

# HICL Infrastructure PLC Annual Results Presentation

21 May 2025

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**Past performance is not a reliable indicator of future returns. Capital and income at risk.**

# Annual Results Highlights & Investment Proposition



## 1. Core positioning

- Essential infrastructure
- Inflation protection
- Lower end of risk spectrum



## 2. Active management

- Hands-on approach
- Active asset rotation
- Driving outperformance



## 3. Established pedigree

- Specialist management
- 19-year track record
- Global capability



## Key themes in the year

### Strategic capital allocation



£244m

Divestments completed

£150m

Buyback programme expanded

>£200m

New divestments targeted

### Solid operating performance



1.56x<sup>1</sup> / 1.07x

FY25 dividend cover

8.50pps

New FY27 dividend guidance<sup>2</sup>

+11% y-o-y

Growth assets EBITDA

### Embedded long-term growth



£450m+

Growth capex to 2030

£113m

Equity commitments

10%

Market implied net return<sup>3</sup>

**Past performance is not a reliable indicator of future returns. Capital and income at risk**

1. The calculation includes total profit on disposal versus original cost of £82.7m (2024: £53.4m). Excluding this, dividend cash cover is 1.07x (2024: 1.05x)
2. This is a target only and not a profit forecast. There can be no assurance that this target will be met
3. As at 31 March 2025. Based on discount rate, less ongoing charges ratio, adjusted to reflect the share price discount to the NAV using published discount rate sensitivities

## Underlying performance remains solid amidst a difficult backdrop

**153.1p**

NAV per share

31 March 2024: **158.2p**

**7.7%**

Annualised underlying  
portfolio return<sup>1</sup>

31 March 2024: **9.0%**

**£10.0m**

RCF drawings

31 March 2024: **£187.2m**

**8.4%**

Weighted average discount rate

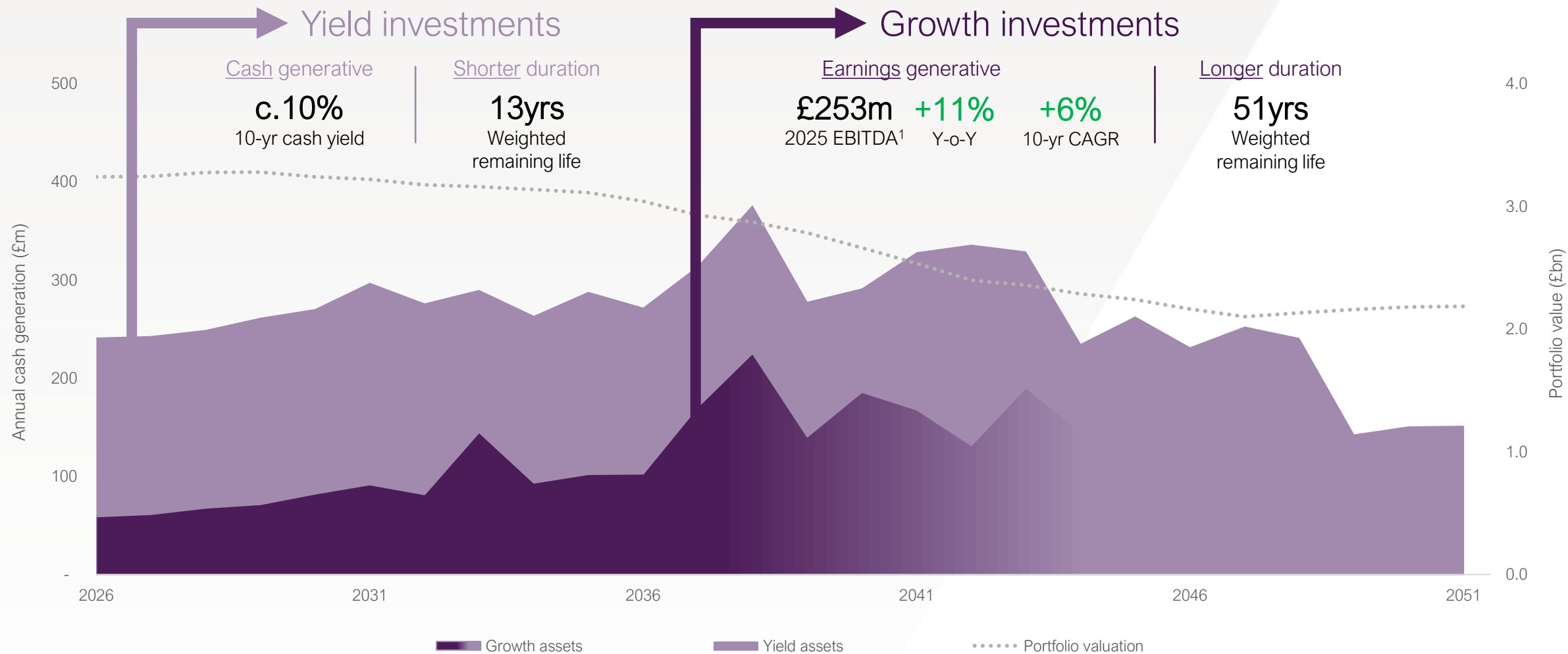
31 March 2024: **8.0%**



Blankenburg Tunnel (The Netherlands)

1. Before the impact of changes to reference discount rates or macroeconomic assumptions

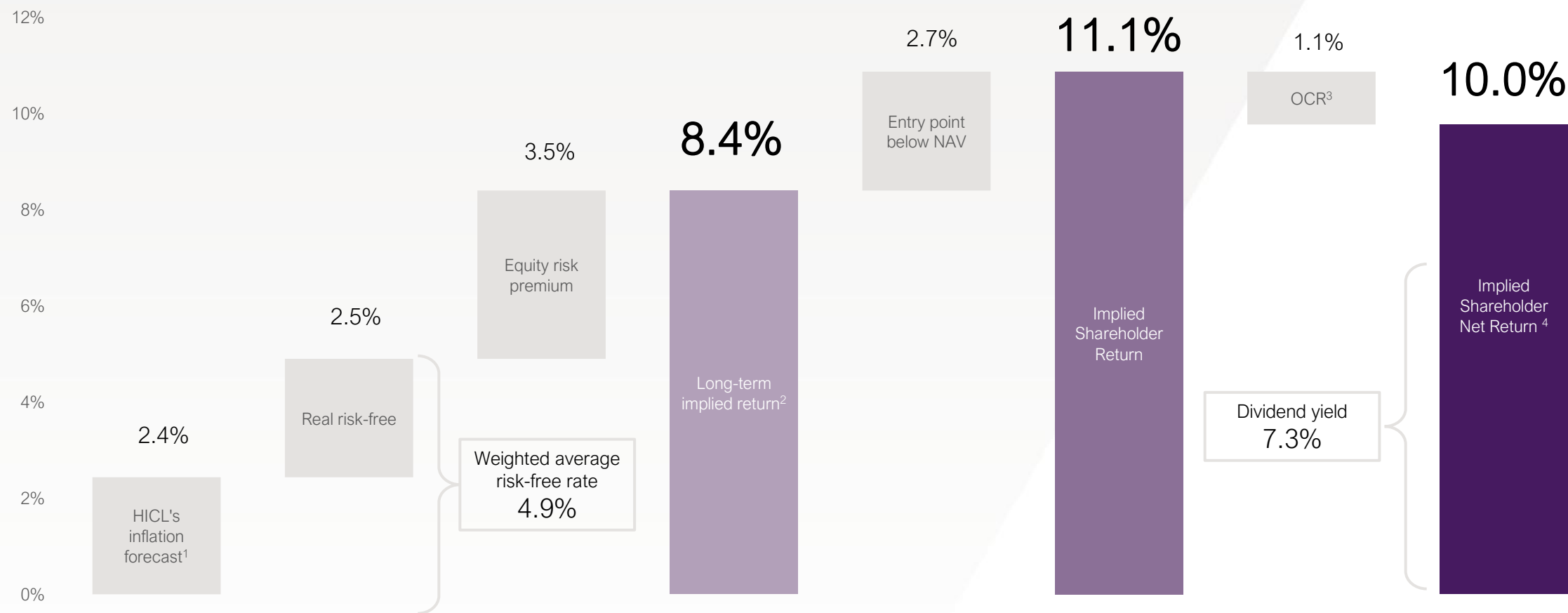
# Balanced portfolio construction drives long-term total returns



1. Represents HICL share of portfolio companies' EBITDA, per the investment valuation, as at 31 March 2025, adjusting for IFRS16. EBITDA was £229m on the same basis for 2024. All figures are unaudited.

**There can be no assurance that these projections will be met. Capital and income at risk.**

# Attractive potential long-term real returns from income and capital growth

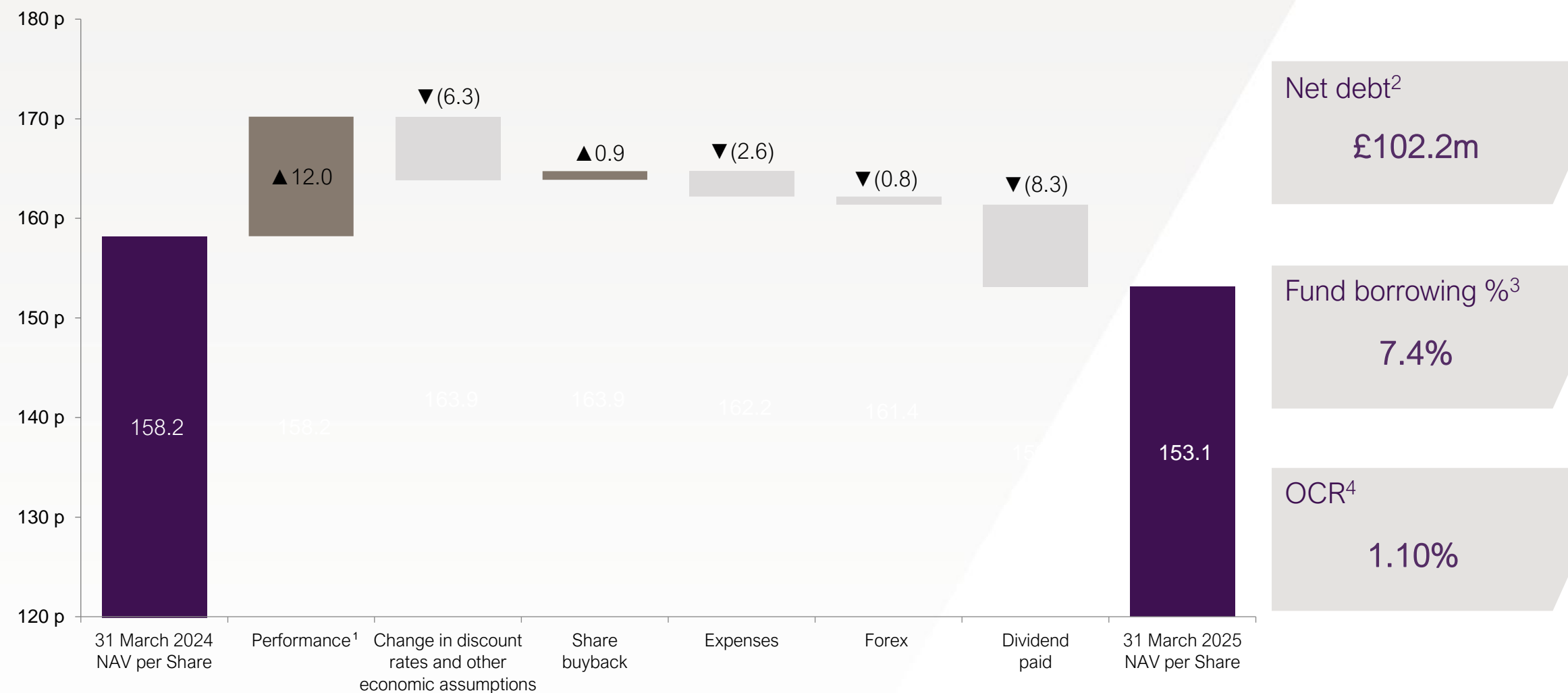


1. Based on HICL's inflation assumptions (see page 44) across entire portfolio  
2. Based on share price discount to NAV as at 31 March 2025  
3. Based on an OCR of 1.10% for the year ended 31 March 2025  
4. Based on discount rate, less ongoing charges ratio, adjusted to reflect the share price discount to the NAV using published discount rate sensitivities on slide 12



# Financial Performance

## Reduction in NAV per share largely attributable to increased discount rates



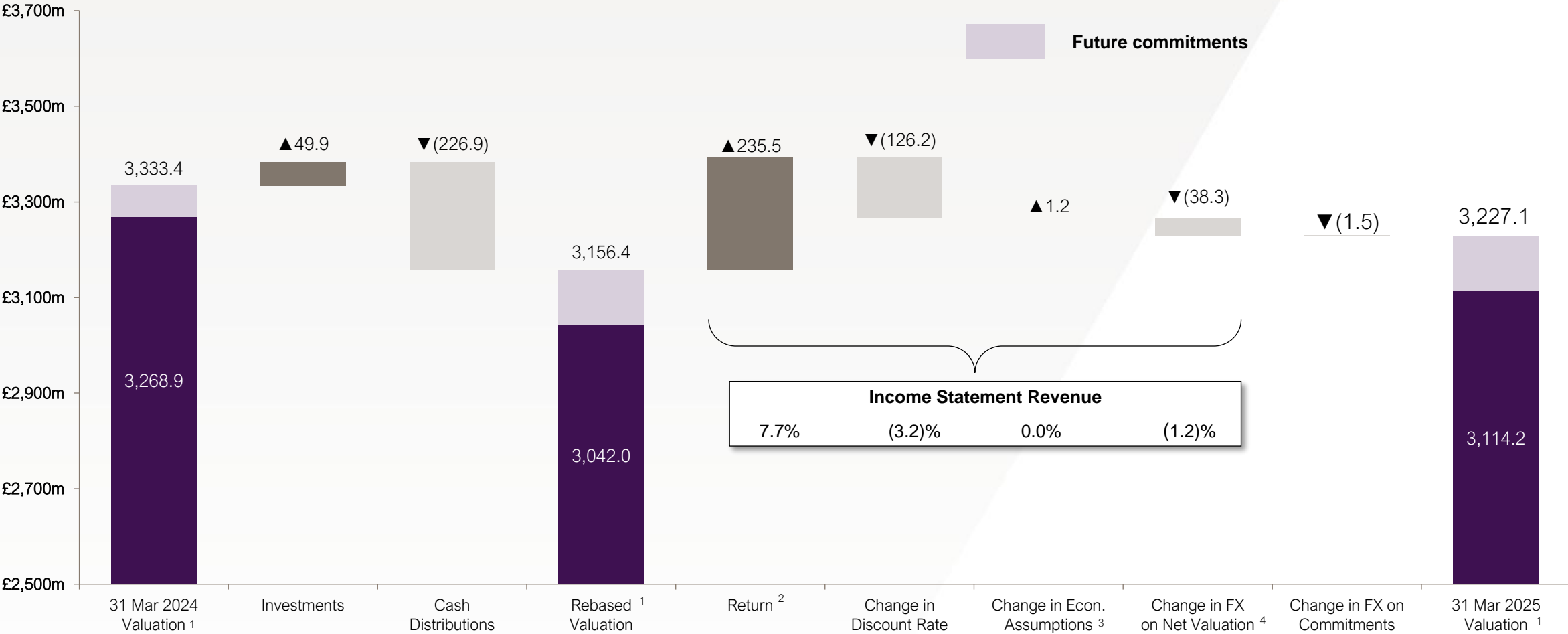
1. Performance comprises the unwinding of the discount rate (Value Preservation) and the Investment Manager's Value Enhancement initiatives.

2. £303.9m net debt as at 31 March 2024.

3. 12.1% at 31 March 2024. The available liquidity (cash plus capacity on the RCF) was £441.8m at 31 March 2025 (31 March 2024: £490.1m).

4. 1.14% at 31 March 2024

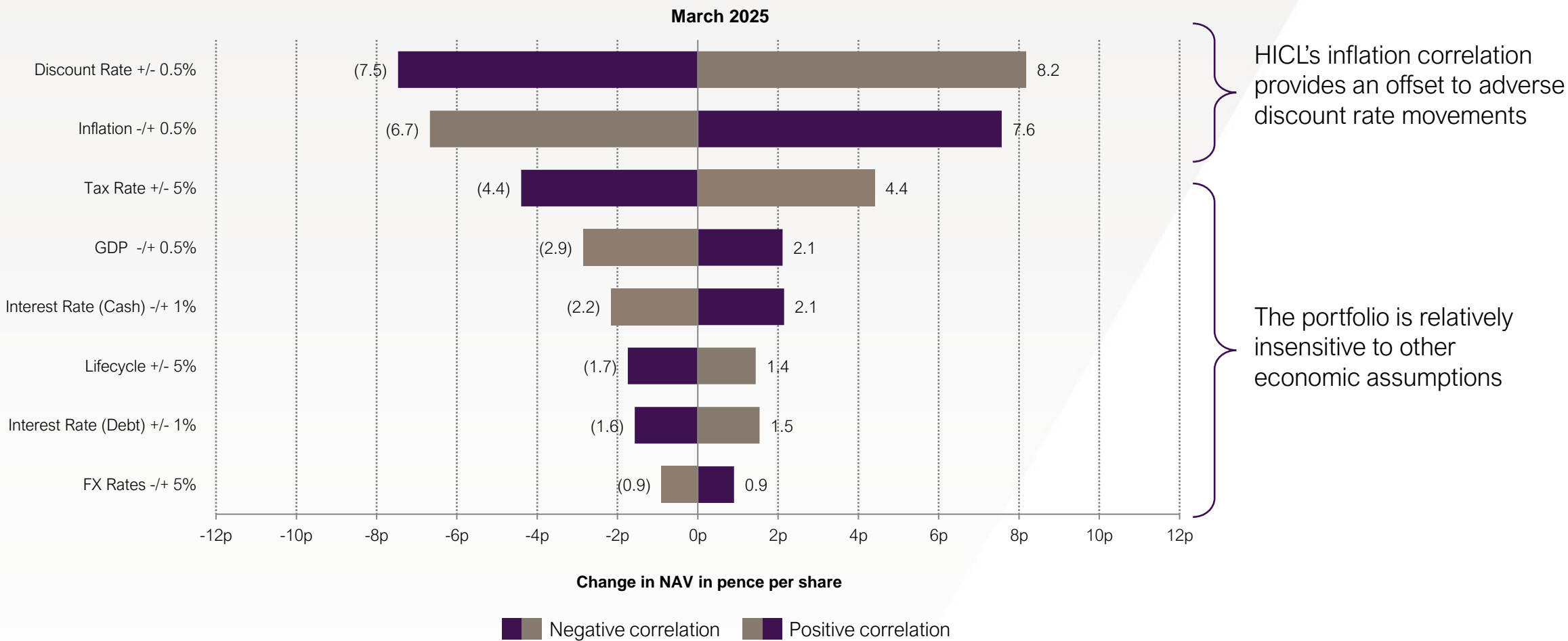
# Disciplined focus on maximising shareholder value



Past performance is not a reliable indicator of future returns. Capital and income at risk

1. On an Investment Basis, split into investments at fair value (dark purple) and future commitments (light purple)  
2. "Return" comprises the unwinding of the discount rate and portfolio outperformance, excluding the impact of changes in economic assumptions and reference discount rates  
3. Principally forecast inflation assumptions  
4. FX movement, net of hedging, is a £15.3m loss

# Inherently defensive portfolio

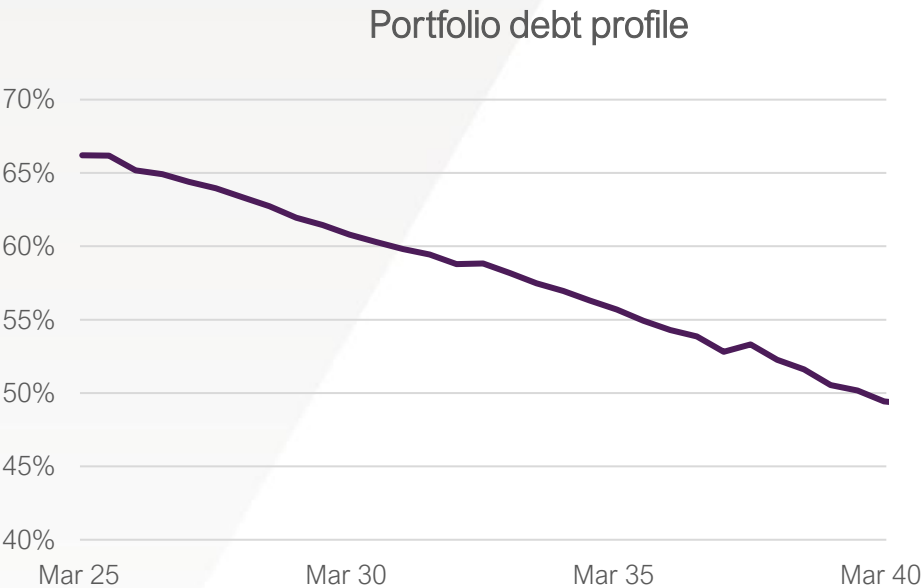
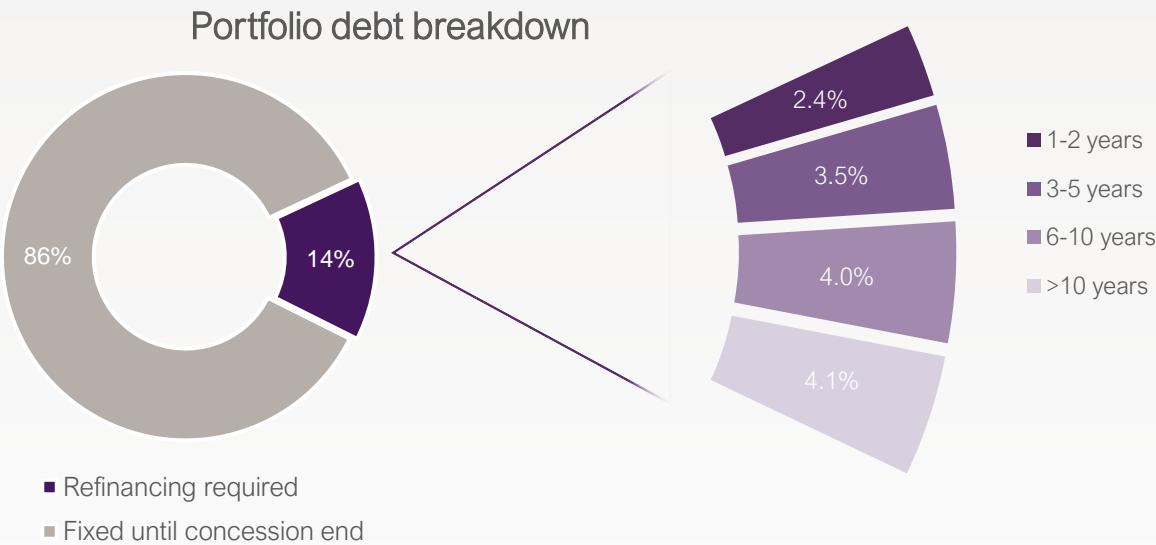


Past performance is not a reliable indicator of future returns. Capital and income at risk

1. NAV per share based on 1,979.7 million Ordinary Shares, excluding treasury shares, as at 31 March 2025  
2. Sensitivities for inflation, interest rates and tax rates are based on the 35 largest investments extrapolated for the whole portfolio  
3. Sensitivities for the debt interest rate are based on the five investments with refinancing requirements – Affinity Water (UK), TNT (USA), XLT (UK), Fortysouth (NZ) and Altitude Infra (France)  
4. Foreign exchange rate sensitivity is net of Group hedging at 31 March 2025



# Limited portfolio refinancing exposure



Average gearing of assets with refinancing risk<sup>1</sup> **51%**

HICL's portfolio gearing<sup>2</sup> **66%**

Reduction in gearing to 2040 **15%**

Note: Percentage of debt maturing has been calculated based on the total debt of assets exposed to refinancing risk  
1. Gearing for assets exposed to refinancing requirements is calculated based on the 31 March 2025 Directors' Valuation  
2. Based on the 31 March 2025 Directors' Valuation. All debt is non-recourse

# Portfolio cash generation – solid operational performance to meet dividend target

## Yield

55% of Portfolio value



Operational cashflows	682
Debt service & tax	(422)
Lifecycle Costs	(143)
Reserve movements <sup>1</sup>	60
<b>2025 Distributions</b>	<b>177</b>

### Key cashflow influences

- Highly contracted, long-term
- Facility condition works
- Inflation correlation



## FY 2025 Portfolio cashflows

Total distributions	226
Finance costs	(10)
Operating costs	(38)
Distributable cashflows	178
<b>Dividend cover<sup>3</sup></b>	<b>1.07x</b>

<b>Earnings cover<sup>4</sup></b>	<b>1.13x</b>	← £235.5m return minus costs
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## Growth

45% of Portfolio value



EBITDA	253
Debt service & tax	(151)
Capex	(80)
Funding movements <sup>2</sup>	27
<b>2025 Distributions</b>	<b>49</b>

### Key cashflow influences

- Delivering capex programmes
- Defining corporate strategies
- Optimising management teams

1. Comprises movements to and from reserve and other accounts at portfolio companies.  
 2. Comprises net drawdowns of debt and movements of cash from reserve accounts at operating companies.  
 3. This does not include profits made on disposals during the year. Including profits on disposals this would be 1.56x.  
 4. Earnings cover calculated as gross portfolio return (before impact of macroeconomic assumptions) minus costs, divided by annual dividend.

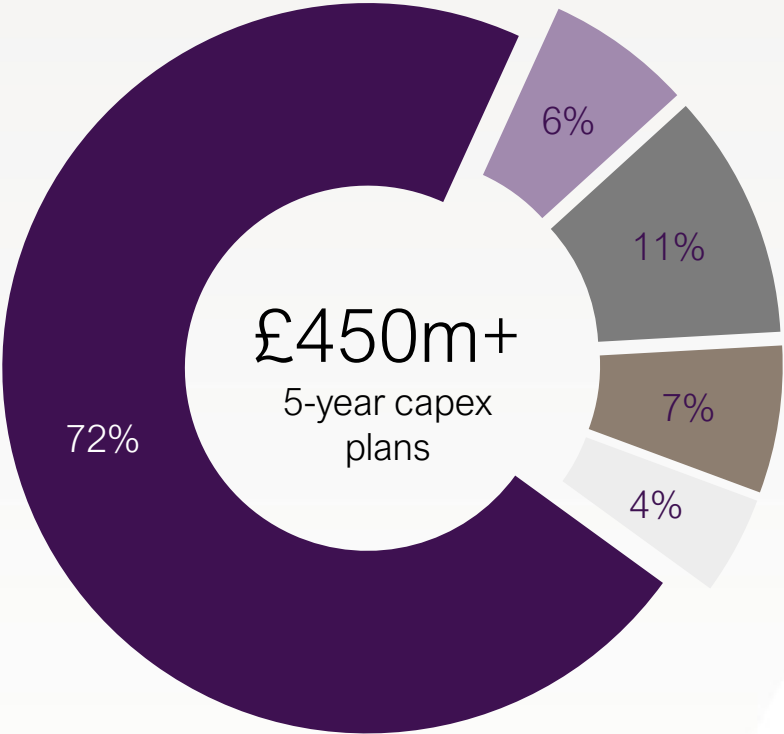
# Self-funded capex over the next 5 years a foundation of long-term earnings growth

## Affinity Water

Water-only company in the UK



- AMP 8: c.30% RCV growth & c.27% revenue growth
- Maintenance capex to drive operational performance
- Enhancement capex to build resilience



### Other capex

Includes London St. Pancras High Speed 1, A63 Motorway and Cross London Trains

## Fortysouth

Telecommunications tower company in New Zealand



- Plan to deploy 761 new towers by 2030
- Tower upgrade programme, improving 5G capabilities

## Texas Nevada Transmission

Two electricity transmission networks in the US



- Expanding transmission capacity to support system resilience
- Interconnecting new power generation sources

## Altitude Infra

Owner of fibre network concessions in rural France

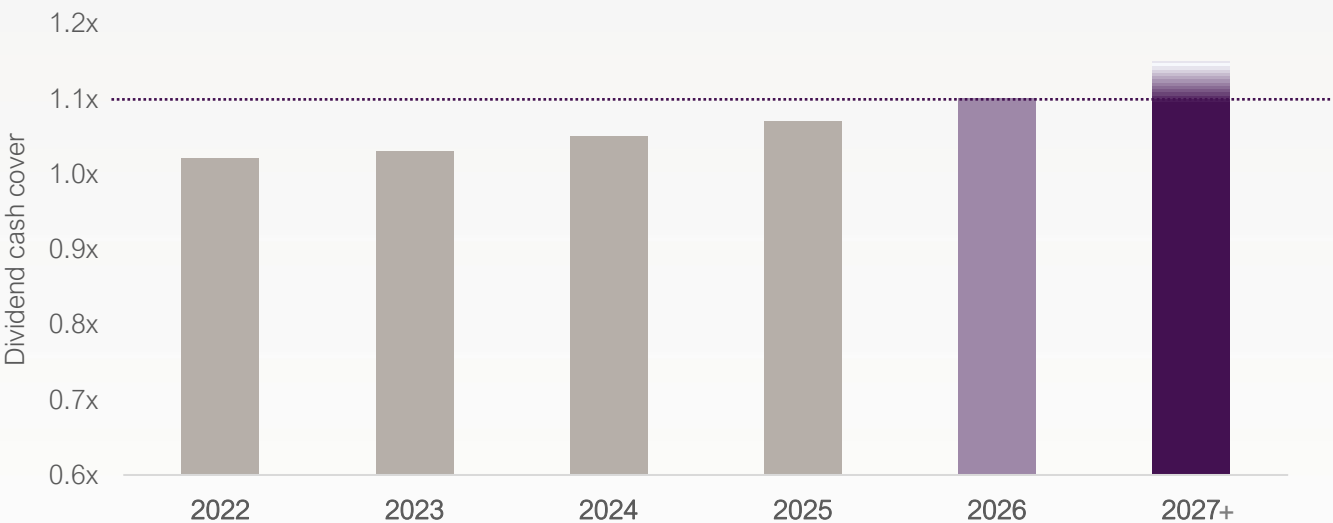


- National targets: full FTTH rollout by 2025 and copper decommissioning by 2030
- 5m+ homes projected to have access by 2030

# Dividend cash cover over the medium term expected to be 1.1x plus



1.1x dividend cash cover supports sustainable growth



Dividend growth continues in FY27<sup>1</sup>

8.50pps

Dividend cover provides free cash for reinvestment

1.1x plus  
medium term

1. This is a target only and not a profit forecast. There can be no assurance that this target will be met



# Portfolio Performance

# HICL's core infrastructure focus

HICL invests in core infrastructure assets with highly defensive qualities, attractive in volatile markets

## Cash Flow Quality



Stable revenues



Less operational complexity



## Market Positioning



Defensive positioning



High barriers to entry



## Criticality



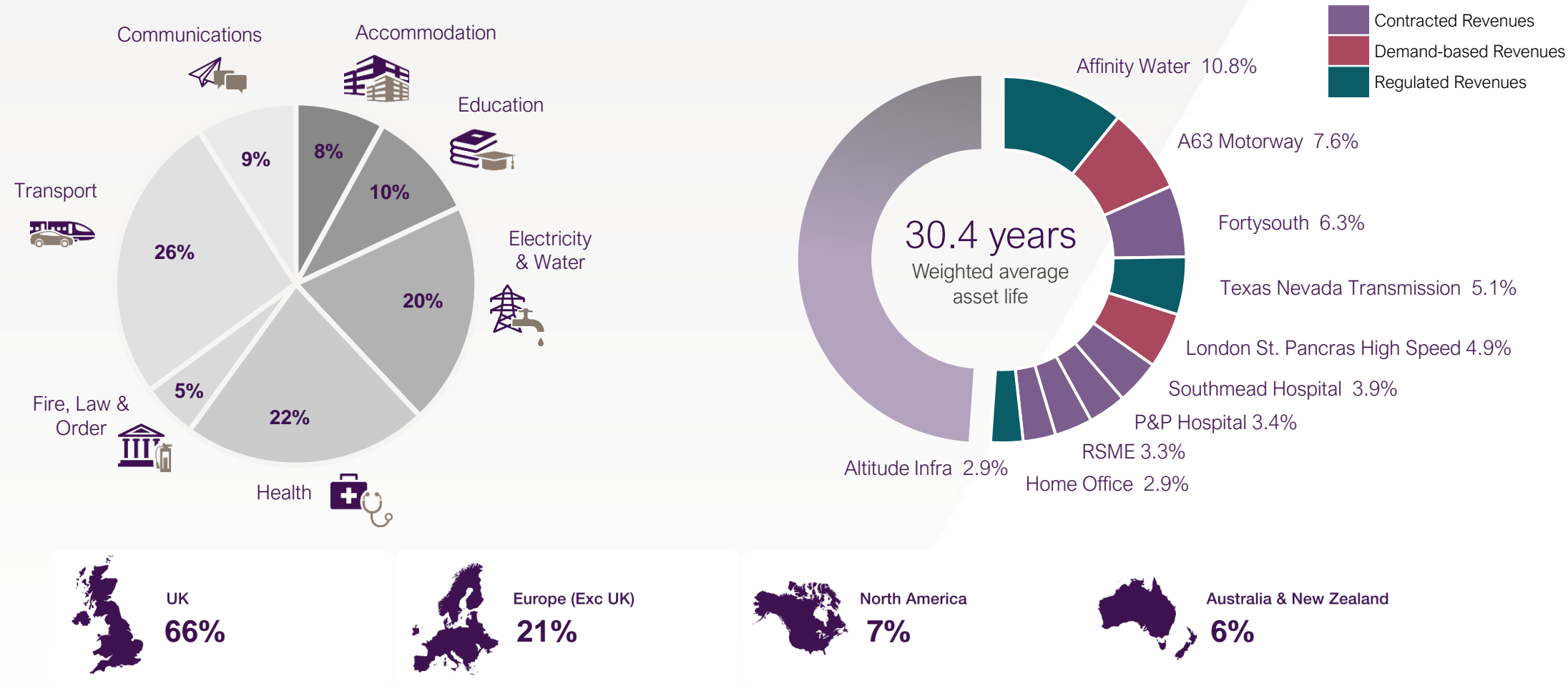
Essential assets



Social licence



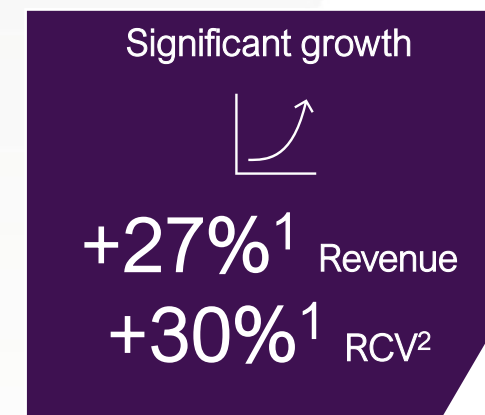
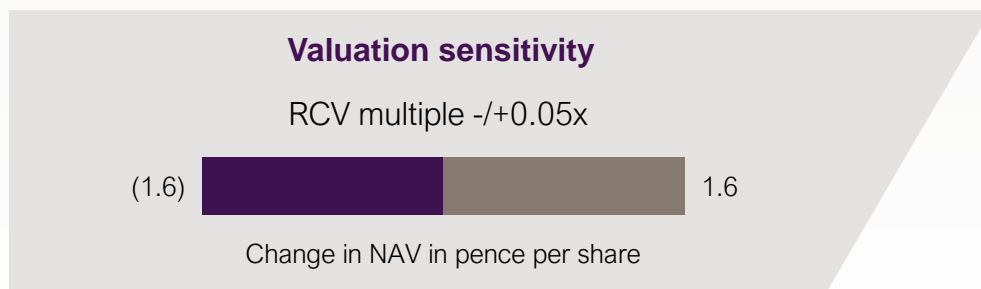
# Highly diversified portfolio



Top 10 assets represent 51.1% of portfolio value using the Directors' Valuation of £3,227.1m as at 31 March 2025

# Operational update – Affinity Water

- △ Water-only company (non-sewerage) serving over 3.9m customers across London and the South East of the UK; 10.8% of portfolio
- △ Ofwat's Final Determination had a positive valuation impact and is expected to enable the resumption of dividends in FY26
- △ HICL committed an extra £50m to support Affinity's investment
- △ EBITDA above forecast and top quartile performance across several customer measures including leakage reduction
- △ Issued £350m bond; margin below existing spreads; funding supports business plan and gradual de-leveraging
- △ No further refinancing requirement before 2033



Source: Affinity Water Annual performance Reports and Ofwat Performance Reports

1. In real terms. 2025-2030 expectation as per AMP8 business plan  
2. RCV is the Regulatory Capital Value

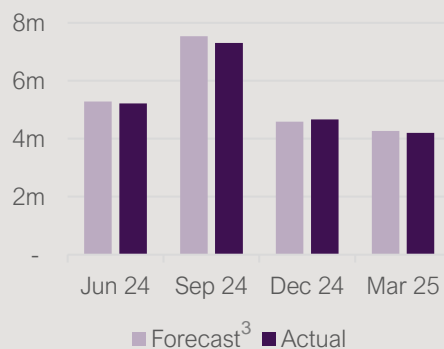


# Operational update – demand-based assets

## A63 Motorway (7.6% of portfolio)

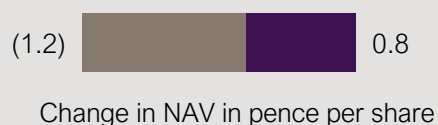
- △ Light vehicle traffic up 4% YoY; HGV traffic up 2% YoY; broadly in line with valuation assumption
- △ Revenue slightly behind forecast due to lower-than-expected construction cost inflation, to which toll rates are linked
- △ Impact of revenue tax not expected to be material, but legal challenge continues

### Total traffic



### Valuation sensitivity

Traffic growth rate on light and heavy vehicles  $\pm 0.5\%$



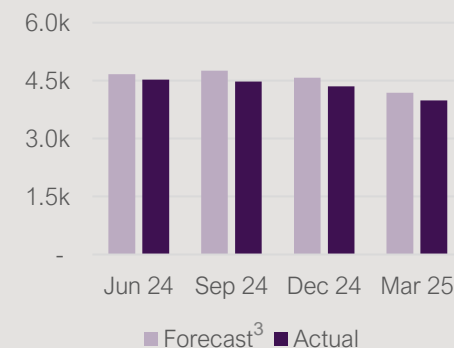
Change in NAV in pence per share

Valuation assumption: 1.4% CAGR

## London St. Pancras High Speed (“LSPH”)<sup>1</sup> (4.9% of portfolio)

- △ Eurostar paths up 6% YoY but below valuation assumption due to fewer spot bids; domestic services benefit from underpin<sup>2</sup>
- △ EBITDA in line with valuation assumption with strong retail income offsetting short-term reduction in international paths
- △ Prospects of new international operator buoyed by depot capacity study and launch of LSPH incentive scheme

### Total Eurostar paths



### Valuation sensitivity

Second operator train paths  $\pm 25\%$



Change in NAV in pence per share

Assuming no changes to discount rate or Eurostar paths

1. Formerly known as High Speed 1

2. Under the contractual underpin, the DfT guarantees the equivalent of 96% of pre-Covid revenues for domestic services for the length of the concession

3. Refers to the forecast assumed in the asset valuation as at 31 March 2024

# Operational update – modern economy assets

## Fortysouth (6.3% of portfolio)

- △ Strong YoY EBITDA growth in line with valuation assumption
- △ 77 co-locations signed, most with NZ emergency services entity
- △ 65 new tower deployments and 182 towers upgraded

### Valuation sensitivity

Tenancy ratio  $\pm 0.05x$   
New tower roll-out  $\pm 10\%$

(0.5)  0.5

(0.2)  0.2

Change in NAV in pence per share

**Valuation assumptions: 0.25x increase in tenancy ratio by 2040 and 4.0% tower deployment CAGR<sup>1</sup>**

## Texas Nevada Transmission (5.1% of portfolio)

- △ Operational performance in line with expectations, >99% average availability
- △ Capex ahead of previous forecast; \$50m+ expected over next five years
- △ Rate case<sup>2</sup> submitted in Jan-25; outcome expected in summer 2025

### Valuation sensitivity

Regulated RoE  $\pm 1.0\%$   
Capex  $\pm 10\%$

(0.9)  0.9

(0.3)  0.3

Change in NAV in pence per share

## Altitude Infra (2.9% of portfolio)

- △ Wholesale revenues underpinned by regulated tariff framework
- △ Fibre network rollout 96% complete with 56% penetration, in line with valuation
- △ Potential opportunities for additional growth capex through network expansion

### Valuation sensitivity

Penetration  $\pm 5\%$

(0.3)  0.3

Change in NAV in pence per share

**Valuation assumption: 89% penetration rate in 2040**

1. 10-year CAGR

2. Regulatory determination for Cross Texas Transmission

# Operational update – PPP assets

## PPP assets (56.8% of portfolio)

- △ Operational performance broadly in line with expectations due to availability-based contracted revenue streams
- △ Over 99% availability achieved over FY25<sup>1</sup>
- △ Construction of Blankenburg Tunnel completed on schedule, reducing construction risk exposure
- △ Temporary ward built at Pinderfields and Pontefract Hospitals and key commercial agreements reached at Birmingham Hospital
- △ Proactive management of lifecycle important to ensure smooth handback to the public sector

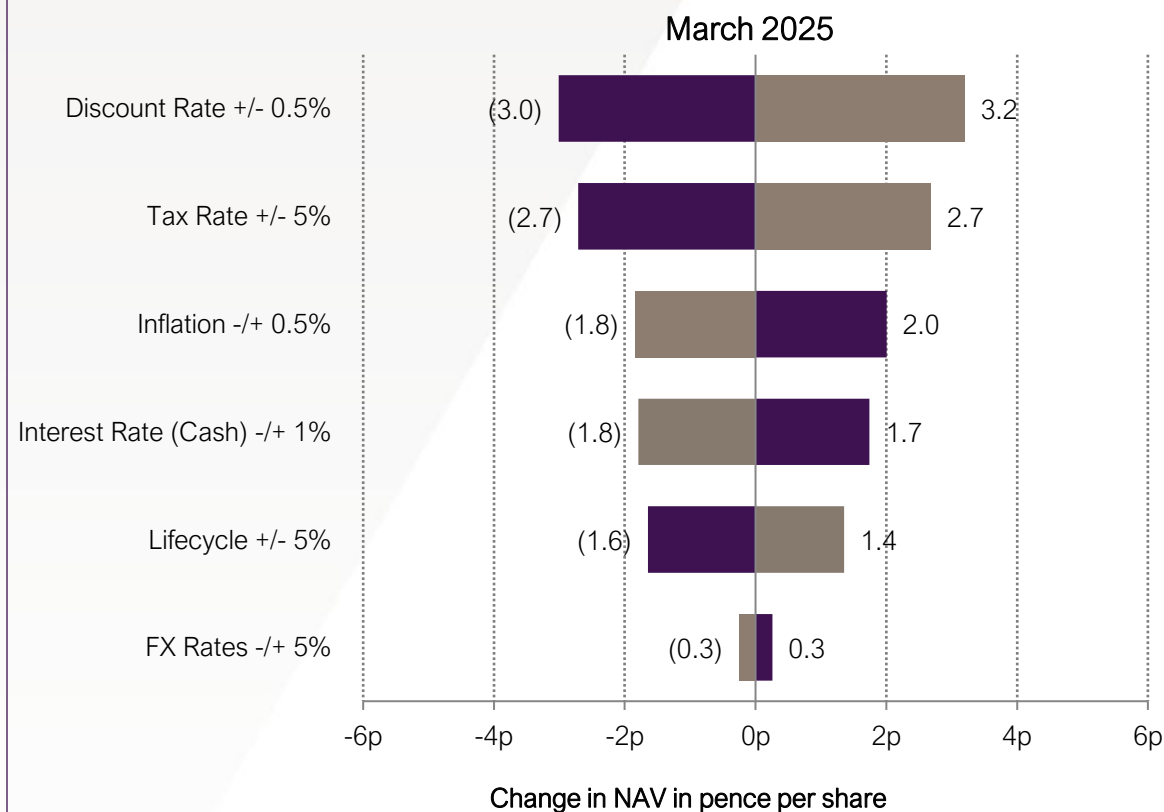
**28.4%**

of portfolio is UK PPPs  
with lifecycle risk<sup>2</sup>

**16.4%**

of portfolio handed back  
in next 10 years<sup>2</sup>

## PPP portfolio sensitivities



1. Calculated based on total unitary charge revenue received (i.e. less all deductions) as a proportion of total contractual revenue  
2. Using the Directors' Valuation as at 31 March 2025

# Outlook



# An active market supported by an increased proportion of core fundraising



Last 24m

£509m  
asset sales

1.8x  
MOIC<sup>1</sup>

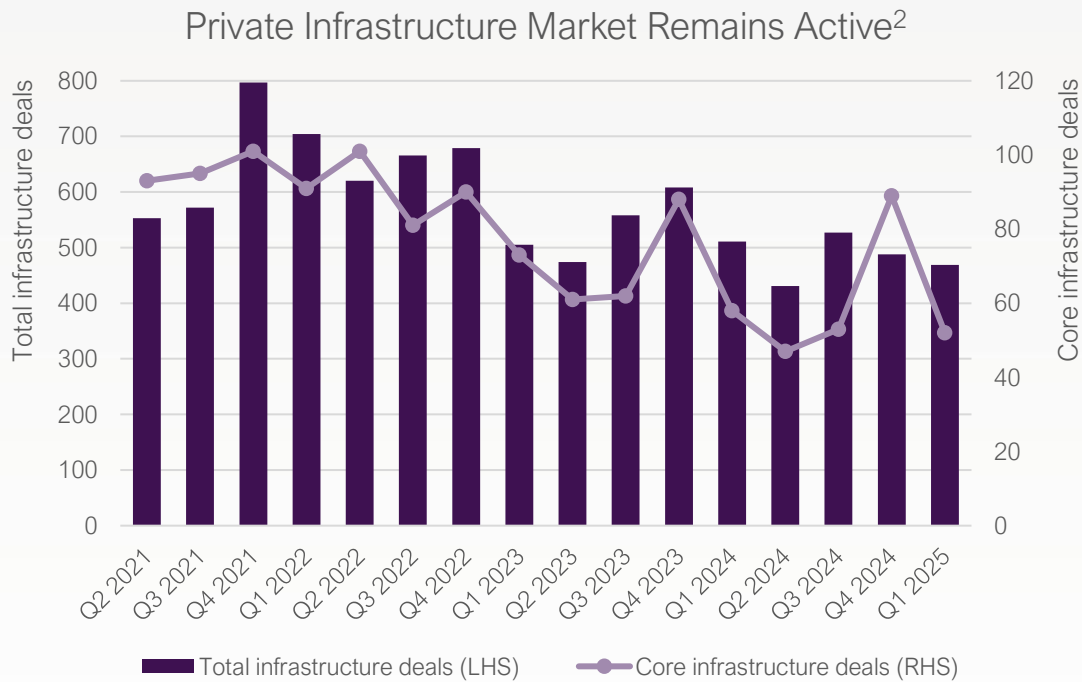
11%  
Realised IRR<sup>1</sup>

Targeted FY26

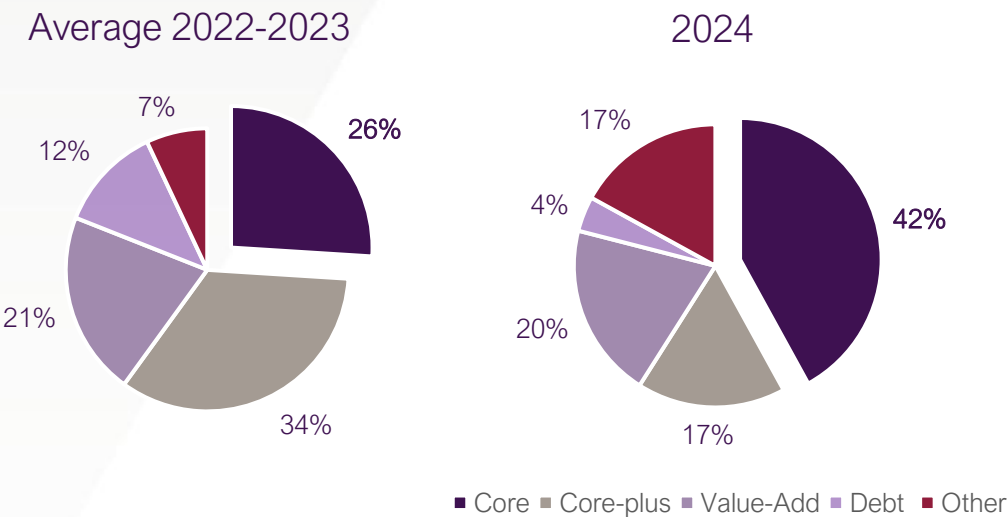
£200m<sup>+</sup>  
asset sales

Divestments expected at or above carrying value

Divestment processes ongoing



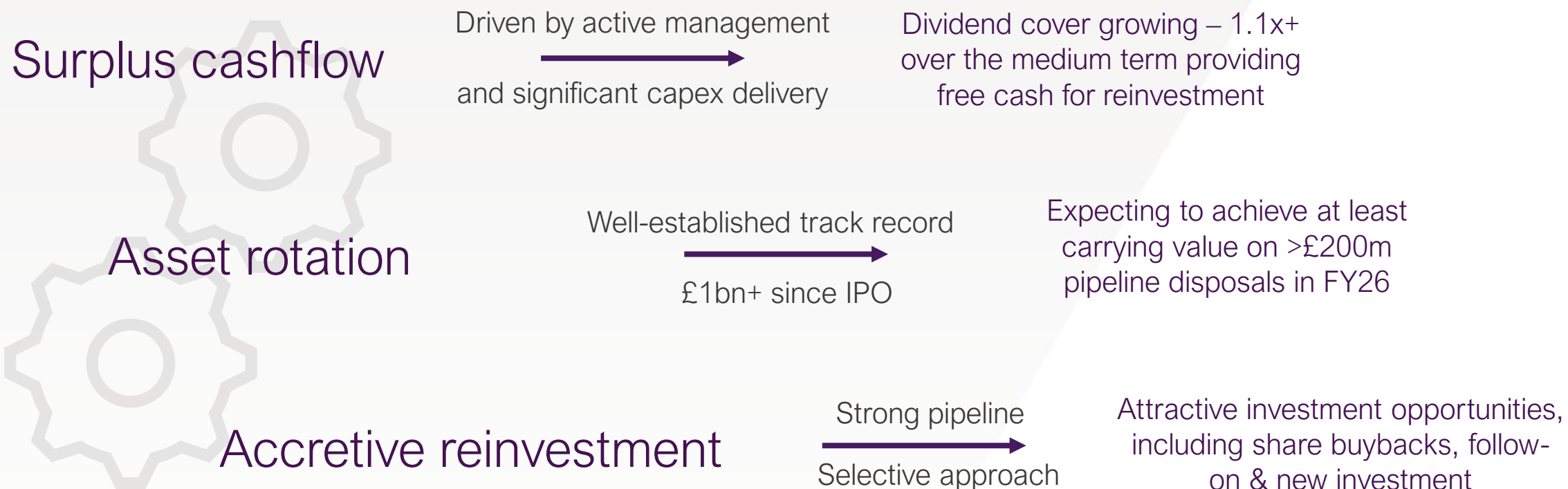
Proportion of fundraising by strategy in 2024 vs previous years<sup>3</sup>



1. Multiple on Invested Capital (MOIC) and Realised IRR calculated on a blended basis across all disposals announced during the year to 31 March 2025

2. Infrastructure deals source: Preqin. Core infrastructure deals source: Combination of Infralogic and InfraRed internally reviewed deal universe

3. Source: InfraRed Research – Infrastructure Strategic Outlook, 9 January 2025



# Resilient performance despite continued external challenges

Solid operational performance driving cashflow growth and supporting continued dividend progression



Further opportunities to progress strategy through reinvestment and proactive capital allocation



New divestments targeted, continuing to refine portfolio construction



Embedded long-term growth at an attractive entry point



Altitude Infra (France)

HICL

# Appendix I

Company Information



44%  
of portfolio

Developing **strong social foundations**



36%  
of portfolio

**connecting communities**



20%  
of portfolio

**supporting sustainable modern economies**

# Board of Directors I

Non-executive Directors with a broad range of relevant experience and qualifications



**Mike Bane**  
Chair

Mike Bane has been a Guernsey resident for over 25 years. He is a retired chartered accountant with over 35 years of professional experience providing services to the asset management industry, including the infrastructure sector. He was a member of EY's EMEA Wealth and Asset Management Board and led EY's services to the asset management industry in the Channel Islands. He is non-executive chair of the Guernsey Health Improvement Commission.

Mike graduated with a BA in Mathematics from Oxford University.



**Kenneth Reid**  
Senior Independent Director

Ken Reid is a Chartered Engineer with more than 35 years of international experience in the sectors of infrastructure development and investment, construction and services. Working initially with Kier Group, and then from 1990 with Bilfinger Berger AG, he has been a project leader and senior management executive responsible for large and complex projects, operating companies and investment entities across all continents. From 2007 to 2010, Ken served as a member of the Group Executive Board of Bilfinger Berger AG. Ken graduated in Civil Engineering from Heriot-Watt University, and subsequently from Edinburgh Business School with an MBA. He is a long-standing Member of the Institution of Civil Engineers, and is a member of the Singapore Institute of Directors. Ken currently also serves as a non-executive director of Sicon Limited.

Effective from July 2023, Ken assumed the role of HICL's Senior Independent Director.



**Rita Akushie**  
Audit Committee Chair

Rita Akushie is a chartered accountant and is currently the Pro Vice-Chancellor (Finance & Operations) at the University of London. She was appointed to the Board in January 2020. She is a senior finance and commercial leader and for 24 years held Finance Director, CFO and Deputy CEO roles in the Social Housing sector for a number of organisations, including the Newlon Group. In January 2019, Rita joined Cancer Research UK as Chief Financial Officer & Executive Director of Corporate Resources, where she had responsibility for Finance, Property, Procurement, Legal and Compliance.

Rita graduated with a BA in Economics from the University of Ghana and is a fellow of the Institute of Chartered Accountants in England & Wales ("ICAEW") and a fellow of the Association of Corporate Treasurers, UK.



**Liz Barber**  
Risk Committee Chair

Liz Barber was previously at Kelda Group (Yorkshire Water) where she served as Chief Executive Officer from 2019 until 2022, having previously served as Chief Financial Officer from 2010. Prior to that, Liz held a number of senior partner roles with EY LLP. Liz is a fellow of the ICAEW where she is a member of the board and Chair of the Risk Committee. Liz graduated from the University of Leeds, where she has served as a Lay Member of Council and Deputy Chair. Liz is the Senior Independent Director of Cranswick plc, Sizewell C Limited where she also chairs the Audit and Risk Committee and is the Audit and Risk Committee Chair for Encyclis Limited.

Liz was previously a non-executive director of KCOM Plc, a UK fibre broadband provider, and chaired the Yorkshire and Humber Climate Commission.

# Board of Directors II

Non-executive Directors with a broad range of relevant experience and qualifications



**Frances Davies**  
Remuneration Committee Chair

Frances Davies has more than 30 years of experience across various roles within the banking and asset management industries. Since 2007, she has been a partner of Opus Corporate Finance, a corporate finance advisory business. Frances is also on the Aegon UK plc Group Board and serves as Chair of the Federated Hermes Property Unit Trust. Previously Frances served as Head of Global Institutional Business at Gartmore Investment Management. She had also been a Director at Morgan Grenfell Asset Management and SG Warburg.

Ms Davies graduated with an MA in Philosophy, Politics and Economics and an MPhil in Management Studies, both from Oxford University.



**Martin Pugh**  
Director

Martin Pugh has over 35 years in the infrastructure industry, spanning roles in construction, development, investment, asset management and strategic projects. Most recently he has provided executive management support to several major infrastructure projects and, prior to this, he held senior executive positions within Bilfinger Project Investments, overseeing the investment performance of assets in multiple sectors and across the UK and Europe.

Martin graduated in Civil & Structural Engineering and is a Chartered Engineer.



**Simon Holden**  
Director

Mr Simon Holden, Chartered Director (“CDir”) and Fellow of the Institute of Directors, brings a combination of private equity investing and deep equity capital markets experience to the Board. He held investment director and interim-executive roles across several portfolio companies whilst working at Terra Firma Capital Partners (and Candover Investments prior to that). An independent director since 2016, he has represented shareholder interests in a portfolio spanning: i) LSE-listed FTSE 250 alternative asset companies; ii) private equity funds; iii) private operating companies; and iv) pro-bono public sector advisory roles.

Simon is currently a director of HICL Infrastructure PLC., Chrysalis Investments and JPMorgan Global Core Real Assets (in managed wind-down) and graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering.



# Investment Manager

Senior InfraRed team, experienced in making and managing infrastructure investments



## HICL's Investment Committee

HICL's Investment Committee is the principal executive decision making body for HICL within InfraRed and is comprised of:

**Chris Gill** – Head of Investment Committees

**Jack Paris<sup>1</sup>** – CEO

**Edward Hunt** – Head of Core Infrastructure Funds

**Mark Tiner** – CFO, HICL

**Stewart Orrell** – Head of Asset Management

# 100+ years

of combined experience making and managing infrastructure investments

## HICL's Senior Leadership



**Edward Hunt**

Head of Core Infrastructure Funds,  
InfraRed

Edward is HICL's fund manager



**Mark Tiner**

CFO, HICL

Mark is responsible for managing the financial activities carried out by InfraRed for HICL

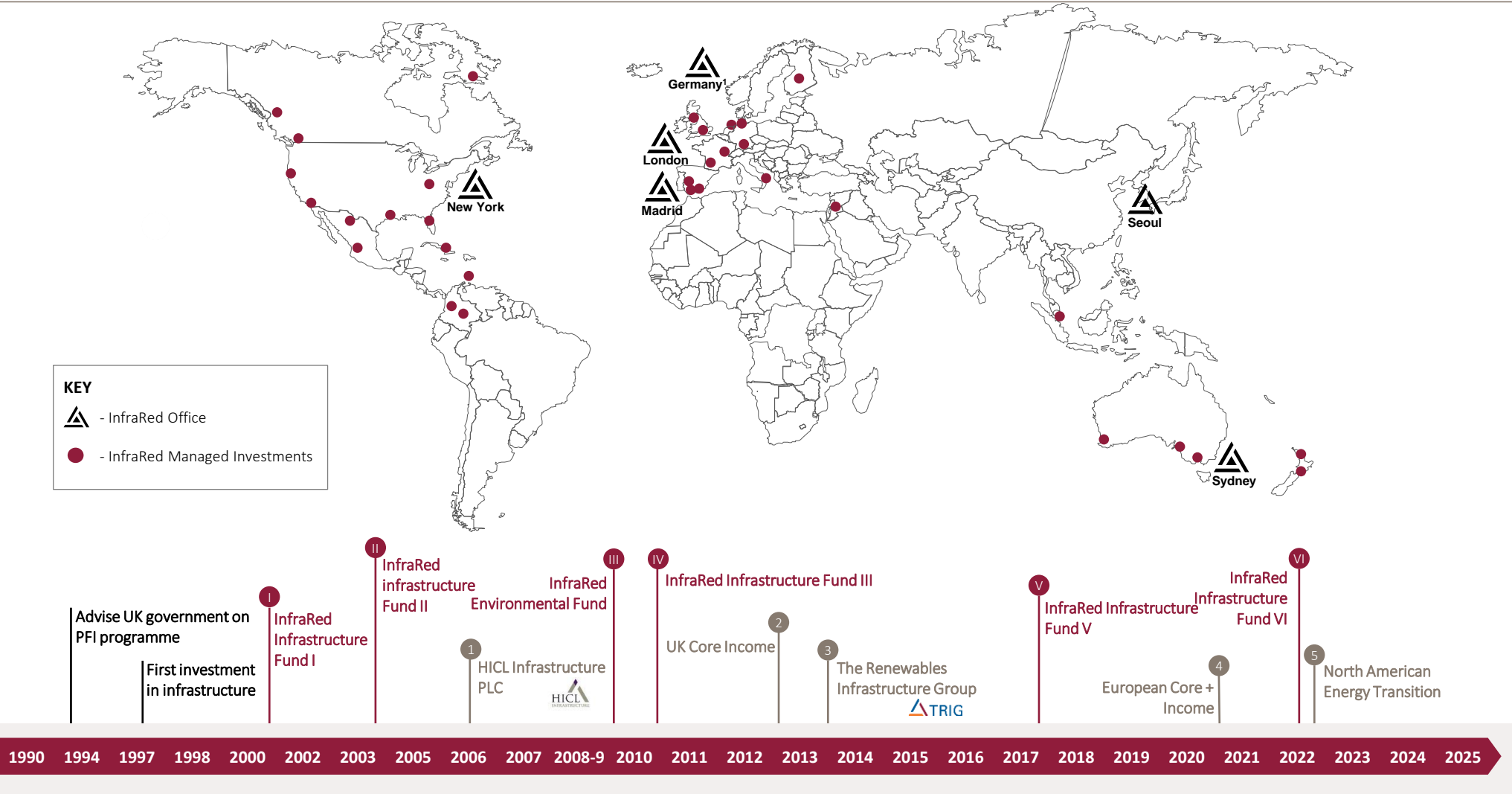
1. Appointed 1 July 2023

HICL

## Appendix II

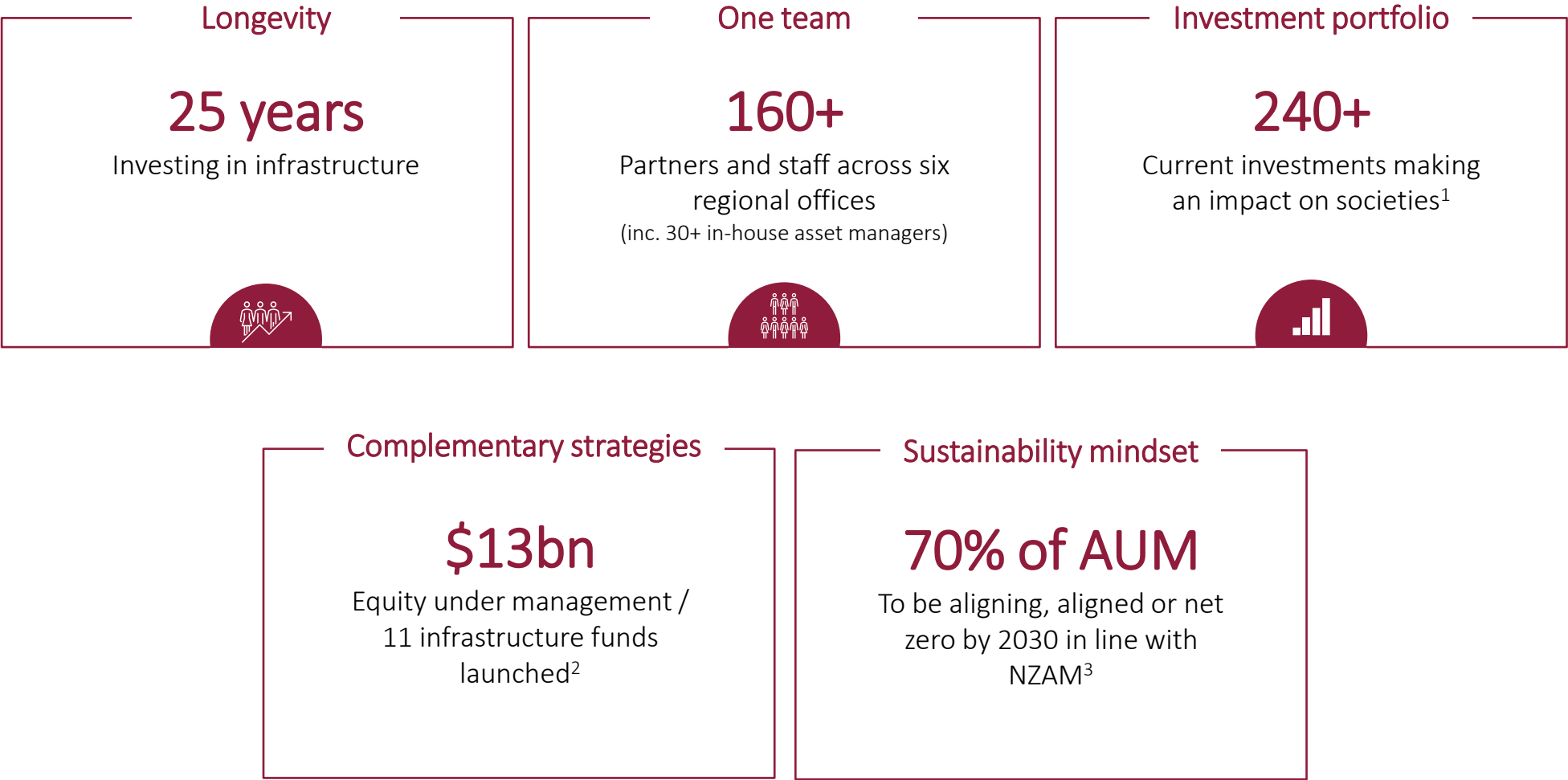
The Investment Manager

# InfraRed Capital Partners - Established infrastructure manager with international reach



Dates relate to launch date of each fund.  
1. German office to be opened during 2025

# InfraRed Capital Partners – Mid-market specialist driving financial performance



*Past performance is not a reliable indicator of future results. Capital and Income at Risk*

1. This figure includes all the assets across InfraRed's portfolio: HICL, TRIG, Yield, EIF4 + value-add funds since inception  
2. EUM as at 31 December 2024 at GBP/USD 1.2818. EUM is USD 13.186.  
3. To be considered "aligned", the asset must have forecast emissions performance against targets set as well as have a decarbonisation strategy (including capital allocation) to support the reduction projection. To be considered "aligning", the asset must have short and medium-term targets that are underpinned by science-based pathways; it must disclose all material scope emissions (including scope 3) and evidence the governance of net zero plans.

# InfraRed Capital Partners - Strong platform driving two complementary strategies

Value-add  
(unlisted)

Strategy

Exit driven

Exits / Deals

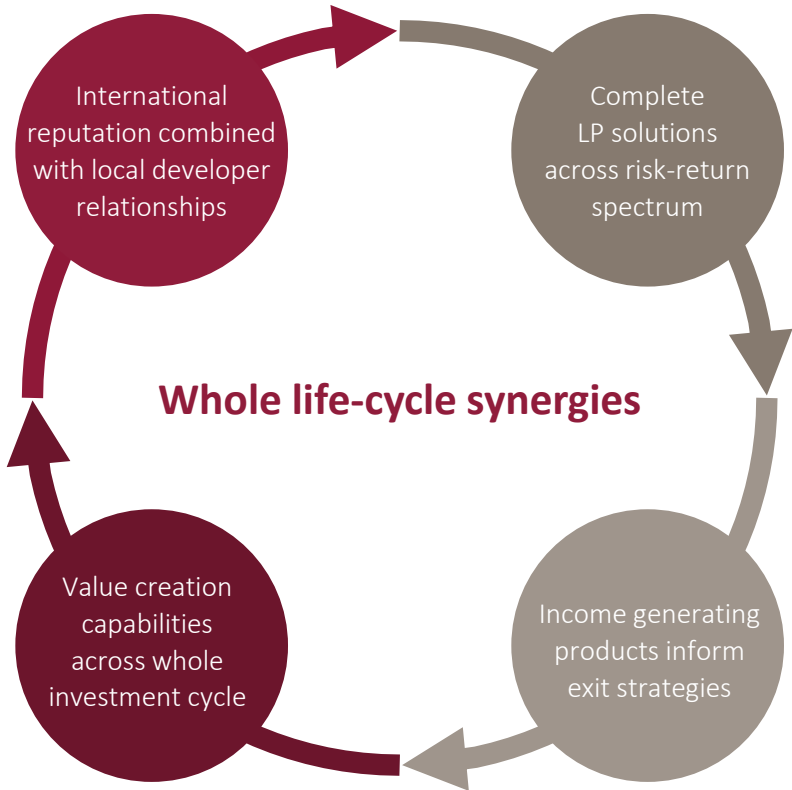
>70 / >90

Target Returns<sup>1</sup>

Capital gain/ Mid-teens

Duration

12 years



Core  
(listed / unlisted)

Strategy

Buy & hold

Deals

>200

Target Returns<sup>1</sup>

Yielding / High single-digit

Duration

25+ years  
(with liquidity)

1. The target returns in this presentation do not constitute a forecast; rather they are indicative of InfraRed's belief of the return potentials of investments in this strategy. Market fluctuations or other new information can affect the manager's opinion of these target returns at any time. There can be no assurance that target returns will be met. Past performance is not a guarantee of future results. Capital at risk. Information above subject to change.

HICL

# Appendix III

The Investment Portfolio

# HICL's Top 10 Assets



1

## Affinity Water (UK)

Affinity Water Limited is the largest water-only supplier in the UK by revenue and population served covering an area of 4,515 square kilometres.

**Sector:** Electricity & Water  
**% of portfolio:** 10.8% (March 2024: 8.3%)  
**HICL holding:** 33.2%  
**Concession life remaining:** Indefinite  
**Status:** Operational



2

## A63 Motorway (France)

The A63 Motorway in Southwest France includes the upgrade of an existing 105km road linking the towns of Salles (Gironde) and St-Geours de Maremne.

**Sector:** Transport  
**% of portfolio:** 7.6% (March 2024: 7.9%)  
**HICL holding:** 24.0%  
**Concession life remaining:** 26 years  
**Status:** Operational



3

## Fortysouth (New Zealand)

Fortysouth is a leading independent tower company, with 1,600 wholly-owned mobile towers covering 98% of the country's population.

**Sector:** Communications  
**% of portfolio:** 6.3% (March 2024: 6.5%)  
**HICL holding:** 40.0%  
**Concession life remaining:** Indefinite  
**Status:** Operational



4

## Texas Nevada Transmission (USA)

Texas Nevada Transmission ("TNT") comprises two distinct electricity transmission systems. Together, the networks consist of over 800km of high-voltage transmission lines, switching stations and substations, which have been fully operational since 2014.

**Sector:** Electricity & Water  
**% of portfolio:** 5.1% (March 2024: 5.6%)  
**HICL holding:** 45.8%  
**Concession life remaining:** Indefinite  
**Status:** Operational



5

## London St. Pancras High Speed (UK)

LSPH is the rail link between London St Pancras station and the Channel Tunnel. It is currently the UK's only high-speed rail line in operation.

**Sector:** Transport  
**% of portfolio:** 4.9% (March 2024: 4.6%)  
**HICL holding:** 21.8%  
**Concession life remaining:** 16 years  
**Status:** Operational



## HICL's Top 10 Assets II

6



### Southmead Hospital (UK)

Southmead Hospital PFI project is an 832-bed acute hospital concession on a single site at Southmead in North Bristol.

**Sector:** Health  
**% of portfolio:** 3.9% (March 2024: 3.9%)  
**HICL holding:** 62.5%  
**Concession life remaining:** 21 years  
**Status:** Operational

7



### Pinderfields & Pontefract Hospitals (UK)

The PFI project is a two-hospital concession for Mid Yorkshire Hospitals NHS Trust, delivering a combined total of 774 beds.

**Sector:** Health  
**% of portfolio:** 3.4% (March 2024: 3.5%)  
**HICL holding:** 100.0%  
**Concession life remaining:** 17 years  
**Status:** Operational

8



### Royal School of Military Engineering (UK)

The PPP project covers 32 new and 21 existing buildings, and five training areas on behalf of the UK Ministry of Defence.

**Sector:** Accommodation  
**% of portfolio:** 3.3% (March 2024: 3.5%)  
**HICL holding:** 100.0%  
**Concession life remaining:** 13 years  
**Status:** Operational

9



### Home Office (UK)

The PPP concession commissioned by the UK Home Office to replace its existing headquarters with purpose-built serviced offices in London.

**Sector:** Accommodation  
**% of portfolio:** 2.9% (March 2024: 3.0%)  
**HICL holding:** 100.0%  
**Concession life remaining:** 6 years  
**Status:** Operational

10



### Altitude Infra (France)

Altitude Infra holds a controlling position in the largest independent wholesale fibre network in France and is the sole provider of Fibre-to-the-home (FTTH) in its 27 subsidised Public Initiative Networks (PINs).

**Sector:** Communications  
**% of portfolio:** 2.9% (March 2024: 2.6%)  
**HICL holding:** 5.9%  
**Concession life remaining:** Indefinite  
**Status:** Operational

# Portfolio Diversification

HICL's Portfolio, as at 31 March 2025<sup>1</sup>



## REVENUE TYPE



▲	Contracted Revenues	63%
▲	Demand-based Revenues	14%
▲	Regulated Revenues	23%

## INVESTMENT STATUS



▲	Fully operational	99.7%
▲	Construction	0.3%

## OWNERSHIP STAKE



▲	100% ownership	23%
▲	50% - 100% ownership	23%
▲	Less than 50% ownership	54%

## GEOGRAPHIC LOCATION



▲	UK	66%
▲	Europe (exc UK)	21%
▲	North America	7%
▲	Australia / New Zealand	6%

## SECTOR



▲	Accommodation	8%
▲	Education	10%
▲	Electricity & Water	20%
▲	Health	22%
▲	Fire, Law & Order	5%
▲	Transport	26%
▲	Communications	9%

1. By value using Directors' Valuation of £3,227.1m as at 31 March 2025

## Track record of highly selective divestments

### Disposal track record:

27

Asset disposals  
since IPO

>£1bn

Total proceeds since  
IPO

9.8p

NAV outperformance  
since IPO

### Disposal methodology:



Portfolio-wide **quantitative** approach to  
identifying disposal candidates with  
regular Board involvement

**Disposal  
process only  
considered  
if it will:**



Result in an overall positive impact on HICL accretion metrics;



Improve sector or geographic diversification; or



Improve risk exposure (counterparty, residual value etc).

# Sustainability highlights

Operating in a sustainable and responsible manner is central to HICL's business model



## Environment

- ▲ Initial analysis to better understand natural resource-related risks and dependencies, drawing on TNFD<sup>1</sup> recommendations
- ▲ The percentage of HICL's portfolio by value<sup>2</sup> aligning, aligned to or at net zero rose to 34% from 26%<sup>3</sup> in 2024

## Communities

- ▲ Nine initiatives run by HICL portfolio companies recognised as Gold Standard at InfraRed's Creating Better Futures Awards for 2024
- ▲ Assessed the quality of infrastructure delivery at a subset of HICL's hospital assets using NHS data<sup>4</sup>, finding this to be above average

## People

- ▲ Following planned Board Director rotation, HICL will comply with the Hampton-Alexander and Parker Reviews in 2025, in addition to meeting the FCA's Diversity Listing Rule targets from July 2026<sup>5</sup>
- ▲ Worked closely with InfraRed to enhance the Board's visibility over health and safety risk management at non-UK portfolio companies

## Governance

- ▲ Specialist consultant review concluded that InfraRed's approach to producing sustainability-related metrics for HICL was aligned with International Auditing and Assurance Standards Board criteria
- ▲ Significant expansion of share buyback programme which will be funded by asset disposals

1. Taskforce on Nature-related Financial Disclosures

2. Directors' Valuation at 31 March in the relevant financial year

3. Restating the figure of 25% presented in HICL's 2024 Sustainability Report to reflect the refined approach to determining portfolio coverage. See page 14 of HICL's 2025 Sustainability Report

4. NHS Estates Returns Information Collection ("ERIC") data

5. Subject to HICL's proposed Senior Independent Director candidate being approved and Directors being re-elected at the 2025 Annual General Meeting

HICL

## Appendix IV

Valuation assumptions and metrics

# Key Valuation Assumptions

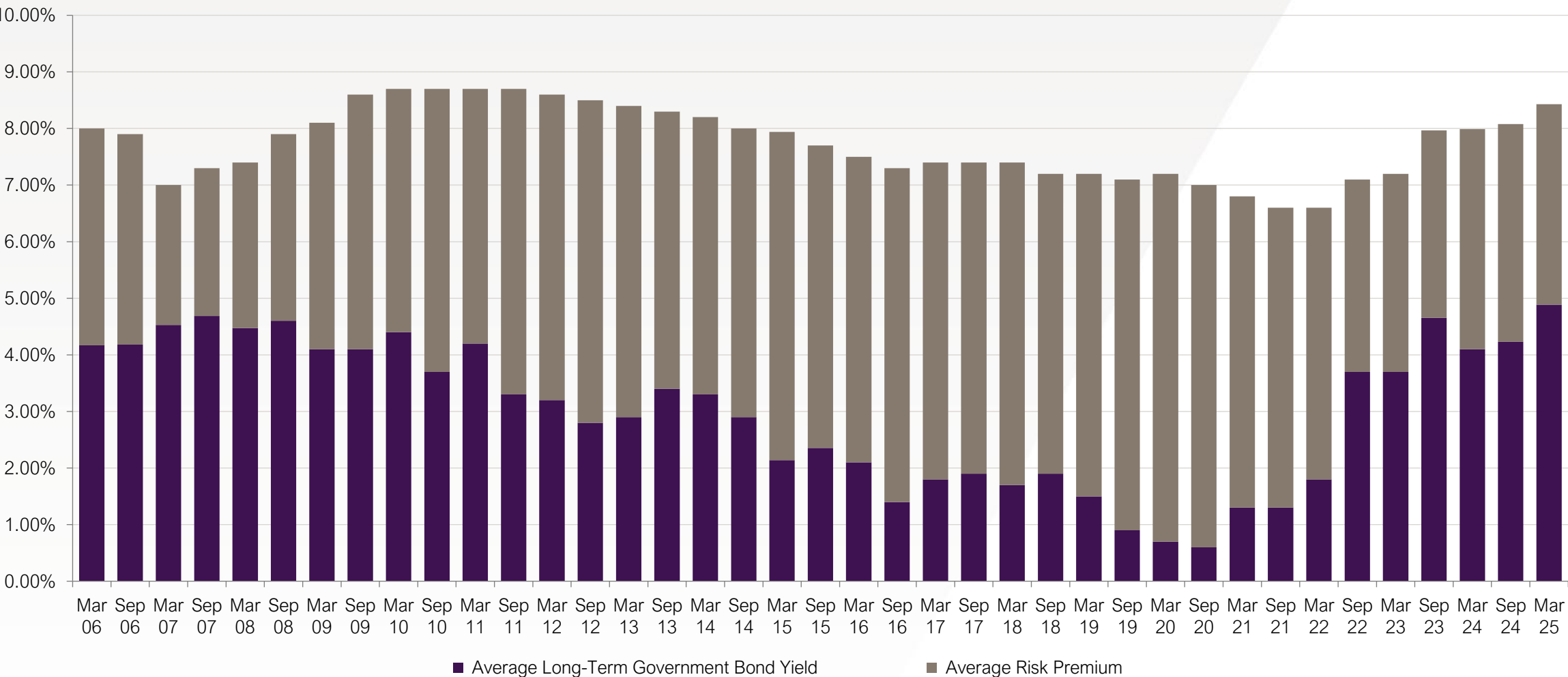
		31 March 2025	31 March 2024
<b>Discount Rate</b>	Weighted Average	8.4%	8.0%
<b>Inflation Rate<sup>1</sup></b> (p.a.)	UK (RPI <sup>2</sup> & RPIx <sup>2</sup> )	3.00% p.a. to March 2026, 3.25% p.a. to March 2030, 2.5% p.a. thereafter	3.00% p.a. to March 2025, 2.75% p.a. to March 2026, 3.25% p.a. to March 2030, 2.5% p.a. thereafter
	UK (CPI/CPIH) <sup>3</sup>	2.25% p.a. to March 2026, 2.5% p.a. thereafter	2.25% p.a. to March 2025 p.a., 2.00% p.a. to March 2026 p.a., 2.50% p.a. thereafter
	Eurozone (CPI)	2.00% p.a.	2.25% p.a. to March 2025, 2.00% p.a. thereafter
	Canada (CPI)	2.25% p.a. to March 2026, 2.00% p.a. thereafter	2.25% p.a. to March 2025, 2.00% p.a. thereafter
	USA (CPI)	2.25% p.a. to March 2026, 2.00% p.a. thereafter	2.00% p.a. to March 2025, 2.00% p.a. thereafter
<b>Interest Rates</b> (p.a.)	New Zealand (CPI)	2.25% p.a.	2.75% p.a. to March 2025, 2.25% p.a. thereafter
	UK	3.50% p.a.	4.50% p.a. to March 2025, 3.25% p.a. thereafter
	Eurozone	2.00% p.a.	3.00% p.a. to March 2025, 2.00% p.a. thereafter
	Canada	2.25% p.a.	3.75% p.a. to March 2025, 3.00% p.a. thereafter
	USA	3.75% p.a. to March 2026, 3.50% p.a. thereafter	4.25% p.a. to March 2025, 3.25% p.a. thereafter
<b>FX Rates</b>	New Zealand	3.25% p.a. to March 2030, 3.50% p.a. thereafter	4.25% p.a. to March 2025, 4.00% p.a. thereafter
	GBP / EUR	1.19	1.17
	GBP / CAD	1.86	1.71
	GBP / USD	1.29	1.26
	GBP / NZD	2.07	2.11
<b>Tax Rate</b> (p.a.)	UK	25%	25%
	Ireland	12.5%	12.5%
	Eurozone	France 25%	France 25%
	Netherlands	25.8%	25.8%
	Canada	23% and 27%	23% and 27%
<b>GDP Growth</b> (p.a.)	USA	21% Federal	21% Federal
	New Zealand	28%	28%
	UK	2.0% p.a.	2.0% p.a.
	Eurozone	1.8% p.a.	1.8% p.a.

1. Some portfolio company revenues are fully indexed, whilst some are partially indexed

2. Retail Price Index and Retail Price Index excluding Mortgage Interest Payments

3. Consumer Prices Index including owner-occupiers' housing costs; used in the valuation of Affinity Water

Weighted average discount rate of 8.4%





HICL

# Appendix V

Summary financial statements

# Summary Income Statement and Balance Sheet



Income Statement Investment Basis <sup>1</sup>	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Total investment income	97.1	105.4
Fund expenses	(35.4)	(38.6)
Finance costs	(15.7)	(36.2)
Tax	(0.1)	(0.1)
<b>Total return</b>	<b>45.9</b>	<b>30.5</b>
<b>Earnings per share</b>	<b>2.3p</b>	<b>1.5p</b>
<b>Ongoing charges<sup>2</sup></b>	<b>1.10%</b>	<b>1.14%</b>

Balance Sheet Investment Basis <sup>1</sup>	31 March 2025 £m	31 March 2024 £m
Investments at fair value <sup>3</sup>	3,114.2	3,268.9
Net debt	(102.2)	(303.9)
Available liquidity <sup>4</sup>	441.8	490.1

1. HICL's Investment Basis is an Alternative Performance Measure and is the same as applied in prior periods. See page 39 of the 2025 Annual Report for information. Earnings per share and NAV per share are the same under IFRS and Investment Basis

2. Calculated in accordance with Association of Investment Companies' guidelines

3. Directors' Valuation at 31 March 2025 is £3,227.1m and comprises the investments at fair value of £3,114.2m and investment commitments of £112.9m.

4. Availability with Revolving Credit Facility (£384.0m) plus available cash on an Investment Basis (£57.8m) as at 31 March 2025.

# Summary Cash Flow Statement

Figures presented on an Investment Basis



	31 March 2025 £m	31 March 2024 £m
Opening net (debt)	(303.9)	(147.6)
<b>Net cash flow before capital movements</b>	<b>177.3</b>	<b>175.6</b>
Cost of new investments	-	(435.1)
Investment disposal proceeds	230.0	269.4
Shares repurchased	(61.1)	-
Net cash flow from derivatives	21.5	6.8
Short-term intercompany borrowings	-	(0.3)
Debt arrangement fees paid	-	(2.5)
Dividends paid	(166.1)	(167.6)
Foreign exchange on cash	0.1	(2.6)
<b>Net (debt)</b>	<b>(102.2)</b>	<b>(303.9)</b>