

NEXUS INFRASTRUCTURE CONSTRUCTION

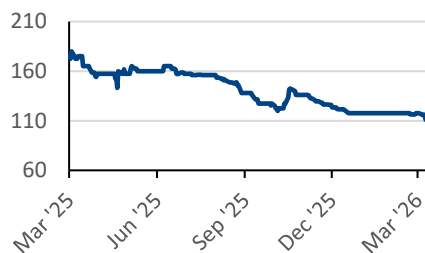
25 March 2026

NEXS.L

110p

Market Cap: £9.9m

SHARE PRICE (p)



12m high/low 175p/111p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£10.9m (at 30/09/25)
Enterprise value	£1m
Index/market	AIM
Next news	HY trading update, Apr
Shares in issue (m)	9.0
Interim Chair	Clare Lacey
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

NEXUS INFRASTRUCTURE IS A RESEARCH CLIENT
OF PROGRESSIVE

ANALYSTS

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'Well positioned to deliver sustainable growth'

Today's AGM statement, ahead of which the group yesterday announced Board changes, confirms 'supportive' market fundamentals despite mixed near-term conditions, with a 'growing pipeline, strengthened platform and continued operational momentum' leaving it well positioned to deliver sustainable long-term growth. We are maintaining our FY26E estimates, with growth supported by government infrastructure commitments.

- Robust FY25 performance.** The AGM statement confirmed that Nexus 'delivered a resilient performance in FY25, with robust revenue growth, improving margins and a stronger operational footing across the group'. This included a 62% boost to the order book and improved gross margins.
- Mixed conditions currently.** Nexus is scheduled to release a half-year trading update in April, which should give greater clarity on the FY26E outlook. Several industry participants have referred to tailwinds from the end of the pre-Budget uncertainty, but also worse-than-usual weather earlier this year, which we believe may have slowed activity in the group's 'front end' civil engineering activities. Yesterday, Bellway indicated a good start to the CY and no change in buyer appetite during the current Iran conflict.
- Board changes.** Yesterday, Nexus announced that Richard Kilner, Non-Executive Chair, and Ffion Griffith, Non-Executive Director, will stand down at the end of the AGM. Following engagement with shareholders since the Notice of AGM, Resolutions 3, 6 and 10 to 14 have now been withdrawn. Non-Executive Director Clare Lacey will assume the role of Interim Chair. 'The Board remains committed to maintaining an open and constructive dialogue with shareholders to ensure alignment on the Company's strategy and governance going forward'.
- 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	2025	2026E
Revenue	98.4	88.7	56.7	65.9	79.1
Fully Adj PBT	-0.9	-5.0	-0.7	-1.8	0.1
Fully Adj EPS (p)	-2.2	-34.5	-7.3	-20.1	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	178.2x
EV/EBITDA (x)	-0.6x	0.4x	-0.4x	-0.7x	-0.3x
Dividend yield	0.9%	2.7%	2.7%	2.7%	3.0%

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)

	2022	2023	2024	2025	2026E
PROFIT & LOSS					
Revenue	98.4	88.7	56.7	65.9	79.1
Adj EBITDA	1.7	(2.5)	2.5	1.4	3.6
Adj EBIT	(0.3)	(4.8)	(0.2)	(1.3)	0.5
Reported PBT	(0.9)	(8.5)	(2.8)	(2.4)	0.1
Fully Adj PBT	(0.9)	(5.0)	(0.7)	(1.8)	0.1
NOPAT	(0.3)	(4.8)	(0.2)	(1.3)	0.5
Reported EPS (p)	6.0	239.0	(30.6)	(26.3)	0.6
Fully Adj EPS (p)	(2.2)	(34.5)	(7.3)	(20.1)	0.6
Dividend per share (p)	1.00	3.00	3.00	3.00	3.25
CASH FLOW & BALANCE SHEET					
Operating cash flow	(2.4)	(7.3)	0.5	4.4	(0.4)
Free Cash flow	9.6	(7.6)	(0.4)	3.1	(1.5)
FCF per share (p)	21.0	(30.9)	(4.0)	34.2	(16.5)
Acquisitions	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	60.2	0.0	(3.9)	0.0
Shares issued/(purchased)	0.0	(60.5)	0.0	0.0	0.0
Net cash flow	(5.3)	(9.5)	(1.8)	(2.9)	(1.7)
Net (debt)/cash, post IFRS16	(7.9)	3.0	1.6	(0.6)	(2.3)
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
NAV AND RETURNS					
Net asset value	34.1	33.0	30.0	27.3	27.1
NAV/share (p)	74.9	365.4	331.9	302.4	300.4
Net Tangible Asset Value	31.8	30.6	27.6	23.7	23.6
NTAV/share (p)	69.8	339.2	305.7	262.8	260.9
Average equity	33.1	33.1	33.6	31.5	28.7
Post-tax ROE (%)	8.2%	8.2%	175.1%	(8.8%)	(8.3%)
METRICS					
Revenue growth	27.2%	(9.9%)	(36.0%)	16.2%	20.0%
Adj EBITDA growth	N/A	(242.1%)	(200.3%)	(43.8%)	157.5%
Adj EBIT growth	N/A	1426.0%	(96.7%)	707.0%	(137.4%)
Adj PBT growth	N/A	445.5%	(86.0%)	161.5%	(104.1%)
Adj EPS growth	N/A	1442.1%	(78.9%)	176.2%	(103.1%)
Dividend growth	(50.0%)	200.0%	0.0%	0.0%	8.3%
Adj EBIT margins	(0.3%)	(5.4%)	(0.3%)	(1.9%)	0.6%
VALUATION					
EV/Sales (x)	-0.01	-0.01	-0.02	-0.02	-0.01
EV/EBITDA (x)	-0.6	0.4	-0.4	-0.7	-0.3
EV/NOPAT (x)	3.2	0.2	6.4	0.8	-2.1
PER (x)	N/A	N/A	N/A	N/A	178.2
Dividend yield	0.9%	2.7%	2.7%	2.7%	3.0%
FCF yield	19.1%	(28.1%)	(3.6%)	31.1%	(15.0%)

Source: Company information and Progressive Equity Research estimates

Disclaimers and Disclosures

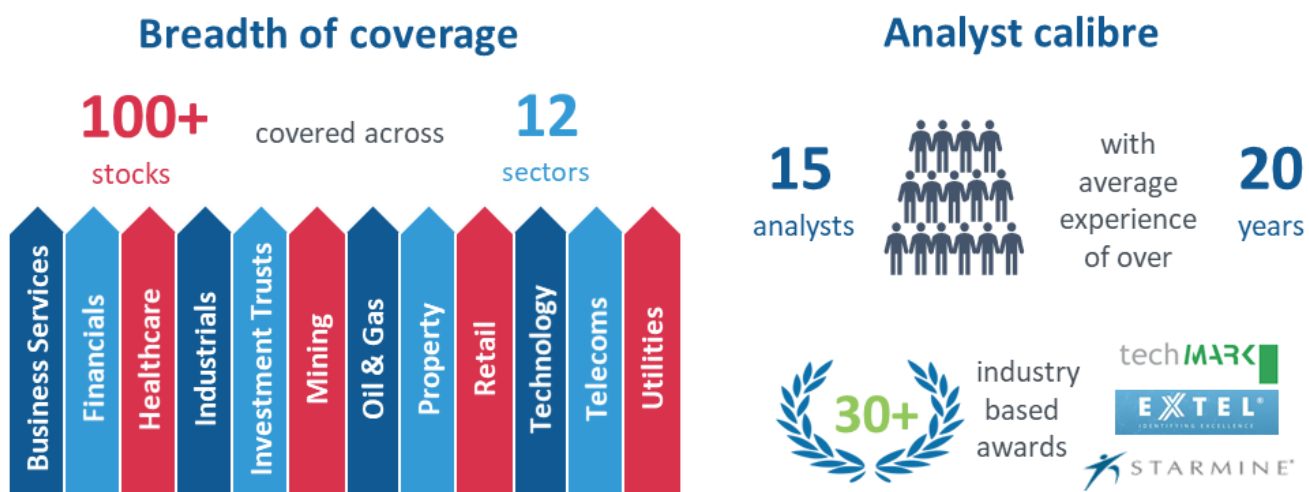
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