

Net Asset Value(s)

RNS Number : 6126X
GCP Infrastructure Investments Ltd
27 April 2023

GCP Infrastructure Investments Limited
("GCP Infra" or the "Company")
LEI: 213800W64MNATSIV5Z47
Company update and net asset value(s)

27 April 2023

Net Asset Value

GCP Infra announces that at close of business on 31 March 2023, the unaudited net asset value per ordinary share of the Company was 112.24 pence (31 December 2022: 113.59 pence), a decrease of 1.35 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 recent fall in electricity prices in both Great Britain and Ireland has decreased actual and forecast cash distributions to the Company from its renewables investment portfolio, although this has been partially offset by the Company's electricity price hedging arrangements. The resulting net movement in valuation from electricity prices was (1.19) pence per ordinary share. This has been primarily driven by a decline in short-term electricity prices, resulting from reduced gas prices associated with lower European gas demand, an ample supply of LNG, and unseasonably mild weather. Further, UK carbon prices have decreased as the UK emissions trading scheme converges with the equivalent EU scheme. Quarterly movements in long-term electricity price forecasts were relatively flat. The Company's approach to forecasting short and long-term electricity prices remains consistent with prior periods.

Increases to discount rates led to a reduction of (0.27) pence per ordinary share, coupled with various other downward movements across the portfolio totalling (0.08) pence per ordinary share, offset by updated OBR inflation forecasts that contributed 0.19 pence per ordinary share. A summary of the constituent movements in the quarterly net asset value per ordinary share is shown below. The weighted average discount rate used by the Company to value its investment portfolio was 7.44% at 31 March 2023.

Net asset value analysis (pence per share)	<u>NAV</u>	<u>Change</u>
31 December 2022 NAV	113.59	
Q1 2023 power price forecast (inclusive of hedging value changes)		(1.19)
Discount rate increases		(0.27)
March 2023 OBR inflation forecast		0.19
Other valuation changes		(0.08)
31 March 2023 NAV	112.24	

Portfolio

Notwithstanding the lower electricity price forecasts, the portfolio continues to perform materially in line with the Company's expectations. The Company's mature, diverse and operational portfolio provides defensive access to income against a backdrop of market volatility and uncertainty. It is the view of the Company that the long-term and structural demand for infrastructure, and particularly infrastructure debt, offers investors an attractive exposure to an asset class whose performance is non-correlated to wider markets and benefits from long-term and partially inflation protected income.

Buybacks

On 14 March 2023 the Company announced a proactive programme of share buybacks in response to the persistent discount at which the Company's share price is trading relative to the published net asset value. The Company remains committed to pursue buyback opportunities in line with the strategy that has been set out previously, and to benefit from the investment opportunity that the Company's shares offer at the current price.

Updates

The Board, and Gravis, are available to meet with the Company's shareholders at any time. Gravis has scheduled an investor day at the Birmingham Biopower Limited waste wood biomass project on the 23 May 2023, which any investor would be welcome to participate in. This will include an update on the Company, a presentation on the Company's investment in the project, and a tour of the facility led by Gravis' dedicated asset manager. For further details and to book a place please contact zoe.french@graviscapital.com or your usual Gravis contact.

The Company's interim results are due to be published in late June and will provide further detail on the performance of the Company over the 6-month period to 31 March 2023.

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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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