



How Gravis is unlocking value for GCP Infrastructure Investments Limited

GCP Infrastructure Investments Limited (GCP) doesn't just provide loans and then hold them to maturity. It has a long track record of getting into nascent sectors before they are crowded and refinancing once they mature. It also actively manages investments, working to enhance services and value and extend the life of assets. As infrastructure sectors have evolved, so too has GCP.

Over the past 18 months, Gravis has been actively recycling capital out of the portfolio via disposals, refinancings and prepayments. The proceeds have been used to pay down debt, buy back shares, and build the case that GCP Infrastructure Investments Limited (GCP)'s shares are worth more than the market is currently paying for them.

The framework: capital allocation with a clear trigger

For most of the 2010s, listed infrastructure companies traded at a premium to net asset value (NAV), as investors were happy to pay slightly more for secure, inflation-linked income in a near-zero interest rate world. That reversed when central banks began raising rates from late 2021 and share prices across the sector began to trade at wide discounts to NAV.

It was against that backdrop that the board adopted its capital allocation policy in December 2023, a direct response to "the disconnect between share price and NAV."

The capital allocation policy set out to return £150 million to shareholders through accelerated disposals, reducing debt, funding buybacks and rebalancing the portfolio away from sectors like supported living and equity-like renewable positions.

At its Capital Markets Day in February 2026, the board updated the framework to be explicit about how future capital would be used: where GCP's share price trades at more than a 15% discount to NAV, proceeds from disposals and refinancings would continue to fund share buybacks; below that threshold, GCP would also start weighing new investment opportunities alongside continued return of capital.

Proof points: disposals validating NAV

Several transactions over the summer illustrate the pattern, and each one tests whether GCP's published NAV is a fair reflection of what the underlying assets are actually worth:

- **Solar debt financing recycling capital at NAV (30 June 2026).** GCP introduced c.£40 million of third-party senior debt financing against a portfolio of ground-mounted solar projects it previously held on an unlevered basis. The transaction was priced materially in line with the assets' valuation in the 31 March 2026 NAV, and freed up c.£40 million of cash, leaving GCP with a smaller residual equity exposure.
- **Anaerobic digestion (AD) sale in line with NAV, RCF fully repaid (8 July 2026).** A £3 million AD project sale priced at NAV, which was also the transaction that allowed GCP to fully repay its revolving credit facility (RCF), taking the outstanding debt balance to zero.



- **Onshore wind sale at a premium to NAV (20 July 2026).** GCP completed the sale of two operational onshore wind projects, Winscales Moor and Burton Wold, at a c.13% premium to their valuation in the 31 March 2026 NAV. Day-one cash proceeds were c.£10.3 million, with a further c.£0.8 million of tax-related proceeds and c.£0.6 million of deferred consideration to follow. Selling above book value is about as direct a proof point as a discounted trust can offer: the market paid more for the asset than GCP's own NAV said it was worth.
- **£31.5 million prepayment, materially in line with NAV (17 August 2026).** Following a change of control, a loan, secured against a portfolio of operational renewable energy projects, repaid in full nine years ahead of its original 2035 maturity. The repayment was materially in line with the loan's valuation in GCP's 30 June 2026 NAV, and the RCF remained fully undrawn.

Individually, each transaction is a routine piece of portfolio management. Collectively, they build a track record: assets are changing hands at or above the values GCP has attributed to them, which is the clearest evidence available that the NAV is not overstated, and, by extension, that the discount to it is unwarranted.

Share buybacks: capital returned, not just recycled

Every one of the disposals above explicitly directs excess cash toward GCP's buyback programme while the discount remains wide, under authority renewed at the AGM on 12 February 2026. This isn't new: in the quarter to 30 June 2026 alone, GCP bought back over 19 million shares, adding 0.57 pence per share to NAV. Since inception of the buyback programme in 2023, GCP has bought over 125 million shares for a total consideration of c.£98 million.

Buying back shares at a discount is itself value-accretive for remaining shareholders (each pound spent buys more than a pound of net assets), which is part of why the board has kept the mechanism running even as market conditions have shifted.

The result: a narrowing discount

The clearest scoreboard for all of this is the share price discount to NAV itself. GCP's shares trade at a c14% discount to NAV today (14 September 2026), with a share price of 84.00p against a NAV of 98.60p and a dividend yield of 8.29%*. That's down materially from its widest discount of almost 45% recorded in October 2023 and even the 26% discount at the start of 2026. It now sits within the 15% threshold set out in the capital allocation framework above, the level at which GCP has said it will start weighing new investments again alongside continued shareholder returns.

None of this guarantees the discount keeps narrowing. Markets can and do move against a company, regardless of its own execution. But the pattern of disposals at or above NAV, a fully repaid credit facility, and a sustained buyback programme is a compelling answer to the question of whether the board and investment adviser are actively working the balance sheet on shareholders' behalf, rather than waiting passively for sentiment to turn.

*Source: The Financial Times, 14 September 2026. Data provided by LSEG.



Important information

This article has been prepared by Gravis Capital Management Ltd ("Gravis") and is for information purposes only.

This article is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Any recipients of this article outside the UK should inform themselves of and observe any applicable legal or regulatory requirements in their jurisdiction and are treated as having represented that they are able to receive this article without contravention of any law or regulation in the jurisdiction in which they reside or conduct business.

This article should not be considered as a recommendation, invitation or inducement that any investor should subscribe for, dispose of or purchase any such securities or enter into any other transaction in a fund affiliated with Gravis.

No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of the Investment Manager or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this article and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise. In addition, the Investment Manager does not undertake any obligation to update or to correct any inaccuracies which may become apparent. The information in this article is subject to updating, completion, revision, further verification and amendment without notice.

Past performance is no guarantee of future performance.

Gravis Capital Management Ltd is authorised and regulated by the Financial Conduct Authority; registered in England and Wales No: 10471852 and its principal place of business is 24 Savile Row, London W1S 2ES.