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### **Trading update for the six months to 30 September 2022**

#### **Diversified business model delivers strong growth with AUM significantly ahead of target**

Foresight Group Holdings Limited ("Foresight", the "Group"), a leading infrastructure and private equity manager, is pleased to announce a trading update for the six months ended 30 September 2022 ("H1 FY23").

#### **Financial Highlights**

- Significant growth in Assets under Management ("AUM") to £12.6 billion and Funds under Management ("FUM") to £9.3 billion at 30 September 2022, equating to growth of 42% and 40% respectively in the period (FY22: £8.8 billion AUM and £6.7 billion FUM)
  - AUM growth in the period was driven by significant acquisition activity (+£3.3 billion), supported by continued organic inflows and valuation uplifts (+£0.5 billion)
  - AUM shortly after IPO<sup>1</sup> has increased by 75%, driven by organic growth (39%) and strategic acquisitions (61%)
- High quality revenue composition, with recurring revenue of c.89% within our target range of 85% to 90%
- Following a strong H1, Core EBIT DA pre-SBP is over 30% ahead of prior year (H1 FY22: £15.2 million)
- EBIT DA pre-SBP margin remains on track to achieve our medium-term margin target of c.43% through a combination of revenue growth, fund performance and cost discipline in a high inflation environment

#### **Operational Highlights**

#### **Infrastructure**

The infrastructure division delivered exceptional growth in H1 FY23, with AUM increasing by 56% to £9.8 billion (FY22: £6.3 billion):

- On 8 September 2022, the strategically important and financially accretive acquisition of Australia-based Infrastructure Capital Group completed, adding c.£3.0 billion to the Group's AUM
  - The post completion integration plan is progressing well, with stage one focusing on reporting lines, investment processes and valuation practices
- The value of our sustainable energy infrastructure assets rose by c.£0.2 billion in H1 FY23, reflecting rises in merchant and forward contract energy pricing. The revenue split across the portfolio is approximately 35% merchant; 60% fixed price (government subsidies and forward contracts); and 5% other
- Having deployed the full £130 million of proceeds raised in its IPO into quality assets, Foresight Sustainable Forestry Company Plc successfully completed a £45 million equity raise in June 2022, within 12 months of listing

Rate of capital deployment substantially increased in the first 6 months of FY23, with 24 transactions completed at a total value of £539 million, more than the total deployed in the whole of the prior year. When coupled with future deployment rights<sup>2</sup> of £409 million, this gives a total potential investment of £948 million in the period, at an average deal size of twice the FY22 average:

- Continued investment in core asset classes such as renewable energy generation, battery storage and fibre networks, while expanding into adjacent classes such as green hydrogen and aquaculture
- Increased success with larger transactions, including Foresight Energy Infrastructure Partners' tenth and largest investment to date, the 277MW Kõlvallen greenfield wind farm project located in Sweden

## **Private Equity**

H1 FY23 was a standout period for the division with significant AUM growth of 37% to £1.3 billion (FY22: £0.9 billion):

- First close of three new private equity funds substantially increasing our local footprint, with a planned roll-out of offices in Dublin, Leeds and Newcastle
- Acquisition of the technology ventures division of Downing LLP completed on 4 July 2022, which will be immediately earnings enhancing and further diversifies Foresight's existing ventures offering

The investment portfolio remains balanced with exposure to a broad base of both well established smaller companies and earlier-stage high quality growth companies across a range of sectors. Capital deployed during H1 FY23 was £46.3 million across 31 equity transactions and £39.8 million across secured lending investments:

- Strong realisations performance during the period with several exits, including previously announced Codeplay Software and TFC Europe with cash-on-cash returns of 16.0x and 12.6x respectively

## **Foresight Capital Management ("FCM")**

The six months to 30 September 2022 represented particularly challenging market conditions which, when combined with significant volatility experienced across the wider global financial markets around the period end, drove a reduction in performance of £(163) million.

This was partially offset by the delivery of net inflows of £26 million in the period, reflecting continued strong demand for FCM's sustainable strategies. AUM for this division was £1.5 billion at the period end, down 8.5% on FY22.

### **Interim Results Announcement**

Foresight's Interim Results to 30 September 2022 are scheduled to be released on 1 December 2022. Details of the results presentation to analysts will be announced in due course.

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

*"This has been a very strong six months for Foresight, with our diversified business model achieving exceptional results. Group AUM of £12.6 billion is now up 75% since our IPO early last year. I would like to highlight the accelerated deployment seen across the business in the period, with the doubling in average infrastructure deal size evidencing our success in larger scale investments and consequently our ability to deliver increased operational leverage.*

*The acquisitions of Infrastructure Capital Group and the ventures division of Downing LLP were both very significant transactions for the Group and their subsequent smooth integration means that we are well positioned to start to capitalise on the many growth opportunities they will deliver.*

*Looking ahead, we anticipate the introduction of legislation in the UK and Europe to make the electricity markets more affordable to end users. Market expectations are that there will continue to be strong demand for renewable energy investment, driven by a high commitment to energy transition strategies and recognition of the importance of renewable energy to future energy security. On the UK private equity front, we are successfully expanding our regional footprint and are supporting our varied and growing portfolio of SMEs through these challenging times.*

*Against the backdrop of challenging markets, Foresight's diversified and robust business model remains very well positioned to deliver on our strategic growth targets, whilst making a positive contribution to a more sustainable society."*

### **Notes:**

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

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### **About Foresight Group Holdings Limited**

Foresight Group was founded in 1984 and is a leading listed 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 manages over 330 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 ten regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,500 business plans each year and currently supports more than 200 investments in SMEs. Foresight Capital Management manages four strategies across six investment vehicles with an AUM of over £1.5 billion.

Foresight operates from 16 offices across seven countries in Europe and Australia with AUM of £12.6 billion\*. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021. <https://www.fsg-investors.com/>

\*Based on Foresight Group unaudited AUM as at 30 September 2022.

### **Disclaimer - Forward-looking statements**

This statement, prepared by Foresight Group Holdings Limited (the "Company"), may contain forward-looking statements about the Company and its subsidiaries (the "Group"). Such forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "projects", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which are beyond the Company's control and are based on the Company's beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those set out under "Principal Risks" in the Company's annual report for the financial year ended 31 March 2022. The annual report can be found on the Company's website ([www.fsg-investors.com](http://www.fsg-investors.com)). Forward-looking statements speak only as of the date they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

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<sup>1</sup> Based on 31 March 2021 AUM of £7.2 billion.

<sup>2</sup> Subject to certain conditions being met.

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