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HydrogenOne Capital Growth PLC
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QuotedData

BY MARTEN & CO

HydrogenOne Capital Growth - Update from QuotedData

18th October 2023

Sky is the limit for HGEN

The disconnect between HydrogenOne Capital Growth (HGEN)'s net asset value (NAV), current and prospective track record, and its share price is hard to rationalise.

The recent bond market rout (yields have spiked higher, driving down bond valuations) has added insult to injury for renewable energy investors. Higher interest rates have increased concerns around the availability and cost of financing, in addition to the added competition from money market funds, which are now providing steady returns with lower risks than other investment types. Even so, share price discounts to net asset values on renewable energy funds now appear to be out of step with reality, driven by sentiment rather than any fundamental justification.

This is certainly the case for HGEN, which saw revenue growth of 170% year-on-year across its portfolio of green hydrogen investments (page 6 of our April 2023 initiation note gives a detailed breakdown of the different types of hydrogen - green being the most sustainable as it is produced by electrolysis powered by renewable energy), further vindicating the investment case. Whilst the last six months have been particularly harrowing for many investors, there appear to be few trusts with as high a potential ceiling as HGEN, and for the long-term investor, the current discount to NAV should provide an excellent entry point.

Full Research:

<https://quoteddata.com/research/hydrogenone-capital-growth-sky-limit-hgen-qd/>

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