

Cordiant Digital Infrastructure Limited / LSE: CORD / June 2022



CRA broadcast tower, the Czech Republic

Cordiant Digital Infrastructure Limited (CORD) is a UK listed investment company providing investors with dedicated exposure to the core infrastructure of the digital economy.

It creates value from investing in the critical infrastructure of the modern internet including cloud and data centres, mobile telecommunications/ broadcast towers and fibre-optic networks with a focus on the fast-growing UK, Europe, and North America markets.

CORD seeks to deliver long-term and sustainable returns for investors and stakeholders with attractive total returns of at least 9 per cent. p.a. (comprising capital growth and a progressive dividend). CORD has a strong pipeline of opportunities to further support its development in 2022 and beyond, supported by fresh, committed capital via its successfully arranged €200m Eurobond facility.

Key facts & statistics:

Market Cap:

£824m

as of 13/06/22

Share price:

108.50p

as of 13/06/22

Shares in issue:

773,288,394

2022 Dividend:

3p

(target 4p for FYE 31/03/23*)

Listing:

LSE / SFS

Share price 52 wk. high:

115.50p

Share price 52 wk. low:

101.85p

NAV (per ordinary share):

106.34p

as of 31/03/22

Eurobond facility:

€200m

Ticker - LN:

CORD

Basic EPS:

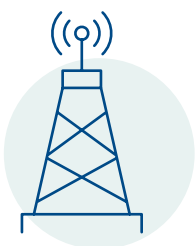
12.49p

as of 31/03/22

*This is a target only and not a profit forecast or estimate



What is digital infrastructure?



Mobile towers - Enabling the data to leave the fibre and reach your smartphone



Fibreoptic networks - The routing from data centres to mobile towers, businesses and homes



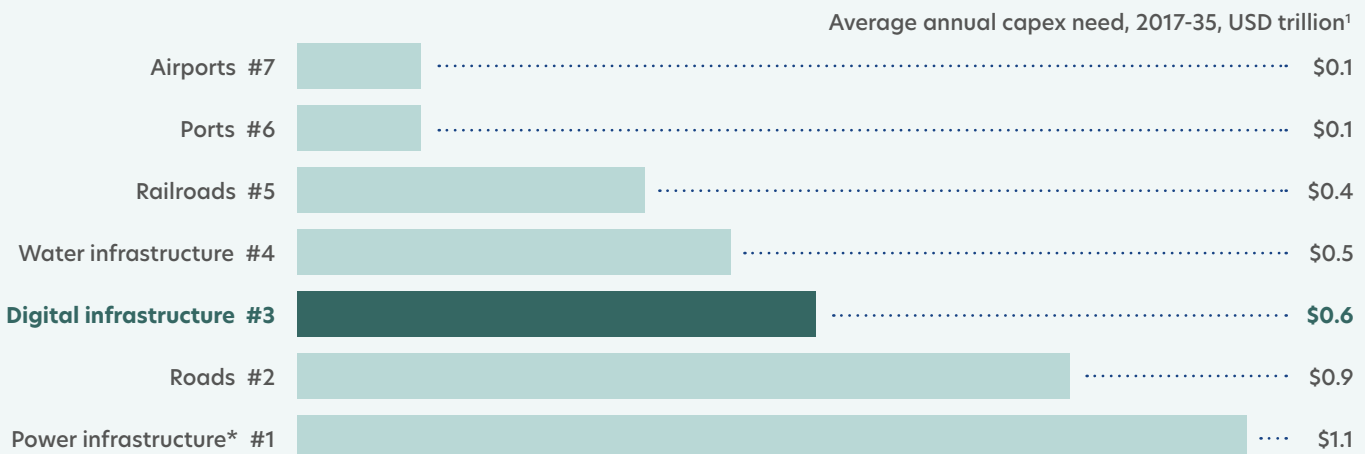
Cloud & data centres - Where the data (Netflix, Zoom, Facebook, Google, LinkedIn) lives

Market opportunity

Demand for digital data continues to increase exponentially as people's lives continue to be lived online in a post Covid-19 world. According to TeleGeography, global demand for data is expected to double between 2020 and 2022 and quadruple again by 2025.

In CORD's view, the requirement for services, made possible by digital infrastructure, is likely to continue to grow for years to come. This coupled with the advent of outsourced, shared infrastructure, where carriers and corporations share digital infrastructure to deliver online technologies and applications has resulted in digital infrastructure expected to be the third largest category of infrastructure spending globally.

Digital infrastructure - 3rd largest infrastructure category & fastest growing



*Fossil fuel & renewables

1. McKinsey, JP Morgan & Cordiant estimates of market growth 2021

Acquisition Strategy - Buy, Build and Grow:

Central to CORD's acquisition strategy is to Buy, Build and Grow: to identify mid-sized platforms with expansion potential, and provide them with the capital and the management expertise to expand and flourish. This approach improves the potential for higher returns to investors, as capital investments made after purchase are generally made at construction cost, which in turn lowers the average cost of entry.



Acquisitions:

- Committed the **net funding proceeds** in first year
- In-line with **Buy, Build and Grow** strategy
- Mid-size platforms - **stable income** and **opportunity for growth**
- **Diversified risk**, through different technologies, clients, and geographies, in **North America, Europe & UK**
- **Income generated** from long-term contracts with predominantly 'blue-chip' clients
- Platform would have **delivered an EBITDA of £95m** on a proforma basis in 2021

České Radiokomunikace Acquired: £305.9m on an EBITDA multiple of less than 12x	Hudson Interchange Acquired: \$74m	Emitel Expected to close in Q3, 2022 Purchase consideration: c.£352m
<ul style="list-style-type: none"> • Leading independent digital infrastructure platform in the Czech Republic • Operates a nationwide network of mobile towers; national broadcast, Edge data centres; and c.3,700km of fibre optics and a national sensor network serving major utilities • Strong market fundamentals - Buoyant demand for digital services with favourable country GDP per capita and public finances 	<ul style="list-style-type: none"> • Operates out of 60 Hudson Manhattan NY- one of the most densely connected internet facilities globally • Occupies c.290,000sq ft • Customers are typically blue-chip carriers, Internet companies, media firms and SaaS providers • Contracted space is at a premium price, under long-term leases, across multiple customers 	<ul style="list-style-type: none"> • Multi-asset digital infrastructure business based in Poland - country has one of the highest data consumption growth rates in Europe • Network of +500 communications towers, a fibre-optic network and a nationwide 'Internet of Things' sensor network, serving utilities • Predominantly blue-chip customer base • Expansion opportunities will be explored in all four aspects of digital infrastructure • 5-star rating from GRESB for ESG

Pipeline:

- >EUR 3.0 billion pipeline
- Opportunities focused on western Europe, UK, and North America
- Data centres and tower deals represent the largest proportion of opportunities
- Pipeline offers opportunity to further diversify the investment portfolio - asset type and geographically

ESG:

Digital Infrastructure is a core part of the UN SDGs and investment in digital infrastructure assets has a central role to play on the transition to a low-carbon economy with sustainable cities. While the digital infrastructure sector can be mapped against a number of the UN SDGs, CDIL has chosen to focus on the following:



Once digital infrastructure assets are acquired, CORD's Investment Manager aims to work with operating companies to collectively reduce carbon emissions, support social integration and strong governance. Specific activities relating to the environment and sustainability revolve around three interconnected initiatives: Improving the efficiency of electrical consumption; Integrating renewable energy where possible; and enhancing the efficient network design to reduce energy consumption.

Improve the efficiency of electrical consumption

Integrate renewable energy

Enhance efficient network design to reduce energy consumption

The Investment Manager:

CORD's Investment Manager is Cordiant Capital Inc, an experienced manager with over £3.4 billion of committed funds with significant expertise and experience in digital infrastructure.

For Investment Professionals (as defined under FSMA 2000) Individuals without professional experience in matters relating to investments should not rely on this information

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