹	6.2	6.2
Underlying operating profit	2.1	2.7
Underlying operating profit margin	3.2%	3.9%
Operating profit	1.9	2.7
Underlying profit before tax	2.1	2.5
Profit before taxation	1.9	2.5
Underlying basic earnings per share (p)	1.4	1.6
Basic earnings per share (p)	1.3	1.6
Net funds (excluding IFRS 16 property and vehicle lease liabilities) ²	3.1	8.9
Net (debt)/ funds	(4.3)	1.9
Underlying return on capital employed	9.1%	10.0%
Interim dividend per share (p)	0.4	0.4

¹ Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

² IFRS 16 property and vehicle lease liabilities as at 31 October 2024 were £7.4m (31 October 2023: £7.0m).

Period highlights

- Continued resilience with growing signs of improvement across end markets despite macroeconomic backdrop and challenging market conditions.
- Revenue remained reasonably stable at £65.2m, a decrease of 4% compared to the prior year (H1 FY2024: £68.2m).
- Underlying EBITDA consistent with previous year at £6.2m. Depreciation increased by £0.6m due to higher asset base from recent business acquisitions and continued capital investment.
- Strong performance in Specialist Piling and Rail, offset by weaker volumes in General Piling and Ground Engineering Services.
- Acquisition of Albion Drilling Group in October 2024 expanded the Group's technical capabilities and presence in Scotland, bolstering progress in the energy sector.
- Further progress in positioning the Group to benefit from attractive growth sectors.
- Despite further delays to the ONxpress delivery programme, Van Elle Canada has been awarded additional contracts for the Metrolinx rail network upgrade programme in Toronto.
- Named as a delivery partner for Network Rail's Southern region 10-year building and civils minor works framework.
- Housing sector recovering with orders 52% higher than H1 FY2024.
- Improved operational efficiency and right-sized cost base have positioned the Group well to take full advantage of anticipated end market recoveries.
- Net funds decreased to £3.1m (excl. IFRS 16 lease liabilities), impacted by investment for growth in capital equipment and acquisitions, and delayed receipts from HMRC in relation to the Group's R&D tax claim.
- Interim dividend declared of 0.4 pence per share, consistent year on year.

Outlook

- Market conditions remain challenging in several sectors. Housing is showing signs of recovery and, despite the slow start to Control Period 7, our rail activities are increasing due to our diverse spread of customer relationships and ongoing TransPennine Route upgrade works.
- Secured or preferred bidder positions on several key major projects which are expected to commence in Q4.
- We expect several delayed projects in London and the South East to proceed once the Building Safety Act approval delays are unblocked during 2025.
- Our strong position in energy and water is expected to yield materially increased volumes from FY26 onwards as current design phases develop towards project starts.
- Continuing to build upon the solid pipeline, with order book up 24% to £43.4m at 31 December 2024 (£35.1m at 30 April 2024), including framework agreements and preferred bidder positions.

- at 30 April 2024), excluding framework agreements and preferred order positions.
- Assuming continued strengthening of the Group's end markets, the Board remains confident in achieving market expectations for the full year¹.

¹ Company compiled analyst consensus for FY2025 underlying profit before tax is £6.0m.

Mark Cutler, Chief Executive, commented:

"The Group has faced another challenging period, however, it has continued to make significant strategic progress, positioning Van Elle in attractive end markets and strengthening its core offering to deliver for clients. We have been focussed on driving operational efficiencies and have a right-sized cost base, appropriate to the current levels of demand."

"The acquisition of Albion Drilling has accelerated our expansion into both Scotland and the Energy sector and broadened our specialist capabilities, while Specialist Piling activity levels notably increased in the Period. The Group as a whole has continued to secure a solid pipeline of future work, including several targeted key contract wins. Alongside the increase in volumes experienced in our Housing Division, our other key markets are expected to continue improving over the coming months, and coupled with a strong order book, we remain confident in delivering a full year performance in line with market expectations."

Analyst Briefing: 10.00am on Wednesday 29 January 2025

An online briefing for Analysts will be held at 10.00am today. Analysts interested in attending should contact Walbrook PR on vanelle@walbrookpr.com or 020 7933 8780.

Investor Presentation: 3.30pm on Wednesday 29 January 2025

Mark Cutler, Chief Executive Officer, and Graeme Campbell, Chief Financial Officer, will hold a presentation to review the results and outlook at 3.30pm today. The presentation will be hosted through the digital platform Investor Meet Company.

Investors can sign up to Investor Meet Company for free and add to meet Van Elle Holdings plc via the following link <https://www.investormeetcompany.com/van-elle-holdings-plc/register-investor>. Investors who have already registered and added to meet the Company will automatically be invited.

Questions can be submitted pre-event to vanelle@walbrookpr.com or in real time during the presentation via the "Ask a Question" function.

For further information, please contact:

Van Elle Holdings plc

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About Van Elle Holdings plc:

Van Elle Holdings is the UK's largest specialist geotechnical engineering contractor. Formed in 1984 and listed on AIM in 2016, the Company provides a wide 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 diverse end markets including residential and housing, infrastructure and regional construction - across which the Group has completed more than 20,000 projects over the last 35 years.

Van Elle Holdings plc - Interim Report to 31 October 2024

Results overview

The Group's unaudited interim results reflect another resilient performance despite the challenging market conditions across many of the Group's end markets.

The housing market remained subdued in the Period, delivering lower activity than the previous year which benefited from a temporary increase in brought forward volumes as a result of new building regulations introduced towards the end of Q1 FY2024. However, enquiry and order levels improved during the Period and the Housing division is currently operating at significantly improved activity levels.

The impact of the Building Safety Act has caused significant delays to the commencement of numerous taller residential schemes, which has primarily impacted revenues in Rock & Alluvium. Planning delays are expected to be resolved during 2025 providing a stronger workload into FY2026. Notwithstanding these challenges, the trading agreement with Galliford Try under which the Group provides piling and geotechnical services has delivered several important schemes.

In infrastructure, UK Rail revenues were impacted in the Period as the sector transitioned from CP6 into CP7 but activity levels have increased during Q3 and benefits from our strong position on the TransPennine Route Upgrade

project. The Group's Canadian Rail subsidiary continues to deliver strong revenue growth, including several contract/framework awards in recent months.

The Group has also made excellent progress in the water and energy sectors and the acquisition of Albion Drilling Group in the Period provides additional momentum in Scotland. The Group has also recently signed an eight-year partnering agreement with Wood Transmission & Distribution Limited to deliver ground investigation, design and construction activities for piling and foundations across several energy transmission schemes as part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme.

Cost saving measures have been implemented to manage the Group's cost base whilst the softer market conditions continue. Improved operational efficiencies puts the Group in a stronger position to take advantage of the anticipated market recovery.

The Group delivered revenue of £65.2m (H1 FY2024: £68.2m) and an underlying profit before tax of £2.1m (H1 FY2024: £2.5m).

Net funds as at 31 October 2024 (excluding IFRS 16 property and vehicle lease liabilities) decreased to £3.1m (30 April 2024: £5.5m) mainly reflecting increased growth investment in the Period. Net capital expenditure was £2.2m, primarily representing continued investment in the rig fleet. The Group paid £1.3m in cash for the acquisition of Albion Drilling Group, and £0.9m for the FY2024 final dividend in the Period. Working capital also increased by £2.4m in the Period and includes the impact of approximately £1.3m of delayed receipts from HMRC in relation to the Group's R&D tax claim.

The order book as at 31 December 2024 was £43.4m, a 24% increase since the end of the previous financial year (30 April 2024: £35.1m), which benefits from a contribution of £1.4m from the acquisition of Albion Drilling Group.

Market overview

The Group operates in the following three market sectors:

- **Residential** constituted 43% of Group revenues in the Period (43% in H1 FY2024). Sector revenue decreased by 4% to £28.1m (H1 FY2024: £29.3m). Divisional teams deliver integrated piling and foundation systems for national and regional housebuilders, retirement homes and multi-storey residential properties.

Demand for the Group's Smartfoot system was very strong in the first quarter of the previous financial year, with new building regulations introduced towards the end of Q1 FY2024, resulting in the acceleration of some residential projects and providing a temporary increase to revenues. However, since the second quarter of FY2024 affordability, driven by increased mortgage rates and general market uncertainty, resulted in housebuilders commencing fewer new build starts, particularly in the private housing market. A proportion of this impact continues to be mitigated by the Group's balanced exposure to affordable and partnership housing customers.

Notwithstanding the current challenging market conditions, the outlook for housebuilding remains very strong in the UK, including the announcement from the Labour government pledging 1.5 million new homes in the current parliament and to speed up the planning process. The speed of delivery of the Smartfoot system means that the division is well-positioned to respond quickly as the market improves. The housing division is seeing early signs of the market improvement, with orders strongly ahead of the previous year and a strong pipeline of work has been secured for delivery during the remainder of the financial year.

In the wider residential sector, the impact of the Building Safety Act has caused significant delays to start dates of several taller residential schemes, which has primarily impact revenues in Rock & Alluvium. Planning delays are expected to be resolved during 2025 providing a stronger workload into FY2026.

- **Infrastructure** constituted 40% of Group revenues in the Period (42% in H1 FY2024). Sector revenue decreased by 9% to £26.2m (H1 FY2024: £28.7m). The segment includes specialist ground engineering services to the rail, highways, coastal and flooding, energy and utility sectors.

As anticipated, UK Rail revenues were subdued in the Period as the sector transitions from CP6 into CP7, and revenue has been below expectations in the early stages of CP7. Activity levels have been increasing post the half year end, supported by work on the TransPennine Route Upgrade project.

The Group's Canadian Rail subsidiary continues to deliver strong revenue growth, including several contract awards in recent months. Further progress is expected once piling activities commence on the Metrolinx GO Expansion programme which, despite delays, remains a significant opportunity for the Group in Canada.

Government spending in the highways sector continues to be lower than anticipated. The Group continues to focus on delivering work for Tier 1 contractors in this sector and has continued to deliver works on retrofit emergency refuge areas under the Smart Motorways Programme Alliance (SMPA) framework.

The Group has made further progress in developing a strong position in the water and energy sectors and the recent acquisition of Albion Drilling Group provides additional momentum in Scotland. As announced recently, the Group has signed an eight-year partnering agreement with Wood Transmission & Distribution Limited to deliver ground investigation, design and construction activities for piling and foundations across several energy transmission schemes as part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme, which is expected to generate revenues in excess of £30m.

- **Regional Construction** constituted 16% of Group revenues (14% in H1 FY2024). Sector revenue increased by 9% to £10.5m (H1 FY2024: £9.7m). The Group delivers a full range of piling and ground improvement services to the commercial and industrial sectors, from private and public sector building and developer-led markets across the UK.

The increase in revenue compared to the previous year is broadly due to modest levels of work delivered by Rock & Alluvium in this sector. The market remains very competitive, with work-winning being extremely price sensitive.

The London market is expected to lead a recovery in developer confidence although the new Building Safety Act has resulted in delays affecting taller residential projects. The industrial markets covering factories, data centres and warehousing also continue to offer significant opportunity for the Group's range of piling and ground improvement services.

Operating structure

Van Elle's operational Group structure has remained consistent and is reported in three segments:

- **General Piling:** open site; larger projects; key techniques being large diameter rotary, CFA piling and precast driven piling.
- **Specialist Piling and Rail:** restricted access and low headroom piling; extensive rail mounted capability; helical piling and steel modular foundations (ScrewFast); sheet piling, soil nails and anchors, mini-piling and ground stabilisation projects.
- **Ground Engineering Services:** driven and CFA piling for housebuilders, precast concrete modular foundations (Smartfoot); ground investigation and geotechnical services (Strata Geotechnics).

General Piling

Revenue decreased by 9% in the Period to £23.0m (H1 FY2024: £25.4m), representing 35% of Group revenues.

Revenue from Rock & Alluvium, acquired by the Group on 30 November 2023, are reported in the General Piling division. On a like-for-like basis, excluding the impact of Rock & Alluvium, revenue decreased by 32%.

The General Piling division operates across all the Group's three market segments and has been impacted by weak market conditions, particularly in the residential and infrastructure sectors.

Residential sector revenues increased compared to the previous year, however, the majority of contracts delivered by Rock & Alluvium relate to residential contracts. On a like-for-like basis, General Piling's residential revenues decreased by 42%. This decrease reflects the challenging market conditions in new build and high-rise residential activity. The division has also been impacted by the Building Safety Act, which has caused delays to start dates of several taller residential schemes.

Infrastructure revenue decreased by 39%, primarily due to the previous year benefiting from a large energy-from-waste contract, contributing approximately £7m revenue in H1 FY2024.

The Regional Construction sector has been impacted by lower confidence in the UK building market and as a result continued to be highly competitive with minimal large-scale opportunities. Despite these factors, sector revenue was broadly flat excluding the impact of Rock & Alluvium activity.

Operating profit was £0.5m for the Period (H1 FY2024: £1.8m).

Specialist Piling and Rail

Revenue increased by 14% in the Period to £23.2m (H1 FY2024: £20.3m), representing 36% of Group revenues.

Specialist Piling activity levels increased by 22% compared to the previous year, reflecting improving market conditions and stronger work-winning in the Period compared to a softer comparative period which was impacted by delays to major infrastructure work on highways and a decrease in drill and grout activity. Contract margins remained strong due to the highly skilled nature of site works.

UK Rail revenues decreased by 27% compared to the previous year with subdued workload as the sector transitions from CP6 into CP7. The second half of the financial year is showing improvement in performance, supported by increasing activity levels on the TransPennine Route Upgrade project.

Growth continued in Canada with the subsidiary delivering revenue of £1.8m in the Period, despite delays to the ONxpress delivery programme. Progress is expected to continue as we become embedded in the local market supply chain, including the award of a three-year framework agreement in November for the delivery of Metrolinx renewals projects worth approximately CAD 9m to the Group.

The medium-term outlook for the division's work in the infrastructure sector remains very positive, with significant growth opportunities in the high-voltage power sector supporting the development of the UK's electricity transmission networks, and increased activity in the water and rail sectors.

Operating profit for the division increased to £2.0m (H1 FY2024: £0.5m).

Ground Engineering Services

Revenue decreased by 15% in the Period to £18.7m (H1 FY2024: £22.1m), representing 29% of Group revenues. Ground Engineering consists of the Housing division and Strata Geotechnics ('Strata'). The Housing division delivers integrated piling and Smartfoot foundation beam solutions to UK housebuilders. Strata delivers ground investigation, testing and monitoring services.

Housing division revenues decreased by 16% compared to the previous year. Whilst the previous financial year was generally impacted by lower new build housing starts, the first quarter of FY2024 delivered very strong revenues, before a rapid decline in activity levels from the second quarter. There are positive signs of a market recovery, including materially improved order levels in the Period, which are being delivered in the second half of the financial year.

Our diverse customer base, with additional exposure to partnership and affordable housing customers, where volumes were affected to a lesser extent, has partially mitigated the impact of the very soft private housebuilding market.

Strata revenues decreased by 11% to £3.6m (H1 FY2024: £4.1m), impacted by lower workload in the infrastructure sector. Good progress has been made in work-winning in the second half of the financial year and activity levels are expected to increase significantly in Q4 FY2025 as energy sector in Scotland commences.

Operating profit for the segment decreased to £0.3m (H1 FY2024: £1.8m) reflecting lower overhead recovery in Housing and the impact of lower margin achieved on a challenging contract in Strata.

Strategy

Progress towards the Group's strategic financial objectives has been impacted by ongoing challenging market conditions in many of its end markets. However, the Group continues to deliver a resilient performance and is well-positioned for the expected improvement in market conditions, particularly in residential housing and infrastructure markets. The Board remains confident in delivering 6-7% operating profit and 15-20% ROCE by FY2027 driven through organic revenue growth supplemented by strategic bolt-on acquisitions.

Sustainability and ESG

The Group's sustainability strategy is aligned with the UN Sustainable Development Goals, which we consider to be

The Group's sustainability strategy is aligned with the UN Sustainable Development Goals, which we consider to be the most applicable to our business operations. We have signed up to the Science Based Targets initiative (SBTi) to set achievable emissions reduction targets against a representative base year to achieve Net Zero by 2050.

A medium-term sustainability roadmap is established, which provides a clear pathway to a 30% reduction in our greenhouse gas emissions from a 2020 baseline. Our Sustainability working group, which has executive level leadership, is using this roadmap to track progress against our targets and objectives. The Group measures and reports Scope 1 and Scope 2 emissions.

Current year sustainability targets include:

- Full validation of our targets with SBTi.
- Become accredited sustainable procurement, ISO 20400.
- Develop processes to measure and report Scope 3 emissions.
- Review and implement solar panels where appropriate.
- Trial low carbon concrete and steel.
- Embed carbon footprint estimations for all projects at the design stage.

Dividend

The Board acknowledges that dividends continue to represent an important constituent of total shareholder returns and accordingly has declared an interim dividend of 0.4 pence per share.

The interim dividend will be payable on 14 March 2025 to shareholders on the share register as at 21 February 2025. The shares will be marked ex-dividend on 20 February 2025.

Current trading and outlook

Market conditions in each of our end markets are expected to remain challenging for the remainder of the current financial year.

However, the Group has continued to secure a solid pipeline of future work, including several targeted key contract wins, and has a strong order book for delivery in the final quarter of the financial year. Whilst H1 revenues were below prior year levels, the Group has taken steps to reduce its cost base and is well-positioned to take advantage of the anticipated market recovery.

New build housing is showing continued signs of improvement and there is a significant opportunity to drive improved performance from the high level of committed UK spend in the energy, water and rail sectors where the Group has developed strong positions with customers including its partnership with Galliford Try. The Canadian rail subsidiary is still in the early stages of establishment but has built an increasing pipeline of work and is expected to see further growth once piling activity commences on the Metrolinx GO Expansion programme in Toronto. The Group is also seeing an increased demand for its capabilities in the industrial sector including its largest contract award for two years, due to be announced in February, and in the defence and security sector where we have developed customer partnerships on the new prisons programme. Once the backlog of approvals from the Building Safety Act are released, we also anticipate a strong recovery in activity levels in London and the South East.

The Board continues to expect results in line with market expectations for the current financial.

Mark Cutler
Chief Executive Officer
29 January 2025

Condensed consolidated statement of comprehensive income

	Note	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
Revenue	2,3	65,163	68,210	139,479
Cost of sales		(45,003)	(47,544)	(97,545)
Gross profit		20,160	20,666	41,934
Administrative expenses		(19,632)	(18,769)	(39,545)
Credit loss impairment charge		(68)	(93)	157
Other operating income		1,455	859	3,259
Operating profit		1,915	2,663	5,805
Operating profit before non-underlying items		2,055	2,663	5,472
Non-underlying items		(140)	-	333
Operating profit		1,915	2,663	5,805
Finance expense		(147)	(177)	(429)
Finance income		100	3	251
Profit before tax		1,868	2,489	5,627
Income tax expense		(508)	(814)	(1,413)
Profit after tax		1,360	1,675	4,214
Earnings per share (pence)				
Basic	6	1.3	1.6	3.9

Diluted	6	1.3	1.6	3.9
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		6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
Other comprehensive income	Note			
Items that may or may not be reclassified subsequently to profit or loss:				
Foreign operations - foreign currency translation differences		(62)	-	(39)
Other comprehensive income for the period, net of tax		(62)	-	(39)
Total comprehensive income for the period attributable to shareholders of the parent		1,298	1,675	4,175

All amounts relate to continuing operations.

Condensed consolidated statement of financial position

	As at 31 Oct 2024 (unaudited) £'000	As at 31 Oct 2023 (unaudited) £'000	As at 30 Apr 2024 (audited) £'000
Non-current assets			
Property, plant and equipment	46,290	41,821	44,020
Intangible assets	4,981	3,638	4,432
Deferred tax	370	-	389
	51,641	45,459	48,841
Current assets			
Inventories	6,192	4,929	5,753
Trade and other receivables	33,411	29,909	38,268
Cash and cash equivalents	3,814	9,047	6,002
	43,417	43,885	50,023
Total assets	95,058	89,344	98,864
Current liabilities			
Trade and other payables	21,782	18,178	22,569
Deferred consideration	2,671	-	2,120
Lease liabilities	3,833	2,476	2,040
Provisions	1,903	8,238	8,064
	30,189	28,892	34,793
Non-current liabilities			
Deferred consideration	281	-	-
Lease liabilities	4,309	4,654	5,606
Deferred tax	6,426	4,801	5,731
	11,016	9,455	11,338
Total liabilities	41,205	38,347	46,130
Net assets	53,853	50,997	52,734
Equity			
Share capital	2,164	2,133	2,135
Share premium	9,189	8,633	8,633
Other reserve	5,807	5,807	5,807
Retained earnings	36,693	34,424	36,159
Total equity	53,853	50,997	52,734

Condensed consolidated statement of cash flows

	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
Cash flows from operating activities			
Operating profit	1,011	2,663	5,895

Operating profit	1,914	2,000	3,000
Depreciation of property, plant and equipment	4,099	3,498	7,506
Amortisation of intangible assets	74	74	149
Profit on disposal of property, plant and equipment	(377)	(108)	(404)
Share-based payment expense	123	134	230
Operating cash flows before movement in working capital	5,833	6,261	13,286
(Increase)/decrease in inventories	(148)	42	(743)
(Increase)/decrease in trade and other receivables	(830)	5,635	(1,317)
Decrease in trade and other payables	(1,234)	(5,067)	(2,439)
Increase/(decrease) in provisions	(211)	95	(79)
Cash generated from operations	3,410	6,966	8,708
Income tax (paid)/received	-	(302)	-
Net cash generated from operating activities	3,410	6,664	8,708
Cash flows from investing activities			
Purchases of property, plant and equipment	(2,770)	(3,914)	(5,500)
Disposal of property, plant and equipment	576	1,369	1,877
Purchase of subsidiary, net of cash acquired	(1,297)	(740)	(2,540)
Purchase of own shares into EBT	-	-	(420)
Net cash absorbed in investing activities	(3,491)	(3,285)	(6,583)
Cash flows from financing activities			
Proceeds from issue of shares	-	-	2
Repayment of bank borrowings	-	(1,158)	(1,158)
Principal paid on lease liabilities	(1,207)	(1,031)	(2,394)
Interest paid on lease liabilities	(147)	(76)	(335)
Interest paid on loans and borrowings	-	(102)	(93)
Interest received	100	3	250
Dividends paid	(853)	(853)	(1,280)
Net cash absorbed in financing activities	(2,107)	(3,217)	(5,008)
Net increase/(decrease) in cash and cash equivalents	(2,188)	162	(2,883)
Cash and cash equivalents at beginning of period	6,002	8,885	8,885
Cash and cash equivalents at end of period	3,814	9,047	6,002

Condensed consolidated statement of changes in equity

	Share Capital £'000	Share premium £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2023 (audited)	2,133	8,633	5,807	33,458	50,031
Total comprehensive income	-	-	-	1,675	1,675
Share-based payment expense	-	-	-	134	134
Dividends paid	-	-	-	(853)	(853)
Deferred tax credit on share-based payments	-	-	-	10	10
Balance at 31 October 2023 (unaudited)	2,133	8,633	5,807	34,424	50,997
Total comprehensive income	-	-	-	2,500	2,500
Issue of share capital	2	-	-	-	2
Purchase of own shares into EBT	-	-	-	(420)	(420)
Share-based payment expense	-	-	-	92	92
Dividends paid	-	-	-	(427)	(427)
Deferred tax charge on share-based payments	-	-	-	(10)	(10)
Balance at 30 April 2024 (audited)	2,135	8,633	5,807	36,159	52,734
Total comprehensive income	-	-	-	1,298	1,298
Issue of share capital	29	556	-	-	585
Share-based payment expense	-	-	-	123	123
Dividends paid	-	-	-	(853)	(853)
Deferred tax charge on share-	-	-	-	(34)	(34)

based payments					
Balance at 31 October 2024	2,164	9,189	5,807	36,693	53,853
(unaudited)					

Notes to the condensed consolidated interim financial statements

For the six months ended 31 October 2024

1. Basis of preparation

The unaudited interim consolidated statement of Van Elle Holdings plc is for the six months ended 31 October 2024 and does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. These condensed consolidated financial statements have been prepared in compliance with the recognition and measurement requirement of International Accounting Standards in conformity with the requirements of the Companies Act 2006. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Group's annual report. The unaudited interim consolidated statement has been prepared in accordance with the accounting policies that are expected to be applied in the report and accounts for the year ending 30 April 2025.

The comparative figures for the year ended 30 April 2024 do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006, but they have been derived from the audited financial statements for that year, which have been filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006 nor a reference to any matters which the auditor drew attention to by way of emphasis of matter without qualifying their report.

Going Concern

As part of the going concern assessment for the year ended 30 April 2024 detailed forecasts were prepared. These forecasts demonstrated sufficient cash flow and headroom across the period to 31 December 2025. Reverse stress testing was also carried out and the scenarios in which cash resources were exhausted and further debt facilities were required were considered remote.

Market conditions have been challenging throughout the 6-month period however the Group has continued to invest, resulting in a reduction in net funds (excluding IFRS 16 property and vehicle lease liabilities) of £2.4m in the Period, to £3.1m as at 31 October 2024. The Group's £11m asset backed lending facility was undrawn at the end of the period. Total hire purchase finance at the end of the period was £0.7m, £0.4m of which was assumed on the acquisition of Albion Drilling Holdings Limited on 29 October 2024.

As part of the interim going concern assessment, forecasts for the 12 months ending January 2026 have been prepared which demonstrate that the Group is able to operate within its existing facilities and meet obligations as they fall due. The Board remains confident in achieving market expectations for the current financial year. The Group's order book has also grown in the period since 30 April 2024.

On this basis the Board consider the Group to have adequate resources to continue its operations for the foreseeable future. Accordingly, the Board continue to adopt the going concern basis in preparing the interim financial statements.

Accounting Policies

The accounting policies adopted in the preparation of the unaudited Group interim consolidated statement to 31 October 2024 are consistent with the policies applied by the Group in its consolidated financial statements as at, and for the year ended 30 April 2024.

Functional currency

The unaudited interim consolidated statements are presented in Sterling, which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

2. Segment information

The Group evaluates segmental performance based on profit or loss from operations calculated in accordance with IFRS. Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. Head office central services costs including insurances are allocated to the segments based on levels of turnover.

Operating segments - 6 months to 31 October 2024

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	23,031	23,226	18,714	192	65,163
Other operating income	-	-	-	1,455	1,455
Underlying operating profit	479	1,953	309	(686)	2,055
Operating profit	479	1,953	309	(826)	(1,915)
Finance expense	-	-	-	(147)	(147)
Finance income	-	-	-	100	100
Profit before tax	479	1,953	309	(873)	1,868

Assets

Property, plant and equipment (including right of use assets)	12,697	16,204	6,520	10,870	46,290
Intangible assets	868	3,924	188	-	4,981
Inventories	2,293	1,104	2,734	61	6,192

INVESTMENTS	£,000	£,000	£,000	£	£,000
Reportable segment assets	15,858	21,232	9,442	10,931	57,463
Deferred tax	-	-	-	370	370
Trade and other receivables	-	-	-	33,661	33,661
Cash and cash equivalents	-	-	-	3,814	3,814
Total assets	15,858	21,232	9,442	48,776	95,308
Liabilities					
Trade and other payables	-	-	-	21,782	21,782
Provisions	-	-	-	1,903	1,903
Deferred consideration	-	-	-	2,952	2,952
Lease liabilities	-	-	-	8,142	8,142
Deferred tax	-	-	-	6,426	6,426
Total liabilities	-	-	-	41,205	41,205
Other information					
Capital expenditure	1,313	1,110	118	229	2,770
Depreciation	1,294	1,483	839	557	4,173

The Group had no customers with revenues greater than 10% in the current period (2023: one). Total revenues from the customer in 2023 were £7.4m and these are reported within the General Piling operating segment.

Geographical segments - 6 months to 31 October 2024

Revenue and operating profit from external customers, and the carrying amount of non-current assets by geographical segment are shown below:

	UK £'000	Other countries £'000	Total £'000
Revenue	63,359	1,804	65,163
Operating profit/(loss)	2,012	(97)	1,915
Non-current assets	49,629	2,012	51,641

Operating segments - 6 months to 31 October 2023

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	25,372	20,333	22,058	447	68,210
Other operating income	-	-	-	859	859
Operating profit	1,816	486	1,761	(1,400)	2,663
Finance expense	-	-	-	(177)	(177)
Finance income	-	-	-	3	3
Profit before tax	1,816	486	1,761	(1,574)	2,489
Assets					
Property, plant and equipment (including right of use assets)	8,937	13,777	7,548	11,559	41,821
Intangible assets	7	3,422	209	-	3,638
Inventories	1,898	759	2,233	39	4,929
Reportable segment assets	10,842	17,958	9,990	11,598	50,388
Trade and other receivables	-	-	-	29,909	29,909
Cash and cash equivalents	-	-	-	9,047	9,047
Total assets	10,842	17,958	9,990	50,554	89,344
Liabilities					
Trade and other payables	-	-	-	18,178	18,178
Provisions	-	-	-	8,238	8,238
Lease liabilities	-	-	-	7,130	7,130
Deferred tax	-	-	-	4,801	4,801
Total liabilities	-	-	-	38,347	38,347
Other information					
Capital expenditure	855	590	184	2,285	3,914
Depreciation	816	1,331	816	535	3,498

Geographical segments - 6 months to 31 October 2023

Revenue and operating profit from external customers, and the carrying amount of non-current assets by geographical segment are shown below:

	UK £'000	Other countries £'000	Total £'000
Revenue	68,180	30	68,210
Operating profit/(loss)	3,304	(641)	2,663
Non-current assets	44,287	1,172	45,459

Operating segments - 12 months to 30 April 2024

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	56,686	43,871	38,317	605	139,479
Other operating income	-	-	-	3,259	3,259
Underlying operating profit	5,212	1,198	918	(1,856)	5,472
Operating profit	5,212	1,198	918	(1,523)	5,805
Finance expense	-	-	-	(429)	(429)
Finance income	-	-	-	251	251
Profit before tax	5,212	1,198	918	(1,701)	5,627

Assets

Property, plant and equipment (including right of use assets)	12,444	13,388	7,049	11,139	44,020
Intangible assets	871	3,362	199	-	4,432
Inventories	2,304	864	2,539	46	5,753
Reportable segment assets	15,619	17,614	9,787	11,185	54,205
Deferred Tax	-	-	-	389	389
Trade and other receivables	-	-	-	38,268	38,268
Cash and cash equivalents	-	-	-	6,002	6,002
Total assets	15,619	17,614	9,787	55,844	98,984

Liabilities

Trade and other payables	-	-	-	22,569	22,569
Provisions	-	-	-	7,646	7,646
Deferred consideration	-	-	-	8,064	8,064
Lease liabilities	-	-	-	2,120	2,120
Deferred tax	-	-	-	5,741	5,741
Total liabilities	-	-	-	46,130	46,130

Other information

Capital expenditure	1,144	1,764	704	2,844	6,456
Depreciation	2,063	2,828	1,640	1,123	7,654

Geographical segments - 12 months to 30 April 2024

Revenue and operating profit from external customers, and the carrying amount of non-current assets by geographical segment are shown below:

	UK £'000	Other countries £'000	Total £'000
Revenue	139,077	402	139,479
Operating profit	7,195	(1,390)	5,805
Non-current assets	46,991	1,461	48,452

3. Revenue from contracts with customers

Disaggregation of revenue - 6 months to 31 October 2024

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
End market					
Residential	9,973	3,528	14,595	-	28,096
Infrastructure	6,171	17,286	2,759	-	26,216
Regional construction	6,783	2,409	1,349	-	10,541

Other	104	4	10	192	310
Total	23,031	23,227	18,713	192	65,163

Disaggregation of revenue - 6 months to 31 October 2023

End market	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	9,304	2,289	17,744	-	29,337
Infrastructure	10,076	15,486	3,126	-	28,688
Regional construction	5,907	2,558	1,185	-	9,650
Other	85	-	3	447	535
Total	25,372	20,333	22,058	447	68,210

Disaggregation of revenue - 12 months to 30 April 2024

End market	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	22,937	4,921	29,339	-	57,197
Infrastructure	15,737	33,153	6,332	-	55,222
Regional construction	17,761	5,797	2,644	-	26,202
Other	251	-	2	605	858
Total	56,686	43,871	38,317	605	139,479

Contract assets

	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
As at 1 May	4,937	4,913	4,913
Transfers from contract assets to trade receivables	(4,937)	(4,913)	(4,913)
Excess of revenue recognised over invoiced	6,350	3,296	4,937
Impairment of contract assets	-	-	-
As at 31 October / 30 April	6,350	3,296	4,937

Contract liabilities

	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
As at 1 May	384	1,987	1,987
Interest on contract liabilities	-	-	-
Contract liabilities recognised as revenue in the period	(384)	(1,987)	(1,987)
Deposits received in advance of performance	22	734	384
As at 31 October / 30 April	22	734	384

4. Other operating income

	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
Research and development expenditure credit relating to prior period	438	609	1,646
Research and development expenditure credit relating to current period	1,017	250	1,613
	1,455	859	3,259

The research and development expenditure credit relating to the prior period relates to an increase in the estimate of the claim value for the previous financial year ended 30 April 2024. The research and development expenditure credit relating to the current period is based on the management estimate of the claim relating to the year ended 30 April 2025.

5. Non-underlying items

	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
Research and development expenditure credit relating to prior period	-	-	(894)
Business combination costs	86	-	228

Legal costs	-	-	250
Restructuring costs	54	-	83
Finance income	-	-	(149)
	140	-	(482)

Business combination costs relate to acquisition fees for the purchase of Albion Drilling Holdings Limited on 29 October 2024. Restructure costs relate to the restructure of the leadership team and several functions which commenced towards the end of the previous financial year.

Non-underlying items in the financial year ended 30 April 2024 related to; research and development expenditure credits relating to the 30 April 2022 financial year and part of the expenditure credit relating to the 30 April 2023 financial year as they represented significant increases in previous claim values which were considered one-off in nature. Business combination costs related to acquisition fees for the purchase of Rock & Alluvium Limited on 30 November 2023. Legal costs represented a health and safety penalty following the death of a third-party haulier following the failure of a Van Elle piling rig in Scotland in April 2021. Towards the end of FY2024, a restructure of the leadership team and several functions commenced. Restructure costs represented the initial costs incurred in this project. Finance income related to interest income received as a result of early payment of settlement funds by an insurer.

6. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	6 months to 31 Oct 2024 (unaudited)	6 months to 31 Oct 2023 (unaudited)	12 months to 30 Apr 2024 (audited)
Basic weighted average number of shares	106,741	106,667	106,703
Dilutive weighted average shares from share options	1,138	210	1,209
Diluted weighted average number of shares	107,879	106,877	107,912
	£'000	£'000	£'000
Profit for the period	1,360	1,675	4,214
Non-underlying items	140	-	(482)
Tax effect of non-underlying items	14	-	(20)
Underlying profit for the period	1,514	1,675	3,712
	Pence	Pence	Pence
Earnings per share			
Basic	1.3	1.6	3.9
Diluted	1.3	1.6	3.9
Basic - underlying	1.4	1.6	3.5
Diluted - underlying	1.4	1.6	3.4

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders and on 106,740,933 ordinary shares being the weighted average number of ordinary shares in issue during the period.

The dilutive shares represent share options exercisable under Group's LTIP scheme that vested on 30 September 2023 and which have not been exercised at 31 October 2024.

7. Dividends paid

	6 months to 31 Oct 2024 (unaudited) £'000	6 months to 31 Oct 2023 (unaudited) £'000	12 months to 30 Apr 2024 (audited) £'000
Amounts recognised as distributions to equity holders during the Period:			
Final dividend for the year ended 30 April 2023 of 0.8p per share	-	853	853
Interim dividend for the year ended 30 April 2024 of 0.4p per share	-	-	427
Final dividend for the year ended 30 April 2024 of 0.8p per share	853	-	-
Total	853	853	1,280

8. Analysis of cash and cash equivalents and reconciliation to net (debt) / funds

	As at 31 Oct 2024 (unaudited) £'000	As at 31 Oct 2023 (unaudited) £'000	As at 30 Apr 2024 (audited) £'000
Cash at bank	3,810	9,039	5,964
Cash in hand	4	8	38
Cash and cash equivalents	3,814	9,047	6,002

Loans and borrowings	-	-	-
Lease liabilities	(8,142)	(7,130)	(7,646)
Net (debt) / funds	(4,328)	1,917	(1,644)
Net funds excl. IFRS 16 property and vehicle lease liabilities	3,068	8,926	5,472

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