

Gresham House Energy Storage Fund

Reinvesting in growth with minimal dividends

Gresham House Energy Storage Fund (GRID) delivered strong H125 operational performance, with underlying portfolio revenues up 76.9% y-o-y to £31.7m and EBITDA rising 97.6% to £20.5m, driven by improving revenue rates and increased operational capacity, which has now reached 1,072MW. Despite this, NAV per share declined 1.5% to 107.71p, primarily due to further reductions in third-party revenue forecasts (negative 11.54p impact), which was largely offset by operational improvements and cash generation. The board has prioritised reinvestment over near-term cash distributions to shareholders, announcing minimal dividends through 2026. The focus is on funding the [three-year plan](#), which aims to double capacity to 3.5GWh by 2027–28. This strategy reflects management's confidence in the substantial value-creation potential during the company's current growth phase. At 30 June 2025, GRID's net debt stood at £111.8m. Management further highlighted its confidence in the industry outlook, including the National Energy System Operator's commitment to use more batteries in its system.

GRID's board stated that it is prioritising reinvestment during the growth phase over near-term cash returns. A token 0.11p/share dividend will be paid in November 2025 for FY24 to meet investment trust regulatory requirements, followed by a single dividend payment of at least 0.25p/share in 2026 for FY25. The board stated more meaningful dividend increases are anticipated from 2027, following completion of augmentations and new projects. The board noted the importance of future dividends being fully covered, with dividends from 2027 expected to be declared as interim payments at half-yearly intervals. The company retains flexibility to repurchase shares from excess free cash flow if shares trade at a material discount to NAV. The board will review this dividend policy at end-2026 when construction delivery is more advanced.

During the period, GRID achieved the landmark milestone of becoming the first and only gigawatt-scale operational BESS portfolio in Great Britain at 1,072MW/1,701MWh. GRID has completed 330MWh of initial augmentations, taking the portfolio's average duration to 1.6 hours, with a further 350MWh programme underway across eight projects. Revenue visibility improved markedly, with 939MW, or 88%, of its operational portfolio now having long-term revenue floor contracts, in addition to the two-year revenue tolls with Octopus Energy (see our September 2024 [note](#)). A crucial post-period [refinancing](#) was completed, unlocking growth capital, with net debt at £111.8m (18% of NAV).

GRID's strategy reflects management's confidence in the battery storage growth opportunity, with the three-year plan targeting substantial value creation through capacity expansion from 1.7GWh to 3.5GWh by 2027–28. The plan involves new project capacity growing 65% from 1.1GW to 1.8GW, increasing the whole target portfolio's average duration from 1.6 hours to c two hours. Management projects that once the portfolio reaches 1.8GW, at current merchant rates of £75k/MW/year, excess cash flows could reach c 10p/share. Third-party forecasters are anticipating 2028 merchant revenue levels of c £90k/MW/year for two-hour assets. While near-term dividend yields will be minimal, GRID's operational scale, contracted revenue base and post-period refinancing provide a foundation for the planned capacity doubling. The dividend deferral appears prudent given the growth potential and falling battery prices, which are creating opportunities for duration expansion.

Investment companies
Renewable energy infrastructure

26 September 2025

Price 73.00p
Market cap £415m
Total assets £623m

NAV 107.7p
¹As at H125.
Discount to NAV 33.0%
Shares in issue 569.1m
Code/ISIN GRID/GB00BFX3K770
Primary exchange LSE
AIC sector Renewable Energy Infrastructure
Financial year end 31 December
52-week high/low 82.0p 40.7p

Fund objective

Gresham House Energy Storage Fund seeks to provide investors with an attractive and sustainable dividend over the long term, by investing in a diversified portfolio of utility-scale battery energy storage systems (BESS) located in the UK and Ireland. In addition, the company seeks to provide investors with capital growth through the reinvestment of net cash generated in excess of the target dividend.

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