

Closed End Investments


Source: LSEG, 2025

Market data

EPIC/TKR	VTA.NA, VTA.LN, VTAS LN
Price (€)	6.78/6.75/590p
12m high (€)	7.02/7.06/614p
12m low (€)	5.15/5.00/416p
NAV p/sh (Sep'25, €)	7.45
Disc. to NAV (%)	-9
Shares (m)	36.6
Mkt cap (€m)	248
FY'25 div. yield (%)	9.0
Market (NL, UK)	AEX, LSE, LSE
Free float	70%
Currency	€, €, GBP

Description

Volta Finance (Volta) is a closed-ended, limited liability investment company with a diversified investment strategy across structured finance assets (primarily CLOs). It aims to provide a stable stream of income through quarterly dividends.

Company information

Ind. Chair	Dagmar Kent Kershaw
Ind. NEDs	Simon Holden, Stephen Le Page (to Dec), Yedau Ogundele Joanne Peacegood
Fund Managers	AXA IM Paris
Co. Sec./	BNP Paribas
Administrator	Securities Services SCA, Guernsey Branch

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www.voltafinance.com
Key shareholders (31 July 2025)

AXA SA Bank	21.75%
BNP Paribas	15.71%
AXA Framlington IM	8.23%
BNP Wealth Mgt.	5.97%

Diary

Mid-Nov	Oct estimated NAV
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Analyst

 Mark Thomas mt@hardmanandco.com

VOLTA FINANCE LIMITED

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In our note, *Liquid access to outperforming private credit*, we highlighted what Volta brings to investors, noting the multi-currency, liquid access it provides all investors to i) the illiquid but attractive CLO (private credit) market, with its good risk-adjusted returns, ii) an outperforming manager of that expertise-dependent asset class. Private credit has been one of the "hot" asset classes in 2025 but with investment mostly restricted to large, institutional investors. Volta's AEX and LSE, and € and £, listings give retail investors liquidity to that market. Volta also offers investors portfolio diversification, and a high, covered, dividend yield. Annualised cashflows are 21% of the latest NAV and have been stable at around this level since the start of 2024.

- ▶ **Portfolio diversification:** Volta's total returns have no correlation with benchmark bond indices. Over the long term, it has outperformed UK and European markets; and, by providing investors with more stable dividend income, and less volatile capital gains, it also provides diversification.
- ▶ **Yield:** Volta's near-9% yield comes from a clearly stated dividend policy (paying quarterly an equivalent to 8% of NAV). Current cash generation is ca.2.5x the dividend payout, which provides a good cushion for the dividend sustainability. It also means that there should be a growing dividend as the NAV grows.
- ▶ **Valuation:** Volta trades at a double discount: its share price is at a 9% discount to NAV, and we believe its mark-to-market approach includes a sentiment-driven discount to the expected cashflows. Volta's yield is a key attraction, and, in our view, it is likely to be more than 2x covered, giving investors considerable comfort.
- ▶ **Risks:** Credit risk is a key sensitivity. We examined the valuation of assets, highlighting the multiple controls to ensure its validity, in our September 2018 *initiation note*. The NAV is exposed to sentiment towards its own and underlying markets. Volta's long \$ position is only partially hedged.
- ▶ **Investment summary:** Volta is an investment for sophisticated investors, as both the NAV and the discount to NAV may be volatile over time. We note that some competitors to Volta, historically, had a more stable NAV valuation due to a different asset valuation approach. Fundamental, long-term share returns are robust: 9.7% p.a. (dividend reinvested basis) since inception to end-July 2025. Volta's performance relative to that of its peers has been strong, and returns for investments made after the financial crisis were double those in prior years.

Financial summary and valuation (Hardman & Co adjusted basis)

Year-end Jul (€m)	2022	2023	2024	2025	2026E	2027E
Coupons & dividend	42.9	47.0	57.1	56.9	49.1	43.6
Operating income	41.6	44.1	51.5	29.4	42.7	37.2
Inv. manager fees	(3.9)	(5.6)	(10.1)	(7.5)	(7.4)	(6.3)
Expenses	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Total comp. income	33.4	35.2	41.0	23.5	34.2	29.9
Statutory PTP	(17.8)	27.0	45.0	35.4	35.1	30.7
Underlying EPS (€)	0.9	1.0	1.1	0.6	0.9	0.8
NAV per share (€)	6.22	6.45	7.13	7.49	7.83	8.02
S/P prem./disc (-) to NAV*	-16%	-21%	-27%	-9%	-13%	-16%
Gearing	0%	0%	0%	0%	0%	0%
Dividend (€)	0.57	0.51	0.55	0.61	0.63	0.64
Dividend yield	8.4%	7.5%	8.1%	9.0%	9.3%	9.5%

*2022-25 actual NAV and share price, 2026-27 forecast NAV to current share price.

Source: Hardman & Co Research