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| | |
|---------------------|-------|
| Price (p) | 100.0 |
| Shares in issue (m) | 588 |
| Mkt Cap (£m) | 588 |
| Net debt (£m) | 189 |
| EV (£m) | 777 |
| NAV (p) | 103.1 |

Share price performance

| | |
|---------------------|---------|
| 1m | -0.6% |
| 3m | 0.7% |
| 12m | -5.7% |
| 12 m high/low | 108/97 |
| Ave daily vol (30D) | 711,353 |

Shareholders

| | |
|----------------------|-------|
| Old Mutual Plc | 14.2% |
| Artemis Investment | 10.8% |
| Baillie Gifford | 10.1% |
| Prudential Plc | 8.9% |
| Legal & General | 7.0% |
| Investec Plc | 6.3% |
| Valu-Trac | 5.6% |
| Vt Gravis Funds Icv | 5.1% |
| Gov't of Sweden | 5.0% |
| Fundrock Partners Lt | 4.3% |
| Total for top 10 | 77.2% |

Q3NAV

Next news

Q1

Business description

Solar generation investment fund



COVER OF 1.3X FOR FY 23

NESF has used its interim update presentation to signal a target pre-script dividend cover for FY 23 of 1.3x over a dividend which will continue to reflect a progressive policy. The signal is based on the ability of the company to protect against pricing downside while gaining some exposure to near term higher capture prices. We also see some impact of FY 23 benefiting from a return to better output following grid works impacting FY 22. NESF's ability to contain downside risks but to gain from upside and improve cover reflects a strong management in our view with the fund benefiting from the wider Next Energy Capital Group management company.

Company can capture some near term price strength

UK and European wholesale power prices have been extremely high driven by higher gas prices impacting marginal generation. NESF is well hedged and, as was seen when lower demand during early COVID lockdowns reduced prices, can be well protected against price volatility. In part this is also due to the fact that c. 60% of revenue is on feed in tariffs or ROCs. However, the fund also actively manages its hedging position with the manager's own trading team and as a result can capture some of the higher pricing seen in the near-term market.

Output improvement following DNO outages

In addition to the above the company, along with other PV operators in the UK, was impacted by distribution network operators (DNOs) catching up with grid work following a lull created by the early COVID lockdown. Despite this NESF still delivered output 1.1% over budget. There may be some further impact into H2 but overall this is a one-off effect and we expect stronger output in FY 23.

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