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Research

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Price (p) **118.60**

Shares in issue (m)	589
Mkt Cap (£m)	699
Net debt (£m)	200
EV (£m)	899
BVPS (p)	121.7

Share price performance

1m	0.3%
3m	6.3%
12m	20.4%
12 m high/low	123/97.8
Ave daily vol (30D)	965,482

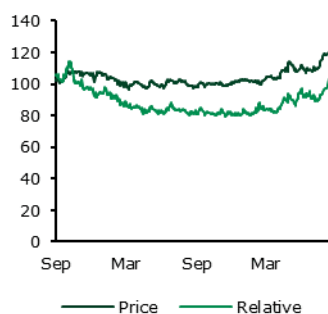
Shareholders

Old Mutual Plc	14.1%
Artemis	12.7%
Valu-Trac	9.1%
Prudential Plc	8.9%
Legal & General	6.2%
Hargreaves Lansd'n	6.1%
Vt Gravis Funds	5.1%
Gov't Of Sweden	4.9%
Investec Plc	4.9%
Fundrock Partners	4.9%
Total for top 10	76.9%

Next news Q2NAV Q4

Business description

Solar generation investment fund



NEW STORAGE JV

NESF has entered into a second energy storage JV this time with a 75% share of a £200m partnership. With demand for energy storage likely to grow as intermittent renewable energy penetration rises increasing exposure here makes sense in our view.

Second JV with EelPower announced

NextEnergy Solar Fund (NESF) has announced that it has entered into a new £200m joint venture partnership with developer EelPower Limited to develop battery energy storage systems in the UK. The agreement is separate and follows the existing 70/30 £100m JV with EelPower but will see NESF increase its stake to 75%. The existing JV is currently constructing a 50MW storage project in Fife, Scotland which is expected to be operational in the first half of 2023. The JVs will allow NESF to pursue a pipeline of 500MW (£300m) of storage projects already under exclusivity.

Targeting a continually growing opportunity in storage

While the opportunity in battery storage remains strong, NESF is limited in both JVs by its investment policy which caps energy storage investment at 10% of gross asset value. The fund will consult with investors over the next few months with a view to increasing this limit to allow the fund to fully pursue the potential opportunities afforded by energy storage in the UK market. This opportunity is likely to grow substantially with the National Grid's Future Energy Scenarios suggesting a need for over 20GW of storage excluding vehicle to grid or hydrogen storage on its lowest estimate and as much as over 50GW on its highest estimate.

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