

6 October 2021

Foresight Group Holdings Limited

Trading Update for the six months to 30 September 2021

Foresight Group Holdings Limited ("Foresight"), a listed infrastructure and private equity manager group, provides a trading update for the six months to 30 September 2021.

Highlights

- Strong growth in Assets under Management ("AUM") with estimated AUM of £8.1 billion and Funds under Management ("FUM") of £6.0 billion at 30 September 2021, equating to an annualized growth rate of 25% and 34% respectively in the period
- Retail net inflows during the six-month period were back to similar levels seen in the six-month period pre-pandemic, which gives the Board further confidence for the outlook for FY2022
- Strong capital deployment across our core business areas of infrastructure and private equity with £295 million deployed during the period compared with £206 million for the same six-month period last year
- Successful final close of Foresight Energy Infrastructure Partners ("FEIP"), with total commitments of EUR 851 million secured, 70% ahead of original target
- Listing of Foresight's sustainable forestry business scheduled for November 2021 with progress being made on several other new fund launches
- Group Revenue and Core EBITDA expectations for the full year to 31 March 2022 are unchanged

Bernard Fairman, Executive Chairman of Foresight Group Holdings Limited, commented:

"The last six months have continued to build on the positive momentum we have seen since Foresight's listing in February. We have experienced substantial growth in FUM as a result of strong retail net inflows plus further institutional fund closes and together with the near-term pipeline of new fund launches and deployment, this gives the Board confidence in achieving the Group's full year FY2022 targets.

The current volatility in power pricing in the UK and beyond has provided some positive momentum for Foresight's balanced portfolio of infrastructure assets. More broadly it highlights the need for further acceleration of the transition to a reliable, resilient and low carbon energy system, a space in which Foresight has established itself as a leader. Foresight owns and operates c. £4.0 billion of electricity generating assets. Much of the production is either fixed price income from renewable obligation certificates or sold forward at fixed prices. However, c. 15% is benefitting from the near quadrupling of electricity prices with a further c. 25% likely to similarly benefit as their fixes expire during the next two years, should electricity prices remain elevated. Electricity generating assets are valued using third party power curves which continue to maintain that electricity will revert to its long-term average of £40-£50 per megawatt hour after about a year. The current market dynamics provide potential significant upside to these curves, which would benefit Foresight over the medium term.

At the upcoming COP26 event, we expect world leaders to announce new targets aimed at tackling climate change. These targets should provide even more impetus to our strategy and business model and will further underpin Foresight's considerable growth potential."

Trading update

Foresight reports estimated AUM at 30 September 2021 of £8.1 billion (31 March 2021: £7.2 billion), an annualized increase of 25% in the six-month period, achieved purely through organic growth.

Net inflows totalled c. £0.8 billion, with strong retail inflows, especially from the tax-based products, accompanied by closes from several institutional funds. Prospects for future institutional fundraising also remain positive with several funds expected to announce further fund raises during the second half of FY2022.

Operational margins remain robust with Revenue and Core EBITDA in line with Group expectations. Recurring revenues at 30 September 2021 remain in line with the target range of 85%-90%.

Fund updates

During the period, we closed FEIP, our fund aimed at backing second generation green energy investments, at a level that was 70% ahead of our original target. The EUR 851 million raised is further evidence of Foresight's enhanced international profile and of increasing investor appetite to back innovations that will accelerate the shift to a decarbonised world.

Within private equity, we announced the first close of our Foresight Regional Investment III LP fund at £65 million. The Fund is cornerstoned by the Greater Manchester Pension Fund, with strong support from Clwyd and Merseyside Pension Funds.

In terms of the new areas of development beyond green energy that we outlined at IPO, the planned listing of our sustainable forestry assets later this year combines our expertise in providing sustainable investment opportunities and attractive returns - it is very much a fund of its time.

Strong capital deployment

Our investment teams have continued to deploy capital into new and existing investments. In total, £295 million was deployed during the six months to 30 September 2021, with the Infrastructure team deploying capital into 25 projects globally and the Private Equity team deploying capital into 26 UK businesses across a wide variety of sectors.

Interim Results announcement

Foresights' Interim Results to 30 September 2021 are scheduled to be released on 9 December 2021. Details of the results presentation to analysts will be announced in due course.

Interim Dividend Timetable

As indicated in the IPO prospectus, the Board intends to pay one third of the total dividend payment for the year as an interim dividend, with two thirds being paid by way of a final dividend.

The expected timetable in relation to the Interim Dividend is as follows:

Ex-Dividend Date 10 March 2022

Record Date 11 March 2022

Payment Date 25 March 2022

Please note that figures contained in this announcement are unaudited and subject to change.

About Foresight Group

Foresight Group was founded in 1984 and is a leading infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight Group manages over 300 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages eight regionally focused investment funds across the UK, supporting over 120 SMEs. Foresight Group operates from 12 offices across six countries in Europe and Australia with AUM of c. £8.1 billion as at 30 September 2021. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021. <https://www.fsg-investors.com/>

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