

ASX Release

19 March 2020

COVID-19 Update and FY20 Guidance Affirmation

NEXTDC Limited (**ASX: NXT**) (“**NEXTDC**” or “**the Company**”) today provided an update on the Company’s operations, business and funding in the context of the dynamic COVID-19 situation.

The safety, health and wellbeing of our staff, contractors and customers is our greatest priority. NEXTDC management is actively monitoring unfolding developments across the world and ensuring full compliance with the latest guidelines issued by Australian health authorities including state and federal governments.

Business Conditions

To date, there has been no noticeable change to NEXTDC’s sales pipeline as a result of COVID-19. Whilst increasing travel restrictions will lead to new ways of selling and installing, underlying demand for NEXTDC’s premium data centre services is expected to remain robust.

NEXTDC recognises the inherent tailwinds caused by the increasing use of online digital technologies that support telecommuting to working from home, as well as the increased use of consumer platforms for online shopping, food delivery, social media, video streaming and gaming, amongst others.

The Company is committed to assisting its customers adapting to these new ways of working, mindful of any corporate or government restrictions on their personnel travel and optimising their attendances at our facilities by expanding the scope of NEXTDC’s onsite technical support services. This includes NEXTDC fully deploying and commissioning customers’ infrastructure in its facilities without those customers needing to attend site.

Furthermore, NEXTDC has now conducted a detailed examination of its supply chain, to identify potential infrastructure delivery delays. The Company has for some time been using modularised critical infrastructure that is assembled, tested and stored in Australia and which has enabled NEXTDC to ensure that it has substantial inventory of infrastructure already in storage. The risk of any material supply-side impacts to the Company’s operations and ongoing developments are currently considered to be low.

FY20 Guidance

NEXTDC reaffirms its FY20 revenue and Underlying EBITDA guidance recently provided as part of its half year results announced on 28 February 2020:

- Revenue in the range of \$200 million to \$206 million; and
- Underlying EBITDA in the range of \$100 million to \$105 million

Importantly, the majority of NEXTDC’s income is derived from contracted and recurring revenues with counterparties carrying investment-grade credit ratings.

NEXTDC also reaffirms its FY20 capital expenditure guidance in the range of \$320 million to \$340 million provided at the time of the Company’s Victorian contracted commitments announcement of 4 March 2020.

Funding Update

NEXTDC's balance sheet and debt position continues to remain robust, with approximately A\$450 million of cash and committed undrawn bank facilities available as at 29 February 2020, with no debt maturities until June 2021.

The Company continues to generate positive operating cash flows, having produced over A\$20 million in net operating cashflow in the most recently reported 6-month period to 31 December 2019.

NEXTDC CEO, Mr Craig Scroggie, said:

"The safety, health and wellbeing of our staff and customers is our most important priority. I am very proud of our team's emergency response preparedness during these uncertain times for the global community. We are taking all actions necessary to support our customers rapidly evolving needs.

We see the impact of these global health challenges as ushering in a new way of working that will further accelerate the demand for highly resilient online technology services such as those powered by NEXTDC's best in class infrastructure platform.

The Company expects that these universal changes to the way we live and work will drive further strong tailwinds that will continue to accelerate the demand for our world leading data centre services".

Authorised for release by the Board of NEXTDC Limited.

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For more information:

Alex Teo

Vice President of Strategy and Investor Relations

T: +61 2 8072 4976

E: investorrelations@nextdc.com

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre



About NEXTDC

NEXTDC is an ASX200-listed technology company and Asia's most innovative Data Centre-as-a-Service provider. We are building the infrastructure platform for the digital economy, delivering the critical power, security and connectivity for global cloud computing providers, enterprise and government.

NEXTDC is recognised globally for the design, construction and operation of Australia's only network of Uptime Institute certified Tier IV facilities, and the only data centre operator in the Southern Hemisphere to achieve Tier IV Gold certification for Operational Sustainability. NEXTDC has a strong focus on sustainability and operational excellence through renewable energy sources and delivering world-class operational efficiency. Our data centres have been engineered to deliver exceptional levels of efficiency and the industry's lowest Total Cost of Operation through NABERS 5-star energy efficiency.

NEXTDC's corporate operations have been certified carbon neutral under the Australian Government's Carbon Neutral Initiative, in line with *National Carbon Offset Standard (NCOS) for Organisations*.

Our Cloud Centre partner ecosystem is Australia's most dynamic digital marketplace, comprising more than 590 carriers, cloud providers and IT service providers, enabling local and international customers to source and connect with cloud platforms, service providers and vendors to build complex hybrid cloud networks and scale their critical IT infrastructure services.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com