

International Public Partnerships

Extending the horizon of dividend growth

International Public Partnerships' (INPP's) results for the year ended 31 December 2025 show continuing strong operational performance, underpinning fully covered dividend growth. DPS has increased every year since listing in 2006, at a rate of at least 2.5% per year. Projected portfolio cash flow is sufficient to cover future growth, at the same rate for at least the next 25 years, without any need for further investment. The predictability of these cash flows is underpinned by a diversified portfolio of lower-risk assets, where 98% is generated by government-backed, availability-based or regulated revenues, with strong inflation linkage.

In line with the pre-close update provided by the company, the portfolio delivered strong operational performance and this is expected to continue. FY25 DPS of 8.58p (+2.5% vs 2024) was 1.1x covered by net operational cash flow. INPP is specifically targeting a similar rate of growth over the next two years (8.79p in 2026 and 9.01p in 2027). Including Sizewell C on a fully invested basis from 2030, the horizon for predicted cash flow and dividend growth increased to at least 25 years from 20 years previously.

NAV per share increased by 6.8p to 151.5p versus end-2024, an increase of 4.7%. Including DPS paid, the 2025 NAV total return was 10.6%. Portfolio valuations benefited from continued strong asset performance, favourable foreign exchange and changes to macroeconomic assumptions, primarily for near-term inflation, partly offset by increases in government bond yields. The portfolio weighted average discount rate increased from 9.0% to 9.1%, principally reflecting capital recycling from lower-returning to higher-returning assets. Share buybacks are also having a positive impact on NAV per share. The size of the programme was increased to up to £225m during the year and runs until March 2027. Over £135m of shares have been repurchased to date, generating an estimated 1.6p per share of NAV accretion.

Share buybacks form part of a broader capital allocation strategy, with proceeds from the sale of mature, lower growth assets also being recycled into compelling opportunities with the potential for higher returns in support of the longer-term investment objectives. Realisations of over £385m since June 2023 have all been at or above valuations, with new commitments of £345m over the same period, including the c £254m equity commitment to the regulated company that is financing the Sizewell C nuclear power plant, to be deployed over up to five years. Through construction and early operations to the early 2040s, INPP expects its investment to generate an annual cash yield of 6% and a low teens return, based on a real allowed return on equity of 10.8% plus inflation. INPP has also been selected as preferred bidder on its 12th OFTO investment (Moray West OFTO) requiring an estimated c £65m equity commitment expected in H226. The Moray West OFTO is expected to be accretive to inflation linkage, dividend cover and ESG metrics.

The discount to NAV has narrowed but remains at c 17%, providing an opportunity to invest at an implied total return, based on projected future portfolio cash flows, of 10.3% per year, well ahead of the UK 30-year gilt yield of c 5.5%. INPP's low-risk investment strategy has a strong track record of providing stability during turbulent times, generating predictable cash flows that are mostly uncorrelated with the economic cycle. There is a high level of positive inflation linkage, well protected against the impact of interest rate fluctuations on equity returns.

Investment companies
Infrastructure

31 March 2026

Price 126.00p
Market cap £2,266m
Total assets £2,756m

¹Total assets as at 31 December 2025.
NAV 151.5p
¹NAV as at 31 December 2025.
Discount to NAV 16.8%
Current yield 7.0%
¹Yield based on FY26 target DPS of 8.79p.
Shares in issue 1,798.1m
Code/ISIN INPP/GB00B188SR50
Primary exchange LSE
AIC sector Infrastructure
Financial year end 31 December
52-week high/low 134.0p 96.3p

Fund objective

International Public Partnerships is an infrastructure investment company that listed in 2006. It invests in a diversified portfolio of global public infrastructure assets and businesses, with a focus on availability-based or regulated revenues. It aims to provide investors with a consistent and predictable return from assets that meet societal and environmental needs, both now and in the future.

Bull points

- Operates in a structurally supported sector.
- Financial returns are consistent and predictable, with good inflation linkage.
- Established, specialist, well-resourced manager with a global presence.

Bear points

- Higher capital costs are a headwind to new portfolio investment.
- Sector has de-rated with higher interest rates.
- Differing risk-return strategies and discount rates across the sector are difficult for investors to compare.

Analyst

Martyn King +44 (0)20 3077 5700

investmenttrusts@edisongroup.com

[Edison profile page](#)

International Public Partnerships is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by International Public Partnerships and prepared and issued by Edison, in consideration of a fee payable by International Public Partnerships. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
