

Net Asset Value(s)

RNS Number : 4831D
GCP Infrastructure Investments Ltd
20 October 2022

GCP Infrastructure Investments Limited
("GCP Infra" or the "Company")
LEI: 213800W64MNAISIV5Z47
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GCP Infra, announces that at close of business on 30 September 2022, the unaudited net asset value per ordinary share of the Company was 112.80 pence (30 June 2022: 114.31 pence), a decrease of 1.51 pence per ordinary share. The net asset value takes into account cash, other assets, accrued liabilities and expenses and leverage (if any) of the Company attributable to the ordinary share class.

The significant short-term increases in power prices have resulted in increased actual and forecast cash distributions to the Company from its renewables investment portfolio. The Company believes it is prudent to provision for future government intervention on renewable energy generation profits, and price volatility, by assuming a price cap of £150 / MWh for a two-year period from 2023 to 2024 and thereafter a 25% downward adjustment to the power price futures curve in the period until September 2025. Long-term, the Company has maintained its historic approach to using the average of the last four quarterly publications from Afry, an independent market consultant. The revised electricity price methodology contributed an increase of c. 1.2 pence per ordinary share to the movement (net of the Company's hedging arrangements). These movements were offset by a downward movement of c. 2.3 pence per ordinary share following an increase in discount rates across the Company's portfolio by 31 bps relative to the previous quarter on a weighted average basis in line with Mazars' recommendation, the Company's independent valuer. As at 30 September 2022 the weighted average discount rate was 7.47%. Other net movements in the portfolio contributed a decrease in value of c. 0.4 pence per ordinary share.

Net asset value analysis (all pence per share)	NAV	Change
30 June 2022 NAV	114.31	
Discount rate changes		(2.27)
Selected power price methodology		1.20
Other valuation changes		(0.44)
30 September 2022 NAV	112.80	

Set out below are estimates of the net asset value impact had the previous valuation methodology remained unchanged, and the impact associated with various price cap levels on the same basis as modelled, in pence per ordinary share. Should there be greater clarity on government plans, the Company will issue updated guidance as to the effect on net asset value. There may be many other factors in any government intervention that are not taken into account in this modelling, so these estimates are provided as an indication only.

Scenarios	NAV	Change
30 September 2022 NAV with previous electricity price methodology	122.55	9.75
30 September 2022 NAV with electricity price cap at £180/MWh	113.60	0.80
30 September 2022 NAV with electricity price cap at £120/MWh	111.70	(1.10)

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Notes to the Editor

About GCP Infra

GCP Infra is a closed-ended investment company and FTSE-250 constituent whose shares are traded on the main market of the London Stock Exchange. Its objective is to provide shareholders with regular, sustained, long-term distributions and to preserve capital over the long term by generating exposure to UK infrastructure debt and related and/or similar assets.

The Company primarily targets investments in infrastructure projects with long term, public sector-backed, availability-based revenues. Where possible, investments are structured to benefit from partial inflation protection. GCP Infra is advised by Gravis Capital Management Limited.

GCP Infra has been awarded with the London Stock Exchange's Green Economy Mark in recognition of its contribution to positive environmental outcomes.

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