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22 November 2023

Price (p)	85.60
Shares in issue (m)	591
Mkt Cap (£m)	506
Net debt (£m)	200
EV (£m)	706
BVPS (p)	108.3

Share price performance

1m	9.7%
3m	-0.1%
12m	-25.0%
12 m high/low	115.8/76.6
Ave daily vol (30D)	1,200,489

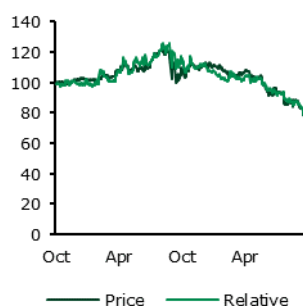
Shareholders

Om Residual	14.1%
Valu-Trac	8.8%
Prudential	8.8%
Hargreaves Lansd'n	7.6%
Artemis Investment	7.3%
Rathbones Group	5.8%
Legal & General	4.9%
Investec	4.4%
Privium Fund	3.8%
Interactive Investor	3.6%
Total for top 10	68.9%

Next news Q4NAV Q1

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

NAV UPDATE AND CAPITAL RECYCLING

NESF's interim NAV has dropped by 5.2% owing to an increased discount rate and a decrease in short term forecast power prices. Meanwhile the company continues to deliver on its capital recycling programme with the first announced disposal of an asset. Consideration of £15.2m for the site will be used to reduce the revolving credit facility. The Capital Recycling Programme aims to allow the fund to take advantage of demand for mature assets and recycle capital for balance sheet management or further investment into its pool of development opportunities.

NAV down 5%, Dividend Remains Covered

NextEnergy Solar Fund (NESF) has released its interim results statement covering the period to 30 September 2023. The NAV per share has decreased by 5.2% to 108.3p driven primarily by higher a higher discount rate and reductions in short and medium-term power price forecasts. An interim dividend of 4.18p has been announced and the fund continues to target a full year dividend of 8.35p with an expected cash cover of 1.3x.

NAV reflects changing discount rate and power prices

The movement in the NAV calculation has been predominantly driven by an increased discount rate and a decrease in short-medium term power pricing. A 0.75% increase to the discount rate for the unlevered operating UK solar assets resulted in the total portfolio discount rate increasing to 8%, up from 7.3%, with a resulting -4.6p impact on the NAV. NESF uses a blended rolling average for power price forecasts from independent consultants where PPAs are not in place. The forecasts for 2023-2027 have been reduced and this has taken 2.3p off, of the NAV. The fund continues to hedge appropriately over a rolling 36 month period.

Capital Recycling Update

Post period end, the company has announced that it is going to sell the Hatherden site, which is a ready to build 60MW solar project for a total consideration of £15.2m, representing a 100% premium to the current holding value. The proceeds will be used to immediately reduce the outstanding short term debt under the revolving credit facility.

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

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