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Trading update for the financial year ended 31 March 2023

Diversified and resilient business model delivers record year of profitability and AUM growth

Foresight Group Holdings Limited ("Foresight", the "Group"), a sustainability-led infrastructure and private equity investment manager, is pleased to announce a trading update for the financial year ended 31 March 2023 ("FY23", "the period").

Financial Highlights

- Continued to deliver highly profitable growth
 - Strengthening previously guided 8 - 10% upgrade on FY23 core EBITDA pre-Share Based Payments ("SBP")² to the top end of this range
 - Continued profitable realisations generating performance fees across the business
 - In the three months to 31 March 2023 ("Q4 FY23"), our diversified business model raised funds of £151 million into retail and private equity vehicles (excluding Foresight Capital Management ("FCM")) which benefit from higher revenue margin and longer tenure
 - In Q4 FY23, net FCM outflows totalled £(69) million

- Exceptional increase in Assets under Management ("AUM") and Funds under Management ("FUM") in FY23 of 37% and 34% to £12.2 billion and £9.0 billion respectively³ (FY22: £8.8 billion AUM and £6.7 billion FUM), well in excess of our target
 - On a constant currency basis, removing adverse foreign exchange movements largely attributable to our Australian assets, FY23 growth increases to 40% and 36%
 - In Q4 FY23, the decrease in AUM of (1)% was principally driven by the adverse foreign exchange movement of £(120) million
 - With a strong pipeline of organic fundraising scheduled for FY24, we reiterate our target AUM growth rate of 20-25% per annum on a rolling 3-year average basis

- Revenue significantly up on the prior year and is anticipated to be ahead of latest consensus⁴. Recurring revenue for the period is expected to be within our target range of 85 - 90%, further demonstrating our predictable long-term revenue model

Operational Highlights

Infrastructure

In FY23, infrastructure division AUM increased by 50% to £9.5 billion (FY22: £6.3 billion):

- The transformational acquisition of Infrastructure Capital Group in September 2022 added c.£3.0 billion to AUM, and it has now been fully integrated and rebranded as Foresight Australia
- AUM growth was supported by organic fundraising across retail and institutional vehicles, including £41 million⁵ of committed capital raised by the Australian Renewables Income Fund ("ARIF") in Q4 FY23, with additional fundraising targeted in FY24

Capital deployment remained strong in Q4 FY23. This contributed to record deployment levels in FY23 of £686 million, rising to £2,339 million when including future deployment rights of £1,653 million:

Deployment	Q4 FY23	FY23	FY22
Transactions completed	16	54	41
Value (£ million)	103	686	484
Future deployment rights ⁶ (£ million)	923	1,653	427
Total (£ million)	1,026	2,339	911

Private Equity

In FY23, the private equity division delivered its strongest year to date with significant AUM growth of 52% to £1.4 billion (FY22: £0.9 billion):

- Excellent institutional inflows were driven by successful first closes of four new funds (+£132 million) with additional commitments to existing and new institutional funds totalling £39 million
- FY23 inflows into retail vehicles of £115 million
- The successful acquisition and integration of the technology ventures division of Downing LLP substantially increased Foresight's existing ventures offering and added £275 million of AUM

Throughout the year, the division demonstrated its capabilities in sourcing and completing investments and delivering strong exits despite the volatility in the economic environment:

- Capital deployed during FY23 was £99 million (FY22: £81 million) across 69 equity transactions (FY22: 53) and £71 million across secured lending investments (FY22: £47 million)
- Numerous successful exits including the recent exits in Q4 FY23 of portfolio companies Datapath (11.7x), Gov Grant (4.5x) and Mowgli (3.5x)

Foresight Capital Management

In FY23, FCM AUM reduced by 19% to £1.3 billion (FY22: £1.6 billion):

- This movement reflects net outflows of £(97) million and market performance of £(183) million, against a backdrop of significant volatility in global equity markets, with high inflation leading central banks to tighten monetary policy by increasing interest rates at an unprecedented pace
- FCM's strategies are well placed to return to growth, with underlying sectors (in particular sustainability, decarbonisation and infrastructure renewables) expected to benefit from the long-term structural tailwinds

In Q4 FY23, FCM expanded the Group's geographic footprint into the US market through its appointment as sub-adviser to the Cromwell Foresight Global Sustainable Infrastructure Fund. We believe that growth opportunities in the US offer the potential over the long term to exceed FCM's current businesses. In addition, the division is actively pursuing further distribution opportunities, with Europe being a key focus in the near term.

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

"This was an outstanding year for the Group, with our diversified and resilient business model achieving exceptional results against a challenging market backdrop. This included significantly growing our geographic footprint through the transformational acquisition of Infrastructure Capital Group in Australia and our FCM division expanding into the US sub-advisory market.

The outlook for the Group remains very positive, being ideally positioned to capture the long-term structural growth trends in our key markets. Our focus in FY24 will be organic growth, with a strong infrastructure fundraising pipeline that includes established strategies such as ARIF and Foresight Energy Infrastructure Partners returning to the market, supported by new opportunities including core European renewables and our planned expansion into adjacent asset classes, such as hydrogen. FY24 profit will also reflect the full 12-month benefit of our growth in FY23, including the organic growth of our private equity division and our significant acquisition activity. In addition, we expect the likely fall in inflation to increase the value of the long duration renewable energy assets within the FCM portfolio as discount rates fall.

We have confidence in our ability to continue our excellent track record of profitable growth and delivering against our strategic and financial priorities."

Notes:

1. Please note that all figures contained in this announcement are unaudited and subject to change.
2. Guidance provided as part of the trading update for the three months to 31 December 2022, which was based on consensus core EBITDA pre-SBP of £44.8 million as at 6 December 2022.
3. AUM and FUM movement summary:

(£ billion)	31 Mar 2023	Last 3 months		Last 12 months	
		31 Dec 2022	Change %	31 Mar 2022	Change %
AUM	12.2	12.3	(1)%	8.8	+ 37%
FUM	9.0	9.0	0%	6.7	+ 34%

4. Based on consensus revenue of £116.6 million as at 16 January 2023.
5. A\$75 million, converted from AUD to GBP at an exchange rate of 0.5424.
6. Subject to certain conditions being met.

Foresight's Full Year Results to 31 March 2023 are scheduled to be released on Tuesday 4 July 2023, with a presentation for analysts on the same day. Details on how to attend the presentation will be available on <https://www.foresightgroup.eu/shareholders> in due course.

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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 350 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 eleven 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 250 investments in SMEs. Foresight Capital Management manages four strategies across seven investment vehicles with an AUM of £1.3 billion.

Foresight operates in eight countries across Europe, Australia and United States with AUM of £12.2 billion*. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021. <https://www.foresightgroup.eu/shareholders>

*Based on Foresight Group unaudited AUM as at 31 March 2023.

Disclaimer - Forward-looking statements

This announcement, 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 (<https://www.foresightgroup.eu>). 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 announcement should be construed as a profit forecast.

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