

# NEXUS INFRASTRUCTURE CONSTRUCTION

23 October 2025

## NEXS.L

123p

Market Cap: £11.1m

### SHARE PRICE (p)



12m high/low

190p/120p

Source: LSE Data (priced as at prior close)

### KEY DATA

|                     |                      |
|---------------------|----------------------|
| Net (debt)/cash     | £10.9m (at 30/09/25) |
| Enterprise value    | £0.2m                |
| Index/market        | AIM                  |
| Next news           | FY results, 29 Jan   |
| Shares in issue (m) | 9.0                  |
| Chairman            | Richard Kilner       |
| Chief Executive     | Charles Sweeney      |
| Finance Director    | Dawn Hillman         |

### COMPANY DESCRIPTION

Civil engineering and infrastructure services for housebuilders, focused in the South-East and London

[www.nexus-infrastructure.com](http://www.nexus-infrastructure.com)

NEXUS INFRASTRUCTURE IS A RESEARCH CLIENT  
OF PROGRESSIVE

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## Orders climb by 62% in year-end update

Nexus Infrastructure expects to report a 16% increase in revenue for FY25E, with, as previously signalled, a reduced loss before tax and better-than-expected net cash, despite 'challenges' facing housebuilding customers. The order book has climbed by 62%, according to today's trading statement. We maintain our FY25E and FY26E earnings and cash flow estimates for the civil engineering specialist, which we believe should benefit from operational gearing as housing and water infrastructure work recovers.

- **Reduced loss and cash 'beat'.** Revenue for the 12 months to 30 September grew by c.16% to £65.9m (PERL estimate: £67.1m). The group has focused on 'improving operational performance and managing its cost base'. We are not changing our adjusted or statutory PBT estimates (page 3). Year-end net cash was £10.9m (FY24: £12.8m), above our £10.0m forecast, reflecting the October 2024 acquisition of water infrastructure specialist [Coleman](#) for an initial £4.1m and reduced trade debtors and retentions.
- **Forecasts.** We are not changing any details in our two-year forecast horizon, other than the slightly lower FY25E revenue. This now implies revenue growth of 20% for FY26E. The order book for the core Tamdown business, which is focused on early infrastructure for housebuilding sites, has risen by 62% Y/Y to £83.4m. We believe a widely reported slowdown in housebuilding activity in advance of the 26 November Budget has meant developers are taking longer to convert orders into work on site. We expect recovery should be weighted to the second half and that operational leverage should result in greater profitability in future years.
- **Strong water prospects.** Coleman 'has integrated seamlessly into the group, with operations, predominantly within the water and rail sectors, contributing positively to margins'. Coleman should benefit from the new £104bn water infrastructure improvement programme, AMP8 (roughly double AMP7), and Nexus expects that growth in activity will feed through in FY26E.
- **Overview: 'Front end' of housebuilding and critical infrastructure.** Nexus, via its principal trading business Tamdown, is a leading provider of civil engineering services, principally to major housebuilders. It is at the 'front end' of the construction process, specialising in civil engineering, and the group is aiming to expand its activities to critical infrastructure, including water, flood protection and energy, initially boosted by Coleman (page 2).

| FYE SEP (£M)           | 2022 | 2023  | 2024 | 2025E | 2026E  |
|------------------------|------|-------|------|-------|--------|
| Revenue                | 98.4 | 88.7  | 56.7 | 65.9  | 79.0   |
| Fully Adj PBT          | -0.9 | -5.0  | -0.7 | -1.4  | 0.1    |
| Fully Adj EPS (p)      | -2.2 | -34.5 | -7.3 | -15.9 | 0.6    |
| Dividend per share (p) | 1.00 | 3.00  | 3.00 | 3.00  | 3.25   |
| PER (x)                | N/A  | N/A   | N/A  | N/A   | 198.6x |
| EV/EBITDA (x)          | 0.1x | -0.1x | 0.1x | 0.1x  | 0.0x   |
| Dividend yield         | 0.8% | 2.4%  | 2.4% | 2.4%  | 2.7%   |

Source: Company Information and Progressive Equity Research estimates.

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Please refer to important disclosures at the end of the document.

## Nexus in brief: leading force in civil engineering

Nexus Infrastructure, via its principal trading business Tamdown, is a leading provider of civil engineering services, principally to major housebuilders. The acquisition of Coleman Construction & Utilities in October 2024 took the group into the growing water sector, in line with its strategy of expanding into critical infrastructure, also including water, flood protection and energy. See our initiation note, *Engineered to lead housebuilding revival*.

- **Broad range of civil engineering services.** The group's activities comprise a wide range of civil engineering services, including earthworks, roads, drainage and foundations. These activities are currently weighted towards the opening of new housebuilding sites.
- **Recent history.** Nexus has been operating for over 45 years. In February 2023, it completed the disposal of TriConnex (utilities connection for housebuilders) and eSmart Networks (power connections for industrial and commercial customers) to private investment group FitzWalter Capital for a cash consideration of £78m; c.£61m was subsequently returned to shareholders by way of a tender offer. FY24 results to September showed a greatly reduced loss, but with better-than-expected year-end cash. The acquisition in October of Coleman Construction & Utilities, which takes Nexus into the critical water sector, should also reinforce the outlook, in our view.
- **Leading housebuilding customers.** Clients include the UK's top five listed housebuilders – Barratt Developments, Vistry Group, Taylor Wimpey, Persimmon and Bellway – as well as leading private groups including Bloor Homes, partnership specialist Keepmoat and housing associations. The group operates mainly in London and the Southeast.
- **Multi-year opportunities.** The most immediate prospects, we believe, are housebuilders increasing the number of new sites they open. This was already looking likely, evidenced by accelerated land buying, but has been given added impetus by the new Labour government's commitment to build 1.5 million homes in the current parliament. The acquisition of Coleman demonstrates evidence of its strategy of diversifying into vital infrastructure. We have previously argued that water and energy were the most urgent national priorities. Longer term, a major opportunity could be Labour's plans for 'new towns', given Tamdown's experience in large, complex sites. A start on these would probably require at least five years for land assembly and planning.
- **Technical, financial and operational strengths.** Tamdown has a broad range of technical abilities, a strong brand and well-established relationships with most of the leading housebuilders. This sector is going through a process of consolidation (including the Barratt-Redrow merger), adding demand for the group's capabilities in large, complex, multi-phase developments, in which the largest developers predominate. The group's robust balance sheet is of increasing importance for major customers, amid a rash of supply-chain failures afflicting the wider industry.
- **Fragmented industry structure.** Competition is fragmented among Tamdown's smaller peers, but we expect a phase of consolidation, either through loss of market share, company failures or M&A. With diversification a key pillar of its strategy, we would anticipate acquisition activity in the short to medium term, and believe targets would aim to create value by adding complementary skills or market opportunities.

# Financial Summary: Nexus Infrastructure

Year end: September (£m unless shown)

| <b>PROFIT &amp; LOSS</b>             | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025E</b> | <b>2026E</b> |
|--------------------------------------|-------------|-------------|-------------|--------------|--------------|
| Revenue                              | 98.4        | 88.7        | 56.7        | 65.9         | 79.0         |
| Adj EBITDA                           | 1.7         | (2.5)       | 2.6         | 1.8          | 3.6          |
| Adj EBIT                             | (0.3)       | (4.8)       | (0.2)       | (1.1)        | 0.5          |
| Reported PBT                         | (0.9)       | (8.5)       | (2.8)       | (1.9)        | 0.1          |
| Fully Adj PBT                        | (0.9)       | (5.0)       | (0.7)       | (1.4)        | 0.1          |
| NOPAT                                | (0.3)       | (4.8)       | (0.2)       | (1.1)        | 0.5          |
| Reported EPS (p)                     | 6.0         | 239.0       | (30.6)      | (21.5)       | 0.6          |
| Fully Adj EPS (p)                    | (2.2)       | (34.5)      | (7.3)       | (15.9)       | 0.6          |
| Dividend per share (p)               | 1.00        | 3.00        | 3.00        | 3.00         | 3.25         |
| <b>CASH FLOW &amp; BALANCE SHEET</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025E</b> | <b>2026E</b> |
| Operating cash flow                  | (2.4)       | (7.3)       | 0.5         | (0.5)        | 0.0          |
| Free Cash flow                       | 9.6         | (7.6)       | (0.4)       | (1.6)        | (1.5)        |
| FCF per share (p)                    | 21.0        | (30.9)      | (4.0)       | (17.7)       | (16.1)       |
| Acquisitions                         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| Disposals                            | 0.0         | 60.2        | 0.0         | 0.0          | 0.0          |
| Shares issued/(purchased)            | 0.0         | (60.5)      | 0.0         | 0.0          | 0.0          |
| Net cash flow                        | (5.3)       | (9.5)       | (1.8)       | (1.9)        | (1.7)        |
| Net (debt)/cash, post IFRS16         | (7.9)       | 3.0         | 1.6         | (0.3)        | (2.0)        |
| Cash & equivalents                   | 4.6         | 14.6        | 12.8        | 10.9         | 9.2          |
| Net (debt)/cash, pre-IFRS 16         | 4.6         | 14.6        | 12.8        | 10.9         | 9.2          |
| <b>NAV AND RETURNS</b>               | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025E</b> | <b>2026E</b> |
| Net asset value                      | 34.1        | 33.0        | 30.0        | 27.7         | 27.6         |
| NAV/share (p)                        | 74.9        | 365.4       | 331.9       | 306.9        | 305.0        |
| Net Tangible Asset Value             | 31.8        | 30.6        | 27.6        | 25.4         | 25.2         |
| NTAV/share (p)                       | 69.8        | 339.2       | 305.7       | 280.8        | 278.8        |
| Average equity                       | 33.1        | 33.1        | 33.6        | 31.5         | 28.9         |
| Post-tax ROE (%)                     | 8.2%        | 8.2%        | 175.1%      | (8.8%)       | (6.7%)       |
| <b>METRICS</b>                       | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025E</b> | <b>2026E</b> |
| Revenue growth                       | 27.2%       | (9.9%)      | (36.0%)     | 16.2%        | 20.0%        |
| Adj EBITDA growth                    | N/A         | (242.1%)    | (207.3%)    | (31.8%)      | 97.5%        |
| Adj EBIT growth                      | N/A         | 1426.0%     | (96.7%)     | 623.9%       | (141.7%)     |
| Adj PBT growth                       | N/A         | 445.5%      | (86.0%)     | 106.4%       | (105.2%)     |
| Adj EPS growth                       | N/A         | 1442.1%     | (78.9%)     | 118.0%       | (103.9%)     |
| Dividend growth                      | (50.0%)     | 200.0%      | 0.0%        | 0.0%         | 8.3%         |
| Adj EBIT margins                     | (0.3%)      | (5.4%)      | (0.3%)      | (1.7%)       | 0.6%         |
| <b>VALUATION</b>                     | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025E</b> | <b>2026E</b> |
| EV/Sales (x)                         | 0.00        | 0.00        | 0.00        | 0.00         | 0.00         |
| EV/EBITDA (x)                        | 0.1         | -0.1        | 0.1         | 0.1          | 0.0          |
| EV/NOPAT (x)                         | -0.5        | 0.0         | -1.1        | -0.1         | 0.4          |
| PER (x)                              | N/A         | N/A         | N/A         | N/A          | 198.6        |
| Dividend yield                       | 0.8%        | 2.4%        | 2.4%        | 2.4%         | 2.7%         |
| FCF yield                            | 17.2%       | (25.2%)     | (3.2%)      | (14.4%)      | (13.2%)      |

Source: Company information and Progressive Equity Research estimates

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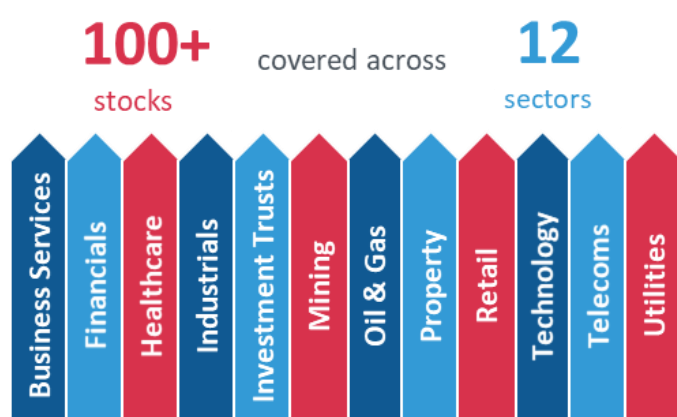
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