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19 June 2023

| | |
|---------------------|---------------|
| Price (p) | 100.20 |
| Shares in issue (m) | 590 |
| Mkt Cap (£m) | 591 |
| Net debt (£m) | 184 |
| EV (£m) | 775 |
| BVPS (p) | 114.3 |

Share price performance

| | |
|---------------------|-----------|
| 1m | -3.5% |
| 3m | -4.2% |
| 12m | -8.9% |
| 12 m high/low | 123/95.4 |
| Ave daily vol (30D) | 1,659,387 |

Shareholders

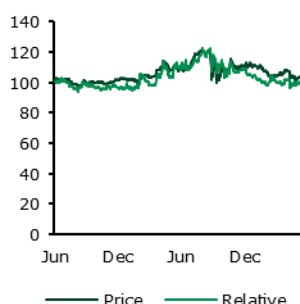
| | |
|----------------------|-------|
| Om Residual Uk Ltd | 14.1% |
| Valu-Trac | 9.0% |
| Prudential Plc | 8.6% |
| Artemis Investment | 7.2% |
| Hargreaves Lansd'n | 6.4% |
| Legal & General | 5.4% |
| Investec Plc | 4.5% |
| Fundrock Partners | 3.8% |
| Privium Fund M | 3.6% |
| Interactive Investor | 2.9% |
| Total for top 10 | 65.5% |

Source: Bloomberg 16 June 23

Next news Ints Q3

Business description

Solar generation and energy storage investment fund



Research

Adam Forsyth

adam.forsyth@longspur.com
+44 (0) 131 357 6770

Max Campbell

max.campbell@longspur.com
+44 (0) 7900 206039

Distribution

Adam Robertson

adam.robertson@longspur.com
+44 (0) 203 940 6602

PROGRESS IN STORAGE AND ABROAD

NESF's full year results again see existing assets performing well, with generation ahead of the year's budgeted target, while growth is being targeted internationally and in energy storage. Progress is already evident in both areas. A prospective dividend growth target of 11% with cash cover of 1.3x to 1.5x suggests confidence in the year ahead supported by the capital recycling programme which will allow the company flexibility to pursue its growth targets.

NAV at 114.3p

NextEnergy Solar Fund (NESF) has announced its full year results to 31 March 2023. The NAV at the period end was 114.3p up 1% on 113.5p at 31 March 2022 but down from the 120.9p at 31 December 2022. The key drivers have been tougher discount rate assumptions partly offset by changing inflation forecasts and in terms of the annual improvement, new assets added. The fund has declared a full year dividend of 7.52p up 5% on the 7.16p paid last year and with cash cover of 1.4x. For FY 24 the fund is targeting a 11% increase to 8.35p with target cash cover of 1.3x – 1.5x with 1.0x to 1.1x from fixed revenues.

Portfolio augmented by international and storage projects

Operationally the portfolio of 99 operating solar assets with a capacity of 889MW has delivered a generation outperformance of +3.8% against the target budget delivering additional revenue of c. £4.8m. Additionally the fund now has US\$50m invested in private solar fund NextPower III ESG which now has 149 projects totalling 1,800MW in the USA, Chile, Portugal, Spain, Greece, Poland, and India. NESF has also co-invested in two projects totalling 260MW with 13% of a 210MW project in Portugal and 25% of a 50MW project in Spain. The fund has also started construction of a standalone 50MW battery storage project in the UK and has acquired development rights on a further 250MW project.

Major strategic moves

We expect to see more storage following the fund's move to raise its investment limit in storage from 10% to 25% of GAV. It has also entered into two JVs with Eelpower targeting a £300m pipeline of battery storage opportunities and will also add co-located batteries at its solar asset under a retrofit programme. NESF has also announced a capital recycling programme which will see it commit to sell 236MW of subsidy free solar assets, using the proceeds to reduce gearing and target higher yielding opportunities as well the potential for share buy-backs.

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Longspur Research
10 Castle Street,
Edinburgh. EH2 3AT
UK

Longspur Capital
20 North Audley Street,
London. W1K 6WE
UK