Cordiant Digital Infrastructure (CORD)

CORD's capital growth potential makes for a standout infrastructure offering.

Update
04 February 2026

Overview

Cordiant Digital Infrastructure (CORD) outperformed its ambitious 9% annual return target in just the first six months of its latest financial year. As a result, the NAV has delivered annualised returns of 13.5% in the past five years since its inception, aided considerably by capital growth from its highly concentrated portfolio of mid-sized infrastructure companies.

These strong returns reflect the managers' 'Buy, Build, Grow' approach, which involves investing additional capital to existing holdings in order to support future revenue and capital growth. More recently, **Portfolio** developments have been incremental, with the managers continuing to diversify the portfolio by both geography and asset class. However, there has been considerable growth capex put into data centres, which arguably have strong growth potential. As a result, the portfolio's asset class mix has modernised and diversified.

Whilst capital growth is a key differentiator for CORD in the infrastructure sector, it still pays a **Dividend** with a current yield of 4.1%. The dividend per share has been increased three times since inception, and is comfortably ahead of the initial IPO guidance. Revenue, as measured by their preferred AFFO metric, remains more than sufficient to cover these payments, as well as providing enough capital to support the portfolio's ongoing growth.

Despite the strong performance, CORD continues to trade at a notable **Discount** to NAV. The current level of c. 24% is wider than the company's own average during its history and wider than the average of the peer group.

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Analyst's View

We believe CORD's strong share price performance over the past couple of years demonstrates that investors are beginning to recognise its upside potential, following the c. 60% rally from the nadir in 2024. Despite this, we would argue there is scope for the **Discount** to narrow further as the managers continue to deliver on their growth-focussed approach, through hands-on portfolio management, which is also continuing the work of diversifying the asset base.

This approach, labelled as 'Buy, Build, Grow', has continued to deliver excellent performance, with annualised NAV total returns since inception now at 13.5%, a figure that not only is a 50% uplift over their own ambitious target, but also a figure many equity managers would be very pleased with. Whilst some of this has been driven by recent currency translations, the underlying growth is nonetheless impressive, in our view.

Furthermore, by investing in ongoing developments, portfolio exposures have continued to diversify, including amongst the numerous underlying asset classes. One of the fastest growing areas in the past year has been data centres, which we believe is particularly encouraging due to the ongoing demand requirements through the expansion of AI. As a result, CORD looks well placed to continue its growth trajectory in our view, therefore offering something very different to a more traditional infrastructure investment, and making a compelling case for inclusion in a multi-asset portfolio.

BULL
Opportunity for capital growth from infrastructure asset class, with strong sector tailwinds
Dividend has been increased multiple times since inception and is well covered by revenue
Discount remains wide versus history and peers, despite better capital growth prospects

BEAR
Concentration in two largest holdings brings risks
Strong recent performance could be unwound by reversal of currency tailwind
Whilst low versus direct comparators, gearing is a sizeable element of the company

Portfolio

Cordiant Digital Infrastructure (CORD) owns a portfolio of infrastructure assets, mostly in Europe, that provide the backbone of the growing digital economy. This includes a mixture of communication towers, supporting TV, radio and telecoms, fibre-optic networks for internet connectivity, and data centres to support cloud computing.

To achieve this, the managers have purchased outright a highly selective group of companies that own these assets and manage them under a holding company/operating company (TopCo/OpCo) structure. Here, CORD acts as the TopCo, setting corporate strategy, including capital allocation, company governance, and oversight for the OpCos. This approach utilises the sizeable expertise of the Cordiant Capital team, who are specialists in growing mid-sized infrastructure companies. Their strategy is named 'Buy, Build, Grow', which involves maximising the company's assets to increase capacity, and therefore increase revenue, operating profits, and value. As a result, CORD has considerably more capital growth potential than investors may expect from an infrastructure investment, although, as discussed in the **Dividend section**, income is still a notable portion of the lofty 9% annual total return goal.

As a result, the portfolio from a top level will consist of just a few holdings — currently there are just six companies — although there is considerable diversification when it comes to assets, with over 1,400 towers, 15,000km of fibre-optic network, and 32.6MW of data centre capacity.

Portfolio Holdings

COMPANY	PURCHASE DATE	PRIMARY GEOGRAPHY	ASSET TYPE
Emitel	Nov-22	Poland	Towers, fibre, and IoT
CRA	Apr-21	Czech Republic	Towers, fibre and IoT
Speed Fibre	Oct-23	Ireland	Fibre-optic networks
DCU	Feb-25	Belgium	Data centres
Hudson Interxchange	Jan-22	USA	Data centre
Belgian Tower	Jan-24	Belgium	Communication and broadcast towers

Source: Cordiant Capital, as at 30/09/2025

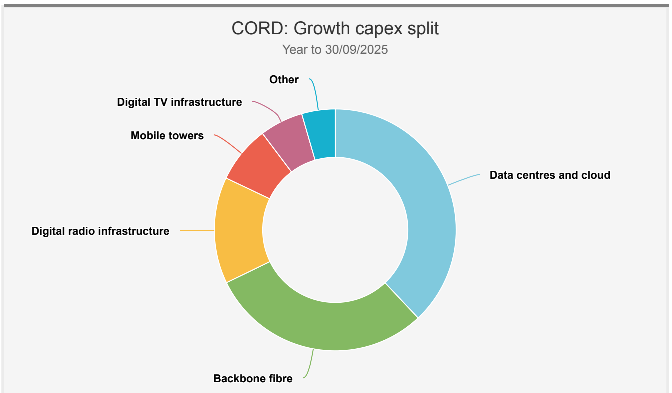
The Buy, Build, Grow approach means that whilst these are long-term investments, there can be changes in the short-term that impact the portfolio profile and outlook.

One of the most notable developments of the past year has been the commencement of CRA's Prague Gateway asset. This is a 26MW data centre which, once construction is complete, would nearly double CORD's entire capacity. The data centre has been nominated by the Czech government as one of five potential AI gigafactories for the EU and therefore has considerable potential for strong future revenue. We understand this nomination as a gigafactory would have a material impact on the company's valuation once completed and contracts sold, although it is currently held at cost in line with the managers' prudent valuation process (see **Performance section**) whilst the project is ongoing. Groundworks for the asset commenced in July 2025, with completion of the building expected in the first half of 2026, at which point contracts can begin to be signed.

Elsewhere, CRA won a tender offer to provide cloud services for the Czech Republic's radio service, capitalising on its existing relationships within its home country, which included selling out the entirety of the digital radio network, which they recently completed construction of, something we discussed in **a previous note**. The managers have indicated these projects have an expected IRR of 17%, which we believe is a good demonstration of the potential of the build element of the process, and shows how CORD is differentiated from other infrastructure investments through its capital growth potential.

Emitel, the portfolio's largest company by value, has also continued to build out its asset base in the past year, with new contracts signed across its range, from towers to fibre networks, with one contract signed to 2044, demonstrating longevity. Another notable deal was for a new group of mobile towers supported by a contract from Orange Poland, which will push the number of towers in the company to over 1,000, up nearly 50% on the latest reported figure. The managers are also looking at acquisition opportunities for data centres within Poland, mirroring the success of CRA and looking to further diversify the portfolio and revenue streams.

Fig.1: Growth Capex Split



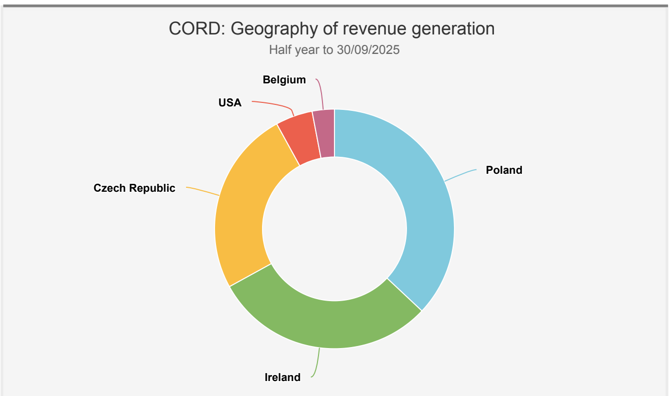
Source: Cordiant Capital

Data centres have been the largest destination of growth capital expenditure across the portfolio in the past year, demonstrating how the managers continue not only to invest in areas that are seeing the greatest demand, but also to evolve the portfolio as new opportunities and demand drivers emerge.

Hudson Interxchange is one of CORD's pure play data centre investments and benefited from a further capital commitment in the past year. This came following an increase in orders from both existing customers, who have increased their footprint in the company's data halls, as well as some new customers. The outcome has been the commencement of the construction of two new data halls, expected to be completed in the first half of 2026, which should help continue the company's drive towards profitability, marking the holding's best six-month period since acquisition (see **Performance section**).

Changes elsewhere in the portfolio have been steadily additive, without changing the long-term outlook. As we discussed in **our previous note**, Speed Fibre completed the acquisition of BT Ireland in 2025, and the management team are now working on integrating the new business to improve cost efficiencies and other operational synergies. As a result of this acquisition, Speed Fibre is making up a growing portion of the portfolio in both asset size and revenue contribution, with Ireland now the second largest geography in terms of revenue.

Fig.2: Revenue Split By Geography

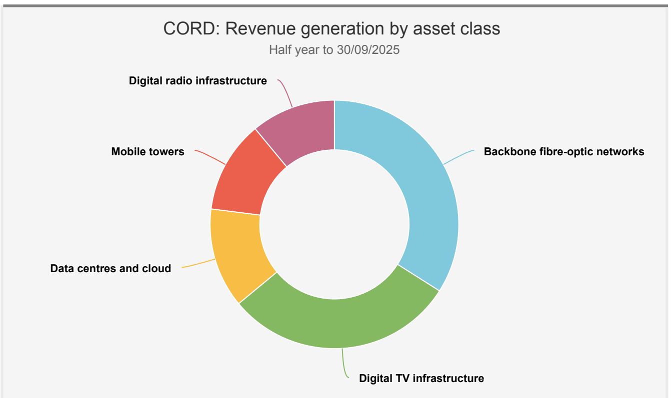


Source: Cordiant Capital

The management of DCU has continued to sign new contracts, leading to an order book totalling over €90m across its top 30 customers. In September 2025, the firm completed a refinancing, which has improved its capital position (see **Gearing section**), supporting future growth. As a result, the firm now has access to a €50m capex facility and a €20m RCF, which are not due to mature until 2030, providing the management considerable time to implement a growth plan with the potential for results. Also in the period, the managers syndicated part of their holding to a third-party investor, freeing up €20m to repay some debt facilities at the TopCo level. A fund within the wider Cordiant Capital group also owns a stake in DCU, meaning the group has maintained overall control of the firm, although CORD has slightly reduced its economic interest. This is the only holding not owned in its entirety by the company, although the combined stake across Cordiant is effectively 50%.

Whilst many of the recent developments are incremental, combined they add up to a strong order book and signal the ongoing evolution of the portfolio. This is not only supportive for future growth potential, but it is also continuing the work of diversifying the portfolio by asset class.

Fig.3: Revenue Split By Asset Class



Source: Cordiant Capital

Gearing

Over the past couple of years, the managers of CORD have gone to great lengths to strengthen their balance sheet and debt position. As a result, there are no maturities due until the middle of 2029, interest is covered 2.2x by free cash flow, and 70% of their borrowing is at fixed rates.

The TopCo/OpCo structure (see **Portfolio**) means there are two levels of borrowing to consider when establishing the overall gearing picture. Firstly, there is the debt at the operating companies level, which is held on a non-recourse basis, then there is the borrowing of CORD itself, which is used to buy and invest in the portfolio companies. When combined, CORD has a maximum debt limit of 50%, based on gross assets (therefore 100% of net assets).

The latest gearing position was 40.9% of gross asset value, equivalent to 69.2% on a NAV basis, based on assets of £1.07bn as at 30/09/2025. At this point, total cash balances stood at £84m, equivalent to c. 8% of NAV, with further undrawn debt facilities of £150.7m, providing the company with a reasonable liquidity position.

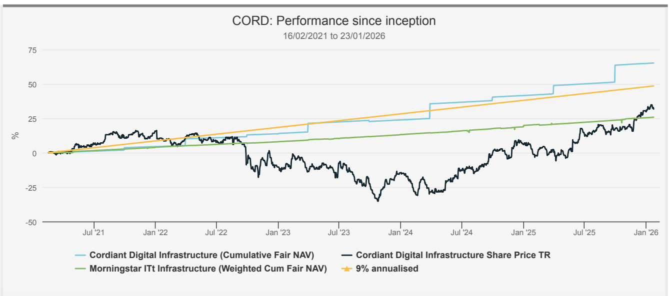
Total gross debt increased by c. 10% in the latest interim period, largely due to currency translation effects, as sterling depreciated and the majority of the debt is denominated in euros. In addition, there were some drawdowns on debt facilities to finance further growth, such as the BT Ireland acquisition, although these were partially offset by a repayment of an RCF following the DCU syndication and refinancing (see **Portfolio**).

Performance

CORD's management team aim to generate a 9% total return per annum coming from a combination of income and capital growth. The latter element is a standout in our view, as infrastructure is typically considered an income asset; therefore ability to generate capital growth from a similar asset base offers something different from comparators. Despite the lofty goal, the managers have outperformed this since launch, having generated a NAV per share return of 40% to their latest interim report (as at 30/09/2025). The NAV total return over this period, including the reinvestment of dividends, was 62.4%, which equates to an annualised 13.5%.

In the chart below, we have shown the performance of CORD since inception, based on Morningstar data, alongside a theoretical 9% compounding figure to demonstrate how CORD's NAV has outperformed this goal.

Fig.4: Performance Since Inception



Source: Morningstar
Past performance is not a reliable indicator of future results.

This performance has been driven by the improving operational outlook for the underlying portfolio. As discussed in the **Portfolio section**, CORD's management team take full ownership of their concentrated portfolio, meaning they can control each company's strategy, which aligns with their Buy, Build, Grow approach to increase their value. These holdings are revalued on a bi-annual basis by a third-party accountancy firm, and account for changes in expected revenues, discount rates, and outlook amongst numerous other factors.

As the largest two holdings in the portfolio, Emitel and CRA are expected to have the largest impact on overall performance, although, as Speed Fibre has grown over the past couple of years, and with the potential from the BT Ireland acquisition, it is likely to have a growing influence on performance.

In the latest half-year report, to 30/09/2025, CORD's NAV per share increased by 8% from 129.6p to 140p. When accounting for dividends, the company exceeded its full-year growth rate in just half the time, having delivered total returns of c. 10%. One notable factor contributing to this was currency, with both the Polish zloty and Czech koruna contributing positive translation benefits. The managers do not actively manage currency, meaning it is simply an output of the process, and in past periods, it has been a headwind to performance. However, even when deducting the latest currency impact, we estimate that NAV grew by 5.6% in six months, still above the 9% annualised goal.

The largest contributor to performance in this period was CRA, which increased in value by 13%, although this decreases to 5.9% when taking out the impact of currency. There were several contributors behind this, including revenue growth from its digital TV and radio services, predominantly as a result of many of these contracts being inflation linked, which continues to feed through. CRA also benefits from strong demand in its data centre business, with occupancy up 17%. This came from both existing and new customers, and was aided by the completion of a new asset. In the period, the firm began construction of the potentially pivotal Prague Gateway data centre, expected to be completed in early 2026. At present, any prospective revenue is not accounted for in the NAV, and therefore, there is scope for this asset to add materially to upside in our view.

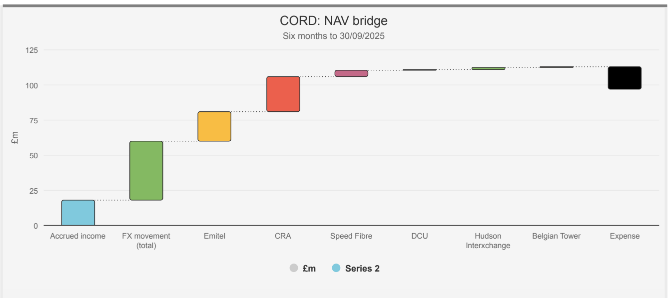
Emitel has also contributed to the positive performance in the latest half year, with its unrealised value increasing by 4.5%, although again, this drops to a 2% increase when removing the impact of currency. Despite this, the size of the holding in the concentrated position meant Emitel contributed 21% of the total uplift in value in the period. As with CRA, this was largely as a result of organic revenue growth, aided by the high proportion of inflation linkage (currently 88%) passing through into the latest uplifts. The managers have also seen an encouraging demand increase for their telecoms infrastructure, with revenues increasing 11% in Emitel's own financial year (to 30/06/2025). As discussed in the **Portfolio section**, the firm has recently received an order for a new set of towers for a leading telecoms firm in the country, which is expected to have a very positive impact on future revenues, with Poland's own strong economic growth also a broader tailwind.

Other holdings continued to make incremental gains, such as Speed Fibre, which saw revenue growth of 2.1% in CORD's half year as the firm continues to attract new customers. The managers are currently focussed on the integration of the BT Ireland acquisition, which is expected to lead to improved profitability over the medium term. In the period, Speed Fibre saw its value increase by c. 28%, reflecting the integration of BT Ireland, although as the firm is still less than a quarter the size of the second largest holding, CRA, the contribution to wider performance was modest, albeit positive.

Hudson Interxchange showed signs of reversing its recent weakness with a solid revenue increase of 5.5%. This was a result of new customers and an increase in demand from existing ones. This, coupled with ongoing cost control, led to a further narrowing of the firm's losses. The firm was provided additional capital to deliver the requirements for the new business, which led to a small uplift in valuation.

We have shown the impact of each holding during the latest half-year period in the chart below, and how these have contributed to the change in NAV alongside other factors.

Fig.5: Half-Year Nav Bridge



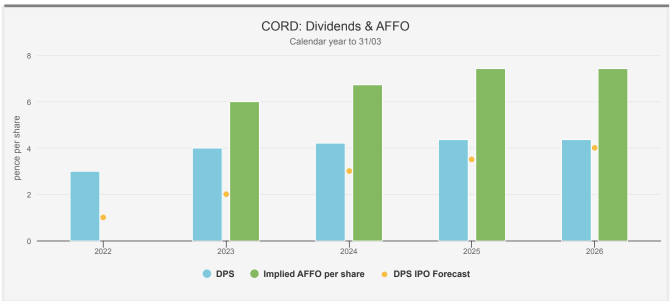
Source: Cordiant Capital
Past performance is not a reliable indicator of future results.

Dividend

CORD has delivered a strong dividend growth track record in its relatively short history, having raised the amount three times since its inception in 2021, ahead of the initial progressive dividend plan laid out at IPO. At present, CORD is on course to pay a dividend of 4.35p per share, offering a yield of c. 4.1% as at the time of writing (14/01/2026). So far this year, the company has made an interim payment of 2.175p, a modest increase of 3.6% from the interim payment the year before.

The managers use 'adjusted funds from operations' (AFFO) as their way of assessing dividend cover. This aggregates normalised EBITDA and deducts net finance costs, tax paid, and maintenance capital expenditure, therefore providing an estimate of how revenues cover the dividend whilst accounting for the development of the portfolio. However, we note this figure does not account for growth capex, although the managers note that the majority of this is optional, without many fixed commitments. As at the latest interim statement, CORD had AFFO cover of 1.7x, in line with the year-end figure, despite the slight increase in the interim payment. As such, we believe there is potential for the final dividend to be increased again, although there is no guarantee.

Fig.6: EPS & DPS



NB: 2026 figure includes interim payment and forecasted final dividend
Source: Cordiant Capital

Whilst the dividend growth track record is good, we note the yield is lower than the average of the peer group. However, as we discuss in the **Performance section**, CORD's approach is to deliver a 9% total return, of which a large portion comes from capital growth. As such, we believe the dividend should be considered as a part of the total return picture, rather than the primary focus.

Management

CORD is managed by an 18-strong digital infrastructure group at Cordiant Capital, who are specialists in buying and operating mid-sized companies involved in global infrastructure and real assets, with a particular focus on digital infrastructure assets. They also have operations in energy transition infrastructure and the agriculture value chain.

Across the firm, there is c. $3.4bn of committed capital invested in a mixture of investment vehicles, ranging from private equity and private credit to managed accounts, with a client base that extends across global insurance firms, pension plans, and family offices. The firm has offices in London, Montreal, Luxembourg, and São Paulo.

Cordiant Digital Infrastructure Investment Management is headed up by Executive Chairman Steven Marshall. Steven has a long history in digital infrastructure, having previously been the president of the American Tower Corporation's US Tower Division, where he pioneered new infrastructure models now widely used in a number of countries. Steven is supported by several highly experienced individuals, with the team owning a total of over 2.2% of the share count between them, showing a strong alignment of interests with shareholders. This includes the shareholding of Steven Marshall, who owns 14.3m shares, having added as recently as November 2025.

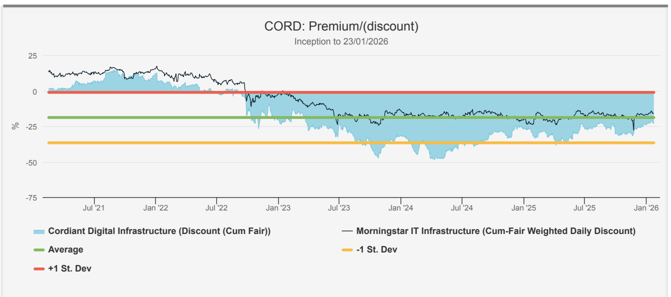
Discount

We believe the narrowing of CORD's discount over the past couple of years is a key example of how this can have an outsized impact on investor returns. CORD's discount has narrowed notably from c. 47% at its nadir in mid-2024 to its current level of c. 23%. Whilst this has been just a 24-percentage point narrowing, it has resulted in a share price return of over 60%.

With this in mind, we believe the current discount continues to offer a compelling opportunity, especially when considering the success the managers have had in exceeding their ambitious 9% target. The current share price is only slightly above the launch price, despite the strong performance of the underlying portfolio in a challenging environment, and the managers demonstrating their growth-focussed approach can continue to build value. Furthermore, the company still trades at a discount to the peer group, despite the arguably better growth prospects, which we would argue is being overlooked by investors.

Whilst the board is conscious of the wide discount, it has prioritised the managers' requirement for excess cash to reinvest in the portfolio over buybacks. One factor that could support the discount narrowing, though, is interest rate cuts, which will have a positive impact on NAV. Furthermore, these should continue to improve investors' sentiment, which would likely put upwards pressure on CORD's share price.

Fig.7: Discount



Source: Morningstar

Charges

CORD aims to have a competitive fee structure by adopting a series of measures. Firstly, management fees are based on market cap, rather than net assets, in order to further incentivise the management team to narrow the discount. Secondly, these charges are tiered in order to pass on economies of scale to shareholders as they are achieved.

For the first £500m of market cap, charges are 1%, which falls to 0.9% for amounts above £500m and up to £1bn, and then 0.8% above this. According to figures from JPMorgan Cazenove as at 23/01/2026, CORD had a market cap of £819m, offering an estimated charge of 0.96%. The latest OCF is 0.9%. This is based on NAV, hence appearing lower than the management charge. This is the lowest equivalent figure in the infrastructure sector, which has a weighted average of 1.16%.

The managers also charge a performance fee. This equates to 12.5% of the excess return above the 9% annual target, based on the lower of NAV or share price. Should this be earned, half will be paid to the managers as cash, and half in shares, subject to a three-year lock-up period. No performance fee has been earned in the past two and a half financial years as the share price hurdle has not been met.

ESG

CORD does not have a label under the FCA's sustainability regime. However, Cordiant Capital has integrated ESG principles into its investment process for over 20 years, with the goal of understanding potential challenges that ESG issues may present, as well as identifying potential solutions that can solve these challenges. Their approach is based on three key pillars: screening, management, and tracking.

Within the firm, there are dedicated ESG analysts who are embedded within the team that undertake wider corporate analysis. This ensures that ESG factors are considered alongside more traditional company fundamentals. Beyond just the identification of issues, the team look to engage with investee companies on issues they identify in order to manage or mitigate risk.

Cordiant Capital also have vehicles that invest in agriculture, infrastructure, and renewable energy, so ESG analysis is a notable feature throughout the firm. The firm was an early signatory of the United Nations' Principles for Responsible Investment (PRI) and a founding signatory of the Operating Principles for Impact Management.

Due to the nature of digital infrastructure investment, the primary ESG focus for the managers within CORD is on green energy. ESG analysis during the purchase of Speed Fibre had a fundamental impact on the decision to invest in the firm, with the company achieving a five-star GRESB rating in 2023. An example of changes the Cordiant team have made since the investment is with CRA, where the managers have set a target of 100% renewable energy use, which is being achieved by rolling out solar energy across the firm.

Due to the esoteric nature of the asset base, CORD has not been given an external rating by Morningstar.

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