



 NEXT DC


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FY20 FULL-YEAR RESULTS

27 AUGUST 2020

EMERGENCY
STOPPING
LANE
ONLY

FY20 HIGHLIGHTS



TOTAL REVENUE

\$205.2m

↑14%



UNDERLYING EBITDA¹

\$104.6m

↑23%



CONTRACTED UTILISATION

70.0MW

↑33%



CUSTOMERS

1,364

↑15%



PARTNERS

640+

70+ NETWORKS



INTERCONNECTIONS²

13,051

↑19%

Note: All percentage increases are expressed relative to the FY19 results
1. Refer page 24 for details of adjustments to get to the underlying result
2. Comprises both Physical and Elastic Cross Connects

FY20 HIGHLIGHTS



SOLID REVENUE GROWTH

- Revenue from data centre services increased \$31.1m (18%) to \$200.8m
- Contracted utilisation increased 17.4MW¹ (33%) to 70.0MW
- Interconnections³ increased 2,079 (19%) to 13,051, representing 8.1% of recurring revenue



STRONG OPERATING LEVERAGE

- Underlying EBITDA² increased \$19.5m (23%) to \$104.6m
- Operating cash flows increased \$14.6m (37%) to \$53.9m
- Billing utilisation¹ increased 15.1MW (40%) to 52.8MW



CAPITALISED FOR GROWTH

- Cash and cash equivalents of \$893m at 30 June 2020
- Available liquidity of \$1,193m, including undrawn senior syndicated debt facility of \$300m
- Balance sheet position underpinned by \$2.7bn of total assets



NETWORK EXPANSION CONTINUES

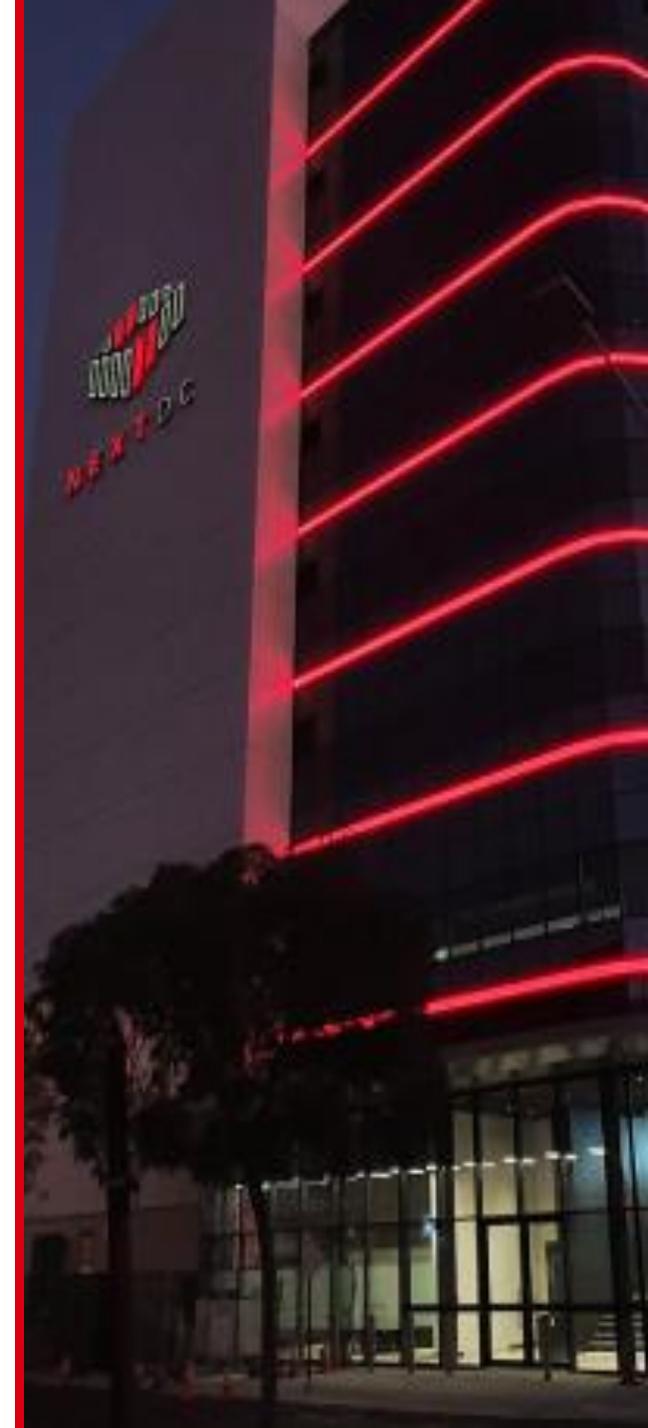
- Capital expenditure of \$418m (FY19: \$378m, guidance \$340 - \$380m), as build progress accelerates and M3 Melbourne land is settled (\$22m)
- P2 Perth facility opened to customers just after FY20 year end with installed capacity of 2MW
- M2 Melbourne building expansion works well progressed, with 15MW of new capacity currently being fitted out. Total target capacity at M2 is increased from 40MW to 60MW
- S2 Sydney completed with four new data halls opened, taking total installed capacity to 22MW
- S3 Sydney earthworks commenced in 2H20, practical completion of phase 1 expected 2H22

Note: All percentage increases are expressed relative to the FY19 results

1. Represents increase in utilisation over the 12 month period from 30 June 2019 to 30 June 2020

2. Refer page 24 for details of adjustments to get to the underlying result

3. Comprises both Physical and Elastic Cross Connects



AGENDA

Full-Year Financial Results

Business Performance

FY21 Outlook

Appendices

FY20



NEXTDC



FY 20

FULL-YEAR FINANCIAL RESULTS



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RS

FY20 profit and loss summary

	Note	FY20 (\$m)	FY19 (\$m)	Change (\$m)
Data centre services revenue		200.8	169.7	31.1
Other revenue		4.4	9.6	(5.1)
Total revenue		205.2	179.3	26.0
Direct costs (power and consumables)		38.1	33.2	4.9
Facility costs (property costs, maintenance, facility staff, other)		21.9	18.1	3.8
Corporate costs	1,2	35.8	34.0	1.8
Total operating costs	2	95.7	85.3	10.4
EBITDA		103.6	79.0	24.6
Underlying EBITDA	2	104.6	85.1	19.5
EBIT	3	34.5	30.6	3.9
Loss before tax	3	(18.7)	(16.1)	(2.7)
Loss after tax	2,3,4	(45.2)	(9.8)	(35.4)

Data centre services

REVENUE

↑18%

Underlying

EBITDA²

↑23%

- Direct costs increased in line with customers' power consumption, offset by improvements in power usage efficiency and energy costs
- Facility costs include operational costs for S2 as well as increased property holding costs on the back of higher property valuations
- Corporate costs include investment in central operations, customer experience and IT to support network and site expansion. Insurance costs, particularly those relating to D&O cover, have increased in line with market movements

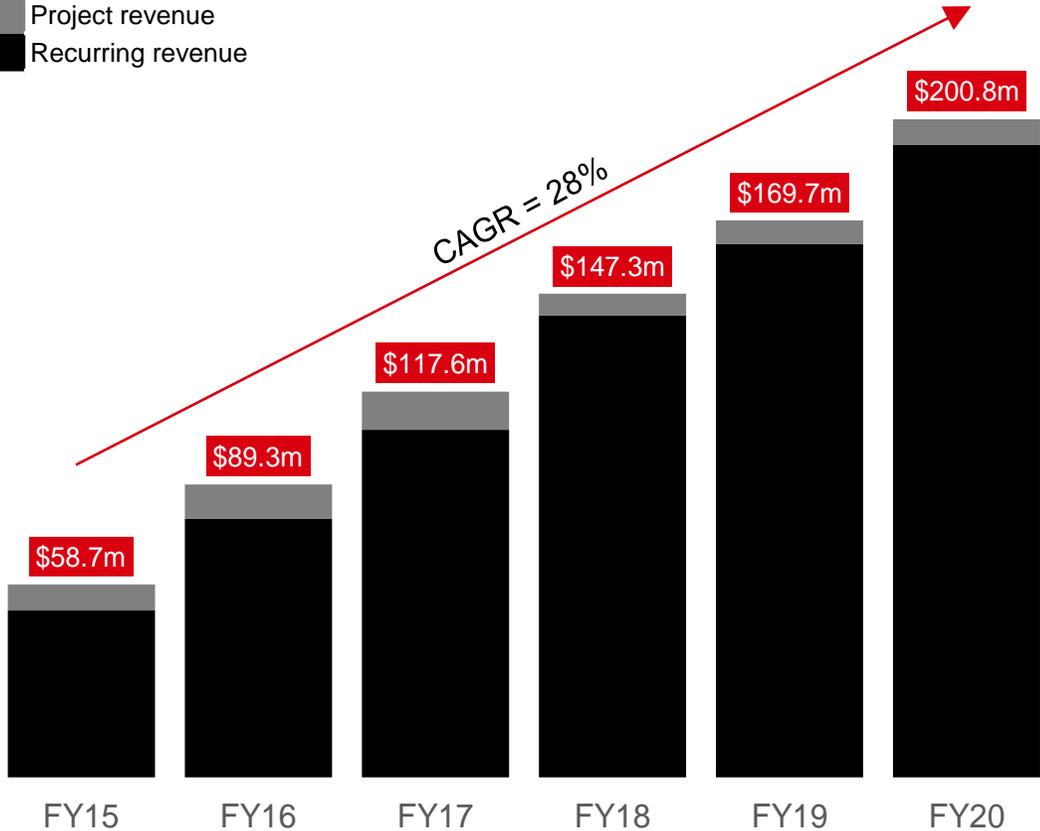
1. Corporate costs include costs related to all sales and marketing, centralised customer support, project management and product development, insurance, site selection due diligence and sundry project costs, provisions, as well as investments in growth initiatives including partner development, customer experience and systems
2. Refer to page 24 for details
3. Includes items previously excluded in footnote 2 above
4. Included in profit/(loss) after income tax is a \$33.5m expense in relation to the derecognition of carried forward tax losses and timing differences. During the year, the Group determined it no longer met the requirements to recognise these as assets stemming from the impact of recent growth and expansion activity on taxable profits. Despite the derecognition, the carried forward tax losses can be carried forward indefinitely and have no expiry date.

Solid revenue and EBITDA growth

18% growth on FY19

Data centre services revenue¹

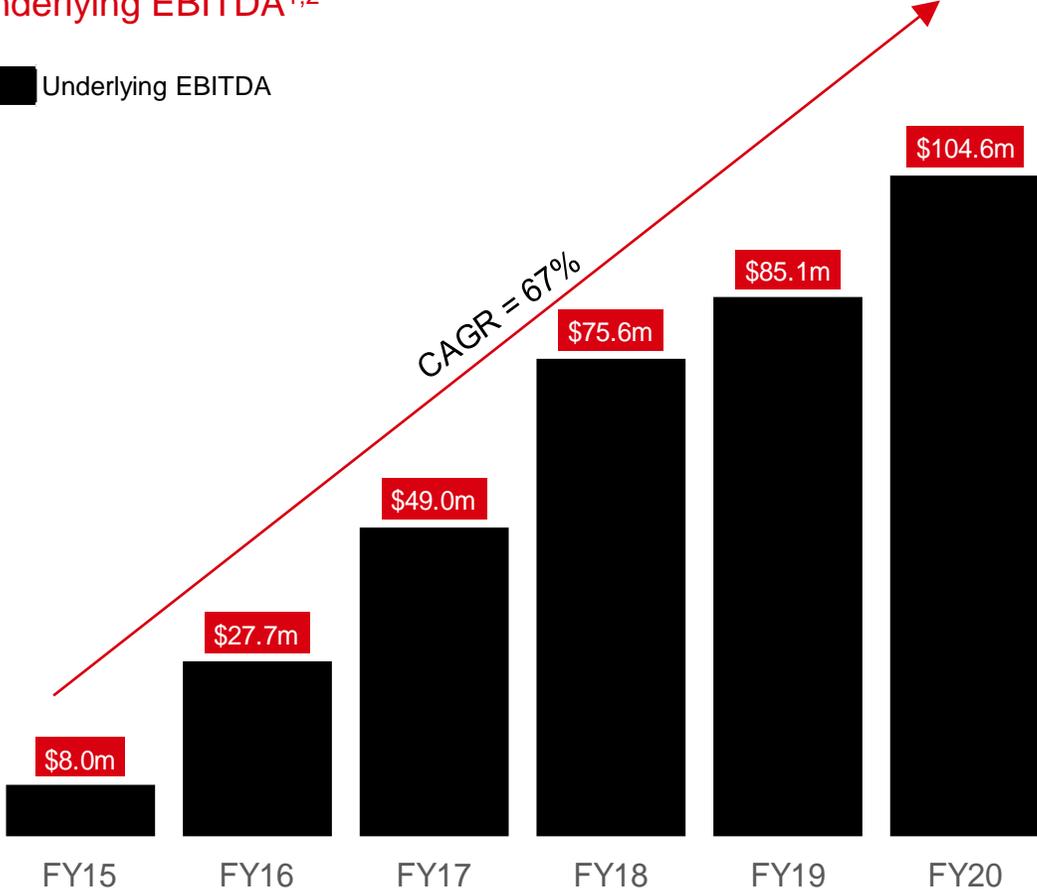
Project revenue
Recurring revenue



23% growth on FY19

Underlying EBITDA^{1,2}

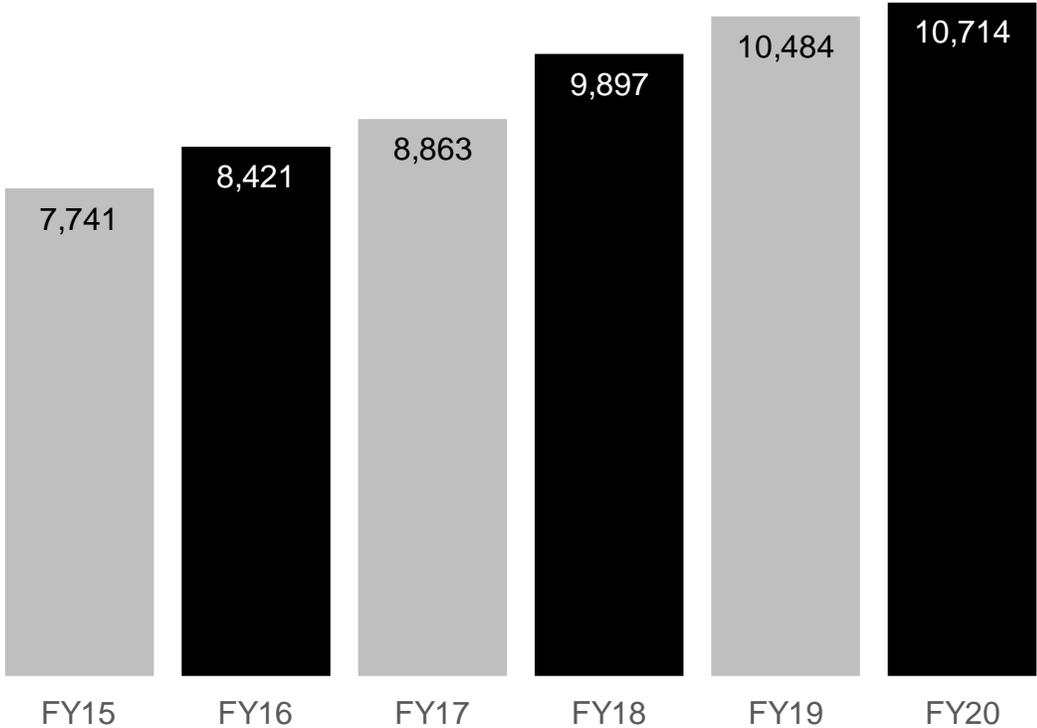
Underlying EBITDA



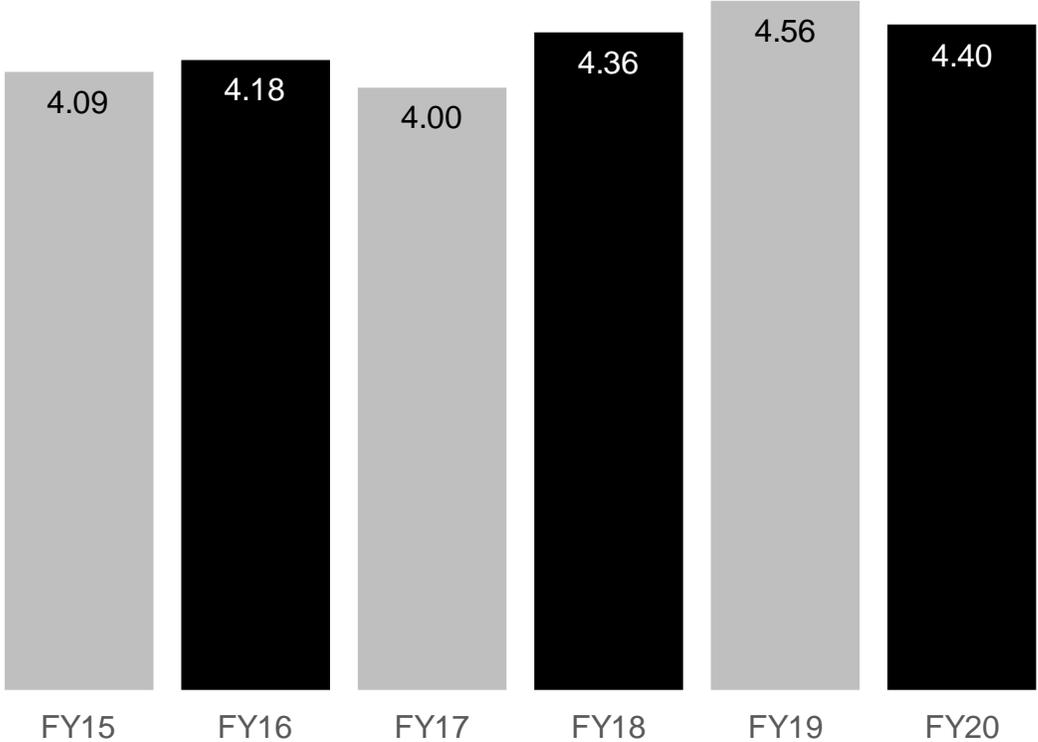
1. Excludes interest revenue. Prior to FY19, project revenue was recognised upfront, as the services were provided. Under AASB 15, project revenues are no longer recognised up front, but amortised over the contract term including any option periods
 2. Refer page 24 for details of adjustments to get to the underlying result

Revenue per unit metrics

Annualised revenue per square metre¹ (\$)



Annualised revenue per MW² (\$m)



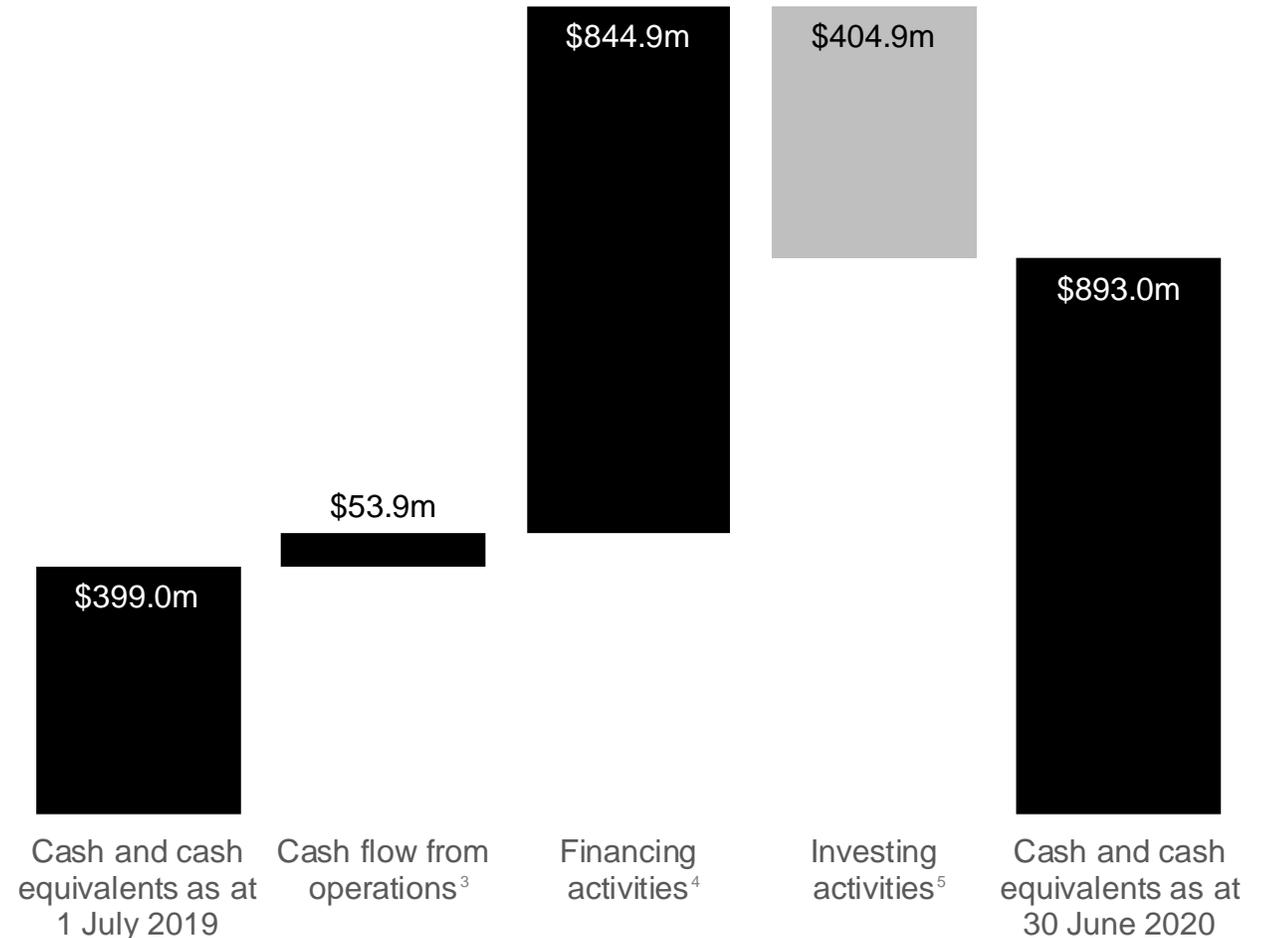
- The deployment of large, high density, ecosystem enhancing customer contracts continues to drive increases in revenue per square metre
- New facility developments are designed to take advantage of industry movements toward higher density requirements
- Revenue derived from larger customer deployments tends to increase over time as they mature, due to higher usage of contracted power capacity, increased demand for interconnection, and the use of ancillary services

1. Revenue reflects data centre services revenue less project revenue. Square metres are the total weighted average square metres utilised during the period
 2. Revenue reflects data centre services revenue less project revenue. Metric reflects the total weighted average megawatt months billed over the period

Well capitalised for growth

	30 June 2020 (\$m)	30 June 2019 (\$m)
Cash and cash equivalents	893	399
Property (land and buildings) ¹	854	639
Plant and equipment	704	611
Total assets	2,660	1,826
Borrowings ²	798	794
Total liabilities	976	951
Net assets	1,683	875

- Available liquidity of \$1,193m at 30 June 2020, comprising \$893m cash balance as well as undrawn senior syndicated debt facility of \$300m
- Property holdings include land which is held at cost (ie. not mark to market valuation) and the carrying value of buildings after depreciation



1. Property excludes right-of-use assets not owned by NEXTDC but reported as assets under AASB 16
2. Borrowings includes capitalised transaction costs which are amortised over the term of the debt instruments; exclude lease liabilities related to right-of-use assets which are reported as leases under AASB 16
3. Cash flows from operations include net interest paid of \$46.9m
4. Cash flows from financing activities include net capital raising proceeds as well as lease payments and costs incurred issuing shares related to management incentive plans
5. Cash flows from investing activities of \$404.9m reflects the cash spent in relation to capital expenditure in FY20. Capital expenditure of \$417.9m reflects amounts incurred during FY20

FY20

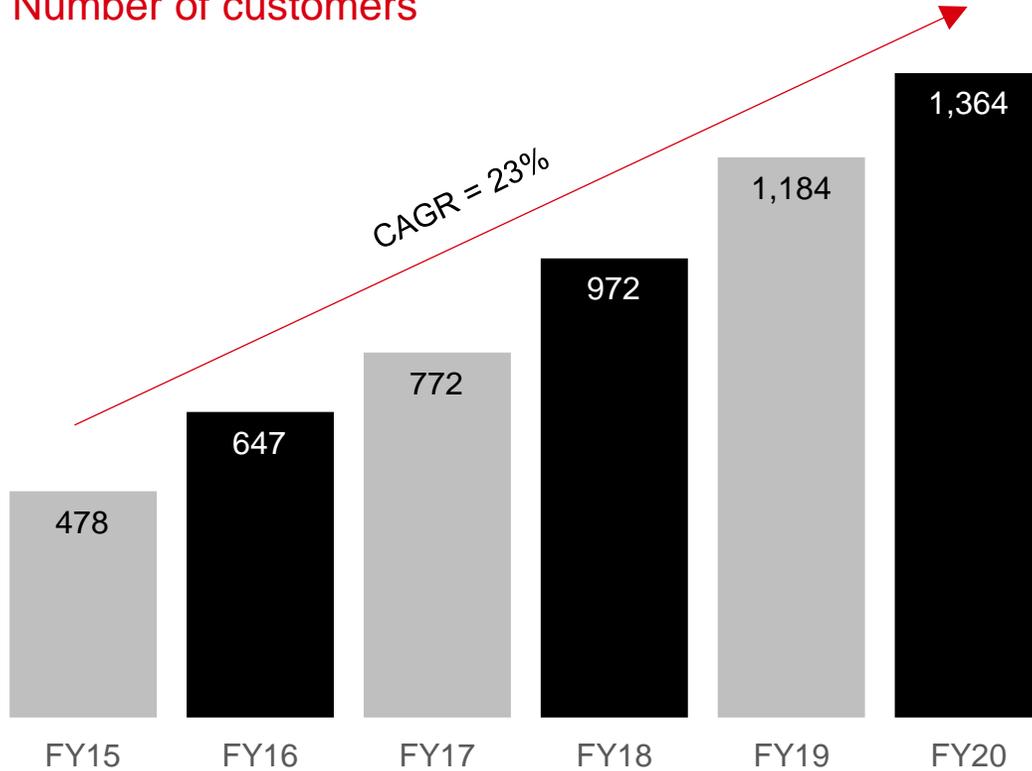
BUSINESS PERFORMANCE



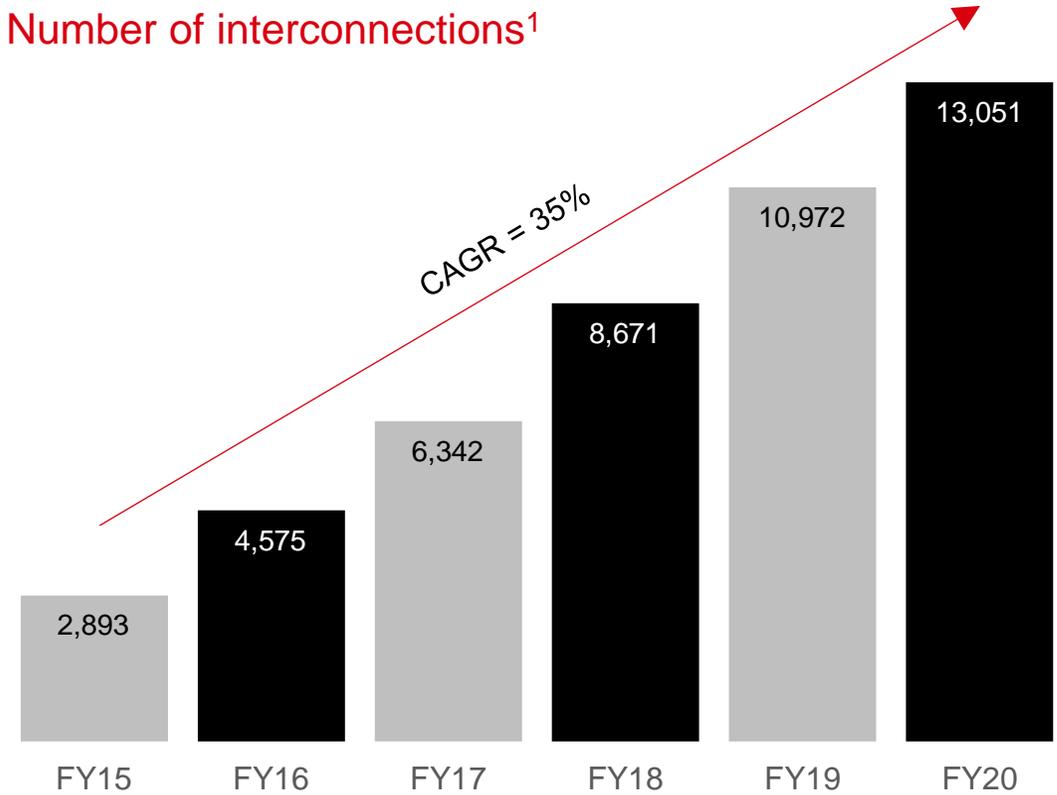
NEXTDC

Strong growth in customers and interconnections

Number of customers



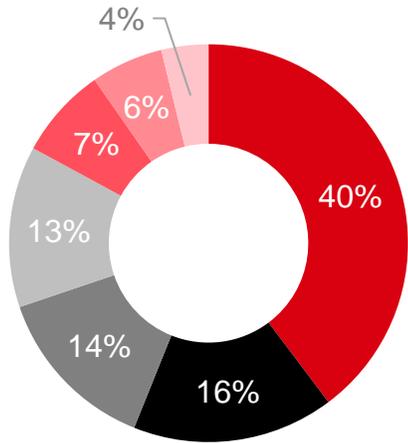
Number of interconnections¹



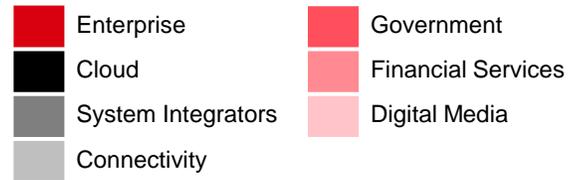
- Driven by strong ongoing growth in interconnections, average interconnections per customer increased 3% from 9.3 at 30 June 2019 to 9.6 at 30 June 2020
- Growth in average interconnections per customer highlights the increasing use of hybrid cloud and connectivity both inside and outside the data centre as customers expand their ecosystems
- Ecosystem growth is expected to drive higher margins and customer retention

1. Comprises both Physical and Elastic Cross Connects

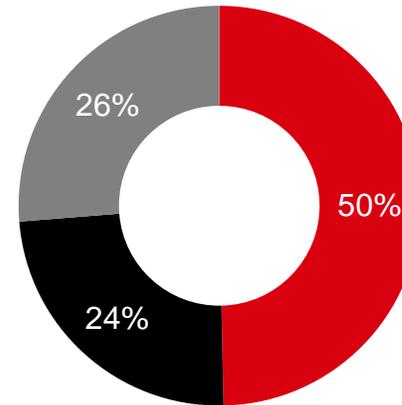
Diversified recurring revenue model



Customer by industry^{1,2}



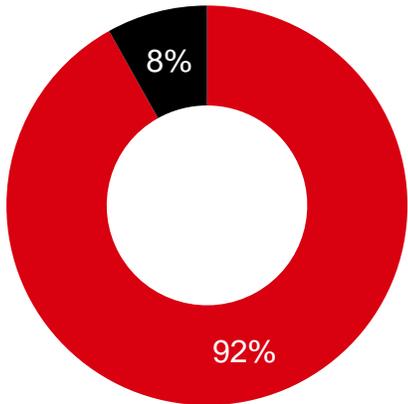
Cloud, Systems Integrators and Connectivity drive strong ecosystem growth



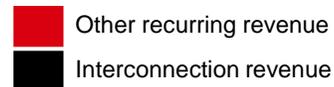
Utilisation by density^{1,3}



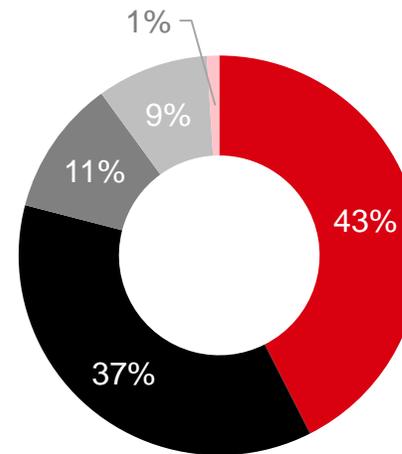
Customer power requirements continue to increase leading to greater density



Interconnection vs other recurring⁴



Strong growth in interconnections an indicator of a healthy ecosystem



Revenue by region⁴



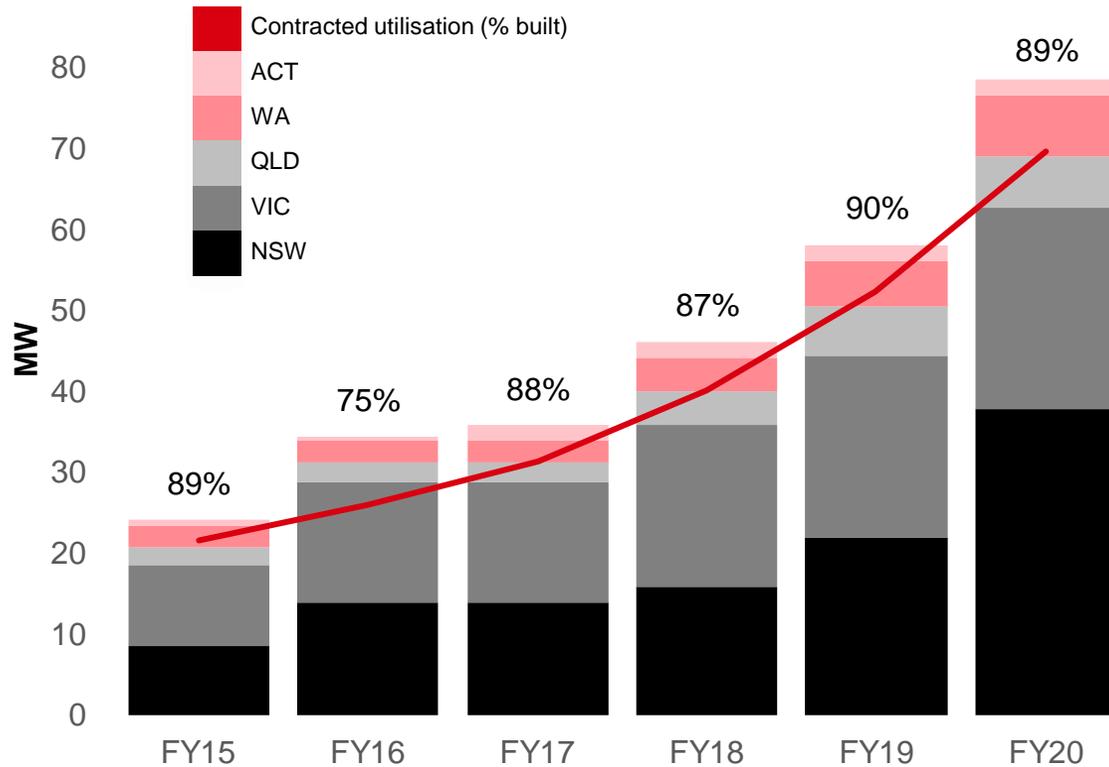
Strong performance in key markets

1. As at 30 June 2020
 2. Percentages refer to the number of customers belonging to each industry
 3. Density per rack equivalent. Percentages refer to the proportion of rack equivalents contracted at each density
 4. Expressed as a percentage of FY20 recurring revenue, which is data centre services revenue less project revenue

Utilisation

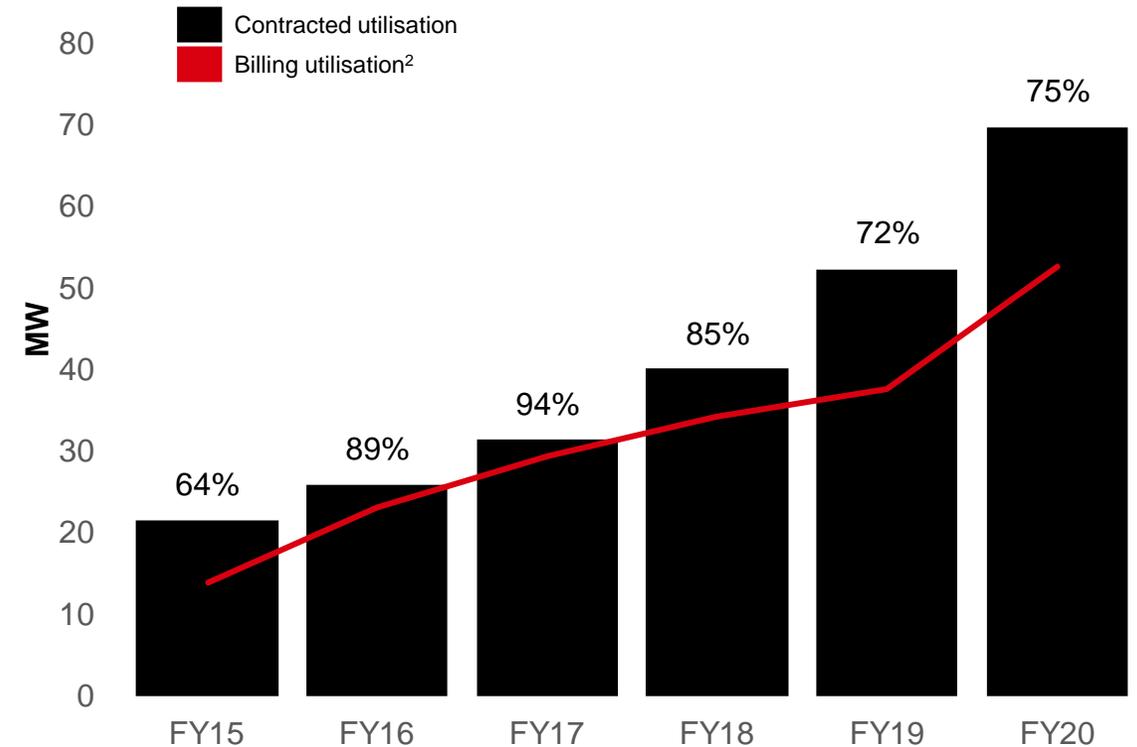
Installed capacity¹ vs contracted utilisation

- 89% of installed capacity (79MW) was contracted at 30 June 2020
- 20MW of additional capacity added during FY20



Billing vs contracted utilisation

- Contracted utilisation up 17.4MW (33%) to 70.0MW since 30 June 2019³
- Billing utilisation up 40% since 30 June 2019



1. Installed capacity includes the designed power capacity of the data halls fitted out at each facility. Further investment into customer related infrastructure, such as backup power generation, cooling equipment or rack infrastructure, may be made in line with customer requirements

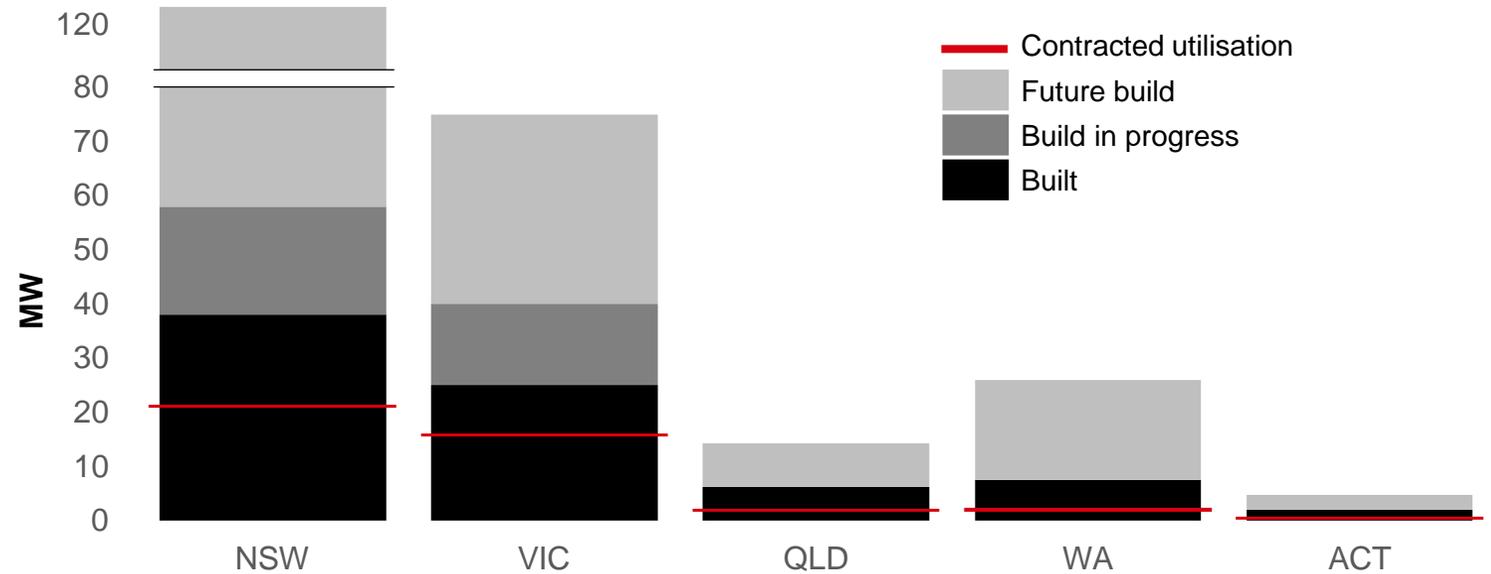
2. Billing utilisation refers to the sold capacity for which revenue is currently being recognised as at the end of the period

3. Contracted utilisation includes whitespace and rack power commitments with deferred start dates or ramp up periods

Facilities capacity and contracted utilisation

As at 30 June 2020

- **S2 Sydney:** Building works complete, with four new data halls opened, adding 16MW
- **P2 Perth:** Phase 1 building construction complete, with P2 now open to customers
- **M2 Melbourne:** M2 Melbourne building expansion works well progressed, with 15MW of new capacity currently being fitted out. Total planned capacity has also been increased from 40MW to 60MW
- **S3 Sydney:** Groundworks have commenced. Practical completion targeted for 2H22
- **M3 Melbourne:** Land for M3 purchased during 2H20, early works relating to design and approvals now underway
- **Tier IV preparations underway:** Uptime Institute (UI) Tier IV Certification of Constructed Facility (TCCF) underway for S2 and P2. UI Gold certification of Operational Sustainability also planned for S2 and P2



	NSW	VIC	QLD	WA	ACT	Total
Total power planned (MW) ¹	126.0	75.0	14.25	26.0	4.8	246.1
Power built ² (MW)	38.0	25.0	6.25	7.5	2.0	78.8
Land and building capex to date ^{3,4}	\$426m	\$197m	\$81m	\$151m	–	\$854m
Fitout capex to date ³	\$399m	\$237m	\$78m	\$110m	\$51m	\$877m
Contracted utilisation (MW)	36.4	27.3	2.9	3.0	0.4	70.0
% of total power planned	29%	36%	20%	12%	8%	28%
% of MW built	96%	109%	46%	40%	18%	89%
Capacity available for sale (MW)	89.6	47.7	11.4	23.0	4.4	176.1

1. Includes facilities which are open or under construction

2. MW built includes the designed power capacity of the data halls fitted out at each facility. Further investment into customer related infrastructure, such as backup power generation, cooling equipment or rack infrastructure may be made in line with customer requirements

3. Excludes site selection and other due diligence-related costs for planned data centre developments, which are included in corporate overheads

4. Excludes land held for development of M3 Melbourne

FY20

FY21 OUTLOOK



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FY21 OUTLOOK



SOLID REVENUE GROWTH

Data centre services revenue¹ guidance of \$242m to \$250m (up 21% to 25% on FY20)

- Strong growth in recurring data centre services revenue, underpinned by long-term customer contracts
- Over 17MW of contracted capacity still yet to commence billing at 30 June 2020
- Inventory now available at S2 to drive further enterprise and network opportunities



SUBSTANTIAL OPERATING LEVERAGE

Underlying EBITDA^{2,3} guidance of \$125m to \$130m (up 20% to 24% on FY20)

- Second generation facility performance is driving scale and earnings growth
- Operational excellence continues to deliver efficiencies in energy management and purchasing
- Company continues to make investments in growth projects and customer experience



CUSTOMER DRIVEN INVESTMENT

Capital expenditure guidance in the range of \$380m to \$400m

- M2 expansion continues, with an additional 15MW of installed capacity to be delivered in FY21 and total target capacity now 60MW
- Ongoing investment in the phase 1 development of S3, which has a target open date in 2H22
- Strong growth in customer demand continues to underpin the ongoing investment in fitout



BENCHMARK OPERATIONAL EXCELLENCE

Setting the operational benchmark for the data centre industry in Asia Pacific

- Uptime Institute (UI) Tier IV Certification of Constructed Facility planned for S2 and P2
- UI Gold certification of Operational Sustainability planned for S2 and P2
- M1 and S1 are Australia's only NABERS 5-Star data centre certifications, with plans for NEXTDC's second generation fleet

1. Excluding interest revenue

2. Refer page 24 for details of adjustments to get to the underlying result

3. FY21 underlying EBITDA excludes costs related to review works into potential data centre investments in Asia



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FY20

APPENDICES

HOLDMARK
2 - 4 GIFFORD ST AVE
1. Office Building (10 stories)
2. Underground Parking
3. 4th Floor (Mechanical)
4. 5th Floor (Mechanical)
5. 6th Floor (Mechanical)

50

SONG
HATFIELD
DUNCAN &
HARDY
LABORATORY
PATHELOGY



FY20

MAJOR DEVELOPMENT PROJECTS



NEXTDC

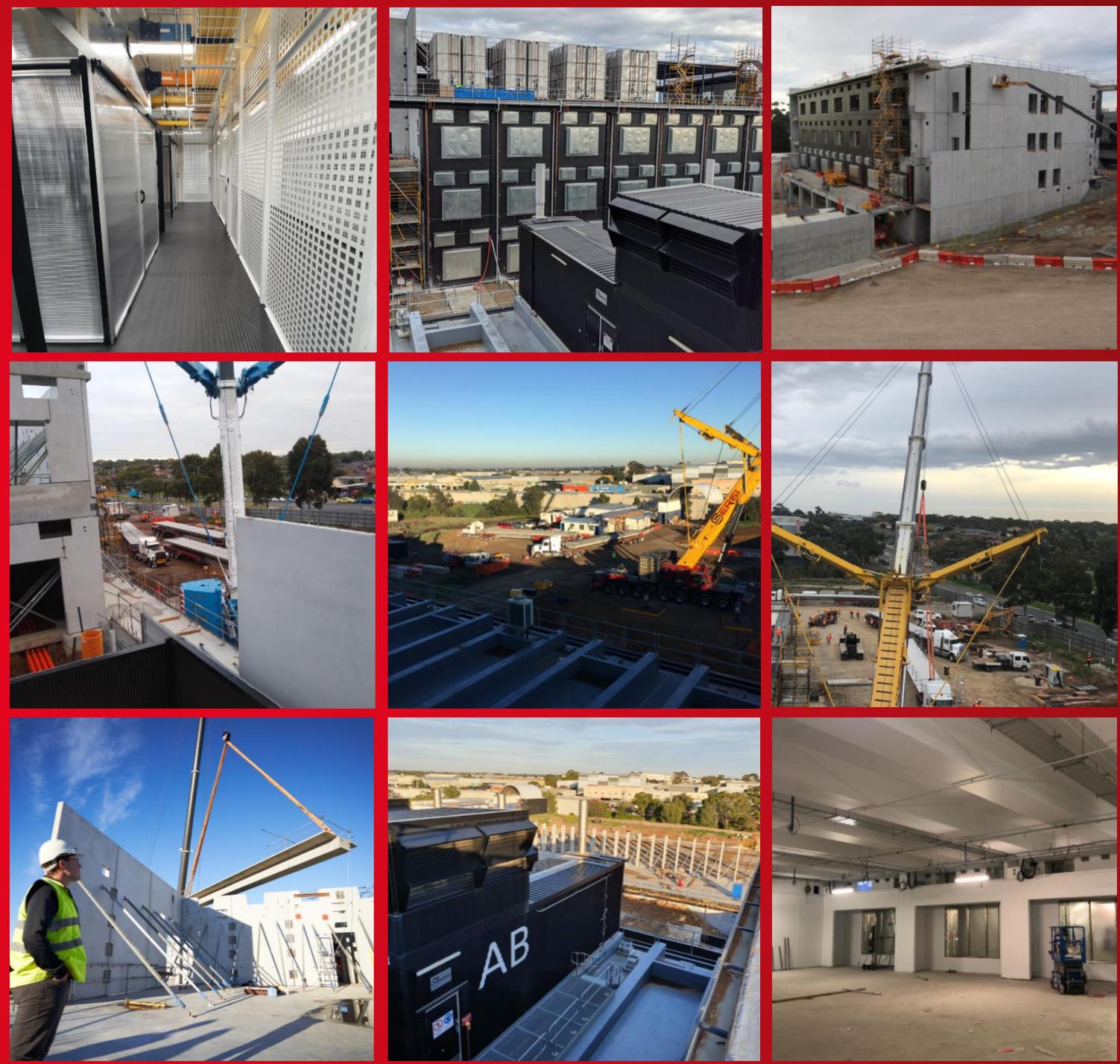
M2 MELBOURNE

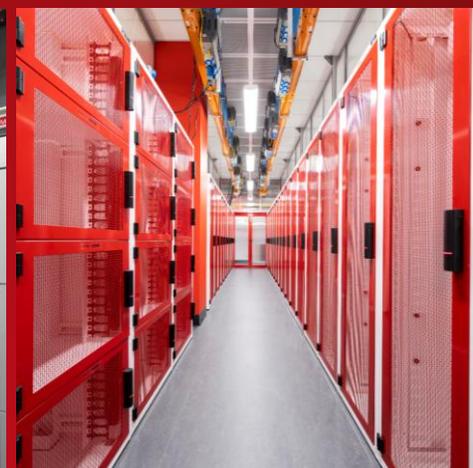
TECHNICAL SPECIFICATIONS

Technical Space	17,500sqm
Total IT capacity	60MW
Installed capacity	10MW
Target PUE	1.10 ¹ / 1.29 ²
Design and construction certifications	UI Tier IV Design UI Tier IV Constructed Facility UI Tier IV Gold for Operational Sustainability
Status	Operational

- UI Tier IV Certification of Design Documents
- UI Tier IV Certification of Constructed Facility
- UI Tier IV Gold Certification of Operational Sustainability
- Planned industry leading energy efficiency rating
- Seamless Cross Connect for M1 and M2 through NEXTDC Data Centre Interconnect and AXON
- AXON cloud connect on-ramp available day one for Microsoft ExpressRoute, Amazon Web Services, IBM Cloud and other cloud on ramps

1. Best instantaneous power consumption ratio within a calendar year, dependent on load and optimal environmental conditions
 2. Total energy consumption ratio during a full calendar year, dependent on load and supports a market leading level of energy efficiency





S2 SYDNEY

TECHNICAL SPECIFICATIONS

Technical Space	8,700sqm
Total IT capacity	30MW
Installed capacity	22MW
Target PUE	1.15 ¹ / 1.29 ²
Design and construction standard	UI Tier IV Design UI Tier IV Construct UI Tier IV Gold for Operational Sustainability
Status	Operational



- UI Tier IV design and construct certification
- Tier IV designed Iso-parallel UPS system
- Planned industry leading energy efficiency rating
- Planned for UI Gold Operational Sustainability
- Seamless Cross Connect for S1 and S2 through NEXTDC Data Centre Interconnect and AXON
- AXON cloud connect on ramp available day one for Microsoft ExpressRoute, Amazon Web Services, IBM Cloud and other cloud on ramps
- Indigo subsea cable Singapore to Perth to Sydney



1. Best instantaneous power consumption ratio within a calendar year, dependent on load and optimal environmental conditions

2. Total energy consumption ratio during a full calendar year, dependent on load and supports a market leading level of energy efficiency

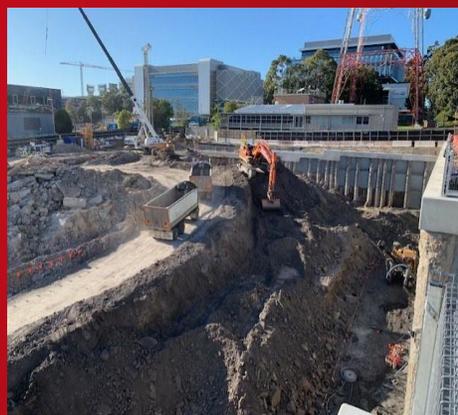
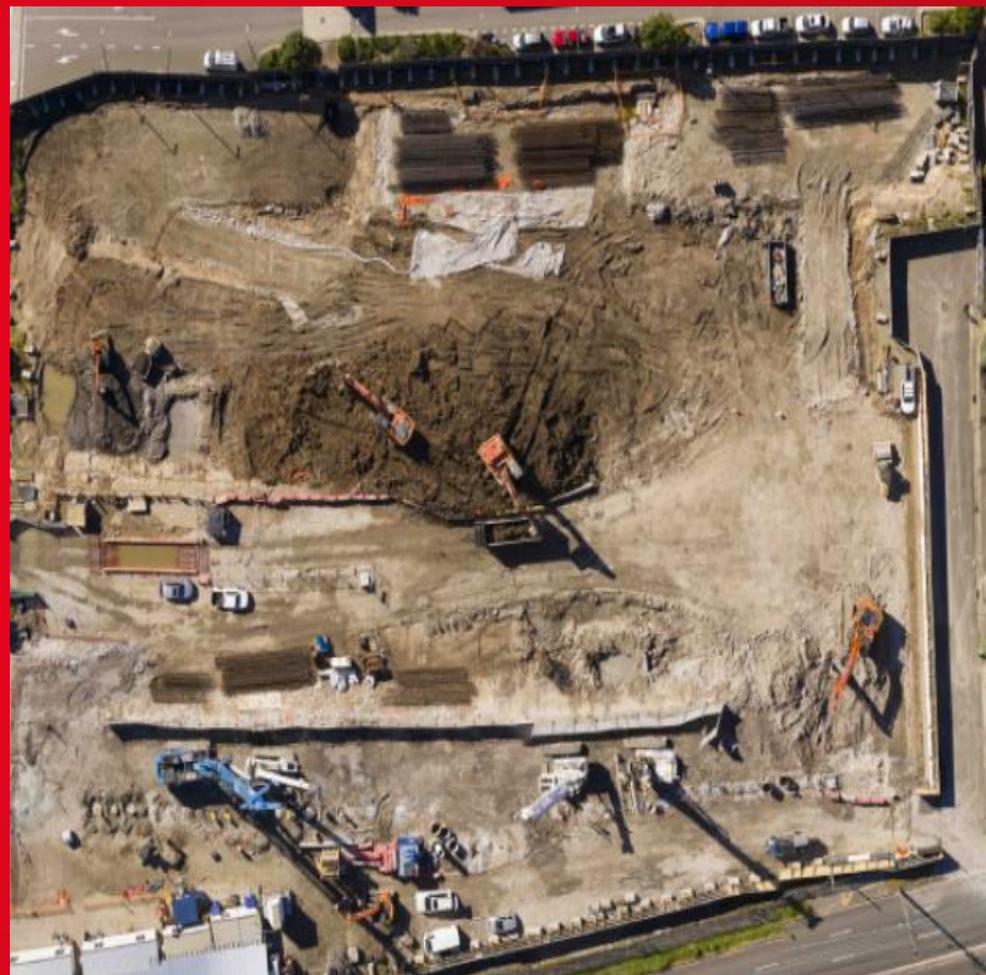


P2 PERTH

TECHNICAL SPECIFICATIONS

Technical Space	12,000sqm
Total IT capacity	20MW
Initial capacity	2MW
Target PUE	1.15 ¹ / 1.29 ²
Design and construction standard	UI Tier IV Design UI Tier IV Constructed Facility UI Tier IV Gold for Operational Sustainability
Status	Operational

- UI Tier IV design and construct certification
 - Tier IV designed Iso-parallel UPS system
 - Planned industry leading energy efficiency rating
 - Planned for UI Gold Operational Sustainability
 - Seamless Cross Connect for P1 and P2 through NEXTDC Data Centre Interconnect and AXON
 - AXON cloud connect on ramp available day one for Microsoft ExpressRoute, Amazon Web Services, IBM Cloud and other cloud on ramps
 - Indigo subsea cable termination point linking Singapore to Perth to Sydney
 - Access to Vocus Australian Singapore Cable (ASC) linking Western Australia to Asia
1. Best instantaneous power consumption ratio within a calendar year, dependent on load and optimal environmental conditions
 2. Total energy consumption ratio during a full calendar year, dependent on load and supports a market leading level of energy efficiency



S3 SYDNEY

TECHNICAL SPECIFICATIONS

Technical Space	20,000sqm+
Total IT capacity	80MW
Initial capacity	~12MW
Target PUE	1.15 ¹ / 1.29 ²
Design and construction standard	UI Tier IV Design UI Tier IV Constructed Facility UI Tier IV Gold for Operational Sustainability
Practical completion	2H22

- UI Tier IV design and construct certification
- Planned industry leading energy efficiency rating
- Planned for UI Gold Operational Sustainability
- Seamless Cross Connect for S1, S2 and S3 through NEX TDC Data Centre Interconnect and AXON
- AXON cloud connect on-ramp available day one for Microsoft ExpressRoute, Amazon Web Services, IBM Cloud and other cloud on-ramps
- Indigo subsea cable Singapore to Perth to Sydney

1. Best instantaneous power consumption ratio within a calendar year, dependent on load and optimal environmental conditions
 2. Total energy consumption ratio during a full calendar year, dependent on load and supports a market leading level of energy efficiency



FY20

UNDERLYING EBITDA RECONCILIATION



NEXT DC

Underlying EBITDA reconciliation

	FY20	FY19
	(\$m)	(\$m)
Net profit / (loss) after tax	(45.2)	(9.8)
Add: finance costs	57.7	54.9
Less: interest income	(4.4)	(8.2)
Add / (less): income tax expense / (benefit)	(7.1)	(6.3)
Add / (less): derecognition of carried forward tax losses and timing differences	33.5	–
Add: depreciation and amortisation	69.1	48.4
EBITDA	103.6	79.0
Less: gain on re-assessment of lease under AASB 16	(0.2)	–
Less: gain on extinguishment of B1 lease	–	(1.1)
Less: gain on extinguishment of APDC leases	–	(1.3)
Less: distribution income	–	(1.3)
Add: APDC transaction costs	–	5.5
Add: landholder duty on acquisition of APDC properties	–	3.5
Add: Asian market review expenses	1.2	0.8
Underlying EBITDA	104.6	85.1



N E X T D C

FY20

COVID 19 OPERATIONAL PRACTICES

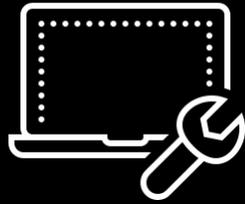


N E X T D C



COVID SAFE WORK PRACTICES

- Adoption of COVID safe working guidelines at all data centres and offices
- COVID safe access procedures at all data centres includes temperature checking, contact tracing, masks
- Sanitation programs updated to new standards
- Majority of non data centre services staff working remotely since 20 March



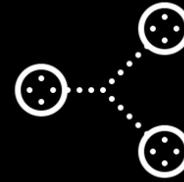
REMOTE HANDS AND TECHNICAL SUPPORT

- NEXTEDC remote hands and technical support provide customer assistance for installations and maintenance without client needing to attend site.
- Dedicated Technical, rack, equipment, cabling and delivery management
- National support, 24/7 through the IOC (integrated operations centre)



CONSTRUCTION AND PROJECT MANAGEMENT

- COVID safe construction practices implemented at all sites
- Construction and development activities continue at all sites
- Stock of long lead time supply items reduce any backlog delays
- Joint planning for change management, Delivery, Access, Staff, Contractors



ONEDC & AXON NETWORK ENHANCED SERVICE EXPERIENCE

- ONEDC customer portal allows client and partner remote access to ensure seamless management of infrastructure
- Expedite high priority cross connects and pre-provision of critical services
- Leverage direct, high performance, low latency connections to MSFT ExpressRoute, GCI, AWS Direct Connect, IBM +more



Please take a moment to read the below and assess whether it is safe to proceed

We ask that you do not enter this facility if:



You have recently travelled through a country now subject to an Australian government enforced travel ban



You have come into contact with someone that has been confirmed with COVID-19



You are displaying flu-like symptoms (fever, cough, sore throat, shortness of breath)

When inside the facility, please:



Wash your hands frequently



Use the hand sanitiser provided



If you would like a mask, ask our concierge team

Can we help you?



If you have any questions or concerns, please contact our Customer Experience team on 1300 698 677.



If you would like to organise a Remote Hands service, please raise a ticket through ONEDC.



NEXTEDC



FY 20

ESG OVERVIEW



N E X T D C

SUSTAINABILITY LEADERSHIP

- ISO 9001 and ISO 27001 (Head Office, M1, M2, S1, S2, C1, P1, B1 and B2) and ISO 14001 (M1, S1, P1, C1 and B2)
- Uptime Institute Gold in Operational Sustainability (P1, S1 and B2)
- Australia's first data centres to achieve NABERS 5-star rating for energy efficiency (M1 and S1)
- 100% carbon neutral for corporate operations under the Australian Federal Government's Climate Active Program; Carbon Disclosure Project (CDP) reporting
- Moving towards Task Force on Climate-Related Financial Disclosures (TCFD) compliance
- Founding member of the Melbourne Renewable Energy Project since 2014
- Free e-waste disposal at all sites plus waste management policy which actively seeks to minimise waste through reusing and recycling



FY20

CASE STUDIES

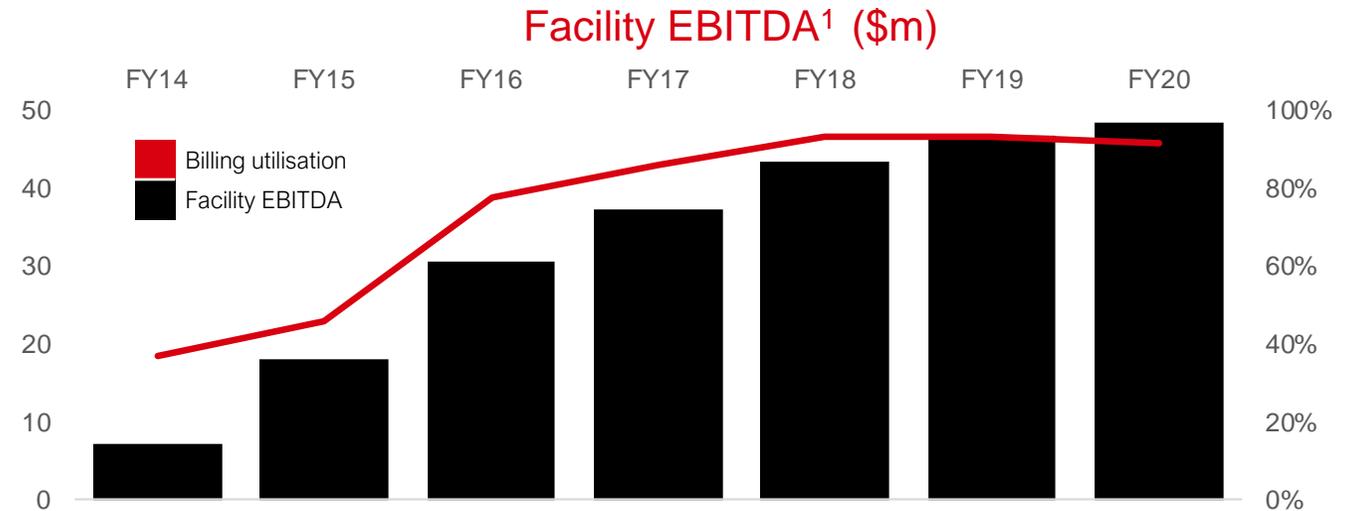


NEXTDC

Case study – M1 Melbourne

★ Highlights

- NEXTDC's second facility, commenced operations in September 2012
- Break-even reached after 11 months of operation



(\$'000s) Period ended	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Billing utilisation ¹	37%	46%	78%	86%	93%	93%	92%
Recurring revenue	14,051	25,522	38,231	48,193	59,550	61,306	63,175
Project revenue	2,254	2,261	4,310	3,122	3,005	1,656	1,503
Gross data centre revenue	16,305	27,782	42,541	51,315	62,554	62,962	64,678
Facility EBITDA ²	7,010	18,047	30,620	37,261	43,534	46,783	48,618
EBITDA margin %	43%	65%	72%	73%	70%	74%	75%
Fitout capex to date (\$m)	84	87	120	139	147	150	157
Property value at cost ³ (\$m)	–	–	–	–	–	99	99

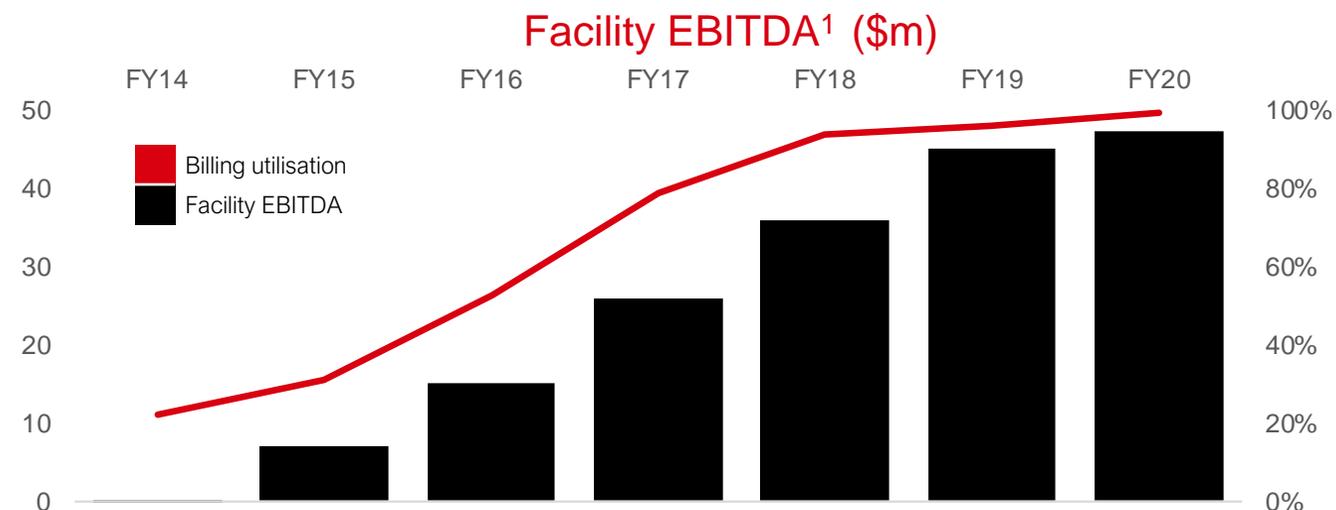
Note: Not adjusted for differences in accounting standards from FY19 onwards relative to earlier periods, which distorts comparability. NEXTDC adopted new accounting standards AASB 9, AASB 15 and AASB 16 from 1 July 2018

1. Billing utilisation refers to the sold capacity for which revenue is currently being recognised as at the end of the period
2. Before head office costs
3. Reflects allocated cost from NEXTDC's acquisition of APDC in October 2018

Case study – S1 Sydney

★ Highlights

- NEXTDC's fourth facility commenced operations in September 2013
- Break-even reached after 7 months of operation



(\$'000s) Period ended	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Billing utilisation ¹	22%	31%	53%	79%	94%	96%	99%
Recurring revenue	4,069	12,711	22,195	34,730	51,111	59,140	61,221
Project revenue	1,825	3,703	4,147	6,274	5,073	2,943	3,242
Gross data centre revenue	5,894	16,414	26,342	41,004	56,184	62,083	64,463
Facility EBITDA ²	(295)	6,979	15,176	26,083	36,051	45,364	47,465
EBITDA margin %	(5%)	43%	58%	64%	64%	73%	74%
Fitout capex to date (\$m)	64	78	114	135	155	160	163
Property value at cost ³ (\$m)	–	–	–	–	–	118	118

Note: Not adjusted for differences in accounting standards from FY19 onwards relative to earlier periods, which distorts comparability. NEXTDC adopted new accounting standards AASB 9, AASB 15 and AASB 16 from 1 July 2018

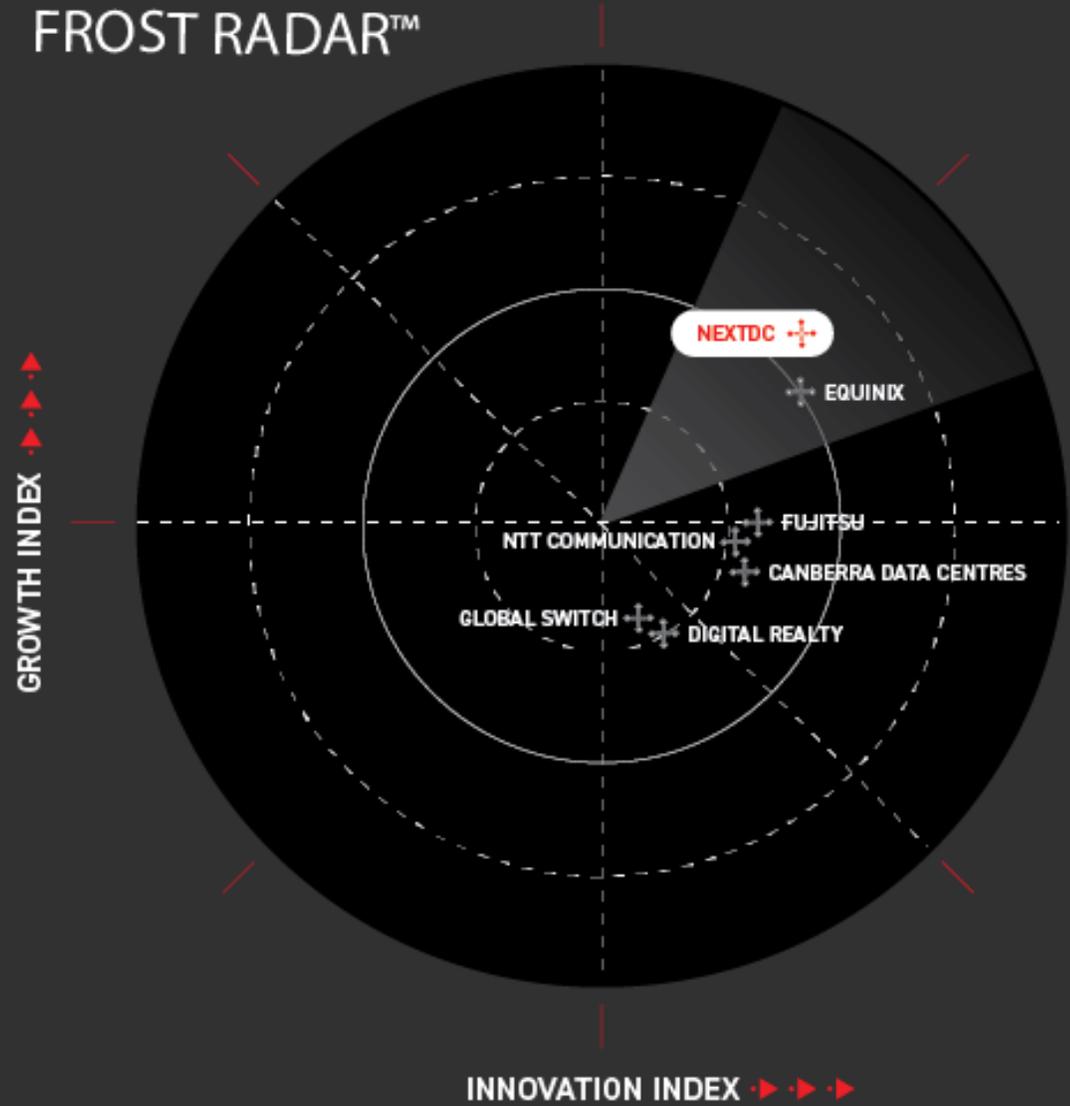
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FY20 DATA CENTRE INNOVATION AND GROWTH LEADER

NEXTDC is recognised as a market leader delivering exemplary customer value.

NEXTDC is positioned highest on the Growth and Innovation index, due to its leadership in data centre management technologies.

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