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27 April 2023

Price (p)	106.80
Shares in issue (m)	590
Mkt Cap (£m)	630
Net debt (£m)	200
EV (£m)	830
BVPS (p)	120.9

Share price performance

1m	1.9%
3m	-4.1%
12m	-1.5%
12 m high/low	123/95.4
Ave daily vol (30D)	647,456

Shareholders

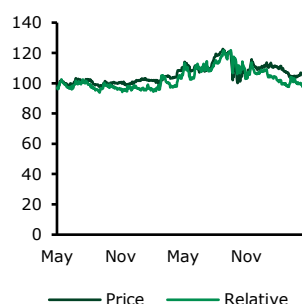
Om Residual Uk Ltd	14.1%
Valu-Trac	9.0%
Prudential Plc	8.6%
Artemis Investment	7.2%
Hargreaves Lansd'n	6.5%
Legal & General	5.4%
Investec Plc	4.5%
Fundrock Partners	4.4%
Privium Fund Man't	3.6%
Interactive Investor	2.9%
Total for top 10	66.2%

Source: Bloomberg 26 Apr 23

Next news Ints Q3

Business description

Waste to energy for metals industry



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

CAPITAL RECYCLING PROGRAMME

NextEnergy Solar Fund (NESF) has today announced it will look to divest stakes in five subsidy free solar projects (totalling 236MW) from its portfolio. Proceeds will be used to reduced gearing and provide greater flexibility in capital allocation, allowing the fund to pursue higher returning opportunities such as those in energy storage or buyback shares when they are trading at a material discount to NAV.

Reallocating Capital for Future Growth

Disposal of the assets (Hatherden, Whitecross, Staughton, The Grange, and South Lowfield) will leave NESF with two operating subsidy free solar projects as well as the company's development pipeline. Recent UK transactions suggest that UK solar projects are selling for approximately £0.9m to £1.4m per MWp, however in a rising interest rate environment this may be softening. Proceeds ought to allow for investment into alternative projects, including further investment in the energy storage space. NESF is already active in the storage market in the UK and is operating two small-scale batteries with a 50MWh project in construction and a 250MWh project about to enter construction. The fund also has approval for c.20MW of co-located storage at its existing UK portfolio of 91 solar assets.

Reducing High Interest Rate Exposure

The fund intends to reduce its exposure to high interest rates in the near term by reducing the amount outstanding under its two revolving credit facilities. The fund currently has £205m available under the revolving credit facility, with £39m remaining undrawn at present. We consider this to be prudent treasury management and note that this ought to provide increased flexibility in providing capital returns for shareholders.

Commitment to Shareholder Returns

Management have noted the persistent discount the share trades at compared to NAV and have committed to utilising some of the proceeds to buy back shares if this continues to be material.

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

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