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30 October 2024

Nexus Infrastructure plc
("Nexus" or the "Group")

**Acquisition of Coleman Construction & Utilities
and
FY24 Trading Update**

Diversification expands sectors critical to the UK's national infrastructure

Nexus (AIM: NEXS), a leading provider of essential infrastructure solutions, announces the acquisition of Coleman Construction & Utilities Limited ('Coleman'), a civil engineering & construction business with experience in several key sectors including water, rail, highways, and rivers & marine, for a total consideration of up to £5.38m.

The Group also provides an update on trading for the year ended 30 September 2024 (FY24), which is in line with market expectations*.

Acquisition highlights

- Acquisition aligns with Nexus' strategic objective of diversifying into additional key sectors, critical to UK infrastructure.
- Coleman, headquartered in East Sussex and operational across Southeast England, has extensive experience in several sectors including water, rail, highways and rivers & marine.
- Since its foundation in 2000, the business has grown based on a reputation for quality of service and customer satisfaction.
- Nexus will support Coleman in enhancing and expanding its operations.
- The consideration comprises initial cash consideration of £3.08m on a cash and debt free basis, plus a further amount of c.£1.00m, which is subject to finalising completion accounts, in respect of net cash and cash like items in Coleman at the date of completion. In addition, deferred cash consideration payments will be payable in year one and year two of up to a maximum aggregate of £1.30m subject to future business performance, a total aggregate consideration of up to £5.38m. Excluding the net cash and cash like items, the total net consideration including the maximum deferred consideration would be £4.38m.
- The acquisition is expected to be immediately earnings enhancing.

Acquisition overview and rationale

The acquisition represents a compelling strategic fit for Nexus, entering new sectors and bringing highly complementary services to the Group.

Expanding the Group's market through diversification is a key pillar of Nexus' strategy and the acquisition of Coleman provides future growth opportunities outside of the Group's current core sector of residential housebuilding. Coleman offers services in sectors which are critical to the UK's national infrastructure, driven by climate change, environment protection, shifts in societal needs, and improvements to energy security. These sectors have multi-decade horizons and are less prone to short-term economic pressures.

About Coleman

Coleman delivers civil engineering and building projects in the water, rail, highways and rivers & marine sectors. Coleman Rail (a division of Coleman) has an extensive background of safety critical civil engineering and building work in the rail industry.

industry.

Coleman has flexible project solutions, to cover both minor works and larger multi-million-pound contracts. Many of its projects are part of five-year frameworks, such as the AMPs** programmes in the water sector (the Asset Management Period, which is the regulatory framework used by Ofwat, typically a five-year period, giving greater visibility of future earnings).

Coleman Rail has an extensive record of safety critical civil engineering and building work in the rail industry. Its rail teams have the sector-specific qualifications and experience which are absolute requirements to work in the sector.

Established in 2000 by Barry Coleman, the business has grown into a leading UK construction group through its exemplary reputation for high quality builds and reliable service delivery.

Over the years, Coleman has consistently achieved revenue growth while maintaining stable gross profit and EBITDA margins. For the year ended 31 March 2024, Coleman reported revenues of £8.3m and Adjusted EBITDA of £0.7m. As at 31 March 2024 Coleman's net assets were £2.3m

Charles Sweeney, Chief Executive of Nexus, commented: *"The acquisition of Coleman presents an exciting opportunity for Nexus, diversifying into other critical sectors of UK infrastructure, enhancing our service offerings and driving future growth. This move enables the Group to benefit from long-term opportunities that are less vulnerable to short-term economic fluctuations. Coleman's established reputation and expertise in water, rail, highways and rivers & marine sectors further strengthens our portfolio and we look forward to welcoming the Coleman team to Nexus."*

Barry Coleman, Co-Founder and Managing Director of Coleman commented: *"Coleman has grown significantly over the years to become a leading civil engineering and construction business. Throughout this journey, we have remained committed to the highest standards in health and safety, quality, and customer satisfaction and our success is a testament to our exceptional team. Now with the support of Nexus, we are poised to further develop our business, creating new opportunities that will benefit our customers and everyone at Coleman. We look forward to collaborating with Charles and the Nexus team as we embark on the next phase of our journey."*

FY24 trading update

The Group expects to report revenue of £56.7m for the year ended 30 September 2024, in line with market expectations.

As at 30 September 2024, Tamdown's order book was £51.5m, (FY23: £46.0m), a 23% increase on FY23. The H1 position of £72m was reflective of the housebuilding sector overall which showed early signs of improvement in the first half of the year, but those positive indications were not sustained in H2. Post period end Tamdown has been awarded new work with a total value of £15.9m.

The Group remains confident that the housebuilding sector will see a significant recovery. With improving economic indicators and the recently expressed strong political support to address the UK's chronic long-term undersupply of housing, the foundations are in place for a future period of sustained market growth.

Nexus continues to review opportunities in other key national infrastructure sectors and the post-period end acquisition of Coleman Construction & Utilities Limited announced today provides an excellent opportunity for the Group to have activities in several other key sectors including water, rail, highways and rivers & marine.

Nexus had a robust balance sheet with cash and cash equivalents of £12.8m at the FY24 year end and the balance sheet remains strong after taking into account the cash consideration due pursuant to the Coleman acquisition and the Board expects to pay a final dividend in line with FY23.

Commenting on FY24 trading, CEO Charles Sweeney said: *"I am very pleased with the progress we have made against our strategic plan. During the year, Tamdown continued to focus on operating discipline and the management of costs whilst delivering a high-quality service to its clients. The team's hard work and innovative thinking has further improved productivity in spite of the challenging market conditions. The business is very well placed to benefit from the widely anticipated upturn in the housebuilding sector."*

"Diversification is a principal element of Nexus' strategy, and the acquisition of Coleman provides future growth opportunities outside of the Group's current core sector of residential housebuilding. Coleman offers services in sectors which are critical to the

UK's national infrastructure, driven by climate change, environment protection, shifts in societal needs, and improvements to energy security. It's great to welcome Coleman to the Group and we look forward to working with Barry Coleman and all the Coleman team."

**The Company considers that the FY24 market forecasts for Revenue is £55.9m, and PBT loss of £2.7m.*

***An Asset Management Period (AMP) is a five-year regulatory cycle set by Ofwat to increase efficiencies in the water sector in England and Wales. In March 2025 AMP 7 will conclude and AMP 8 will begin, the eighth cycle of this regulatory framework, which runs from April 2025 to 2030. It sets out the financial and operational expectations for water companies across England and Wales.*

Cautionary Statement

This announcement contains forward looking statements which are made in good faith based on the current information available. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those currently anticipated. Nothing in this document should be regarded as a profits forecast.

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Notes to Editors

Nexus is a market-leading provider of civil engineering infrastructure services to the UK housebuilding sector through its operational business, Tamdown.

Tamdown provides a range of civil engineering and infrastructure services to the UK housebuilding sectors, with operations focused on the South-East of England and London. It has an established market-leading position, having been in operation for over 45 years.

www.nexus-infrastructure.com

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