Results analysis: Cordiant Digital Infrastructure

Undervalued assets and operations in the digital infrastructure space.

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Analysts:
Alan Ray
alan@keplerpartners.com

- **Cordiant Digital Infrastructure (CORD), the digital infrastructure specialist investment trust with a strategy of buying, building and growing core digital infrastructure assets that provide the 'plumbing for the internet', has released final results to 31/03/2026 which show an NAV and share price total return of 16.3% and 24.3% respectively, with the NAV per share increasing to 146.0p (2025: 129.6p).**

- **Total dividends were 4.45p (2025: 4.35p), a 2.3% increase. Based on the share price at 17/06/2026 this equates to a dividend yield of 3.6%. Dividend cover was 1.7x (2025: 1.7x) based on adjusted funds from operations, the manager's preferred measure of cashflow. The forward dividend target is 4.45p. CORD has over £950m of contracted revenues over the remaining life of contracts, which coincidentally is approximately equal to its current market capitalisation.**

- **From CORD's IPO in February 2021 the annualised NAV total return is 14.0% and dividend growth over the last four years annualises at 10.4%.**

- **Since the year end, to 17/06/2026 the share price has risen by 22.7% and the discount to NAV has narrowed to 14.7%.**

- **This follows its migration from the specialist funds segment to a premium listing on the London Stock Exchange. CORD becomes eligible for inclusion in FTSE indices and on 19/06/2026 it became a constituent of the FTSE 250 index. This will result in significant volume in the shares as index funds establish a position in the shares.**

- **Adjusted EBITDA and revenue growth was 7.8% and 9.9% on a constant currency basis. This excludes the contribution from holding DCU, which was acquired in February 2025. Earnings growth came from a combination of factors including new contract wins, price escalators in existing contracts, cost management and positive contributions from bolt-on acquisitions. The portfolio valuation increase was driven by a combination of good underlying operational performance and developments in asset valuations, principally the inclusion of the land value in the Prague Gateway project, one of the key projects in the Czech Republic CRA holding.**

- **Alongside earnings and revenue growth, there was notable strategic and operational progress. The groundworks for the abovementioned Prague Gateway development were completed and construction of this 26MW datacentre asset can now begin, and a pipeline of potential customers is already established. A further 1.3MW datacentre in Prague was completed, and four value accretive bolt-on acquisitions were completed in Ireland, Poland and the Czech Republic, covering a variety of sectors from fibre to datacentres and IPTV, and OTT and radio streaming capabilities.**

- **Since its IPO, CORD has built a portfolio of six core businesses that own and operate over 14,000kn of fibre, 24 datacentres, 1440 communications towers, deriving revenue from fibre networks (30%), datacentres and cloud (14%), digital TV infrastructure (30%), digital radio infrastructure (30%), mobile towers (13%) and IoT/smart cities (2%). It owns assets in Poland, one of Europe's largest and fastest growing economies, the Czech Republic, Ireland, the US and Belgium and has contracts with a broad variety of 'blue chip' customers.**

- **CORD's gearing remained stable over the year at 40.1% LTV or 66.9% on an NAV basis (2025: 40.3% LTV), calculated on a look-through basis. There are no debt maturities until June 2029, and CORD has access to £220m of liquidity through a combination of cash, £74m, and undrawn debt, £146m.**

- **Shonaid Jemmett-Page, chair, said "While we are encouraged by recent share price performance and some narrowing of the discount to NAV, the Board believes that the share price does not reflect the Company's underlying performance and long-term prospects. We remain confident in our ability to deliver attractive returns for shareholders."**

Kepler View

Whereas **Cordiant Digital Infrastructure's (CORD)** discount has narrowed over the year to 15% (as at 24/06/2026), the CORD team notes that, if one looks at the valuation in terms of EBITDA to market cap, which is less than 10x, this is much lower than comparables in the wider market for similar assets, which are typically mid- to high-teens. And, given that many comparable assets are likely managed in structures with fees closer to private equity rates, the management fee, which because it is calculated on market cap comes out at less than 0.7%, looks like incredibly good value. Further, management and board have significant 'skin in the game' through their share ownership, so there is a strong alignment with shareholders.

One consistent theme that emerges from the equity fund managers in Kepler's network, whether they manage global, European, US, Emerging Market or UK portfolios, and regardless of whether they are large or small cap specialists, is the growth opportunities available to businesses involved in digital infrastructure. Given how much this theme is woven into the thinking of so many investors, it's a conundrum to us that CORD, having built and grown a specialist portfolio of assets in this field and delivered consistently good results since its 2021 IPO, continues to trade at a discount, particularly when one considers the EBITDA multiple noted above.

This has begun to change and at time of writing, CORD is transitioning from the specialist funds segment of the London Stock Exchange to a premium listing. If that sounds a bit technical and dull, it really isn't as it means that the company also makes the cut to be included in the FTSE 250 index. The immediate impact of that should be buying from passive ETFs and funds, which can be significant enough to move the share price. But the longer-term impact should be that the trust moves onto the radar of many other active equity funds. This must be balanced by the fact that equity fund managers can be resistant to buying investment trusts, but we think CORD is really as close to an operating company as an investment trust can be, and its combination of revenue visibility and growth potential make it an obvious holding for, say, equity income funds. CORD's current yield may be a little lower than average for a UK equity income fund, but its dividend growth rate, 10%, would more than justify a place in a balanced equity income portfolio.

And even if some professional investors remain stubborn, as we see elsewhere in the Infrastructure sector, which is steadily regaining its poise through narrowing discounts, smaller investors are a growing force on share registers. Yes, one of the draws of the sector are the high yields on offer but, in an era where interest rates are, at best, on a very slow path down, higher capital and dividend growth prospects are becoming much more attractive to income investors. We expanded upon this in a recent article, including a look at CORD itself, and you can read that here. In our view CORD should be considered by investors looking to capture the growth from digital infrastructure, by value investors seeking under-appreciated but growing assets, or good old income investors looking to balance up some higher yield holdings with some real income growth for the future. Until the discount disappears, it will remain a conundrum to us.

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