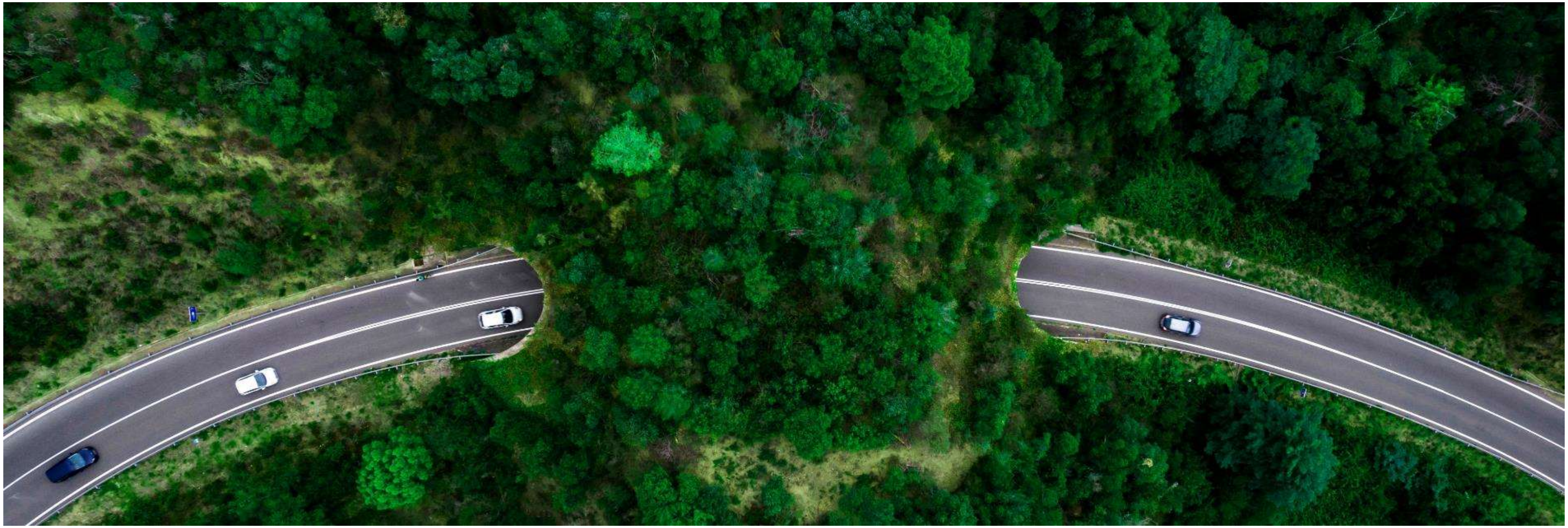

Quarterly valuation update for the energy and infrastructure sector
Q2 2026 update and the use of Sum of the Parts as a valuation methodology

August 2026

forvis mazars

Quarterly valuation update
Introduction

Welcome to the Q2 2026 edition of our quarterly valuation update, which provides a snapshot of some of the main publicly available valuation trends across the energy and infrastructure sector, covering both debt and equity metrics.

This quarter, we continue to examine trends in debt and equity metrics, relying primarily on publicly available information. In relation to the equity trends, we use the Forvis Mazars indices of listed infrastructure funds and listed renewable energy funds, compiled based on the set-out basis in Appendix 1 of our blog.

This quarter, we have also covered the use of Sum of the Parts as a valuation methodology.

About Us
Your presenters

Ben Morris,
Partner

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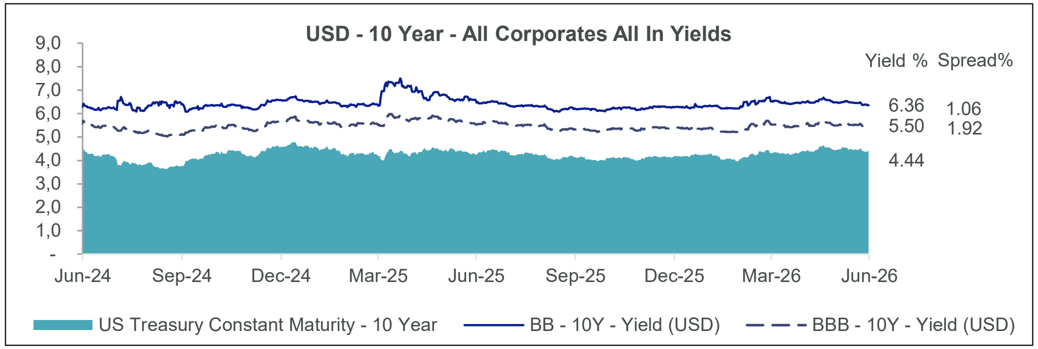
01

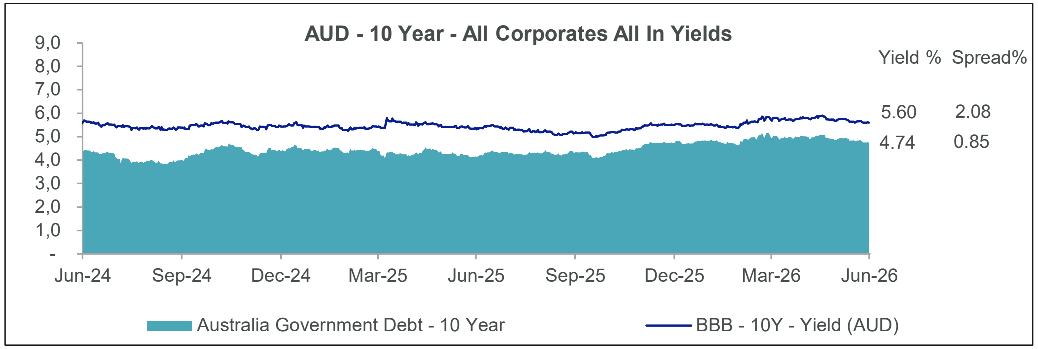
Valuations Q2 2026 market update

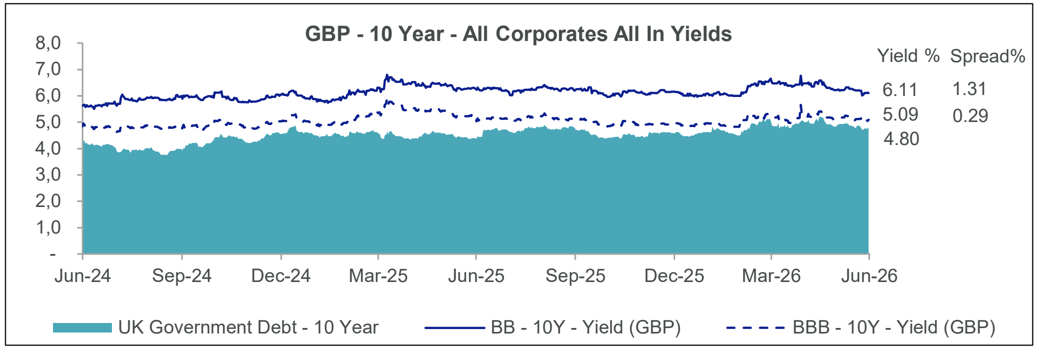
Debt valuation trends

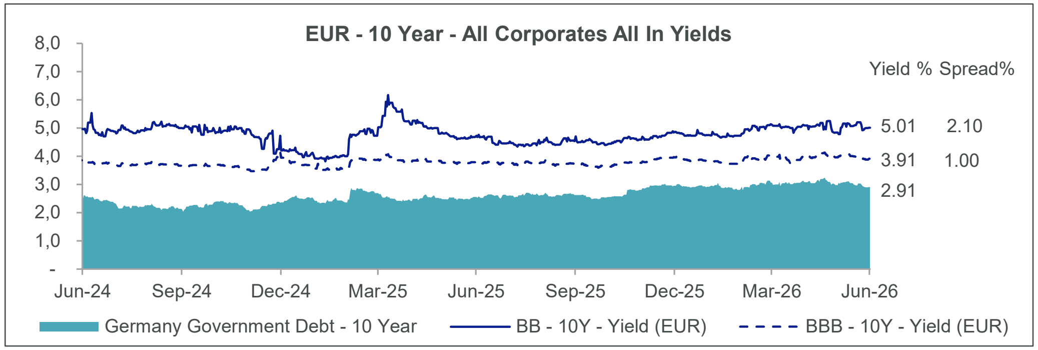
Government bond yields eased slightly in Q2 2026 following mid-quarter volatility

- Government bond yields increased across most of the geographies following the onset of the Middle East conflict. The mid-June preliminary ceasefire agreement reduced concerns over energy supply disruptions and helped moderate inflation expectations.
- Yields ended the quarter moderately lower across UK, AUD and Eurozone markets compared to last quarter, though US Treasury yields remained higher.







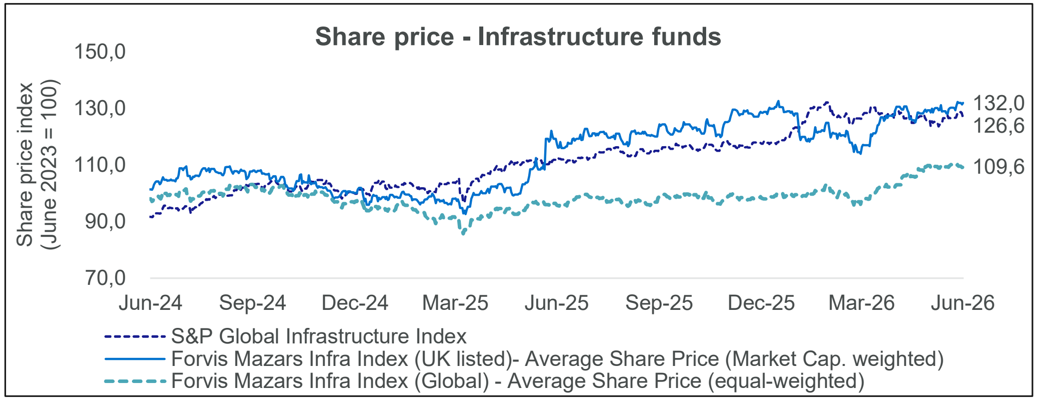


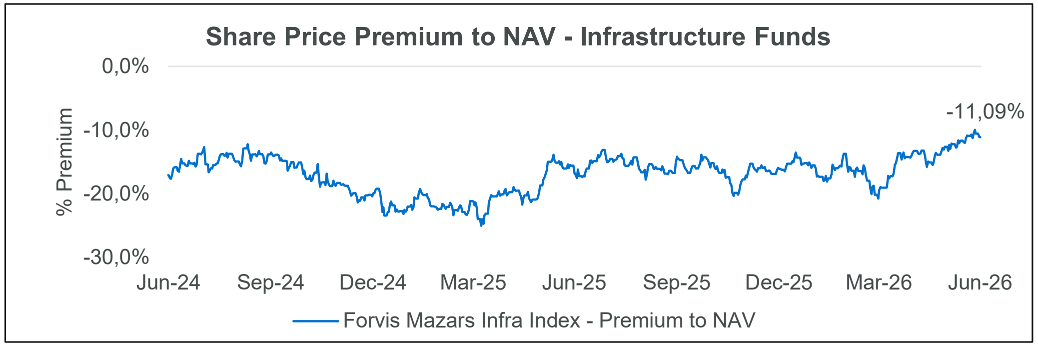
Source: Capital IQ, Forvis Mazars analysis

Quarterly valuation update

Equity valuation trends – infrastructure funds

Infrastructure funds are now trading at a lower discount to NAV compared to earlier quarters.





Source: Capital IQ, Reports from Funds, Forvis Mazars analysis

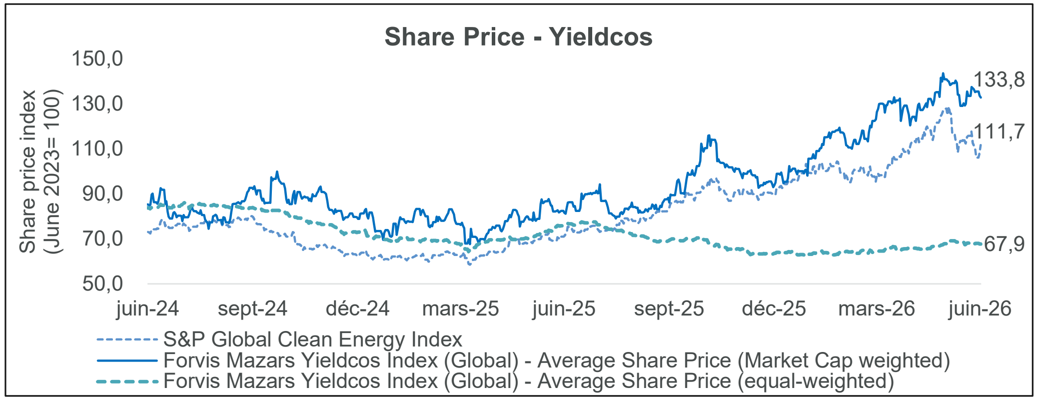
- Listed infrastructure fund discount to NAV narrowed significantly during Q2 2026, declining to approximately 11% from around 20% in Q1 2026, driven by improving interest rate expectations, attractive dividend yields, and increased corporate activity across the sector.
- Investor confidence in reported NAVs improved as asset disposals and M&A transactions demonstrated that private-market buyers remain willing to acquire high-quality infrastructure assets at or above carrying values, reducing the disconnect between public and private market valuations.
- The narrowing of the discount to NAV was supported by a broad-based recovery in share prices, which outpaced NAV movements across most of the funds.

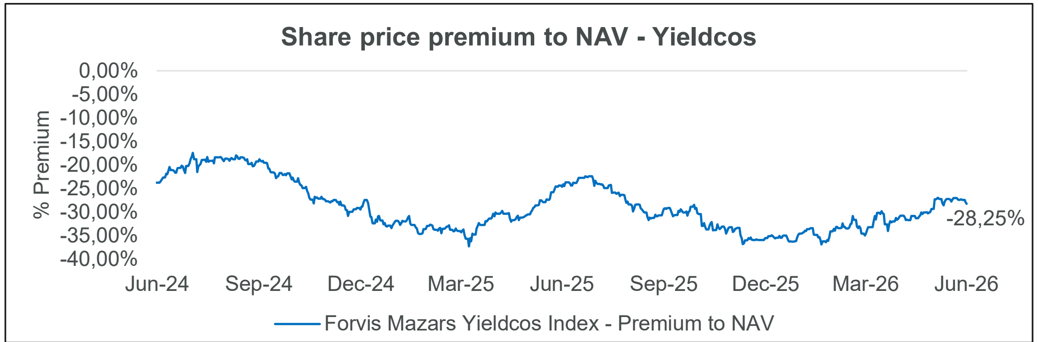
"We started the year with a share price of 89.4p and were pleased to see a strong recovery to 108.5p at year-end, a narrowing of the discount to NAV from 24.5% to 16.8%"

-PINT, Annual Report 2025

Equity valuation trends – renewable energy funds

In Q2 2026, YieldCos experienced a recovery in share prices; however, discounts to NAV narrowed only modestly





Source: Capital IQ, Reports from Funds, Forvis Mazars analysis

- YieldCo share prices mostly increased during Q2 2026, supported by improving investor sentiment towards energy generation in the context of Middle Eastern conflict.
- Listed renewables funds generally reported slightly increased discount rates, mainly representing macroeconomic, market and asset-specific uncertainty.
- The average discount to NAV reduced modestly during Q2 2026, narrowing to approximately 28% from around 35% in Q1 2026. But persistent discounts to NAV continue to drive activity across the sector. Recent examples include:
    - Drax's acquisition of BSIF at an approximately 9% discount to its March 2026 NAV (also representing a 31% premium on its share price before Bluefield announced that it had launched a formal sales process)
    - Soon after quarter end, NESF launched a formal sale process of the company.
    - GSF is looking to dispose of assets to realise value for shareholders.

"NESF continues to have a challenging experience as a listed company, including a share price discount to its reported NAV that has persisted for several years and impacted its ability to raise new equity capital to fund its future growth... challenged by the increased focus on shorter-term investment horizons...it would be in Shareholders' interest to investigate the sale of NESF"
-NESF, July 2026

02

Sum of the Parts ("SOTP") Valuation: Overview, Benefits and Application

SOTP Valuation

Understanding the SOTP Approach

Different parts of a business may require different valuation methodologies, multiples and discount rates because each part has distinct economics and risks.

What is Sum of the Parts ("SOTP")?

SOTP is a valuation methodology under which each economically distinct business, asset, platform or segment is valued separately.

Each component is assessed using the valuation methodology, market multiple and discount rate most appropriate to its maturity, economics and risk profile. The individual values are then aggregated to determine the overall enterprise value of the business/company.

Sum of segment values + **HoldCo costs / income** + **Potential premium / discount** = **Implied Aggregate Value**

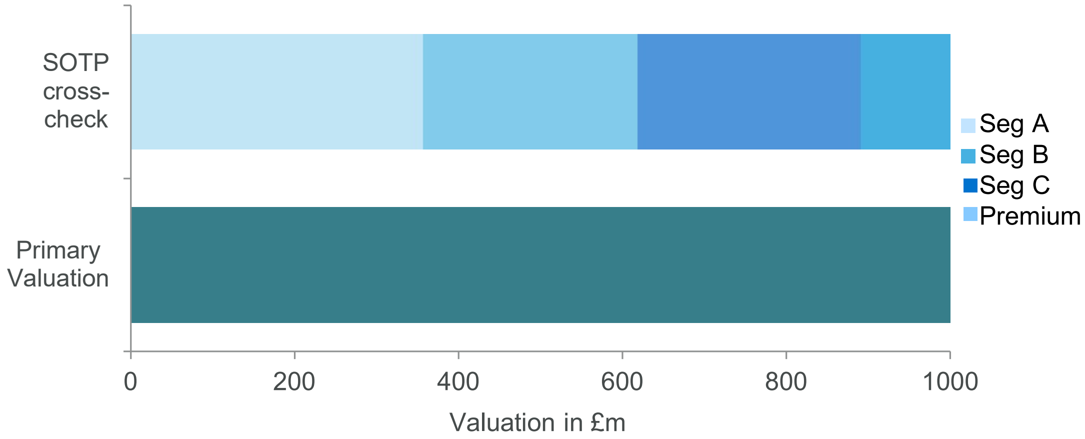
Advantages of SOTP

- Improves comparability for benchmarking by isolating distinct sector units of more diverse entities.
- Reduces reliance on a single blended judgement for diverse businesses/segments.
- Works as a primary valuation method or a cross-check to an aggregated valuation.
- Makes each component's relative size visible, strengthening risk and reasonableness in analysis.

How to assess premium / discount?

The parts cannot be simply added together. There may be factors such as operational synergies, risk diversification, strategic coherence, platform value, and marketability considerations which act to increase or limit the value of the aggregated business. This adjustment often relies on judgement, and there are a variety of methods that can be utilised when assessing premiums to SOTP valuations.

Other cashflow assumptions including corporate overheads would also form part of a valuation calculation. The impact of these would need to be quantified in present value terms and adjusted for when arriving at an aggregated value.



SOTP Valuation

SOTP establishes a valuation baseline—not necessarily the full platform value

SOTP provides a component-level valuation, but the overall platform value requires separate judgement and may be higher, equal to, or lower than basic SOTP.

SOTP values the individual components but may not fully capture the benefits, or risks and interdependencies of the combined platform.

Platform-value assessment

Above SOTP

A premium may be supported by:

- Operating and procurement efficiencies
- Lower financing costs
- Reduced risk overall because of diversification
- Enhanced development and growth capabilities

Equal to SOTP

No adjustment is required where:

- Benefits are already captured in component valuations
- Additional benefits cannot be demonstrated or measured
- Benefits and additional platform costs broadly offset each other

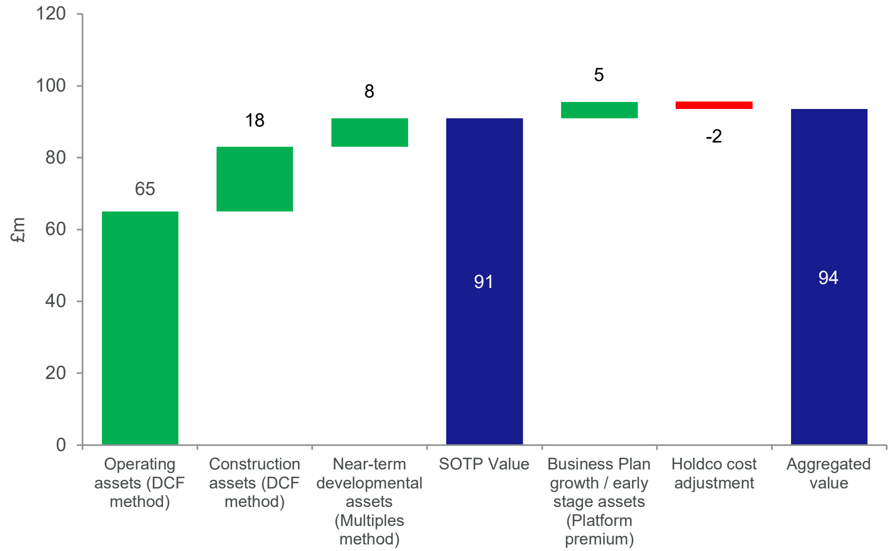
Below SOTP

A discount may be appropriate for:

- Lack of strategic coherence
- Investors reticent to diversify away from core business
- Reduced marketability / more limited pool of investors
- Poor integration or capital allocation

The above will require valuation judgement. A SOTP approach will allow you to assess the value of an entities component parts, but bridging to an aggregated value will require assessment of the SOTP results in the context of the wider market, and overall asset strategy / risks.

Case study: Renewable energy platform



Aggregated value

- Is implied blended discount rate for business as a whole consistent with market evidence
- Are implied EV / EBITDA multiples (forward and backward) consistent with market evidence

- **SOTP value** – this captures the explicitly recognisable assets which are operating, under-construction, or in the late stages of development;
- **Aggregated value** – in this instances captures Holdco costs, but also the premium applicable to a platform that will have a pipeline of far-term development stage assets / expansion plans. Where a platform has a track record of success this premium may reflect the confidence of a potential investor as much as identified growth opportunities.

Quarterly valuation update
Conclusions

Three key takeaways from Q2 2026:

Bond yields eased after Q2 volatility, but uncertainty remains	• Government bond yields were volatile following the onset of the Middle East conflict, but ended Q2 modestly lower across the UK, Australia and Eurozone markets. • US Treasury yields remained slightly above prior-quarter levels, reflecting continued uncertainty around Fed rate cuts.
Persistent discounts to NAV have led to further strategic actions by listed funds this quarter	• The listed infrastructure fund discount to NAV narrowed materially, supported by improving rate expectations, dividend yields, stronger share prices and slightly increased transactional activity. YieldCo share prices also recovered, but the discount to NAV narrowed only modestly; discounts remain elevated relative to historical levels. • In the renewables sector we have seen efforts to recognise shareholder value, including undertaking sales processes (Bluefield and NESF) and the disposal of individual assets (GSF). These actions highlight the strength of private market valuations despite discounts to ANV.
SOTP enables a more tailored assessment of value and risk	• Different business segments, asset stages and revenue streams may require separate valuation methodologies, market multiples and discount rates; individual component values should then be aggregated to determine enterprise value. • Any premium or discount should be assessed for operational synergies, strategic coherence, diversification, platform value and marketability considerations. HoldCo cashflows would equally have to be considered. • SOTP can be used as a primary valuation method or as a cross-check.

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