

Corporate

Share Price 122.5p

Market Cap £11.1m

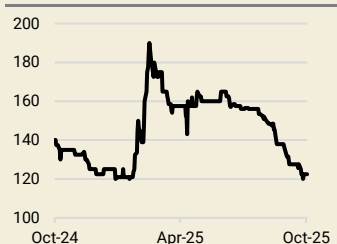
Shares in Issue 9.0m

12m Trading Range 117p – 194p

Free Float 48.5%

Next Event FY25 results – Jan '26

Price performance (p)



Source: FactSet

Financial forecasts

Yr end Sept (£'m)	FY23A	FY24A	FY25E	FY26E
Revenue	88.7	56.7	67.4	78.9
yoy growth (%)	(9.9)	(36.1)	18.8	17.1
Adj. EBITDA	(5.4)	0.7	1.6	
Adj. EBIT	(7.7)	(1.9)	(1.1)	0.5
Adj. PBT	(7.9)	(2.5)	(1.5)	0.1
EPS (p) ful dil. adj.	(31.9)	(27.5)	(16.1)	1.0
DPS (p)	3.0	3.0	3.0	3.3
Net cash/(debt)*	14.6	12.8	9.5	8.9
P/E (x)	n/a	n/a	n/a	120.3
EV/EBITDA (x)	n/a	13.9	8.3	4.4
Div yield (%)	2.4	2.4	2.4	2.7

*excl. leases

Source: Audited accounts and Zeus estimates

Nexus Infrastructure is a nomad and broker client of Zeus

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Nexus Infrastructure

NEXS LN- Construction & Materials

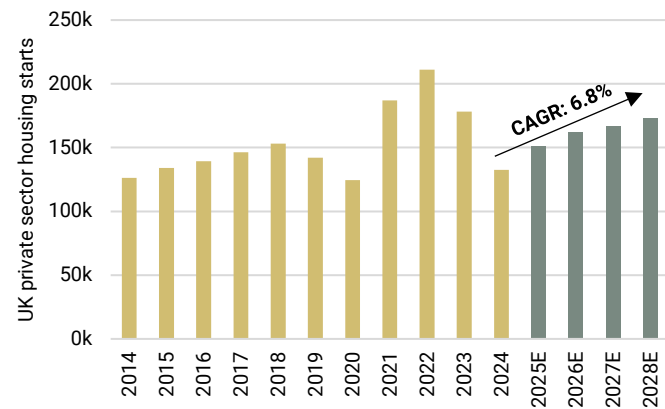
Executing in challenging markets

Nexus Infrastructure delivered an improved FY25 performance against a tough economic backdrop. Group revenue is expected to be up c. 16% yoy to £65.9m (Zeus: £67.4m) and loss before tax is expected to have narrowed from the £2.5m loss reported in FY24, Zeus currently forecast -£1.5m. Nexus continues to maintain a strong balance sheet with net cash (excl. leases) of £10.9m, ahead of Zeus' £9.5m estimate, as management keep a tight control on working capital and retentions. Despite the somewhat cautious outlook from Housebuilders over recent months, Tamdown successfully grew its orderbook 62% yoy to £83.4m, providing increasing cover to our unchanged FY26 revenue forecast. Zeus leave all estimates unchanged today pending further detail on profitability at the full year results. Nexus will be an early beneficiary of an increase in volumes as and when the cycle turns and the progress made in terms of revenue growth in FY25 against a difficult market backdrop reinforces our view. On current estimates, the Group will be marginally breakeven in FY26 but will benefit from operational gearing if we see a better recovery than is currently being assumed.

- ◆ **Tamdown making positive strides despite the cautious construction outlook:** Over the last 24-months, Tamdown has almost doubled its orderbook from £46.0m to £83.4m at September year end. This is against a backdrop of only minimal growth in housing completions and sluggish housing starts. Importantly, we note recent comments from housebuilders such as Taylor Wimpey suggesting recent planning policy changes have supported a shorter landbank and improved asset efficiency. This aligns with Zeus' investment view, where housebuilders have continued to increase strategic land holdings but reduced short-term plots, impacting housing starts. With more supportive planning, we expect this to reverse which should benefit players such as Nexus due to services being required at the initial stages of a project.
- ◆ **Coleman provides structural growth opportunities:** The integration of Coleman has completed in line with management expectations. Coleman helps diversify Nexus' revenue into structural growth markets such as Water and Rail, which are backed by multi-year capex programmes. With Coleman generating c. 90% of revenue from the water sector, including AMP8, we are encouraged to hear other major infrastructure contractors announce a good start to the programme which began in April 2025. Zeus continues to expect a meaningful ramp-up in revenue during FY26 as new contract wins come through and existing projects convert from the design and planning phase to construction phase.
- ◆ **Forecasts unchanged:** The numbers stated in today's update appear broadly in line with Zeus estimates, revenue of £65.9m (Zeus: £67.4m), loss before tax narrowing versus the £2.5m loss reported in FY24 (Zeus: -£1.5m) and net cash (excl. leases) of £10.9m (Zeus: £9.5m). We will update FY25 numbers at the full year results, anticipated in January 2026, where we will also get a better understanding of the market backdrop and outlook.
- ◆ **Attractive valuation underpinned by strong balance sheet:** Trading on 8.3x EV/EBITDA falling to 4.4x in FY26 with a yield of 2.4%, we continue to believe this fails to reflect Tamdown's role as an early beneficiary of the housebuilding recovery. Whilst the timing of this is uncertain, Nexus maintains a strong balance sheet which provides a cushion during any near-term uncertainty. We reiterate our fair value estimate of 265p against the recent close of 122.5p, derived from a peer analysis, DCF and upside scenario (see [initiation research](#)).

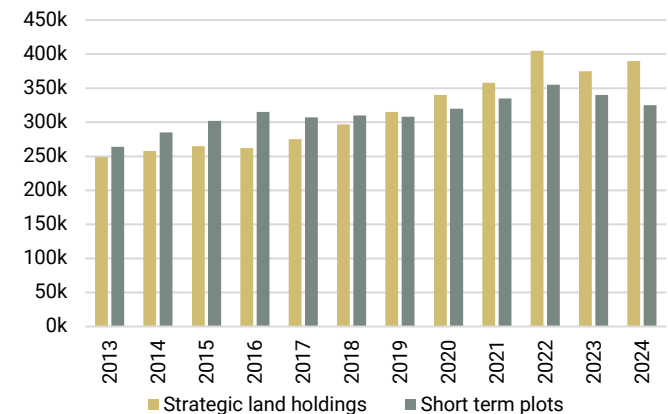
Investment case in charts

Tamdown will be an early beneficiary of the housebuilding recovery due to services being required at the initial stages of projects...



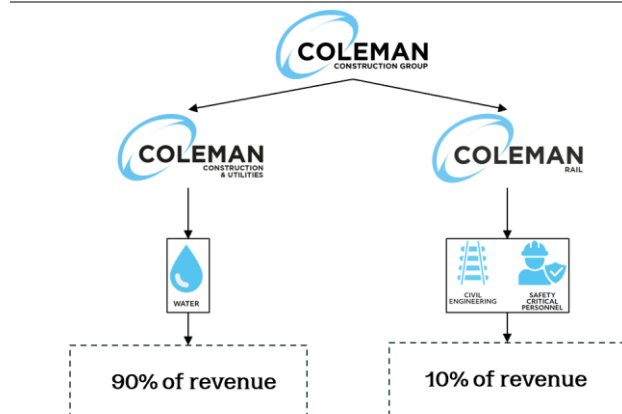
Source: Oxford Economics, Zeus

The recovery is supported by elevated strategic land holding by housebuilders, which should convert into new site openings with changes to planning system.



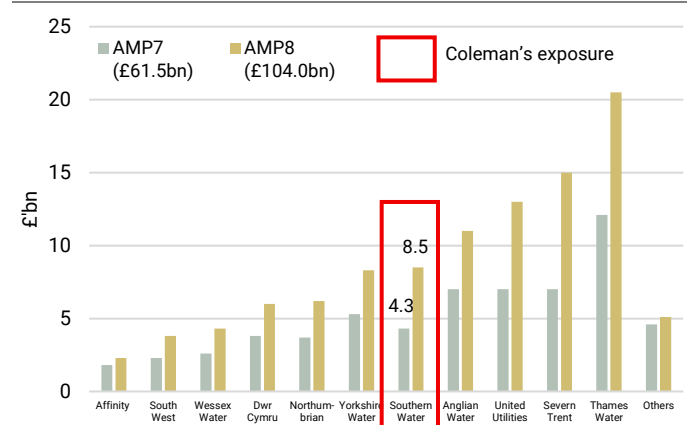
Source: Savills, Glenigan, Zeus

Whilst Tamdown will benefit from a cyclical recovery, Coleman has diversified the Group's revenue into critical infrastructure end markets...



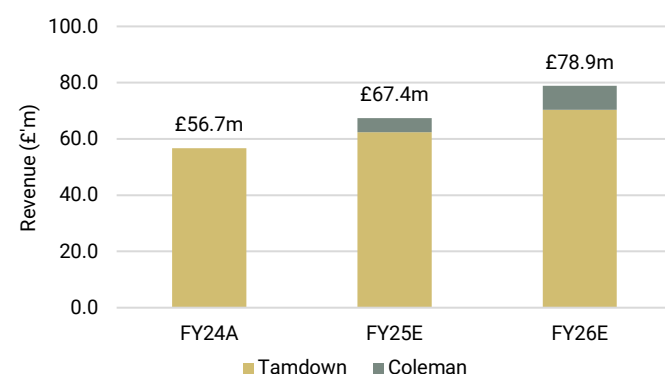
Source: Company, Zeus

Which is backed by multi-year capex programmes including AMP8 (Water) and CP7 (Rail).



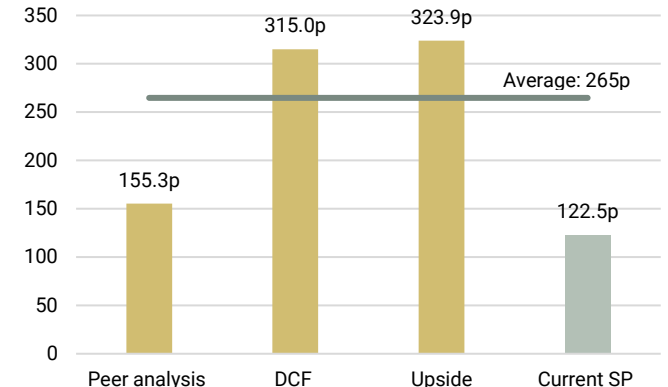
Source: Ofwat Final Determination Report

Zeus forecast 17% revenue growth in FY26, underpinned by a growing orderbook, housebuilding recovery and structural growth in Water end markets



Source: Company, Zeus

Our fair value estimate of 265p implies 116% upside to the most recent close.



Source: Zeus

The Numbers

Exhibit 1: Income statement

Year to 30 Sept (£'m)	2021A	2022A	2023A	2024A	2025E	2026E
Revenue	77.3	98.4	88.7	56.7	67.4	78.9
Growth (%)	-	27.2	(9.9)	(36.1)	18.8	17.1
Cost of sales	(71.3)	(88.5)	(82.7)	(49.0)	(57.5)	(66.9)
Gross profit	6.0	9.9	6.0	7.7	9.8	12.0
Gross margin (%)	7.8	10.1	6.7	13.5	14.6	15.2
Admin expenses (excl. D&A)	(7.6)	(8.7)	(8.4)	(7.0)	(8.2)	(8.8)
Receivable impairment	-	-	(2.9)	(1.8)	-	-
Other income	0.1	-	-	1.8	-	-
Adj. EBITDA	(1.5)	1.2	(5.4)	0.7	1.6	3.2
EBITDA margin (%)	n/a	1.3	n/a	1.2	2.4	4.1
D&A	(1.1)	(1.5)	(2.3)	(2.6)	(2.7)	(2.7)
Adj. EBIT	(2.6)	(0.3)	(7.7)	(1.9)	(1.1)	0.5
EBIT margin (%)	n/a	n/a	n/a	n/a	n/a	0.6
Net interest income / (costs)	(0.4)	(0.6)	(0.2)	(0.5)	(0.4)	(0.4)
Adj. PBT	(3.0)	(0.9)	(7.9)	(2.5)	(1.5)	0.1
Tax charge	(0.1)	(0.1)	0.0	-	-	-
Effective tax rate (%)	3.1	12.0	(0.6)	-	-	-
Adj. PAT	(3.1)	(1.0)	(7.8)	(2.5)	(1.5)	0.1
Adjusted to reported memo						
Adj. PAT	(3.1)	(1.0)	(7.8)	(2.5)	(1.5)	0.1
Exceptional costs	1.3	-	(0.6)	(0.3)	(0.5)	-
Tax effect of exceptionals	-	-	-	-	-	-
Reported PAT (cont.)	(1.8)	(1.0)	(8.5)	(2.8)	(2.0)	0.1
PAT from discount. Operations	4.8	3.7	67.3	-	-	-
Total comprehensive income	3.0	2.7	58.8	(2.8)	(2.0)	0.1
Cont. EPS - Basic	(3.9)	(2.2)	(34.5)	(30.6)	(21.5)	1.0
Cont. EPS - Diluted	(3.9)	(2.2)	(34.5)	(30.6)	(21.5)	1.0

Source: Company data, Zeus

Exhibit 2: balance sheet

Year to 30 Sept (£'m)	2021A	2022A	2023A	2024A	2025E	2026E
PPE	19.6	5.5	5.4	5.1	6.2	6.7
Right of use assets	2.4	12.6	11.4	10.3	10.0	9.1
Goodwill	2.4	2.4	2.4	2.4	4.6	4.6
Non-current assets	24.4	20.4	19.2	17.7	20.8	20.4
Inventories	2.5	0.0	0.0	-	-	-
Trade and other receivables	38.2	30.4	24.1	21.8	19.9	21.4
Contract assets	19.1	8.1	2.8	2.6	3.0	3.6
Corporate tax assets	0.1	0.0	-	-	-	-
Cash and cash equivalents	29.5	4.6	14.6	12.8	9.5	8.9
Assets held for sale	-	57.4	-	-	-	-
Current assets	89.4	100.6	41.6	37.3	32.5	33.9
Total assets	113.7	121.0	60.8	55.0	53.3	54.3
Borrowings	(2.1)	-	-	-	-	-
Trade and other payables	(33.9)	(21.7)	(15.5)	(13.6)	(11.8)	(12.8)
Contract liabilities	(33.5)	(3.5)	(0.6)	(0.3)	(1.8)	(1.8)
Lease liabilities	(1.1)	(1.7)	(1.8)	(1.5)	(1.8)	(1.8)
Corporate tax liabilities	-	-	(0.0)	(0.0)	(0.0)	(0.0)
Liabilities associated with assets held for sale	-	(49.1)	-	-	-	-
Current liabilities	(70.6)	(76.0)	(17.9)	(15.4)	(15.4)	(16.4)
Borrowings	(9.4)	-	-	-	-	-
Lease liabilities	(1.5)	(10.8)	(9.8)	(9.6)	(10.0)	(10.0)
Deferred tax liabilities	(0.2)	(0.1)	-	-	-	-
Non-current liabilities	(11.0)	(10.9)	(9.8)	(9.6)	(10.0)	(10.0)
Total liabilities	(81.6)	(86.9)	(27.8)	(25.0)	(25.4)	(26.4)
Net assets	32.1	34.1	33.0	30.0	27.9	27.9
Share capital	0.9	0.9	0.2	0.2	0.2	0.2
Share premium	9.4	9.4	9.4	9.4	9.4	9.4
Retained earnings	21.8	23.8	23.4	20.4	18.3	18.3
Total equity	32.1	34.1	33.0	30.0	27.9	27.9

Source: Company data, Zeus

Exhibit 3: cashflow

Year to 30 Sept (£'m)	2021A	2022A	2023A	2024A	2025E	2026E
PBT (cont. & discount. Operations)	3.8	3.5	58.8	(2.8)	(2.0)	0.1
Net finance expense	0.4	0.6	0.2	0.5	0.4	0.4
Depreciation	1.6	2.0	2.3	2.6	2.7	2.7
SBP	0.6	0.4	0.7	-	0.2	0.2
Profit on disposal of PPE	(1.3)	-	(0.6)	(0.2)	-	-
Gain on sale of subsidiaries	-	-	(67.3)	-	-	-
Changes in working capital	(1.7)	(8.9)	(1.3)	0.2	2.7	(1.0)
Cash flow from operations	3.4	(2.4)	(7.3)	0.5	4.0	2.4
Interest paid	(0.4)	(0.2)	(0.6)	(0.7)	(0.6)	(0.6)
Tax paid	(0.3)	(0.6)	0.2	-	-	-
Net cash flow from operations	2.7	(3.2)	(7.6)	(0.2)	3.4	1.8
Net purchase of fixed assets	(5.8)	12.8	(0.4)	(0.3)	(1.3)	(1.3)
Sale of discontinued operations	-	-	60.2	-	-	-
Investment in acquisition	-	-	-	-	(4.3)	-
Interest received	-	0.0	0.4	0.2	0.2	0.2
Net cash flow from investing activities	(5.8)	12.8	60.2	(0.1)	(5.4)	(1.1)
Dividends paid	(0.3)	(1.1)	(0.1)	(0.3)	(0.3)	(0.3)
Drawdown of term loan	3.5	-	-	-	-	-
Drawdown on HP facility	-	0.6	-	-	-	-
Share buybacks	-	-	(60.6)	-	-	-
Repayment of term loan	(1.5)	(11.7)	-	-	-	-
Principle element of lease repayments	(1.4)	(2.8)	(1.5)	(1.2)	(1.0)	(1.0)
Net proceeds from share issuance	0.0	0.0	0.0	-	-	-
Net cash flow from financing activities	0.4	(14.9)	(62.1)	(1.5)	(1.3)	(1.3)
Net change in cash and equivalents	(2.6)	(5.3)	(9.5)	(1.8)	(3.3)	(0.6)
Cash at the start of the year	32.1	29.5	24.2	14.6	12.8	9.5
Cash at the end of the year	29.5	24.2	14.6	12.8	9.5	8.9
Borrowings	(11.4)	-	-	-	-	-
Net (debt) / cash (excl. leases)	18.1	24.2	14.6	12.8	9.5	8.9
Lease liabilities	(2.6)	(12.5)	(11.6)	(11.2)	(11.8)	(11.8)
Net (debt) / cash	15.5	11.7	3.0	1.6	(2.2)	(2.8)

Source: Company data, Zeus

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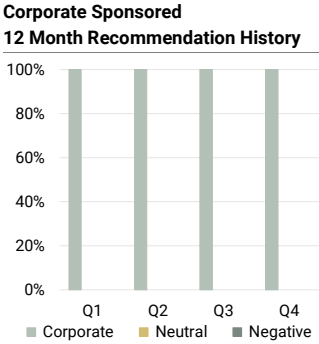
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