

Essential Infrastructure Solutions

Preliminary results presentation | March 2024

Presentation team

Charles Sweeney

Chief Executive
Officer



Dawn Hillman

Chief Financial
Officer



Agenda

- Nexus – Summary and Strategy
- Tamdown
- Key Financials
- Case Studies
- Looking ahead
- Conclusion
- Q&A



Nexus Infrastructure

FY23 - A year of positioning for change

- Sale of TriConnex and eSmart Networks – returned £60.5m to shareholders
- New management team
- Transitioned the business and reduced costs to target
- Repositioned Tamdown
- Developing strategic options for the future



Strategy

Strategic objectives

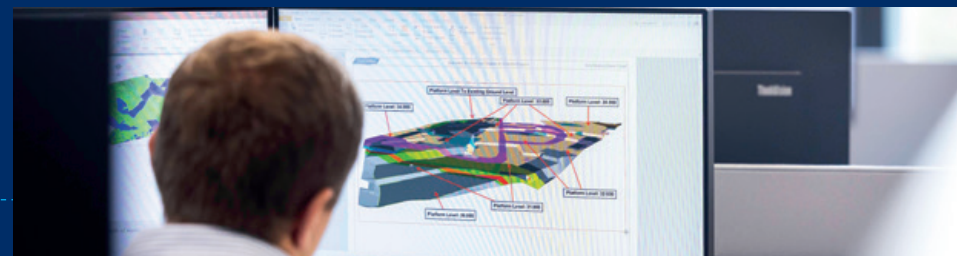
Growing with our customers

- Continual developments in the quality, features and diversification of our offering
- Building and growing customer relationships, supported by high-quality service, competitive pricing and a long-standing focus on health and safety
- Assuring and supporting customers delivering multi-phase, complex projects, using our extensive experience



Expanding our market

- Track record of identifying and investing in growing sectors and building go-to-market subsidiary operations
- Highly experienced Board and Executive Team with extensive expertise across a range of infrastructure sectors
- Securing opportunities across new projects and sectors, and delivering innovative services



Focus on financial delivery

- Improving the level and consistency of operating margins
- Investing resources to improve productivity and enable growth
- Managing overheads and discretionary spend, while maintaining tight control of cash



Tamdown

- Essential infrastructure solutions to the UK housebuilding sector
- Civil engineering of site enabling, earthworks, roads, drainage systems, trenching and foundations
- Strong brand established over 45 years with loyal customer base
- Recognised for its expertise and capabilities in complex, long-term multi-phase developments



Key Financials

Group Performance

£m	IFRS 5 Format	
	2023	2022
Continuing operations		
Revenue	88.7	98.4
Gross Profit	5.9	9.9
Operating loss before exceptionals	(7.7)	(0.3)
Exceptional items	(0.7)	—
Operating loss	(8.4)	(0.3)
Net finance expense	(0.1)	(0.6)
Tax	0.0	(0.1)
Loss from continuing operations	(8.5)	(1.0)
Profit from discontinued operations	67.3	3.7
Profit attributable to equity holders	58.8	2.7

- Nexus revenue £0.8m due to TSA income
- Nexus operating loss £4.8m inc £2.4m of costs relating to sale of subsidiaries
- Revenue for Tamdown is down due to well-publicised market conditions at £87.8m (2022: £98.4m)
- Tamdown loss £6.0m
- Decreased profitability due to ilke Homes impact and debtor adjustments
- Order book remains strong, has grown by 24% to £57.2m by the end of January 2024

Balance sheet

£m	2023	2022
Property, plant & equipment	5.4	5.5
Right of use assets	11.4	12.6
Goodwill	2.4	2.4
Receivables & contract assets	26.9	38.5
Cash and cash equivalents	14.6	4.6
Discontinued operations	—	57.4
Total Assets	60.7	121.0
Trade & contract liabilities	16.1	25.2
Lease liabilities	11.6	12.5
Deferred tax liability	—	0.1
Discontinued operations	—	49.1
Total liabilities	27.7	86.9
Net Assets	33.0	34.1

- Net assets and cash remain strong following sale of former subsidiaries for £77.7m
- Cash of £14.6m
- Contract receivables reduced due to action taken on debtors
- Contract liabilities reduced due to revenue slow-down in H2
- Final dividend of 2.0p per share proposed, bringing full year to 3.0p per share

Large multi-phase infrastructure projects

Case study – Chilton Woods

- Tamdown is delivering full infrastructure solutions for this development including a 4.3km spine road.
- Project phased to deliver more than 1150 new homes over the coming years.



Infrastructure

- Value: £5.5m
- Awarded: October 2021

Phase 1

- Value: £8.8m
- Awarded: January 2022
- Units: 200

Phase 2

- Value: £13.0m
- Awarded: October 2023
- Units: 250

c.700 units and associated infrastructure, including outdoor spaces, to tender in later phases

Case study – Towerlands Park

- Tamdown is delivering full infrastructure solutions for this development including a 5km spine road.
- Project phased to deliver more than 500 new homes over the coming years.



Phase 1

- Value: £14.8m
- Awarded: May 2022
- Units: 170

Phase 2 Infrastructure

- Value: £1.6m
- Awarded: Sept 2022

Project offices

- Value: £0.4m
- Awarded: Feb 2023

Phase 3

- Value: £10.0m
- Awarded: March 2023
- Units: 160

S278/off-site drainage

- Value: £1.4m
- Awarded: April 2023

c.180 units and associated infrastructure to tender in later phases

Looking ahead

Looking ahead

Market

- Market drivers remain strong – housing shortage and Government initiatives
- Inevitable uplift in residential development
- Developers indicating initial signs of improvement for 2024
- Tamdown is an early cycle beneficiary as the market upturns
- Demand for essential infrastructure solutions in other sectors

Operational

- Solid start to Q1 with key new contracts secured
- Multi-phase projects with loyal customers
- Cost inflation reducing
- Focus on pricing and operational efficiencies
- Labour flexibility with agency workers alongside established team



Looking ahead

Financial

- Robust balance sheet
- Proactive measures have positioned the Group to improve margins
- Growing Order book
- Committed to progressive dividend policy

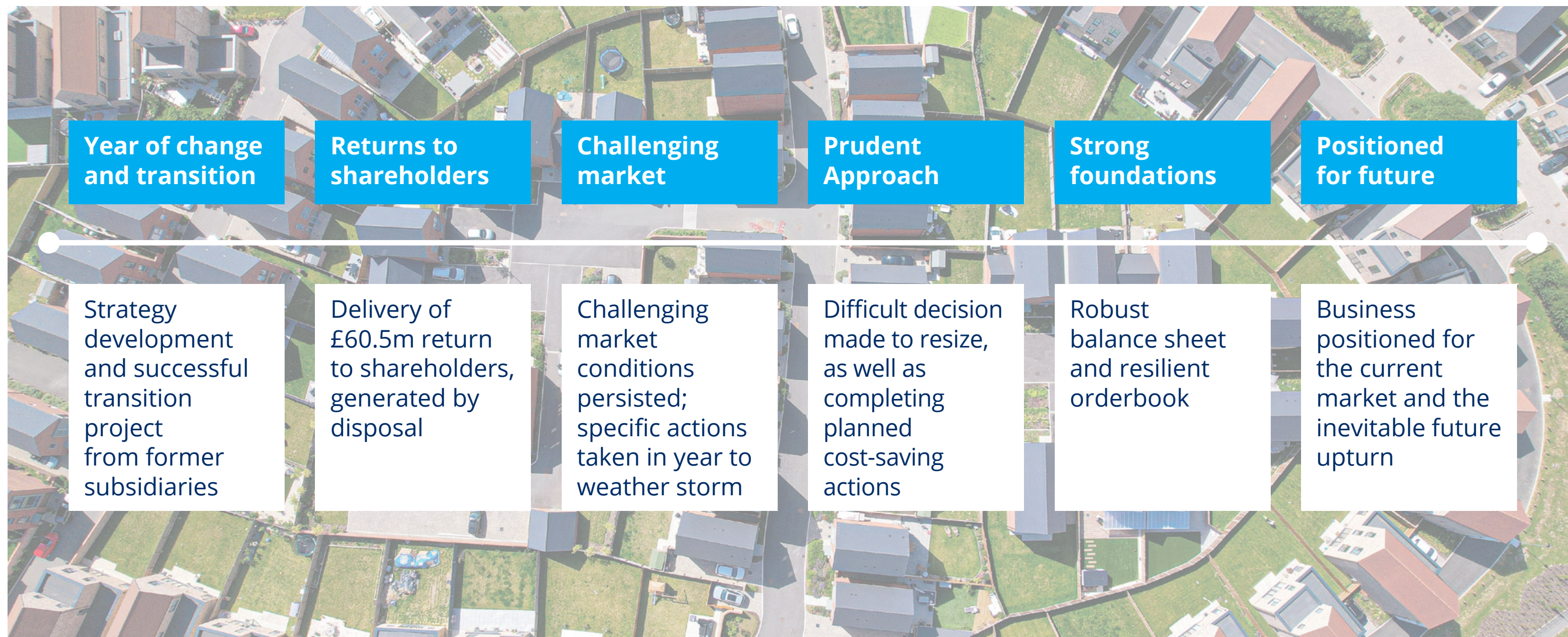
Strategic

- Board track record of sector innovation and delivering returns
- Tamdown positioned for a return to growth and higher margins
- Reviewing long-term growth options, including diversification into other sectors



Conclusion

Well positioned for the market upturn



Thank you
Q&A



General information

- Market – AIM
- Ticker – NEXS

Significant shareholders

Shares in issue

As at 30 November 2023 the number of shares in issue was 9,034,307

Major shareholders

As at 30 November 2023 significant shareholdings in the share capital of NEXS were:


Name	Number of ordinary shares	% of issued ordinary share
Michael Morris ⁽¹⁾	1,679,002	18.6
Otus Capital Management	1,676,575	18.6
Ruffer LLP	975,000	10.8
NR Holdings	837,913	9.3
Keith Breen ⁽²⁾	764,278	8.5
JM Finn	455,382	5.0
Redmayne Bentley	320,692	3.5
Close Brothers Asset Management	292,976	3.2

1 Including 80,567 Ordinary Shares held by Michelle Morris

2 Including 51,209 Ordinary Shares held by Mary Breen

Investment case | Well positioned when market confidence returns



 Essential infrastructure solutions	Nexus has a history of growing businesses within housebuilding as well as other sectors. We have the potential to apply our experience wherever there is a need for high-quality essential infrastructure solutions.
 High-quality customer relationships and expertise	Extensive customer base developed during our 47-year heritage, the relationships we build and maintain with our customers are our day-to-day focus. We ensure the highest levels of customer service throughout all phases of large-scale, complex, multi-phase developments.
 Experienced and loyal team	The combination of our experienced Board and our highly skilled, motivated and loyal workforce supports our ongoing development and success. We work hard to ensure our people are recognised and engaged.
 Robust balance sheet	Civil engineering and construction businesses can face various risk factors. Having a strong balance sheet allows Nexus to both overcome challenges and take advantage of opportunities.
 Chronic undersupply of housing in the UK	A recovery in the housebuilding sector is inevitable as the country continues to face a chronic undersupply of good-quality affordable housing. A return to the long-term growth trend will bring a significant increase in demand for Tamdown's services, at the leading edge of the market upturn.
 Sustainability	Our purpose is 'Building Bright Futures' and, with this in mind, we consider our impact on all our stakeholders – from our people and supply chain through to society in general. We are thorough in our approach to governance.

Sustainability

Building Bright Futures...

We see sustainability as a journey for our business alongside our customers and suppliers, and it is a journey we are fully committed to.

Governance

- Thorough in our approach to governance
- Apply the QCA Code
- Long history of successful delivery and good corporate governance

... for our people



We continuously invest in our greatest asset:

- Ensuring the health and safety of everyone we work with
- Enhancing diversity and inclusion in our business
- Supporting the training and development of our people



... for our communities



We support the communities in which we work:

- Enabling our people to volunteer in working hours for causes they're passionate about
- Raising much-needed funds for a variety of charitable organisations



... for our planet



We are doing our bit to tackle climate change:

- Reducing the carbon footprint of our business wherever we can
- Minimising the other environmental impacts of our business



Presentation team bios

Charles Sweeney

Chief Executive
Officer



- Joined the Group in 2016 as Chief Operating Officer
- Held additional role as interim MD of Tamdown 2016-2018
- Appointed CEO Feb 2023
- Extensive Board-level experience in listed companies involved in energy, civil infrastructure, and residential construction
- Core strengths: strategy development and implementation, business transformation, performance improvement, commercial and operational risk management

Dawn Hillman

Chief Financial
Officer



- Joined the Group in 1988
- Various FD roles across the Group, including FD of Tamdown 2006-2018
- Appointed CFO Feb 2023
- Extensive experience within the construction industry and the Group as well as in privately owned, equity backed and plc businesses
- Core Strengths: accounting and finance, corporate governance, process improvement, risk, IT, strategic development, commercial

Board



Richard Kilner
Independent
Non-Executive
Chairman

Appointed to Board: 2016
Core strengths and experience

- Significant M&A experience following 20 years' with private equity companies
- Qualified civil engineer with over 20 years' experience within the civil engineering and construction sectors
- Strategic development, risk management, corporate governance, mergers and acquisitions, commercial



Charles Sweeney
Chief Executive
Officer

Appointed to Board: 2023
Core strengths and experience

- Extensive Board-level experience in listed companies involved in the energy, civil infrastructure and residential construction sectors
- Strategy development and implementation
- Business transformation, performance improvement, commercial and operational risk management



Dawn Hillman
Chief Financial
Officer

Appointed to Board: 2023
Core strengths and experience

- Over 35 years' experience in the construction industry
- Experience in privately owned, equity backed and plc businesses
- Accounting and finance, corporate governance, process improvement, risk, IT, strategic development, commercial



Mike Morris
Non-Executive
Director

Appointed to Board: 2006
Core strengths and experience

- 30 years' experience in the essential infrastructure industry
- Angel investor
- Leadership, health and safety, strategic development, commercial, organisational and culture, business development



Alex Wiseman
Independent
Non-Executive Director

Appointed to Board: 2016
Core strengths and experience

- Over 20 years' experience in utility regulation and strategy
- Qualified management accountant
- Accounting and finance, corporate governance, risk management, strategic development, compliance and regulation



Ffion Griffith
Independent
Non-Executive Director

Appointed to Board: 2018
Core strengths and experience

- Over 30 years' experience in senior human resources roles
- Significant experience in professional services, technology and private equity sectors
- Organisational and culture, corporate governance, strategic development, compliance and regulation



Clare Lacey
Independent
Non-Executive Director

Appointed to Board: 2022
Core strengths and experience

- Significant experience in infrastructure and renewable energy sectors
- Qualified Chartered Accountant