

NEXUS INFRASTRUCTURE CONSTRUCTION

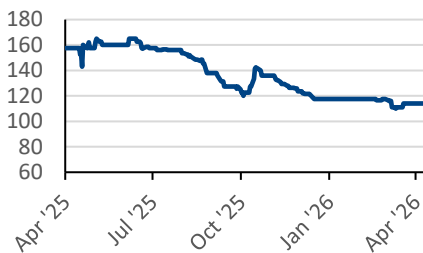
28 April 2026

NEXS.L

114p

Market Cap: £10.3m

SHARE PRICE (p)



12m high/low

165p/110p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£10.9m (at 30/09/25)
Enterprise value	-£0.6m
Index/market	AIM
Next news	HY results, 14 May
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

Alastair Stewart

+44 (0) 20 7781 5300

astewart@progressive-research.com



'Upward trajectory' maintained in HY update

We maintain our FY26 estimates in light of Nexus's trading update for the first half to 31 March. The civil engineering and infrastructure services specialist 'expects to report revenue in line with management expectations', with the group's main business, Tamdown, continuing 'its upward trajectory' despite market conditions that were impacted by the conflict in the Middle East. The group will provide further guidance at its HY results on 14 May.

- FY26 revenue 'in line'.** Nexus expects to report revenue in line with management expectations of £32.2m for HY26, +6.6% Y/Y. The balance sheet remains strong, with cash and cash equivalents of £8.5m (HY25: £9.6m) and no debt. On the outlook for the financial year to September: 'Nexus is well placed as we head into the second half, though we are mindful of the potential future impact of the ongoing conflict in the Middle East'.
- 'Ramp up' after wet start to year.** Although site operations were curtailed by an unusually wet winter, 'activities ramped up significantly thereafter, reaching high levels of cadence by period end. In addition, there were successes in securing new contracts, resulting in a further increase to the order book, which ended HY26 at £87.9m (£80m). Coleman, active in both the water and rail sectors, also delivered an improvement in performance. As previously mentioned, AMP8 [water] work has been slow to start though some early-phase projects are now underway and are expected to build momentum in the latter part of the financial year'.
- Estimates unchanged for FY26.** At this point we are not changing our estimates, which imply a stronger second-half weighting to revenue, as has been the case in the past two years. We will assess whether there has been any impact on gross profits resulting from volatility in fuel costs, particularly diesel, at the HY results, when we also intend to introduce estimates for FY27.
- 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	184.7x
EV/EBITDA (x)	-0.4x	0.3x	-0.3x	-0.5x	-0.2x
Dividend yield	0.9%	2.6%	2.6%	2.6%	2.9%

Source: Company Information and Progressive Equity Research estimates.

This publication should not be seen as an inducement under MiFID II regulations.

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	-0.01	-0.01	-0.01
EV/EBITDA (x)	-0.4	0.3	-0.3	-0.5	-0.2
EV/NOPAT (x)	2.0	0.1	4.1	0.5	-1.4
PER (x)	N/A	N/A	N/A	N/A	184.7
Dividend yield	0.9%	2.6%	2.6%	2.6%	2.9%
FCF yield	18.5%	(27.1%)	(3.5%)	30.0%	(14.4%)

Source: Company information and Progressive Equity Research estimates

Disclaimers and Disclosures

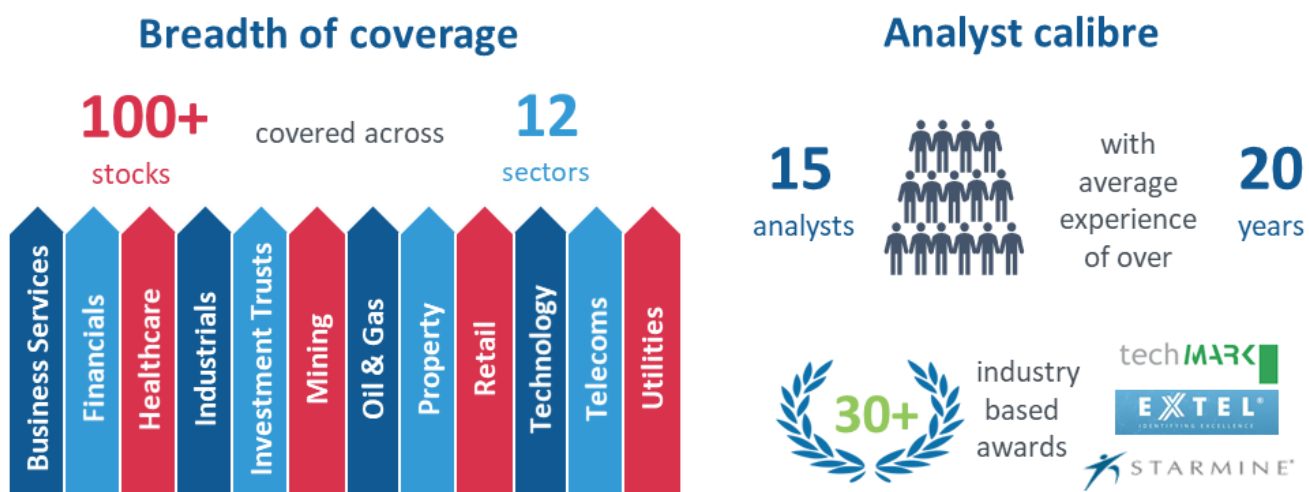
Copyright 2026 Progressive Equity Research Limited (“PERL”). All rights reserved. Progressive’s research is commissioned by the subject company under contract and is freely available to the public and all institutional investors. Progressive does not offer investors the ability to trade securities. Our publications should not, therefore, be considered an inducement under MiFID II regulations. PERL provides professional equity research services, and the companies researched pay a fee in order for this research to be made available. This report has been commissioned by the subject company and prepared and issued by PERL for publication in the United Kingdom only. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however, PERL does not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of PERL at the time of publication, and any estimates are those of PERL and not of the companies concerned unless specifically sourced otherwise. PERL is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (registration number 697355).

This document is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not make investment recommendations. Any valuation given in a research note is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. PERL does not undertake to provide updates to any opinions or views expressed in this document.

This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not subject to any prohibition on dealing ahead of the dissemination of investment research.

PERL does not hold any positions in the securities mentioned in this report. However, PERL’s directors, officers, employees and contractors may have a position in any or related securities mentioned in this report. PERL or its affiliates may perform services or solicit business from any of the companies mentioned in this report.

The value of securities mentioned in this report can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of the shares mentioned in this report may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. It may be difficult to obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance.



To arrange a meeting with the management team, or for further information about Progressive, please contact us at:
+44 (0) 20 7781 5300
info@progressive-research.com