

ASX Release

28 February 2020

FY20 Half-Year Results Announcement

NEXTDC Limited (**ASX: NXT**) (“**NEXTDC**” or “**the Company**”) today announced its financial results for the half-year ended 31 December 2019 (“**1H20**”) and confirms its FY20 revenue as well as EBITDA expectations.

1H20 financial highlights

- › Revenue grew 8% to \$97.7 million (1H19: \$90.8 million)
- › Underlying EBITDA^{1,2} rose 21% to \$50.9 million (1H19: \$42.2 million)
- › Operating cash flow increased 34% to \$20.1 million (1H19: \$15.0 million)
- › Liquidity (cash and undrawn senior debt facilities) of \$497 million at 31 December 2019

NEXTDC Chief Executive Officer and Managing Director, Craig Scroggie, commented on the 1H20 results:

“Today’s results are in line with our FY20 guidance and reflect the inherent operating leverage of the business. The first half was a record period for new investments in both the development of our next generation of world-class Tier IV data centres P2 and S2, as well as our innovative connectivity service offerings.”

Business performance

As at 31 December 2019:

- › Contracted utilisation is up 2.8MW³ (6%) to 53.3MW (31 December 2018: 50.4MW), with new sales of 3.2MW³ before adjusting for a one-off clawback of wholesale capacity of 0.4MW
- › Customer numbers are up 174 (16%) to 1,264 (31 December 2018: 1,090)
- › The number of interconnections⁴ increased by 2,030 (20%) to 12,012 (31 December 2018: 9,982), representing 8.2% of recurring revenue (1H19: 7.7% of recurring revenue)

Commenting on the Company’s sales performance, Mr Scroggie said:

“NEXTDC achieved a robust level of sales in the first half, despite limited inventory in our key market of Sydney that will be addressed with additional capacity coming online at S2 in the second half. The Company continues to see strong demand across the national portfolio, noting that we are in advanced negotiations in relation to some large customer opportunities that have the potential to significantly increase NEXTDC’s contracted utilisation base.”

¹ EBITDA is a non-statutory financial metric representing earnings before interest, tax, depreciation and amortisation. Non-statutory financial metrics have been extracted from the audited accounts

² Underlying EBITDA excludes costs related to review works into potential data centre investments in Asia, distribution income from NEXTDC’s investment in Asia Pacific Data Centre Group (APDC), transaction costs (including landholder duty) related to the acquisition and wind up of APDC as well as gains on extinguishment of property leases

³ Represents increase in utilisation over the 12 month period from 31 December 2018 to 31 December 2019

⁴ Comprises both physical and elastic cross connections

Development activity

- › S2 Sydney development continued with two new data halls opened, taking total installed capacity to 14MW
- › P2 Perth facility construction remains on track for practical completion in 2H20
- › M2 Melbourne fourth data hall capacity expansion was completed, taking total installed capacity to 10MW
- › S3 Sydney planning approval was obtained

FY20 guidance

Based on current billing and contracted utilisation levels and expected new customer contracts in 2H20, NEXTDC provides the following guidance for FY20:

- › Revenue in the range of \$200 million to \$206 million (unchanged)
- › Underlying EBITDA⁵ in the range of \$100 million to \$105 million (unchanged)
- › Capital expenditure towards the top end of \$280 million to \$300 million (range unchanged)

Authorised for release by the Board of NEXTDC Limited.

ENDS

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⁵ FY20 underlying EBITDA excludes costs related to review works into potential data centre investments in Asia



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