

# 3i Infrastructure optimistic about future growth following Valorem stake sale

3i Infrastructure has expressed optimism about its future following the sale of a portion of its portfolio, despite the trust's share price remaining stagnant.

In a trading update today, the FTSE 250 trust announced the completion of the sale of its stake in Valorem, a French independent green energy operator, with hopes that this could stimulate its share price, as reported by [City AM](#).

In October, the trust revealed plans to sell its 33 per cent share in Valorem for approximately €309m (£258m), representing a 21 per cent gross annual return.

The trust's largest assets include airport equipment supplier TCR, Esvagt, a provider of purpose-built, high-performance maintenance vessels to offshore wind farms, and renewable energy group Infinis.

In the performance update, 3i Infrastructure highlighted that TCR had recently been chosen as a supplier at JFK Airport's Terminal One, thereby expanding its footprint in the North American Market.

Income at 3i Infrastructure met expectations, rising 18 per cent from last year to £58m, with the trust on track to deliver its targeted dividend.

"In a potential 'higher for even longer' environment, we believe capital growth will be an important component of total returns, and 3i Infrastructure has a strong track record of execution in this regard," Winterflood analysts stated in a report last month recommending the trust.

“Additionally, the fund’s share price discount has widened substantially over 2024, which, in our view, offers an attractive entry point,” they added.

3i Infrastructure has observed its share price discount to its underlying assets continually expanding over the past two years, now standing over 15 per cent. Since 2022, the performance of the trust’s share price has been stagnant, contrasting with the robust growth experienced during the initial 15 years post IPO.

This stagnation persists despite a substantial 42.6 per cent increase in the value of underlying assets within the same timeframe. Over the past year, 3i Infrastructure’s share price declined by 2.8 per cent, while the underlying asset value has seen an upswing of more than 10 per cent.

“We continue to see good earnings momentum in the portfolio, driven by our strategic focus on prioritising growth investments in our existing portfolio companies,” stated Scott Moseley and Bernardo Sottomayor, who manage 3i Infrastructure.

They also highlighted that “Transactions in the private markets demonstrate continued demand for high-quality infrastructure companies, such as those held by 3i Infrastructure, and the potential latent value within our portfolio.”

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