

Client: Nexus Management
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Nexus looking peachy

Nexus Management (NXS:AIM) – Finals PTP: -£0.04m (-£0.19m) Divi: n/a (n/a)

The IT managed services firm's results covered an 18-month period but still did not give anything like the full picture. Cost cutting and the acquisition of UK firm FixIT helped to reduce losses to near break-even levels, yet the real story lies with the deal to take a stake in PD Financial last October, a month after the financial reporting period ended.

At a cost of \$3.2 million, Nexus snapped up a 24%-stake in California-based PD Financial, which under its Peach brand sells electronic items to consumers, backed by the enormous muscle offered by the credit financing arm of the conglomerate General Electric (GE:NYSE).

Under the terms of an exclusive three-year deal, PD will sell Nexus' IT services package with branded PCs. The package is already available to consumers, who pay \$120 up front for 120 minutes of help desk support a year, with an option to renew the service when it expires.

A package for corporate customers will be launched in the second quarter of this year. This will include services such as email, data storage and recovery, VoIP and a digital voice recording system.

Peach sold 2,500 Nexus Help Desk products in the three-month period between October and December, generating revenues and profits ahead of management expectations. Nexus will take a 24% of this income going forward.

■ **Shares says:** Nexus's share price has jumped from 0.63p to 1.47p since October as investors have sized up the deal but there should be a lot more to go for. **Buy.**

by: Russ Mould