

What can NUI borrow?

A plain-English guide to the v2.6 financing model

More borrowing can help shareholders. It helps only when the entire package can fund the bills and repay every provider.

A lender needs two things: assets it can claim if something goes wrong, and cash that can repay the loan. Owned land, buildings and equipment can be collateral. A signed lease with reliable payment support can provide repayment cash. Tenant-owned GPUs belong to the tenant. A power-supply contract creates costs and security requirements; it is not rent.

Why "80% debt" covered only about 72%

Phase 2 example	USDm
Eligible construction	4,752.0
80% loan	3,801.6
Construction interest, fees and reserve	530.1
Total senior funding uses	5,282.1
Loan / those total uses	72.0%

The analyst correctly identified a restrictive cost definition. Some lenders may finance approved interest, fees and reserves too. But expanding the cost list does not remove the rent-based repayment limit. In the revised case, debt service limits borrowing before the higher headline loan percentage does.

The new \$60m draw is locked, not free cash

The power LC has a \$116m face amount and requires \$118.32m pledged cash. The October draw supplied \$60m of that pledge; about \$58.3m came from existing cash. NUI still owes the loan. Future collateral release needs actual approvals and repayments. Current unrestricted cash and the actual debt payoff remain unknown.

The source workbook's old \$5.37/share was an incomplete funding illustration. It did not assign an affordable, repayable owner to all missing capital, so it was not a funded price target.

What reaches existing shareholders?

The best augmented static case retains \$2.41 per original share after modeled claims. The reference case is \$2.41. Both are conditional, not executable transactions or stock-price forecasts.

Augmented two-phase illustration	What it requires
Data-center debt	5,589.2m, against project assets and assumed binding tenant payments
Project investors	Outside common owns 80%; preferred earns its own cash return; a new buyer gets 3.75% of Phase 1
NUI project ownership	Modeled 11.25% Phase 1 after Vistra and sale; 20% Phase 2
Parent share issuance	69.2m gross at assumed \$2/share; 34.6m new shares
Original holders	64.0% of modeled parent economic shares
Independent Power SPV	Needs its own debt, equity and delivery contracts; NUI gets no ownership payout

The LC replacement leaves 10% cash collateral and needs acceptable bank credit support for the rest. Releasing \$106.72m leaves only about \$5.31m after the conservative debt payoff and new fee. The later equity sale nets \$30.67m but gives its buyer future cash. No replacement approval or buyer commitment is established.

Augmented D fails if collateral release fails, build costs rise 10%, preferred is rejected as lender equity or later security needs 102% cash. A six-month delay passes at about \$2.29 with more parent funding, assuming finance remains available. The sale adds buyer and consent risk for only \$0.004/share more. Failed cases say "No feasible funded value." Phase 1 alone does not pass the main grid.

Starting Phase 2 earlier can improve the mathematical result, but only if both phases and independent power are ready to finance. That timing case is shown separately; it is not a claim that construction can begin today.

Verdict: partly supported

The old model was restrictive about eligible financing costs and sponsor-debt access. It was appropriately cautious about capital that had not been committed, and too optimistic about the initial LC cash margin. The most useful next evidence is a signed tenant lease, lender and investor terms, a real cash/debt bridge and approved collateral replacement.