

NEXUS INFRASTRUCTURE CONSTRUCTION

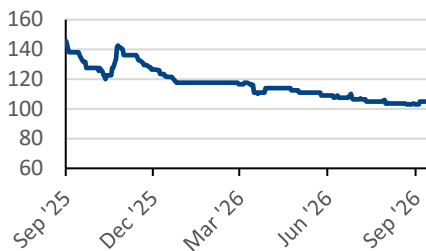
23 September 2026

NEXS.L

105p

Market Cap: £9.5m

SHARE PRICE (p)



12m high/low

143p/103p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£8.5m (at 31/03/26)
Enterprise value	£1m
Index/market	AIM
Next news	FY results, Mar 27
Shares in issue (m)	9.0
Interim Chair	Clare Lacey
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**

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Building slowdown prompts cost-cutting drive

Nexus Infrastructure has indicated in its year-end trading update that it expects a loss for the 12 months to 30 September, against expectations of a modest profit, primarily reflecting 'the continued challenging market backdrop', impacting most leading housebuilders. Although the group, which delivers 'front-end' earthworks to the development and utilities sector, should be an early beneficiary of an upturn in construction activity, it 'has remained focused on operational efficiency, cost discipline and cash management'. As such, the Board has removed the CEO position.

- **Challenging housebuilding and infrastructure backdrop.** As a result of the timing of project activity across both Tamdown and Coleman, the group now expects to report revenue of approximately £70.0m (FY25: £65.9m) resulting in a loss before tax of approximately £1.0m (FY25: loss £1.6m). Our estimate was for a profit of £0.1m. Headwinds include the 'timing of customer led project activity and slower than anticipated conversion of secured work during H2'. The cash position at 31 August 2026 was c. £8.7m (September 2025: £10.9m). The contracted order book remained strong as at 31 August 2026 (£75.4m), with a further £15.2m of work secured in September to date supporting future activity levels.
- **CEO role absorbed within senior team.** 'Following a review of the Group's operating structure and cost base, the Board has concluded that the responsibilities undertaken by the Chief Executive Officer can effectively be absorbed within the existing senior leadership team (SLT). As a result, the CEO position has been removed and Charles Sweeney is no longer a Group Director with immediate effect. He will leave the business on 30 September 2026 and the CEO role responsibilities will be handed over in the interim period to the Company's CFO - Dawn Hillman, the Interim Chair – Clare Lacey, the Board and other members of the SLT'. Nexus has started a process to appoint a new independent non-executive Director.
- **Early exposure to growth, but timing uncertain.** Housebuilders' trading statements in recent weeks have highlighted a marked slowdown in new site openings and land buying, amid rising interest rates, consumer uncertainty and accelerating building costs, which have impacted development viability. The Government is investing £39bn in affordable homes over 10 years. The new five year AMP8 water investment programme is double the size of the last (page 2). Given the uncertainty of timing of these government-led plans, we are temporarily removing forecasts, but intend to reinstate them once greater clarity emerges.

FYE SEP (£M)	2021	2022	2023	2024	2025
Revenue	77.3	98.4	88.7	56.7	65.9
Fully Adj PBT	-3.0	-0.9	-5.0	-0.7	-1.8
Fully Adj EPS (p)	-3.9	-2.2	-34.5	-7.3	-20.1
Dividend per share (p)	2.00	1.00	3.00	3.00	3.00
PER (x)	N/A	N/A	N/A	N/A	N/A
EV/EBITDA (x)	-1.0x	0.6x	-0.4x	0.4x	0.7x
Dividend yield	1.9%	1.0%	2.9%	2.9%	2.9%

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.** Tamdown has over 50 years of sector experience. 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. The acquisition in October 2024 of Coleman Construction & Utilities, took Nexus into the critical water sector.
- **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 in housebuilding and water.** Although housebuilding activity is currently subdued, particularly in terms of new site openings – when Nexus is most involved – it should be among the first to benefit from an eventual upturn. The Government's 10-year Social and Affordable Homes Programme will provide £39bn. 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. The AMP8 five year water investment programme, now underway is worth £104bn, roughly double the level of AMP7.
- **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. Longer-term, we see this as providing further opportunities for Nexus.

Financial Summary: Nexus Infrastructure

Year end: September (£m unless shown)

PROFIT & LOSS	2021	2022	2023	2024	2025
Revenue	77.3	98.4	88.7	56.7	65.9
Adj EBITDA	(1.0)	1.7	(2.5)	2.5	1.4
Adj EBIT	(2.6)	(0.3)	(4.8)	(0.2)	(1.3)
Reported PBT	(1.7)	(0.9)	(8.5)	(2.8)	(2.4)
Fully Adj PBT	(3.0)	(0.9)	(5.0)	(0.7)	(1.8)
NOPAT	(2.6)	(0.3)	(4.8)	(0.2)	(1.3)
Reported EPS (p)	6.6	6.0	239.0	(30.6)	(26.3)
Fully Adj EPS (p)	(3.9)	(2.2)	(34.5)	(7.3)	(20.1)
Dividend per share (p)	2.00	1.00	3.00	3.00	3.00
CASH FLOW & BALANCE SHEET	2021	2022	2023	2024	2025
Operating cash flow	3.4	(2.4)	(7.3)	0.5	4.4
Free Cash flow	(4.0)	9.6	(7.6)	(0.4)	3.1
FCF per share (p)	(8.9)	21.0	(30.9)	(4.0)	34.2
Acquisitions	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	60.2	0.0	(3.9)
Shares issued/(purchased)	0.0	0.0	(60.5)	0.0	0.0
Net cash flow	(3.6)	(5.3)	(9.5)	(1.8)	(2.9)
Net (debt)/cash, post IFRS16	15.5	(7.9)	3.0	1.6	(0.6)
Cash & equivalents	29.5	4.6	14.6	12.8	10.9
Net (debt)/cash, pre-IFRS 16	18.1	4.6	14.6	12.8	10.9
NAV AND RETURNS	2021	2022	2023	2024	2025
Net asset value	32.1	34.1	33.0	30.0	27.3
NAV/share (p)	70.8	74.9	365.4	331.9	302.4
Net Tangible Asset Value	29.8	31.8	30.6	27.6	23.7
NTAV/share (p)	65.6	69.8	339.2	305.7	262.8
Average equity	32.1	33.1	33.6	31.5	28.7
Post-tax ROE (%)	9.3%	8.2%	175.1%	(8.8%)	(8.3%)
METRICS	2021	2022	2023	2024	2025
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	(87.8%)	1426.0%	(96.7%)	707.0%
Adj PBT growth	N/A	(69.3%)	445.5%	(86.0%)	161.5%
Adj EPS growth	N/A	(43.3%)	1442.1%	(78.9%)	176.2%
Dividend growth	(50.0%)	(50.0%)	200.0%	0.0%	0.0%
Adj EBIT margins	(3.3%)	(0.3%)	(5.4%)	(0.3%)	(1.9%)
VALUATION	2021	2022	2023	2024	2025
EV/Sales (x)	0.01	0.01	0.01	0.02	0.01
EV/EBITDA (x)	-1.0	0.6	-0.4	0.4	0.7
EV/NOPAT (x)	-0.4	-3.1	-0.2	-6.2	-0.8
PER (x)	N/A	N/A	N/A	N/A	N/A
Dividend yield	1.9%	1.0%	2.9%	2.9%	2.9%
FCF yield	(8.5%)	20.0%	(29.5%)	(3.8%)	32.6%

Source: Company information and Progressive Equity Research estimates

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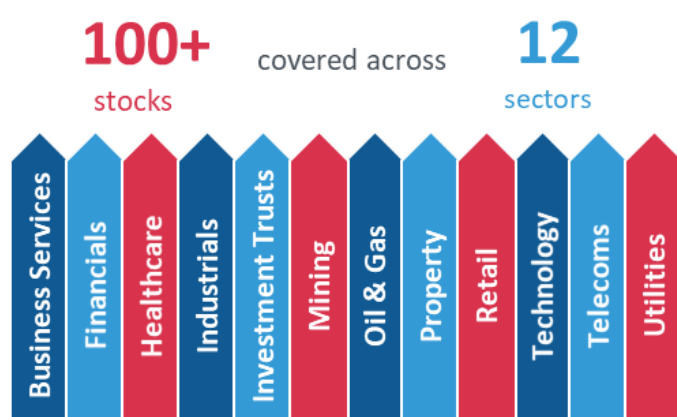
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