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International Public Partnerships
27 March 2025

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27 March 2025

**INTERNATIONAL PUBLIC PARTNERSHIPS LIMITED**

**('INPP', 'the Company')**

**FULL-YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

International Public Partnership, the FTSE 250-listed infrastructure investment company ('**INPP**' or the '**Company**'), is pleased to announce its results for the year to 31 December 2024.

## 2024 KEY DEVELOPMENTS

- Declared a fully cash covered dividend of 4.19 pence per share for the six months to 31 December 2024 taking the dividends paid in respect of 2024 to 8.37 pence per share, reflecting dividend growth of 3.0% compared to the previous year[i]
- Provided dividend guidance covering 2025 and 2026, targeting further annual dividend growth of c.2.5% which continues the Company's track record of growing dividends each year since the IPO in 2006[ii]
- Announced an increase in the frequency of dividends from semi-annually to quarterly from June 2025 to provide investors with a more regular income stream[iii]
- Achieved excellent operational performance with asset availability of 99.7% for the year[iv]
- Realised an additional c.£44 million of proceeds during the year, taking total realised proceeds to c.£260 million over the 18 months to 31 December 2024. Importantly, all divestments have taken place at prices in line with the most recently published valuations prior to disposal, supporting the Company's approach to valuations
- Established a share buyback programme in January 2024, with c.£55m of shares having been acquired to date, generating 0.5 pence of additional value per share
- Completed c.£92 million of new and strategic follow-on investments, where the projected returns were greater than the returns of the divested assets and of those implied by a share buyback
- Fully repaid the cash drawings under the corporate debt facility ('CDF') in order to lower the interest costs arising, and subsequently reduced the CDF from £350 million to £250 million
- Published a dynamic target return framework to better enable stakeholders to understand how it assesses the relative attractiveness of new investment opportunities[v]
- Retained strong inflation-linkage of 0.7%[vi] generating long-term real rates of shareholder returns

**Mike Gerrard, Chair of International Public Partnerships, said:** *"The Company's portfolio continued to show resilience during the year with strong underlying performance, despite a persistently challenging market environment for listed investment companies."*

*"The Board continues to believe the share price at which the Company is currently trading relative to the NAV materially undervalues the Company. Reallocating capital to enhance value for shareholders continues to be the primary focus for the Board and Investment Adviser, having realised c.£260 million through asset recycling in the 18 months to 31 December 2024. The realisation proceeds achieved were in line with the last published valuations. The Company is continuing its divestment programme in order to increase the quantum of capital able to be returned to shareholders with an enhanced target of returning up to £200 million."*

## NEW MEASURES TO FURTHER OPTIMISE THE PORTFOLIO

As set out above, the Company has undertaken a number of actions in the past 18 months to reduce the discount to NAV at which its shares are trading and enhance shareholder returns. Although the drivers of the recent share price movements are principally exogenous factors, unrelated to the performance of the Company's assets, the Board and Investment Adviser recognise the importance of taking further action to support the narrowing of the discount and restore value for its shareholders. Taking this, the current market environment for investment trusts and the range of views shared through our engagement with shareholders over the course of the year into account, the Board is implementing the following package of measures. It believes these will further strengthen the Company's position in the current environment and ensure it is well-positioned for the longer-term.

### 1. *Further alignment of interest*

- The Board and the Investment Adviser have agreed, subject to finalisation of contractual arrangements, the following changes to the Investment Advisory Agreement which will be effective from 1 July 2025
- The base fee payable in respect of each quarter will be based on the equal weighting of:
  - (i) the average of the closing daily market capitalisation of the Company during that quarter; and
  - (ii) the most recently published NAV

- The base fee payable under the new arrangements will be capped such that the base fee payable will be no higher than under the existing arrangements
- Based on the current share price discount to the NAV, this fee change is expected to reduce the ongoing management fee by approximately 10% per year, providing additional value for shareholders, and further increasing the alignment of interests between the Company and the Investment Adviser
- Given current market conditions including the potential for the Investment Adviser's pipeline of possible investment opportunities to exceed the current capacity of the Company to invest, the Board and the Investment Adviser have agreed to update the policy relating to the allocation of new investment opportunities to the Company. Relatedly, the Company's formal right of first refusal over relevant investment opportunities that come to the attention of the Investment Adviser or its US-based shareholders (Hunt Companies and Boyd Watterson) will be ended
- This will remove potentially redundant and time consuming processes between the Investment Adviser and the Company. Both the Company and the Investment Adviser stress that these changes are not expected to alter the quality, suitability, diversity or volume of investment opportunities being made available to the Company in circumstances where the Company has the capacity to invest in such opportunities

**2. *Enhanced divestment programme***

- To demonstrate the underlying value of the Company's assets and fund up to an additional £140 million of capital returns to investors, the Company continues to actively pursue further divestments across its portfolio
- Post-period end, in March 2025, the Company agreed to sell its minority interests in seven UK education PPPs to an existing co-shareholder for total proceeds of c.£8 million which is in line with the most recent valuations
- There are a number of further processes already in progress and the next realisation is expected to conclude in the second quarter of 2025
- The Company's divestment programme may exceed the amount of capital it intends to return to investors over the period to 31 March 2026 as it continues to consider other capital allocation options

**3. *Increased capital returns***

- The Board intends to increase the quantum of capital being returned to shareholders from the current programme of up to £60 million, to a programme of up to £200 million, over the period to 31 March 2026
- These increased capital returns will be funded by a combination of divestments and surplus operating cash flow generated by the Company. While it is expected that the programme may be delivered through share buybacks, other forms of capital returns may also be considered

**4. *Disciplined approach to investments***

- Whilst the Board currently prioritises the return of capital to shareholders given the market trading environment, it will carefully consider opportunities to reinvest divestment proceeds into new and follow-on investment opportunities
- Such investments will only be made where they are considered to provide significant broader portfolio or strategic benefits which, taken together with the projected long-term returns, substantially exceed the short-term benefits available through share buybacks

**5. *Commitment to dividend growth***

- The Board is forecasting to continue its long-term projected annual dividend growth rate of c.2.5% such that the 2025 and 2026 annual dividend targets are 8.58 pence per share and 8.79 pence per share respectively

## VALUATION

- The Company's Net Asset Value ('NAV') decreased to £2.7 billion (31 December 2023: £2.9 billion) and the NAV per share decreased to 144.7 pence (31 December 2023: 152.6 pence)
- This movement in NAV was primarily driven by an increase in discount rates, reflecting the sharp rise in underlying government bond yields during the period. As a result, the weighted average discount rate ('WADR') has increased from 8.4% as at 31 December 2023 to 9.0% at 31 December 2024
- IFRS profit before tax for the year to 31 December 2024 was £0.5 million (31 December 2023: £28.0 million)
- The Company's shares maintained a low correlation to the FTSE All Share Index of 0.4 over the 12 months to 31 December 2024 (31 December 2023: 0.4)

## INVESTMENT ACTIVITY AND ASSET STEWARDSHIP

*Investment activity*

During the year, the Company made two divestments totalling c.£44 million in the UK and US PPP sector, this included:

- **The Three Shires portfolio:** In August 2024, the Company divested its 50% interest in the Three Shires Portfolio realising c. £14 million; and
- **Family Housing for Service Personnel ('FHSP'):** In September 2024, the Company made a partial disposal of FHSP realising c.£30 million

The sales price for both were in line with the Company's 30 June 2024 valuation. Further information on these divestments can be found in the 2024 Annual Report.

Investment activity during the year totalled £107.8 million. This included the acquisition of Moray East OFTO, a further investment into BeNEX, as well as funding long-standing investment commitments to Flinders University Health and Medical Research Building ('HMRB'), Gold Coast Light Rail - Stage 3 and toob.

- **Moray East OFTO**: The Company's eleventh OFTO investment, totalling c.£77 million, was completed in February 2024 using the proceeds from the previous OTFO realisations and will further increase the Company's contribution to the UK's transition to a net zero carbon economy
- **BeNEX**: In October 2024, BeNEX announced the successful completion of its acquisition of Abellio's regional rail operations in Germany ('Abellio Germany') which was facilitated by a strategic follow-on investment by the Company into BeNEX of c.£15 million. This transaction involved BeNEX acquiring 100% of Abellio Germany from the Dutch State Railway

The projected returns from acquiring Moray East OFTO and BeNEX were considered to be significantly more attractive relative to

The projected returns from acquiring Moray East OFTO and BeNEX were considered to be significantly more attractive relative to alternative capital allocation options.

The Company does not need to make additional investments to deliver current projected returns and reconfirms that the projected cash receipts from the existing portfolio are such that even if no further investments are made, the Company currently expects to be able to continue to meet its existing progressive dividend policy for at least the next 20 years[vii].

Further information on the Company's investment activity can be found on pages 18 to 20 of the 2024 Annual Report.

***Notable Portfolio Updates***

**East Anglia One OFTO, UK**

- The Company had previously reported that the East Anglia One OFTO ('EA1') was operating at half of its physical capacity having suffered an offshore cable fault in April 2024
- Due to the efforts of the Investment Adviser's asset management team, the repair works were completed and EA1 returned to full service in October 2024. The team worked closely with Ofgem throughout, who expedited their own investigations into both the reasons for the fault and EA1's response. Post period end, Ofgem determined that the fault was beyond the OFTO's reasonable control and, taking into account EA1's actions in responding to and repairing the fault, concluded that existing regulatory protections would be available such that EA1 would not be subject to any revenue loss for the impact of the offshore cable fault on asset availability

**Tideway, UK**

- During the year, major construction works were completed on the Tideway project and in September 2024, the tunnel started to prevent sewage from entering the River Thames for the first time
- In February 2025, it was confirmed that the 'super sewer' had been fully connected and it should therefore now be able to prevent 95% of the sewage spills that would have otherwise polluted the River, dramatically improving the water quality of the River Thames and delivering significant environmental benefits
- Data shows that from September 2024 until the time of writing, the system has prevented more than 6 million cubic metres of sewage from entering the river[viii]
- Tideway continues to monitor developments in relation to the well-publicised financial position of Thames Water. The matter is not expected to have a material impact on the Company's investment in Tideway. Whilst Thames Water has a licence obligation to pass revenues to Tideway, statutory and regulatory protections are afforded to Tideway which are designed to mitigate the risk of disruption to the receipt of revenues and would continue to apply should Thames Water's status change

For updates and information on the wider portfolio, please refer to the Asset Management section of the 2024 Annual Report.

## OUTLOOK

Despite the persistent challenges facing the sector, which are contributing to sustained upward pressure on discount rates and consequent valuation challenges, listed infrastructure continues to represent an attractive long-term investment.

The Board believes that the implied projected net returns of 10.7%[ix] on an investment in the Company's shares, with a current dividend yield of 7.6%[x], represents an attractive 5.6% premium to that offered by a 30-year UK government bond[xi].

The Board and Investment Adviser remain confident in the long-term attractiveness of infrastructure investment, with INPP offering a well-diversified portfolio that delivers stable, inflation-linked returns while supporting economic growth and climate resilience.

The global presence of the Investment Adviser and its deep expertise in the sectors likely to shape infrastructure investment in the coming years means the Company is well-positioned to continue to meet its long-term goals, while also meeting the diverse needs of its shareholders.

Successful infrastructure investment relies on diligent asset selection, investment and divestment; active asset management; and prudent financial management. In order to remain well positioned in the current market environment, the Board will continue to balance these principles while considering investor interests and stakeholder needs. The Board remains focused on delivering sustainable value, and appreciates your continued support.

## OTHER INFORMATION

The 2024 Annual Report and financial statements has today been published on the Company's website, along with a copy of the results presentation, and can be accessed and downloaded at https://www.internationalpublicpartnerships.com/investors/reports-and-publications/

In compliance with LR 9.6.1, a copy of the 2024 Annual Report has been submitted to the National Storage Mechanism and will shortly be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism. In accordance with DTR 6.3.5(1A), the regulated information required under DTR 6.3.5 is available in unedited full text within the 2023 Annual Report as uploaded and available on the National Storage Mechanism and on the Company's website as noted above.

ENDS

## NOTES TO EDITORS


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**About International Public Partnerships ('INPP'):**

INPP is a listed infrastructure investment company that invests in global public infrastructure projects and businesses, which meets societal and environmental needs, both now, and into the future.

INPP is a responsible, long-term investor in over 140 infrastructure projects and businesses. The portfolio consists of utility and transmission, transport, education, health, justice and digital infrastructure projects and businesses, in the UK, Europe, Australia and North America. INPP seeks to provide its shareholders with both a long-term yield and capital growth.

Amber Infrastructure Group ('Amber') is the Investment Adviser to INPP and consists of over 180 staff who are responsible for the management of, advice on and origination of infrastructure investments.

Visit the INPP website at [www.internationalpublicpartnerships.com](http://www.internationalpublicpartnerships.com) for more information.

**Important Information**

This announcement contains information that is inside information for the purposes of the UK version of the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time).

This announcement does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. The issuance programme, as described in Part VI of the Prospectus issued by the Company on 8 April 2022, available on the website, is closed.

Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These forward-looking statements speak only as at the date of this announcement. The Company, Amber and Numis Securities Limited expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Regulation Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

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[i] The H2 2024 dividend of 4.19p is expected to be paid on 9 June 2025.

[ii] Future profit projection and dividends cannot be guaranteed. Projections are based on current estimates and may vary in future.

[iii] The second and final dividend in respect of 2024 is expected to be paid in June 2025. This will be the final dividend paid on a six-monthly basis. Following this, dividends will be paid quarterly, commencing with the first of four interim dividends for the financial year 2025 in September 2025.

[iv] See pages 26 to 27 of the 2024 Annual Report for further information.

[v] The target return for any new investment is informed by several factors, including (i) the Company's share price relative to its NAV, (ii) the Company's weighted average discount rate, and (iii) any pertinent economic or strategic considerations. Further information can be found on page 32 of the 2024 Annual Report.

[vi] Calculated by running a 'plus 1.0%' inflation sensitivity for each investment and solving each investment's discount rate to return the original valuation. The inflation-linked return is the increase in the weighted average discount rate.

[vii] This is reflective of the 2025 and 2026 dividend targets, and 2.5% annual dividend growth thereafter.

[viii] Tideway has launched a tracker to show the volume of sewage being prevented from entering the River Thames: https://www.tideway.london.

[ix] As at 28 February 2025. This is calculated based on INPP's weighted average discount rate, less the Ongoing Charges Ratio, adjusted to reflect the share price discount to the NAV using published sensitivities.

[x] Dividends projected to be paid over the 12 months from 28 February 2025 divided by the Company's share price as at 28 February 2025.

[xi] As at 28 February 2025. 30-year bond used owing to the UK weighting of the portfolio and the weighted average investment tenor of c.38 years.

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