

Date: 21 April 2020

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

**COVID-19 and Trading Update**

Nexus Infrastructure plc, a leading provider of essential infrastructure services, utilities connections and smart energy infrastructure, is providing a further update to the statement issued on Friday 17 March 2020. The statement provides more detail on the impact of the COVID-19 pandemic on the business, the mitigating actions management has taken to ensure the resilience of the business and an update on trading during the half year period.

**COVID-19:**

Given the unprecedented levels of uncertainty in the immediate term we are managing the business to protect cash flow and profitability. We have cut all non-essential capital expenditure, discretionary expenditures and implemented a recruitment freeze.

Most importantly, to ensure the safety and well-being of our employees which remains our priority, we had already introduced work from home for roles where feasible and, alongside our customers, took the decision to close down our site based activities where it was not possible to operate safely within Government guidelines. A total of 713 employees, representing 87% of the workforce have been furloughed in line with the Government's Job Retention Scheme.

In recognition of the current extraordinary circumstances and in order to preserve cash for the benefit of the business, the Board, Executive Directors and workforce who are not furloughed have agreed to take the following additional temporary steps, effective from 1 April 2020:

- CEO is taking a 100% reduction in salary
- Non-Executive Directors and the CFO are taking a 50% reduction in fees or salary
- Senior Management are taking reductions in salary of up to 50%
- Others are taking a reduction of 50% for any part of their salary which is in excess of £30,000
- The Company will review the position at the end of May

As the situation develops, we will continue to assess further cost-saving measures on an ongoing basis in order to protect our business and our people.

**Current trading:**

For the six months ended 31 March 2020, Nexus achieved Group revenue of £84.2m (H1 2019: £71.0m), an increase of over 18% and in line with the Board's expectations for this period. Trading in the period was therefore better than H1 2019, except for March which was disrupted by COVID-19 in terms of cash collection and profitable working. The Group order book as at 31 March 2020 was £300m (2019: £311m) with customers taking a cautious approach to placing orders, especially as a result of COVID-19.

As the outbreak of COVID-19 has intensified, Tamdown has furloughed 97% of its employees reflecting the major housebuilders' moves to close construction sites. TriConnex, however, is seeing demand for certain utility services from a number of customers and has furloughed 74% of its staff to date. eSmart Networks has furloughed 53% of its staff to date and is delivering electric vehicle and smart energy infrastructure schemes, albeit at lower levels.

The Company remains in continuous and constructive dialogue with our customers and the management teams will continue to monitor their requirements while keeping resources to hand. This will ensure that we are ready to deliver effectively when activity levels increase. However, the timing of the lockdown is unfortunate as it occurs during a typically strong quarter for the business. In addition, the final summer quarter is likely to be affected by fragmented 'return to work' programs due to remobilising and social distancing measures on site.

**Balance sheet & financing:**

Nexus has always been run with a strong balance sheet and net cash position and we remain financially strong. As at 31 March 2020, the Group's gross cash position was £19.6m (2019: £17.8m) and net cash was £8.6m (2019: £12.4m).

The Group has fully drawn its £5m revolving credit facility to maximise its liquidity position. The Board is confident that, with the measures taken, Nexus has sufficient liquidity for the foreseeable future.

**Outlook:**

Our Board continues to monitor the rapidly evolving situation and will implement additional measures should they be required. Given the current economic uncertainty and the as yet unquantifiable longer-term impact of COVID-19 on our trading environment, we continue to be unable to provide accurate market guidance for the second half of

the current year.

Looking further ahead, our experienced management team, sustainable business model and strong cash flow characteristics means we are well-positioned to prosper in the long term.

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Notes to Editors:

Nexus is a leading provider of essential infrastructure services to the UK housebuilding and commercial sectors. The Group comprises: Tamdown, a provider of specialised civil engineering, infrastructure and concrete frame services; TriConnex which designs, installs and connects utility networks to properties on new residential and commercial developments; and eSmart Networks which focuses on electric vehicle charging and smart grid infrastructure.

Tamdown has a well-established market position having been in operation for over 40 years and currently counts amongst its customers the majority of the top ten largest UK housebuilders. TriConnex was established in 2011 to take advantage of deregulation in the utilities market with the goal of being recognised as the UK's leading independent provider of utility connections to new developments. eSmart Networks was set up in 2017 to respond to the UK's need for charging infrastructure as the transition to electric vehicles gathers pace alongside the need for smart energy solutions.

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