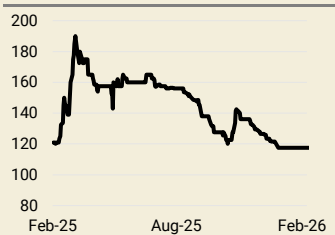


Corporate

Share Price	117.5p
Market Cap	£10.6m
Shares in Issue	9.0m
12m Trading Range	115p – 194p
Free Float	44%
Next Event	HY results – May '26

Price performance (p)



Source: FactSet

Financial forecasts

Y/E 30 Sep (£'m)	FY23A	FY24A	FY25A	FY26E
Revenue	88.7	56.7	65.9	78.9
yoy growth %	(9.9)	(36.1)	16.2	19.7
Adj. EBITDA		0.7	1.6	3.4
Adj. EBIT	(7.7)	(1.9)	(1.1)	0.5
Adj PBT	(7.9)	(2.5)	(1.6)	0.1
EPS (p) ful dil	(31.9)	(27.5)	(18.1)	1.0
DPS (p)	3.0	3.0	3.0	3.3
Net cash/(debt) (ex. leases)	14.6	12.8	10.9	8.9
P/E	n/a	n/a	n/a	112.1
EV/EBITDA (x)	n/a	13.2	7.1	3.9
Div yield (%)	2.4	2.6	2.6	2.8

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

Positive developments in FY25 despite the backdrop

As announced in the trading update at the end of October, Nexus has reported revenue of £65.9m, marginally below Zeus' estimate of £67.4m but still showing impressive yoy growth of 16%. Gross margin of 15.6% is up 210bps yoy and 100bps ahead of the 14.6% Zeus estimate. This led to Gross profit of £10.3m ahead of Zeus' £9.8m estimate. Loss before tax of £1.6m was marginally higher than the Zeus estimate of £1.5m, due to increased costs particularly labour, but still showed good yoy progress from the £2.5m loss in FY24. The balance sheet remains in a good place with net cash (excl leases) of £10.9m at the end of December 2025, partly due to the reduction in *overdue debt* which was down 39%. We leave FY26 forecasts unchanged assuming c. 20% revenue growth to c. £79m supported by the impressive two year pick up in the order book. The outlook remains mixed not just in terms of volume but the marketplace generally remains highly competitive. FY27 estimates will be introduced at the time of the interim results in May. FY25 has been a year of progress with a second year of growth in terms of the order book. On FY26 estimates, Nexus trades on just 3.9x EV/EBITDA with the potential for sustained industry volume recovery leading to material recovery in earnings.

- ◆ **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. The increase in orderbook materially improves the visibility of the Group and underpins Zeus' expectations of c. 20% revenue growth in FY26, this is despite the end market remaining materially below normal levels.
- ◆ **Coleman provides structural growth opportunities into the AMP8 spending cycle:** The integration of Coleman has completed diversifying Nexus' revenue streams into structural growth markets such as Water and Rail that are backed by multi-year capex programmes. With Coleman generating c. 90% of revenue from the water sector, intentions by Water Companies with regards the AMP8 spending cycle are important. We have recently heard from VP Group that delays were impacting the profit outlook for the Group. This was post a generally positive start to the cycle. 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:** Zeus leave FY26 unchanged assuming 20% growth in revenue to £78.9m and leave profit expectations for breakeven in the year. FY27 estimates will be introduced at the time of the interim results in May.
- ◆ **Attractive valuation underpinned by strong balance sheet:** Trading on just 3.9x EV/EBITDA in FY26, with a yield of 2.6%, 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 117.5p, derived from a peer analysis, DCF and upside scenario.

FY25 results

Revenue of £65.9m was marginally behind the Zeus estimate of £67.4m but showed impressive 16.2% growth yoy, in a market that remained volatile, at best. Adj. EBITDA was well ahead yoy at £1.6m, providing a clear trajectory to the business becoming profitable, albeit marginally in FY26. Adj loss before tax of £1.6m was broadly in line with Zeus' estimate of (£1.5m).

Importantly the balance sheet remains in a good place with net cash of £10.9m, £1.4m better than our estimate of £9.5m. This underpins the final dividend of 2.0p making 3.0p for FY25, inline with FY24.

Exhibit 1: FY25 results summary

12 month to 30 September	FY25A	FY24A	Change (%)	FY25 Zeus forecast	Var. (%)
Revenue	65.9	56.7	16.2	67.4	(2.2)
Growth (%)	16.2	(36.1)	n/a	18.8	(260bps)
Adj. gross profit	10.3	7.7	33.8	9.8	4.1
Gross margin (%)	15.6	13.5	15.1	14.6	100bps
Adj. EBITDA	1.6	0.7	131.3	1.6	(2.0)
EBITDA margin (%)	2.4	1.2	99.0	2.4	0.0 bps
Adj. EBIT	(1.1)	(1.9)	n/a	(1.1)	n/a
EBIT margin (%)	n/a	n/a	n/a	n/a	n/a
Adj. PBT	(1.6)	(2.5)	n/a	(1.5)	n/a
Adj. EPS ful. dil. (GBp)	(26.5)	(30.6)	n/a	(21.5)	n/a
Net cash/(debt) (excl. leases)	10.9	12.8	(14.5)	9.5	14.8
DPS (GBp)	3.0	3.0	-	3.0	-

Source: Company data, Zeus

Change to forecasts

We leave forecasts unchanged in FY26 and will introduce FY27 estimates at the time of the interim results in May. The balance sheet is estimated to remain in a good place with c. £9.0m of net cash despite almost 20% revenue growth.

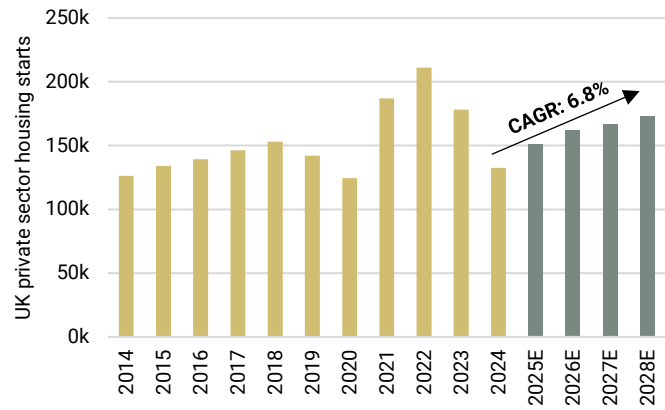
Exhibit 2: Change to forecasts

Year to 30 September (£m)	FY25A	FY25E	% Change	FY26 New	FY26E Old	% Change
Revenue	65.9	67.4	(2.2)	78.9	78.9	-
Growth (%)	16.2	18.8	(160bps)	19.7	19.7	-
Adj. gross profit	10.3	9.8	4.1	12.5	12.5	-
Gross margin (%)	15.6	14.6	6bps	15.9	15.9	-
Adj. EBIT	(1.1)	(1.1)	(1.2)	0.5	0.5	-
EBIT margin (%)	n/a	n/a	n/a	0.6	0.6	-
Adj. PBT	(1.6)	(1.5)	9.3	0.1	0.1	-
Adj. EPS ful. dil. (GBp)	(26.5)	(21.5)	23.2	1.0	1.0	-
Net cash/(debt) (excl. leases)	10.9	9.5	£1.4m	8.9	8.9	-
DPS (GBp)	3.0	3.0	-	3.3	3.3	-

Source: Company data, Zeus

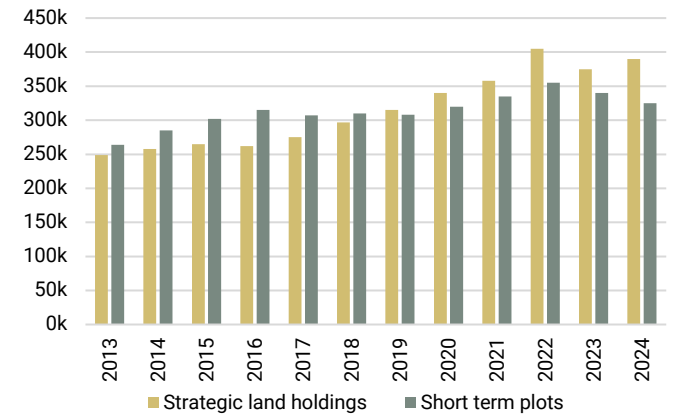
Investment case in charts

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



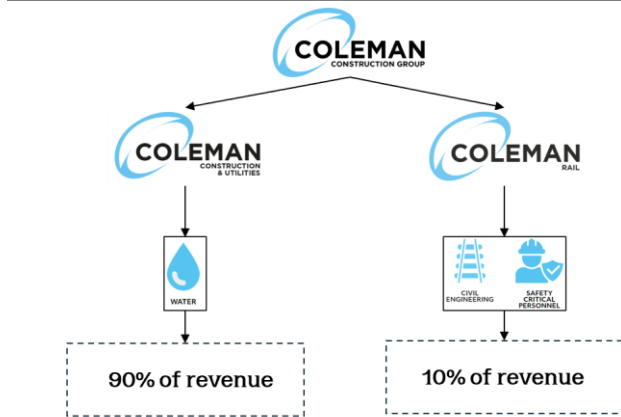
Source: Oxford Economics, Zeus

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



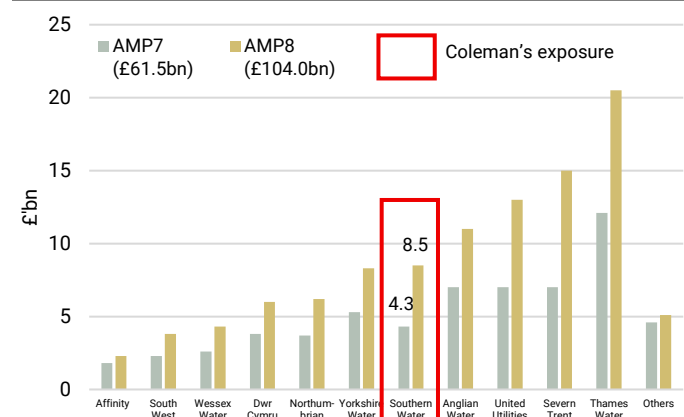
Source: Savills, Glenigan, Zeus

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



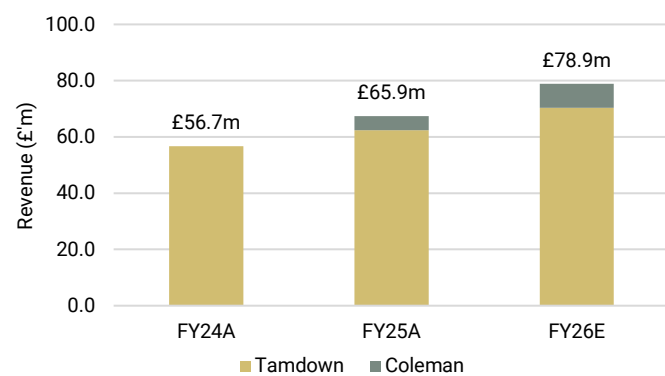
Source: Company, Zeus

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



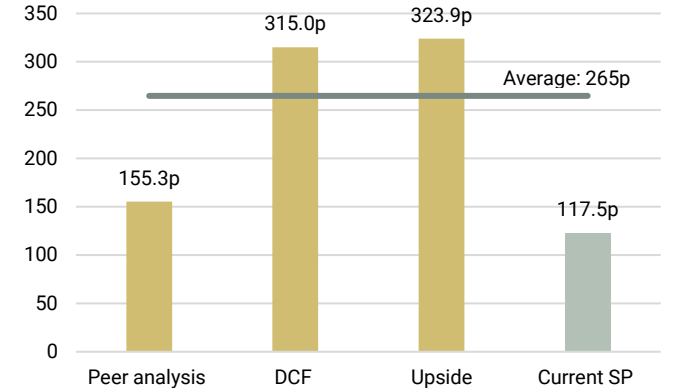
Source: Ofwat Final Determination Report

Zeus forecast 20% 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 c.120% upside to the most recent close.



Source: Zeus *265p fair value derived at time of initiation 3rd September 2025

The Numbers

Exhibit 3: Income statement

Year to 30 Sept (£'m)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E
Revenue	77.3	98.4	88.691	56.7	65.9	78.9
Growth (%)	-	27.2	(9.9)	(36.1)	16.2	19.7
Cost of sales	(71.3)	(88.5)	(82.7)	(49.0)	(55.7)	(66.4)
Gross profit	6.0	9.9	6.0	7.7	10.3	12.5
Gross margin (%)	7.8	10.1	6.7	13.5	15.6	15.9
Admin expenses (excl. D&A)	(7.6)	(8.7)	(8.4)	(7.0)	(10.2)	(10.5)
Receivable impairment	-	-	(2.9)	(1.8)	0.2	-
Other income	0.1	-	-	1.8	1.3	1.3
Adj. EBITDA	(1.5)	1.2	(5.4)	0.7	1.6	3.4
EBITDA margin (%)	n/a	1.3	n/a	1.2	2.4	4.3
D&A	(1.1)	(1.5)	(2.3)	(2.6)	(2.7)	(2.9)
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)	(0.6)	(0.4)
Adj. PBT	(3.0)	(0.9)	(7.9)	(2.5)	(1.6)	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)	(1.6)	0.1
Adjusted to reported memo						
Adj. PAT	(3.1)	(1.0)	(7.8)	(2.5)	(1.6)	0.1
Exceptional costs	1.3	-	(0.6)	(0.3)	(0.8)	-
Tax effect of exceptionals	-	-	-	-	-	-
Reported PAT (cont.)	(1.8)	(1.0)	(8.5)	(2.8)	(2.4)	0.1
PAT from discount. Operations	4.8	3.7	67.3	-	-	-
Total comprehensive income	3.0	2.7	58.8	(2.8)	(2.4)	0.1
Cont. EPS - Basic	(3.9)	(2.2)	(34.5)	(30.6)	(26.5)	1.0
Cont. EPS - Diluted	(3.9)	(2.2)	(34.5)	(30.6)	(26.5)	1.0

Source: Company data, Zeus

Exhibit 4: Balance sheet

Year to 30 Sept (£'m)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E
PPE	19.6	5.5	5.4	5.1	4.6	5.0
Right of use assets	2.4	12.6	11.4	10.3	11.2	10.3
Goodwill	2.4	2.4	2.4	2.4	3.6	3.6
Non-current assets	24.4	20.4	19.2	17.7	19.4	18.9
Inventories	2.5	0.0	0.0	-	-	-
Trade and other receivables	38.2	30.4	24.1	21.8	19.3	22.7
Contract assets	19.1	8.1	2.8	2.6	2.0	3.6
Corporate tax assets	0.1	0.0	-	-	-	-
Cash and cash equivalents	29.5	4.6	14.6	12.8	10.9	8.9
Assets held for sale	-	57.4	-	-	-	-
Current assets	89.4	100.6	41.6	37.3	32.2	35.2
Total assets	113.7	121.0	60.8	55.0	51.7	54.1
Borrowings	(2.1)	-	-	-	-	-
Trade and other payables	(33.9)	(21.7)	(15.5)	(13.6)	(11.7)	(12.7)
Contract liabilities	(33.5)	(3.5)	(0.6)	(0.3)	(0.4)	(1.8)
Lease liabilities	(1.1)	(1.7)	(1.8)	(1.5)	(1.6)	(1.7)
Corporate tax liabilities	-	-	(0.0)	(0.0)	(0.2)	(0.2)
Liabilities associated with assets held for sale	-	(49.1)	-	-	-	-
Current liabilities	(70.6)	(76.0)	(17.9)	(15.4)	(13.9)	(16.4)
Borrowings	(9.4)	-	-	-	-	-
Lease liabilities	(1.5)	(10.8)	(9.8)	(9.6)	(9.9)	(9.8)
Deferred tax liabilities	(0.2)	(0.1)	-	-	-	-
Non-current liabilities	(11.0)	(10.9)	(9.8)	(9.6)	(10.4)	(10.3)
Total liabilities	(81.6)	(86.9)	(27.8)	(25.0)	(24.3)	(26.7)
Net assets	32.1	34.1	33.0	30.0	27.3	27.3
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	17.7	17.7
Total equity	32.1	34.1	33.0	30.0	27.3	27.3

Source: Company data, Zeus

Exhibit 5: Cashflow

Year to 30 Sept (£'m)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E
PBT (cont. & discount. Operations)	3.8	3.5	58.8	(2.8)	(2.4)	0.1
Net finance expense	0.4	0.6	0.2	0.5	0.6	0.4
Depreciation	1.6	2.0	2.3	2.6	2.7	2.9
SBP	0.6	0.4	0.7	-	-	0.2
Profit on disposal of PPE	(1.3)	-	(0.6)	(0.2)	0.0	-
Gain on sale of subsidiaries	-	-	(67.3)	-	-	-
Changes in working capital	(1.7)	(8.9)	(1.3)	0.2	2.5	(2.6)
Cash flow from operations	3.4	(2.4)	(7.3)	0.5	3.4	1.0
Interest paid	(0.4)	(0.2)	(0.6)	(0.7)	(0.7)	(0.6)
Tax paid	(0.3)	(0.6)	0.2	-	(0.2)	-
Net cash flow from operations	2.7	(3.2)	(7.6)	(0.2)	2.5	0.4
Net purchase of fixed assets	(5.8)	12.8	(0.4)	(0.3)	(0.3)	(1.3)
Sale of discontinued operations	-	-	60.2	-	-	-
Investment in acquisition	-	-	-	-	(2.7)	-
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)	(2.9)	(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)	(1.2)	(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)	(1.4)	(1.3)
Net change in cash and equivalents	(2.6)	(5.3)	(9.5)	(1.8)	(1.9)	(2.0)
Cash at the start of the year	32.1	29.5	24.2	14.6	12.8	10.9
Cash at the end of the year	29.5	24.2	14.6	12.8	10.9	8.9
Borrowings	(11.4)	-	-	-	-	-
Net (debt) / cash (excl. leases)	18.1	24.2	14.6	12.8	10.9	8.9
Lease liabilities	(2.6)	(12.5)	(11.6)	(11.2)	(11.5)	(11.5)
Net (debt) / cash	15.5	11.7	3.0	1.6	(0.6)	(2.6)

Source: Company data, Zeus

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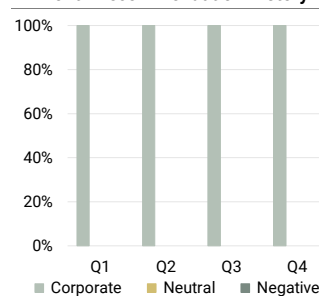
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