



Making waves

Who says resilience has to come at the expense of returns?

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There is an old proverb that a smooth sea never makes a skilled sailor. And the last five years have certainly served up stormy seas for the infrastructure sector, with a pandemic-driven demand shock, surging inflation and a rapid rise in interest rates challenging valuations across the board.

Plenty of managers have sought cover behind infrastructure’s defensive credentials, but a far more select group have demonstrated genuine skill in navigating the headwinds to deliver sustained outperformance.

Cordiant Digital Infrastructure (CORD) falls firmly in the second camp. Recently celebrating its fifth anniversary, the trust has delivered an annualised net asset value return of 11% in the five years since inception - comfortably ahead of its 9% target despite the headwinds.

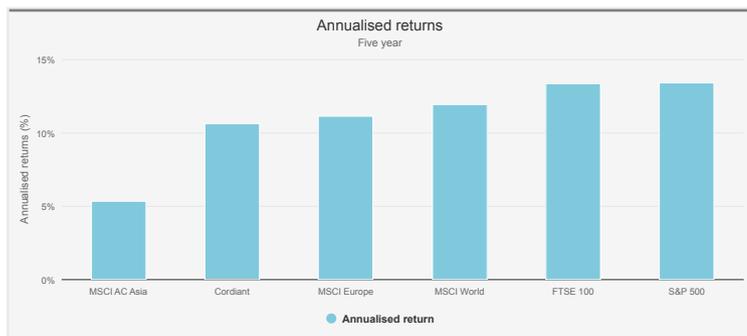
With markets buffeted by geopolitical conflict, focus is shifting to assets that can weather the storm. Infrastructure assets tick this box, generating long-duration, contracted cash flows that are largely insulated from the daily swings of global markets.

That said, resilience doesn’t have to come at the expense of returns. Infrastructure may not carry the allure of the Magnificent Seven, but its track record shows investors have been rewarded for looking past the glitz.

As shown in the chart below, Cordiant’s returns are only slightly below the 13% delivered by the S&P 500, which has been a stellar performer in recent years. This is a significant achievement in an asset class that prioritises a steady income stream over pure growth.

The trust has also announced plans to move to the main market of the London Stock Exchange, subject to shareholder approval.

Fig.1: Cordiant Has A Track Record Of Strong Returns



Source: Morningstar & FE Analytics, 5 year period ending 16/02/2026. Returns in GBP and NAV return for Cordiant.

Analysts:

Jo Groves
jo@keplerpartners.com



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This would be a positive development in terms of improving liquidity and supporting eligibility for inclusion in the FTSE UK index series, which should help to attract a broader pool of retail and institutional investors.

The five-year milestone provides an opportune moment to examine the key drivers behind Cordiant’s success.

Buy, build and grow

Cordiant’s strategy is focused on a straightforward proposition: acquiring digital infrastructure assets, adding capacity and growing revenue and cash flows through active management.

Delivering on that proposition, however, demands specialist expertise, and this sets Cordiant apart. The management team combines deep operational experience with private capital know-how, critical not only in sourcing and structuring deals but running the assets post-acquisition.

The trust targets mid-market assets with a disciplined approach to entry multiples, seeking assets at below-average valuations before applying



best-in-class operational practices to drive growth. A key lever is unlocking revenue from under-utilised assets, allowing fixed costs to be spread across a larger revenue base.

A recent example is the acquisition of BT's Irish fibre business, which is expected to generate considerable synergies with the existing Speed Fibre Group. The combined entity is now Ireland's second-largest provider and is well-positioned to drive scalable fibre connectivity to both business and retail customers nationwide.

Harnessing the mega-trends

An estimated 90% of the world's data has been generated in the past two years alone. Add in the voracious demands of artificial intelligence, cloud computing and the proliferation of Internet of Things devices, and the growth trajectory is compelling.

Digital infrastructure provides exposure to these powerful secular trends through a different lens to the Magnificent Seven. Meeting the demands of the data supercycle requires sustained investment in the critical backbone of the digital economy - fibre-optic networks, mobile towers and ever-larger data centres.

On the data centre side, Europe faces considerable structural constraints on new capacity, driven by limitations around energy, water and land. This has driven demand in well-located markets beyond the 'Big Five' of the UK, Ireland, Germany, France and the Netherlands.

Cordiant has built a significant data centre presence in the Czech Republic and Belgium and recently commenced construction on its flagship Prague Gateway development. Designed to run on 100% renewable energy, the facility is well-suited to meet the high energy demands of modern data centres.

Prague Gateway's submission as a potential EU gigafactory site underlines both the development's scale and its strategic importance. Increasing focus on data sovereignty across Europe further strengthens Cordiant's positioning, underpinned by its strong relationship with the Czech government.

An all-weather portfolio

Delivering a targeted 9% shareholder return through a combination of income and capital appreciation remains central to Cordiant's proposition. A progressive and well-covered dividend provides a reliable income stream, while the ability to generate healthy capital appreciation is a clear differentiating feature.

Recent transactions in mobile towers and data centres have achieved multiples exceeding 20 times EBITDA, compared to a valuation of less than 11 times EBITDA for Cordiant's portfolio (as at 30/09/2025). A current discount of around 25%, wider than both historical averages and peer group levels, suggests the market has yet to fully recognise the value of the trust's underlying assets.

Cordiant's allocations also underpin its all-weather portfolio, spanning data centres, fibre networks, mobile towers and connected infrastructure. Exposure is spread across five countries, with Cordiant holding the market-leading position in Poland, the Czech Republic and Belgium.

A blue-chip customer base, including Amazon, O2, Pfizer and the European Commission, generates high-quality revenues tied to long-term, index-linked agreements. This provides natural inflation protection and strong cash flow visibility, as well as insulation against short-term economic noise.

These long-term and predictable revenue streams are well suited to the investment trust structure, offering shareholders a liquid way to access an otherwise hard-to-reach asset class. The Cordiant management team also has meaningful skin in the game, owning more than 2% of the trust.

The road ahead

Digital infrastructure sits at the intersection of two powerful themes: the relentless growth in global data consumption and the urgent need to decarbonise the systems that support it.

Cordiant is well-placed to capitalise on both. In a market where defence and returns rarely go hand-in-hand, its predictable cash flows, experienced management and high-quality assets make a compelling investment case. If stormy seas lie ahead, this steady hand at the tiller could prove invaluable.

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