

23 October 2020

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

### **Trading Update and Notice of Results**

#### ***Strong balance sheet and order book supports growth in FY21***

Nexus Infrastructure plc, a leading provider of essential infrastructure services, utilities connections and smart energy infrastructure, announces a trading update ahead of its annual results for the financial year ended 30 September 2020, which will be announced on 11 December 2020.

As expected, trading in the second half of the year has been severely impacted by the Covid-19 pandemic. The majority of sites were reopened by July and the recovery in activity levels since then has been encouraging, but significantly lower than the first half of the year. Of our three businesses, Tamdown has been most impacted by the continued uncertain macroeconomic backdrop and the implementation of additional health and safety procedures. This lower level of activity during the Group's traditionally strong trading period has, as expected, resulted in the Group being loss making in the second half of the year. As a result, Nexus will report a loss before tax for the year ended 30 September 2020 albeit at an improved level from the Board's expectations at the time of the Company's equity issue in June. It continues to remain challenging to predict with any certainty how our end markets will recover, and we therefore remain unable to provide market guidance at this time. However, the Company hopes to be able to reinstate guidance at the time of its full year results in December.

The Group's order book has reduced 17% year on year but overall remains strong at £282.0m (2019: £338.9m). The reduction was principally driven by Tamdown where the order book decreased to £92.8m (2019: £151.6m) as a result of reduced activity levels, pricing pressures and customers taking a more cautious approach to starting new sites given the impact of Covid-19, Brexit uncertainty and the end of the temporary stamp duty holiday. With this reduced activity on site, Tamdown is experiencing some margin pressure and as a result the cost base has been reduced with a number of redundancies for office and site-based staff. TriConnex's performance has been resilient and in-line with expectations with the order book ending the year at £185.4m (2019: £184.8m). This represents a strong performance by TriConnex driven by the up-front, mission critical nature of securing utility network connections on development sites. eSmart Networks continued to progress in-line with expectations with the order book up 52% to £3.8m (2019: £2.5m) driven by increased demand for electric vehicles and associated supporting infrastructure.

The Board is pleased to report that the Group's strong balance sheet has been maintained, assisted by the successful equity issue in June this year, with a high cash and cash equivalent balance of £32.1m (2019: £27.4m) and net cash balance (after bank borrowings and finance leases) of £19.2m (2019: £18.0m). This includes the continued investment in our new head office, Nexus Park, with total expenditure in the year of £6.3m. The Nexus Park build programme remains on-track with opening expected in the Spring of 2021.

Since the onset of Covid-19, our priority has been ensuring the safety and wellbeing of our people as well as protecting our business. This has included the implementation of detailed site and office operating procedures to safeguard our people, customers, suppliers and the communities where we work.

The Board believes that the Group is in a strong position to deliver organic growth, aided by the structural undersupply in the UK housebuilding market and Government stimulus for the sector. Like many industry suppliers, we continue to experience customers being cautious, particularly within Tamdown, as a result of the continuing uncertain macroeconomic backdrop. The Board is encouraged by the Group's strong balance sheet and order book, which positions Nexus for growth over the years ahead, particularly within TriConnex and eSmart Networks where market fundamentals are strong, trading momentum is encouraging and the Government is actively supporting investment into green technologies and infrastructure.

#### **Commenting on the Group's performance, Mike Morris, Chief Executive Officer, said:**

*"This year has clearly been challenging across the whole of the industry and we have taken the necessary mitigating actions to protect the business. We have an established reputation for delivery amongst our customers, we have maintained our strong balance sheet with the support of our shareholders and we have an order book which provides us with visibility of future earnings."*

*Looking forward, we expect to return to profitability next year. There still remains a fundamental shortage of housing and infrastructure in the UK and we have positioned ourselves well in terms of our established relationships, initiatives through our eSmart Networks and TriConnex businesses, and are well positioned to address the anticipated increased level of activity in the year ahead."*

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### **About Nexus**

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 energy 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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