
Cordiant Digital Infrastructure Limited / LSE: CORD / April 2023



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 American markets.

CORD seeks to deliver long-term and sustainable returns for investors and stakeholders with attractive total returns of at least 9 per cent per annum (comprising capital growth and a progressive dividend covered by free cash flow). CORD has a strong pipeline of opportunities to further support its development in the years ahead.

Key facts & statistics:

Market Cap:

£669m

as of 12-Apr-23

Share price:

86.6p

as of 12-Apr-23

Shares in issue:

772,509,707

2023 Dividend:

4p

(target*)

Listing:

LSE / SFS

Profit for FY2023 interim:

£21m

Share price 52 wk. high:

112.0p

as of 12-Apr-23

Share price 52 wk. low:

77.1p

as of 12-Apr-23

NAV** (per ordinary share):

105.5p

Net assets:

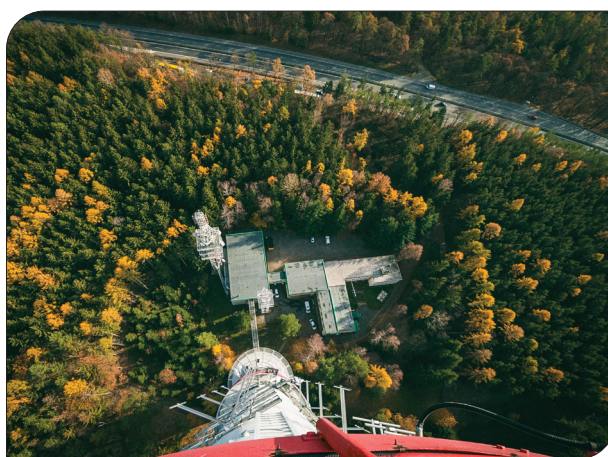
£832m

Ticker - LN:

CORD

Basic EPS:

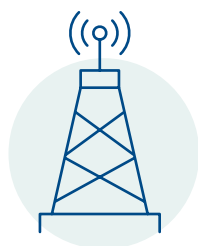
2.7p



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

** As at 30-Sep-22, ex-dividend

What is digital infrastructure?



Towers - Enabling data to leave the fibre network and reach your home and devices



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



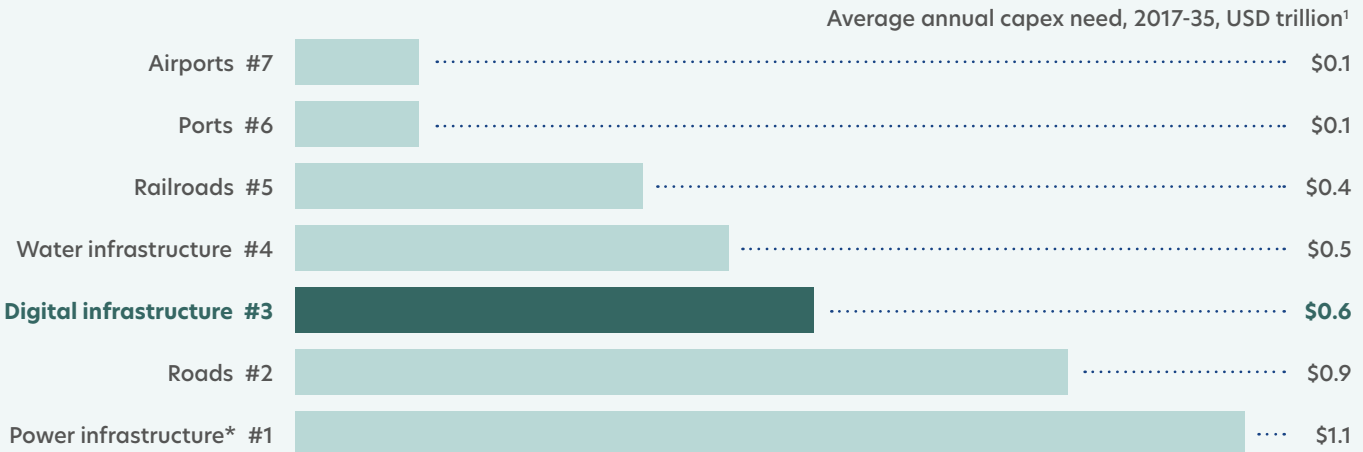
Cloud & data centres - Where data (Netflix, Zoom, Facebook, Google) is connected and stored

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 quadruple 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

Strategy – Buy, Build and Grow:

Central to CORD's strategy is to Buy, Build and Grow: to identify mid-market sized platforms with expansion potential, and provide them with the capital and the sector 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:

- **£795m of equity** raised and deployed
- Mid-size platforms – **stable income** and **opportunity for growth**
- **Income generated** from long-term contracts with predominantly **'blue-chip'** clients
- In line with **Buy, Build & Grow strategy**
- **Diversified risk**, through different technologies, clients and geographies, in **North America and Europe**
- Portfolio **delivered an EBITDA of over £100m** on a proforma basis in 2022

Emitel

Acquired: £378m on an EBITDA multiple of ~ 9.4x.

- Multi-asset digital infrastructure platform based in Poland – the 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

České Radiokomunikace

Acquired: £305.9m on an EBITDA multiple of less than 12x

- 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

Hudson InterXchange

Acquired: £55.8m

- 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

Pipeline:

- EUR >3.0 billion pipeline
- Opportunities focused on Western Europe, UK, US, and Canada
- 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, CORD 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 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 under management and 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

This document has been issued by and is the sole responsibility of Cordiant Digital Infrastructure Limited ('CORD'). This document contains information provided solely as an update on the financial condition, results of operations and business of CORD. This document has not been approved by a person authorised under the Financial Services Markets Act 2000 ('FSMA') for the purposes of section 21 of FSMA. The contents of this document are not a financial promotion and none of the contents of this document constitute an invitation or inducement to engage in investment activity. If, and to the extent that this document or any of its contents are deemed to be a financial promotion, CORD is relying on the exemption provided by Article 69 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005/1529 in respect of section 21 of FSMA.

Neither CORD, its investment manager, Cordiant Capital Inc., nor any of their respective affiliates, advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. Nothing in this paragraph, however, shall exclude any liability for fraud. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. Neither CORD nor any other person is under an obligation to keep current the information contained in this document.

This document has not been approved by the UK Financial Conduct Authority or any other regulator. This document does not constitute or form part of, and should not be construed as, an offer, invitation or inducement to purchase or subscribe for any securities nor shall it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This document does not constitute a recommendation regarding the securities of CORD.

The publication and distribution of this document may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes should inform themselves and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction. In particular, this document and the information contained herein, are not for publication or distribution, directly or indirectly, to persons in the United States (within the meaning of Regulation S under the US Securities Act of 1933 as amended (the 'Securities Act')) or to entities in Canada, Australia or Japan. CORD's securities have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except to certain persons in offshore jurisdictions in reliance on Regulation S. Neither this document nor any copy of it may be taken or transmitted into or distributed in Canada, Australia, Japan or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of the United States or other national securities laws.

An investment in CORD will involve certain risks. This document may contain certain forward looking statements with respect to the financial condition, results of operations and business of CORD and its corporate subsidiaries. These forward looking statements represent CORD's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. There can be no assurance that CORD will achieve comparable results to those contained in this document, that any targets will be met or that CORD will be able to implement its investment strategy. Additional detailed information concerning important factors that could cause actual results to differ materially is available in CORD's Annual Report for the financial year ended 31 March 2022 available from CORD's website.

It is important to remember that past performance is not a reliable indicator of future results. Furthermore, the value of any investment or the income deriving from them may go down as well as up and you may not get back the full amount invested. There are no guarantees that dividend and return targets will be met.