

International Public Partnerships

Attractive disposal

International Public Partnerships (INPP) has agreed the sale, for £32m, of a minority part of its investment in Angel Trains, at a very attractive premium to the end-FY24 valuation. The transaction reflects INPP's continuing focus on optimising its portfolio while supporting both capital returns and attractive reinvestment opportunities. The company says the sale proceeds will support the ongoing share buyback programme, together with its future investment commitments, such as the recently announced c £250m commitment to Sizewell C.

INPP initially invested in Angel Trains in 2008 and has since made follow-on investments. At end-FY24, its 10% stake in Angel Trains represented 6.0% of the portfolio fair value of c £2.6bn, which we estimate to be around £156m. The part sale to a vehicle managed by Arjun Infrastructure Partners is expected to complete in the coming weeks and will reduce INPP's stake by 1.6pp to 8.4%. We estimate that the sale price of £32m for the 1.6% stake implies a highly attractive c 28% premium to the end-FY24 carried value. Importantly, Angel Trains remains an attractive investment and INPP will continue to access board representation and active governance through its investment adviser, Amber Infrastructure Group.

Angel Trains, the UK's largest rolling stock leasing company, has been performing well, with its customers, the train operating companies, experiencing good levels of traffic. INPP does not expect any impact on the company from renationalisation of UK rail operators as there should be no impact on rolling stock requirements, and the transport secretary has indicated no plans to change the way this is leased.

Once the transaction completes, INPP will have realised over £345m of proceeds since July 2023 across the energy transmission, social, transport and digital infrastructure sectors, equivalent to c 13% of the portfolio, as at 31 December 2024. All realisations have either been in line with or at a premium to the relevant published valuations. The company aims to repurchase up to £200m of shares by end-March 2026, while the shares continue to trade at a discount to NAV, of which c £88m has been completed so far. As the recently announced c £250m commitment to Sizewell C demonstrates, INPP is also able to identify attractive, long-term reinvestment opportunities that meet its strict capital allocation policy. The company's participation in this landmark UK infrastructure project is testament to the abilities of its investment adviser, Amber Infrastructure, to source and structure attractive opportunities at an early, higher-return stage of the investment cycle.

INPP shares have rallied strongly from March lows but are still 2% lower over one year. The discount to end-FY24 NAV has narrowed, but at almost 15% remains well below the average 4% premium at which the shares traded from listing in 2006 to end 2022. Based on the FY25 target DPS of 8.58p, the shares are yielding 6.9%. The discount to NAV implies a total return to an investor, based on projected future portfolio cash flows as at end FY24 of c 9.8% per year, which, as at the date of this note, is around 430bp above the UK 30-year gilt yield.

Investment companies
Infrastructure

14 August 2025

Price 123.40p
Market cap £2,268m
Total assets £2,729m

NAV 144.7p

¹As at 31 December 2024

Discount to NAV 14.7%

Current yield 6.8%

¹Based on FY24 DPS of 8.37

Shares in issue 1,837.7m

Code/ISIN INPP/GB00B188SR50

Primary exchange LSE

AIC sector Infrastructure

Financial year end 31 December

52-week high/low 128.0p 101.4p

Fund objective

International Public Partnerships is an infrastructure investment company that listed in 2006. It invests in a diversified portfolio of global public infrastructure assets and businesses, with a focus on availability-based or regulated revenues. It aims to provide investors with a consistent and predictable return from assets that meet societal and environmental needs, both now and in the future.

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