The next generation of data for infrastructure investors – Special Report

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To the usual "How was Covid for you?" the team at EDHECinfra knows not to smile too much. "When we launched the commercial activities of EDHECinfra in 2019," recalls director and founder Frederic Blanc-Brude, "one of us said something like 'what we need now is a good crisis!'"

After a decade of rising prices and minimal trouble (if you put Spanish toll roads, UK power and few other things aside), investors in the infrastructure asset class could almost have been forgiven for thinking that these assets never lost value and in fact always became more valuable, while continuing to pay handsome dividends.

"The sector went through a period of revaluation after the GFC," says Blanc-Brude. "Objectively, 15 years ago infra was cheap. Since then, investors willing to receive lower returns that is, paying higher prices, for the same risks have led the yield compression we are all aware of."

But with Covid-19, the perception that infrastructure was impervious to shocks had to be re-considered. "It was on TV," says Blanc-Brude. "Airports closed, national lockdowns, etc. This is hard to ignore."

Covid has since led to a number of calls for valuations to be reviewed, from Superannuation Trustees to the Danish FSA. How badly and how systematically infrastructure investors were hit by Covid has become a recurring question.

Blanc-Brude and his team at EDHECinfra discuss the valuation of infrastructure assets and many more issues that impact the infra fund community in a fascinating supplement that appears in the spring issue of the IJGlobal Magazine.

To download the EDHECinfra supplement, [CLICK HERE…]()