NEXUS INFRASTRUCTURE
CONSTRUCTION

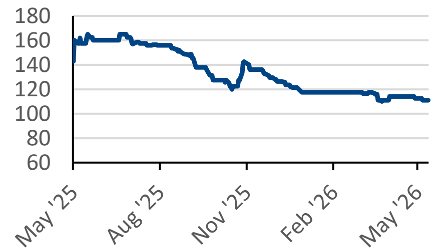
14 May 2026

NEXS.L

111p

Market Cap: £10m

SHARE PRICE (p)



12m high/low	165p/110p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£8.5m *(at 31/03/26)*
Enterprise value	£1.5m
Index/market	AIM
Next news	FY trading update, Oct
Shares in issue (m)	9.0
Interim Chair	Clare Lacey
CEO	Charles Sweeney
CFO	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

Order ramp-up underpins mid-term outlook

Nexus delivered a 5.6% increase in revenue for the first half to 31 March, with core subsidiary Tamdown's order book climbing by 8.8%, supporting the outlook into the second half and next year. The civil engineering group 'remains confident' in delivering FY26 results to September in line with market expectations. We maintain our forecast of a return to modest profitability this year and expect a clearer picture of how the increase in orders translates into profitability for FY27 to emerge in the coming months.

- **First half continues 'growth trajectory'.** Group revenue increased by 5.6% to £32.3m (HY25: £30.6m), in line with market expectations, with an improvement in gross margin to 15.1%, from 14.9%. The operating loss before exceptional items (none in the latest period) reduced to £0.8m.
- **No change to profit expectations.** We are not changing our P&L estimates for FY26E, implying a 32% increase in revenue and gross margin improving further to 16.3% in the second half, with operational gearing supporting positive EBIT (Figure 1, page 2).
- **Ramp-up in volumes expected for H2.** At Tamdown, 'activity levels increased significantly towards the end of the first half' following an unusually wet winter. Coleman also delivered an improved performance in HY26, bolstered by early-stage water project activity following the commencement of the c.£100bn AMP8 programme: 'We expect momentum to build later in the year and into FY27, reflecting the scale of long-term investment programmes in the water sector'. Given the anticipated uplift in volumes in H2, we expect an increased working capital requirement; we have trimmed our pre-IFRS16 net cash forecast from £9.2m to £8.6m and, based on the unchanged interim dividend, expect 3.0p for the full year (previously 3.5p).
- **Uncertain picture as yet for FY27; more clarity to emerge.** Given the 'early stage' nature of Tamdown's engineering work, especially for housebuilders, we believe it is premature to issue forecasts for FY27. Housebuilders are currently indicating uncertainty on site openings and land buying. However, we believe momentum should resume when there is greater economic and political clarity – possibly at the time of the year-end trading update, likely in October – with Tamdown being an early beneficiary, in addition to Coleman's more predictable growth (page 3).

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	3.00
PER (x)	N/A	N/A	N/A	N/A	179.8x
EV/EBITDA (x)	0.9x	-0.6x	0.6x	1.1x	0.4x
Dividend yield	0.9%	2.7%	2.7%	2.7%	2.7%

Source: Company Information and Progressive Equity Research estimates.

Figure 1: P&L and per share data

Year-end September (£m)	FY22	FY23	FY24	FY25	FY26E	H1 25	H2 25	H1 26	H2 26E
Revenue	**98.4**	**88.7**	**56.7**	**65.9**	**79.1**	**30.6**	**35.3**	**32.3**	**46.8**
Gross profit	9.9	6.0	7.7	10.3	12.5	4.6	5.7	4.9	7.6
Operating expenses	(10.2)	(10.8)	(7.8)	(11.5)	(12.0)	(5.7)	(5.9)	(5.7)	(6.3)
Operating profit	**(0.3)**	**(4.8)**	**(0.2)**	**(1.3)**	**0.5**	**(1.1)**	**(0.2)**	**(0.8)**	**1.3**
Exceptionals	-	(3.6)	(2.1)	(0.6)	-	(0.5)	(0.1)	-	-
Interest	(0.6)	(0.2)	(0.5)	(0.6)	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)
PBT, reported	**(0.9)**	**(8.5)**	**(2.8)**	**(2.4)**	**0.1**	**(1.9)**	**(0.5)**	**(1.1)**	**1.1**
Tax	(0.1)	0.0	-	0.0	(0.0)	-	0.0	-	(0.0)
Discontinued	3.7	67.3	-	-	-	-	-	-	-
Net attrib. profit	**2.7**	**58.8**	**(2.8)**	**(2.4)**	**0.1**	**(1.9)**	**(0.5)**	**(1.1)**	**1.1**
PBT, pre-exc & impairments	**(0.9)**	**(5.0)**	**(0.7)**	**(1.8)**	**0.1**	**(1.4)**	**(0.5)**	**(1.1)**	**1.1**
EBITDA	**1.7**	**(2.5)**	**2.5**	**1.4**	**3.6**	**0.2**	**1.2**	**1.4**	**2.2**
Ave. dil. shares (million)	46.1	24.6	9.0	9.0	9.0	9.0		9.0	
EPS, basic (p)	6.0	239.0	(30.6)	(26.3)	0.6	(20.6)		(11.9)	
EPS, pre-exc & impair. (p)	**(2.2)**	**(34.5)**	**(7.3)**	**(20.1)**	**0.6**	**(15.1)**		**(11.9)**	
DPS - declared (p)	**1.0**	**3.0**	**3.00**	**3.00**	**3.00**	**1.0**	**2.0**	**1.0**	**2.0**
Dividend cover (x)	na	na	(2.4)	(6.7)	0.2				
NAV (p)	74.9	365.4	331.9	302.4	300.5	311.2		290.5	
TNAV (p)	69.8	339.2	305.7	262.8	260.9	260.5		290.5	
FCFPS (p)	21.0	(30.9)	(4.0)	34.2	(16.5)	9.2		(17.2)	
Net debt, pre-IFRS16	**4.6**	**14.6**	**12.8**	**10.9**	**8.5**	**9.6**		**8.5**	
Net assets	34.1	33.0	30.0	27.3	27.1	28.1		26.2	
Change in revenue, Y/Y (%)	*27.2%*	*-9.9%*	*-36.0%*	*16.2%*	*20.0%*	*18.5%*	*14.3%*	*5.5%*	*32.5%*
Gross margin (%)	*10.1%*	*6.7%*	*13.5%*	*15.6%*	*15.8%*	*14.9%*	*16.1%*	*15.1%*	*16.3%*
Operating margin (%)	*-0.3%*	*-5.4%*	*-0.3%*	*-1.9%*	*0.6%*	*-3.6%*	*-0.5%*	*-2.6%*	*2.8%*

Source: Company Information and Progressive Equity Research estimates.

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.** Tamdown is now in its 50^{th} year. 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)

PROFIT & LOSS	**2022**	**2023**	**2024**	**2025**	**2026E**
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	3.00

CASH FLOW & BALANCE SHEET	**2022**	**2023**	**2024**	**2025**	**2026E**
Operating cash flow	(2.4)	(7.3)	0.5	4.4	(1.1)
Free Cash flow	9.6	(7.6)	(0.4)	3.1	(2.2)
FCF per share (p)	21.0	(30.9)	(4.0)	34.2	(24.2)
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)	(2.4)
Net (debt)/cash, post IFRS16	(7.9)	3.0	1.6	(0.6)	(3.5)
Cash & equivalents	4.6	14.6	12.8	10.9	8.5
Net (debt)/cash, pre-IFRS 16	4.6	14.6	12.8	10.9	8.5

NAV AND RETURNS	**2022**	**2023**	**2024**	**2025**	**2026E**
Net asset value	34.1	33.0	30.0	27.3	27.1
NAV/share (p)	74.9	365.4	331.9	302.4	300.5
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	**2022**	**2023**	**2024**	**2025**	**2026E**
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%	0.0%
Adj EBIT margins	(0.3%)	(5.4%)	(0.3%)	(1.9%)	0.6%

VALUATION	**2022**	**2023**	**2024**	**2025**	**2026E**
EV/Sales (x)	0.02	0.02	0.03	0.02	0.02
EV/EBITDA (x)	0.9	-0.6	0.6	1.1	0.4
EV/NOPAT (x)	-4.8	-0.3	-9.6	-1.2	3.2
PER (x)	N/A	N/A	N/A	N/A	179.8
Dividend yield	0.9%	2.7%	2.7%	2.7%	2.7%
FCF yield	19.0%	(27.9%)	(3.6%)	30.8%	(21.8%)

Source: Company information and Progressive Equity Research estimates

14 May 2026

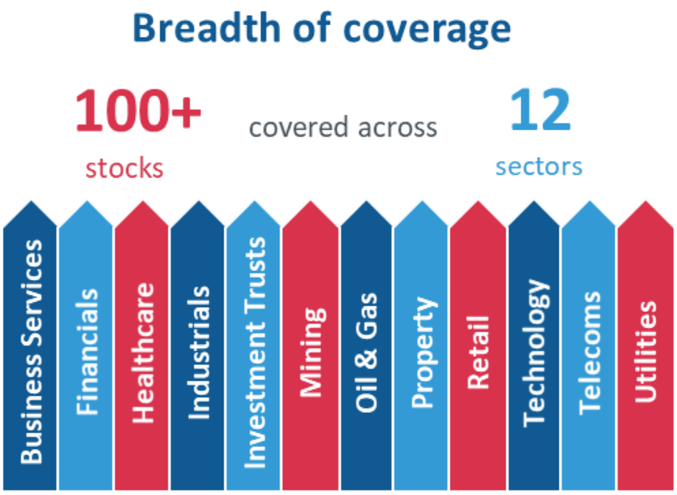
Disclaimers and Disclosures

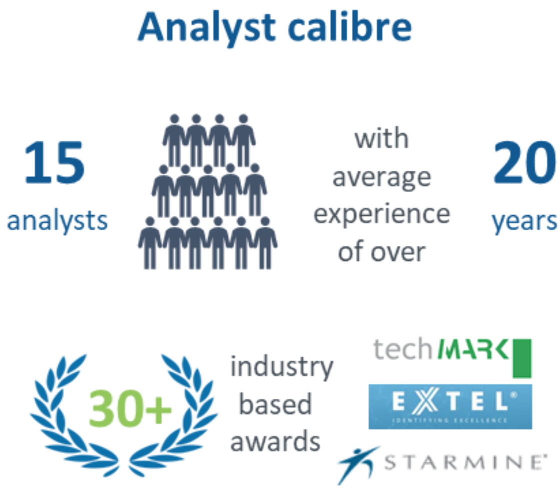
This document is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not 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