Kepler Trust Intelligence

Flash update: Greencoat UK Wind

Greencoat UK Wind (UKW) has released its factsheet for 30/09/2026, together with an update on the performance of the portfolio to that date.

The key highlights are:

- **UKW's NAV per share increased by 1.6p or 1.2% during Q3 to 135.7p, with strong cash generation and higher power prices more than offsetting the impact of higher discount rates, the quarterly dividend, and depreciation.**
- **Electricity generation from the portfolio over Q3 was 2% below budget, although generation remains 3% above budget year-to-date. The team continues to expect both 2026 EBITDA (£560-660m) and net cash generation (£350-410m) towards the upper end of the guided range. Dividend cover projections remain at c. ≥1.7x for the year.**
- **Gearing has reduced to 41.1% from 41.7% at 30/06/2026. While gearing remains above the target of 40%, the team will be looking to reduce debt over time. Since the NAV date, UKW has refinanced £150m of debt due in 2027, and the total cost of debt has nudged below the 5.1% reported at June 2026.**

Kepler View

UKW's Q3 NAV update shows its resilience.
William Heathcoat Amory
30 October 2026
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Greencoat UK Wind's (UKW) model has been designed for resilience since the outset when it IPO'd in 2013. Since then, it has continued to deliver a dividend linked to UK inflation. Over the past couple of years, higher interest rates have tested the renewable energy infrastructure sector, and the strength of UKW's model has seen it come through this difficult period without any scratches. It continues to pay an inflation-linked dividend (which yields 8.9% at the current price of 120p), continues to generate surplus capital, and it continues to repay and refinance its debt.

Ultimately, UKW's ability to self-generate capital to reinvest is central to its resilience. At its simplest, because the investment returns UKW generates from its portfolio are greater than its dividend, it is able to recycle this surplus capital into accretive acquisitions which extend the life of shareholder's future cash flows, or buybacks at wide discounts if the opportunity presents itself. At a recent capital markets event (for a video summary, **click here**) the team reiterated their belief that UKW would have between £900m to £1.4bn of excess capital to reinvest over the five-year period 2027-2031, and outlined the four types of accretive investment opportunities they will be evaluating.

UKW has clearly been a beneficiary of rising power prices – which have continued to rise since the NAV date. The effect on UKW's revenues has been tempered by the Electricity Generator Levy, which saw 45% (and now 55%, since 01/07/2026) of wholesale revenues above c. £82 per MWh being paid to the UK government. Overall, UKW aims to retain a 50:50 balance of fixed and variable revenues over the long term. The team has a number of different ways to manage the balance of cash flows derived from the portfolio – through acquiring CFD-based assets, corporate PPAs, as well as short-term hedges. A combination of this management of fixed and variable cash flows, as well as accretive recycling of surplus cash, means that the team is confident they can continue to extend shareholder cash flows long into the future.

UKW's shares have recovered somewhat, and now trade on a c. 12% discount. The team is optimistic that the electrification of the UK economy puts it in a good place to continue to deliver an inflation-linked dividend long into the future. There are political challenges ahead, but as the team continues to note, the consultations on wholesale CFD's – allowing generators to exchange variable revenues for a fixed-price contract, could result in a win-win for both consumers as well as generators. In our view, UKW's resilient model means the future is looking increasingly bright for the trust.

View the NAV update on RNS Read our research on UKW Click here to add UKW to your watchlist

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