



A Strategic Recommendation On NEXTDC (ASX:NXT)

N E X T D C

Overvalued: 13.57% Downside, Target Share Price: A\$14.33



Emma Jobbins



Grace McAuliffe



Bridie Carrigan



Isabelle FitzGerald

Executive Summary



N E X T D C

Current Investment Not Recommended: 13.57% Downside

Current Share Price: \$16.58 - Target Share Price: A\$14.33

Company Overview

While NextDC (ASX: NXT) is well-positioned to benefit from powerful structural tailwinds such as cloud computing and AI adoption, Schroders views the company's **elevated valuation as difficult to justify given ongoing uncertainties** around its **long-term return profile** and **competitive positioning**.

Industry Overview

Australia's data center market is booming on cloud and AI demand, but growth faces power, sustainability, and land constraints.

Investment Thesis

Capex Constraints: Capex outpaces cash flow, driving unsustainable debt and diluted shareholder position.

Competitive Pressures: Falling behind global peers despite AI tailwinds.

SE Asia Expansion: Growth ambitions clouded by execution risk.

Final Valuation

13.57%
Potential Downside

\$14.33
Target Share Price

55.2x
EV / EBITDA Multiple

Risks & Controls

Profitability

Energy and Environmental Constraints

Debt and Capex Management



Company Overview

An established independent data centre in Australia, NextDC is focused on enhancing its strong domestic footprint with future expansion to compete with global peers

Overview

NextDC operates as a carrier-neutral data enabling secure, scalable and sustainable digital infrastructure for customers

- Provides co-location services so customers can host IT infrastructure without building their own facilities
- Offers direct access to multiple networks, ISPs and major cloud providers
- Purpose-built facilities designed to capture exponential AI-driven power demand

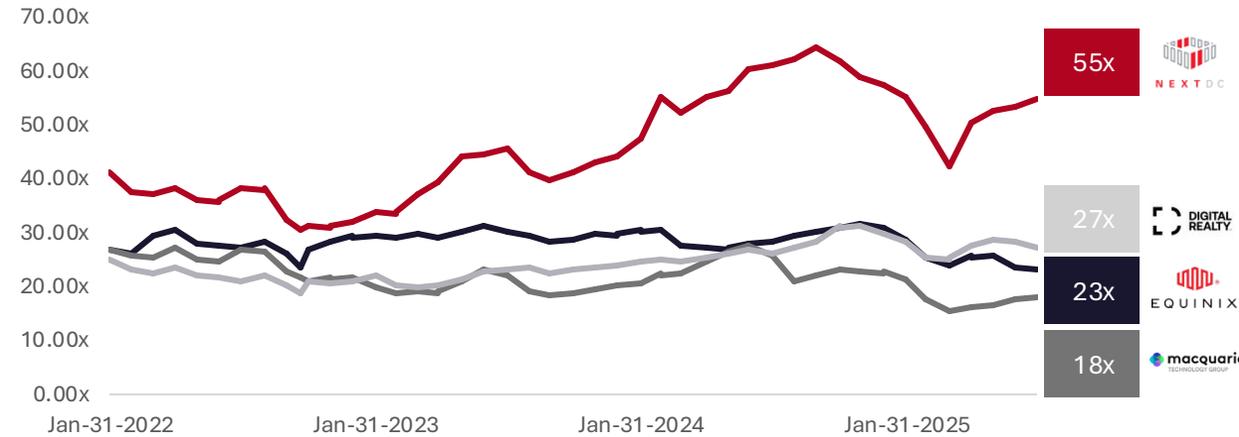
A\$472.2m
Revenue
+6% YoY

A\$216.7m
Underlying
EBITDA
+6% YoY

244.8MW
Contracted
Utilisation
+42% YoY

-13.73%
Profit Margin
-53% YoY

EV / LTM EBITDA multiples with comparators



Geographical footprint



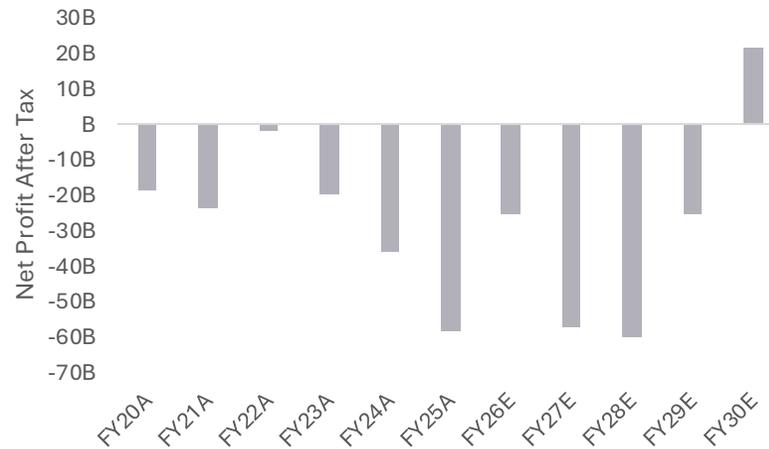
17
operational
data centres



450+
employees



NPAT remains negative despite revenue growth



Growth Strategies

- 1 Continuing to expand Tier IV facilities to strengthen **domestic** presence.
- 2 Developing projects in the Asia-Pacific to expand **international** network
- 3 AI-driven facilities to further integrate **technology** and streamline procedures
- 4 Embedding **sustainability** into growth through energy efficiency and net zero targets

Industry Overview

Key tailwinds leading to exponential growth in Australia's Cloud Hosting and Data Processing Services Industry

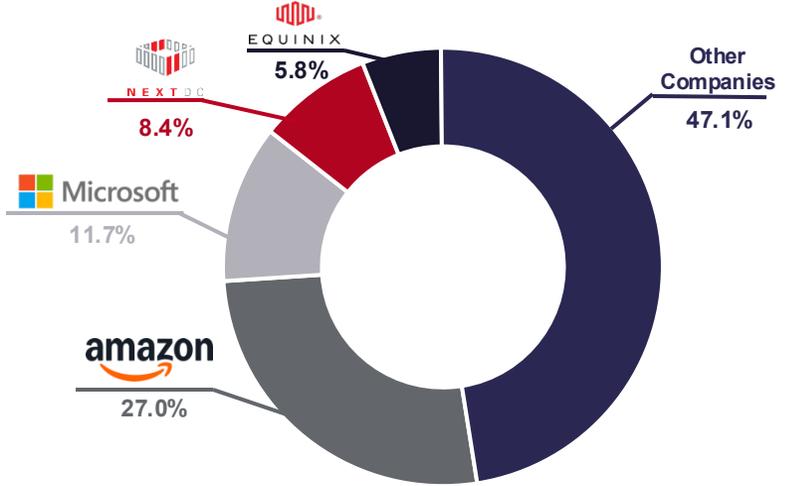
Data centre demand accelerating industry growth

- 1 **Cloud Computing:**
 - Enterprises have shifted from on-premises IT to hyperscale cloud services. Cloud and AI adoption means that the Asia-Pacific (APAC) data centre capacity will **more than double by 2028**, forecasted to grow at a **20% CAGR**.
- 2 **Adoption of Generative AI:**
 - Known as the AI Boom, AI has exponentially grown in popularity. Despite its revolutionary nature, it requires intense computer power, driving the increasing demand for data centres
- 3 **Exponential Growth in Data Generation:**
 - Data creation and consumption is rapidly growing, led by increased demand for streaming services, electric vehicles and IoT smart devices.
- 4 **Expansion of Co-location Market:**
 - The CAGR for the co-location market is predicted to be 19.39% between 2025-2030 in Australia with 36 new data centres in development.
- 5 **Accelerating Digital Transformation:**
 - E-commerce networks are significantly expanding, increasing 27.3% over the last year. This underlines a key driver of the growing market because this necessitates more demand for cloud hosting and data processing services.

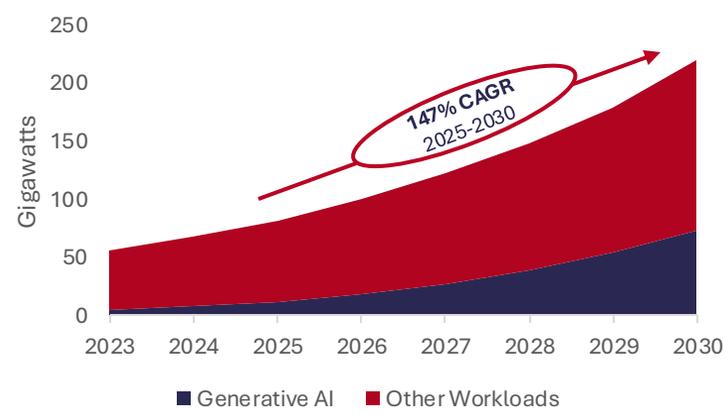
While these drivers highlight industry growth, they also intensify competition and resource constraints for smaller players like NextDC

Growing Industry with Key Competitors for NextDC

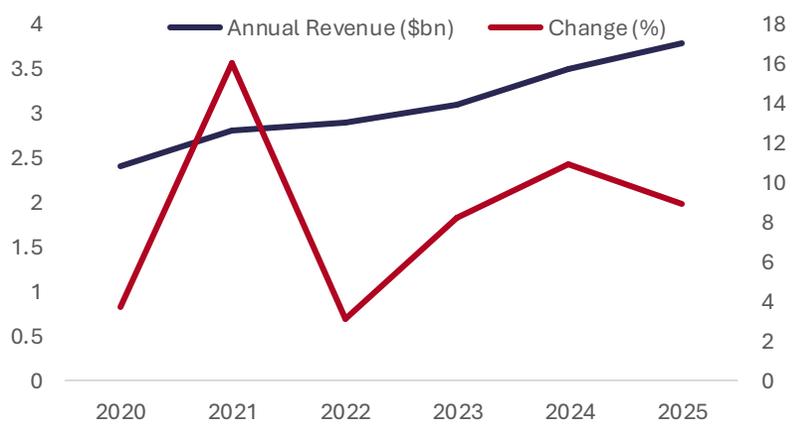
Strong Growth Outlook	Liquidity Challenges
A\$3.8bn Revenue 2025	-37.0x Working Capital Turnover 5-year average
9.4% Revenue CAGR 2025-2030	0.4 Cash Ratio 5-year average



Demand for Data Centre Capacity



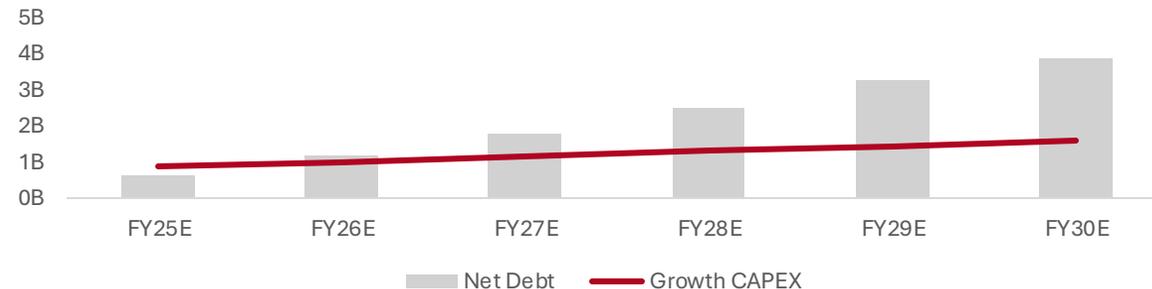
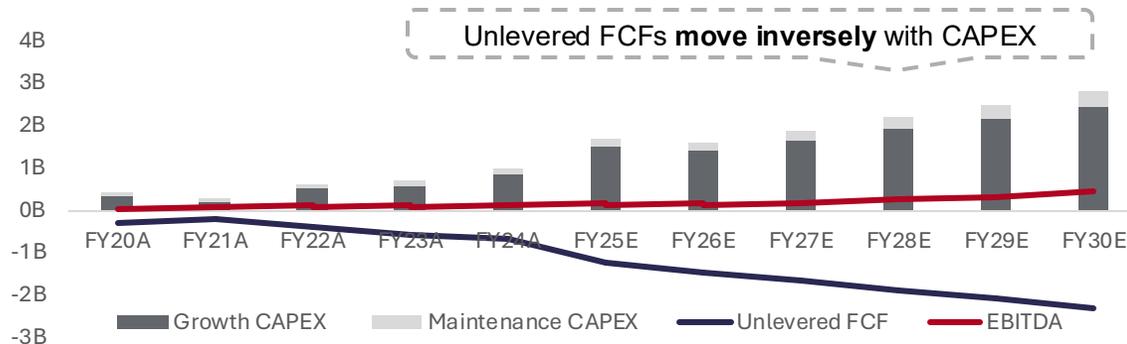
Recent Revenue displays Volatility of Industry



Investment Thesis 1: Capex Constraints

1a: Capital expenditure risks unsustainable debt growth, raising concerns over long-term value creation

Despite EBITDA growth, NextDC remains structurally free cash flow negative, underscoring its reliance on external funding



Maintenance CAPEX estimated using depreciation as a proxy (being a common industry approach to approximate the reinvestment required to sustain existing operations).

\$6.4B debt facility raised to fund future expansion phases, creating an excess of new debt relative to current year's growth capex.

Exposure to capital markets present specific risks for NextDC's financial position

1

Refinancing and Interest Rate Risk

NextDC remains exposed to interest rate risk when debt needs to be refinanced in future cycles, despite the flexible syndicated bank facility.

4.89%

Cost of Debt
-21.13% from FY24

2

Increased Coverage Risk

EBITDA and EBIT margins remain pressured due to heavy investment and ramp-up costs, resulting in thin interest coverage ratios.

0.6x

Interest Coverage Ratio
39.7% from FY24

3

Execution & Utilisation Risk

Deleveraging depends on uptake of new capacity. Any delays in customer demand could leave excess idle capacity, exacerbating funding needs.

87.33%

Forecasted Built Capacity
Base Case (FY25 onwards)

Debt-fuelled expansion is unsustainable and value-destructive

11.93x

NextDC

vs

5-6x

Peer Average

DEBT/EBITDA FY29

DEBT/EBITDA FY29

- Significant balance sheet strain and limited financial flexibility
- Well above peer average, highlighting company's over-reliance on debt-funded growth

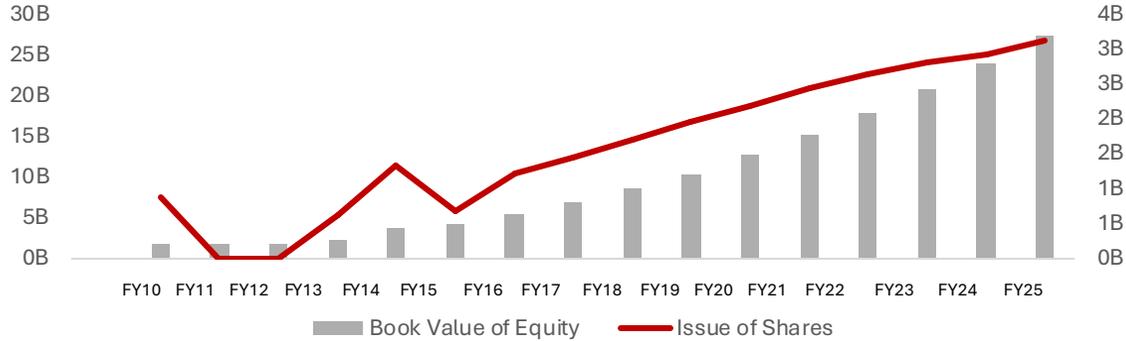
Forecasted debt growth causing an increase in DEBT/EBITDA of 218% from FY25 to FY29.

	FY22	FY23	FY24	FY25
ROIC	1.28%	0.9%	0.4%	0.2%
WACC	8.8%	8.06%	7.98%	8.39%

Investment Thesis 1: Capex Constraints (cont.)

1b: Capital expenditure also fuels repeated equity raisings, creating investor fatigue and suppressing share price upside

Substantial equity growth over time, reflecting injection of new capital



Number of shares issued growing at a steeper rate than the book value of equity, implying forecasted repeated equity raises and substantial dilution for existing shareholders.

Shareholder considerations



Value Creation: despite value raises, per-share value accretion lags. Shareholders are not proportionately better off.

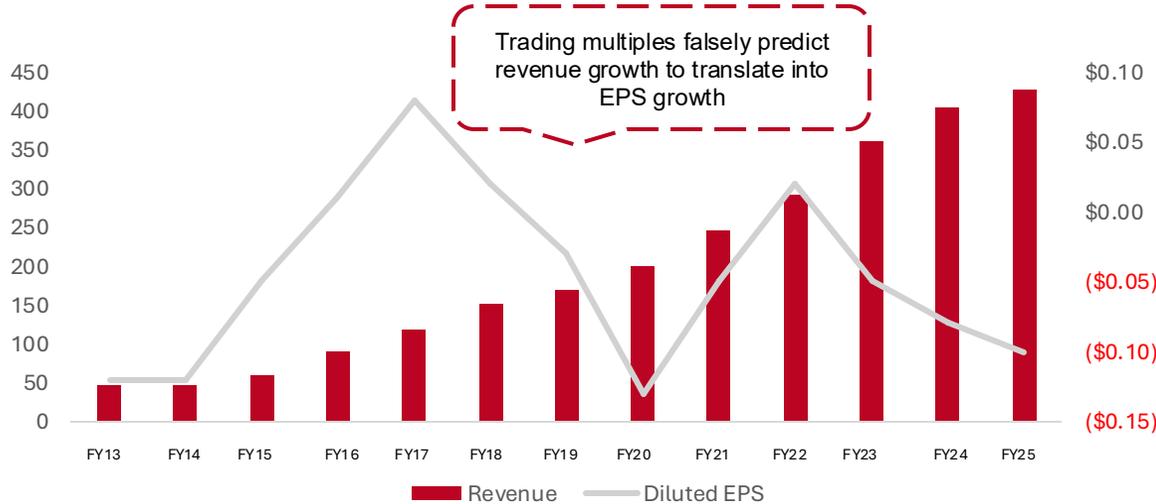


Equity Overhang: Frequent raises creates market fatigue, where investors assume future raises will dilute them again.



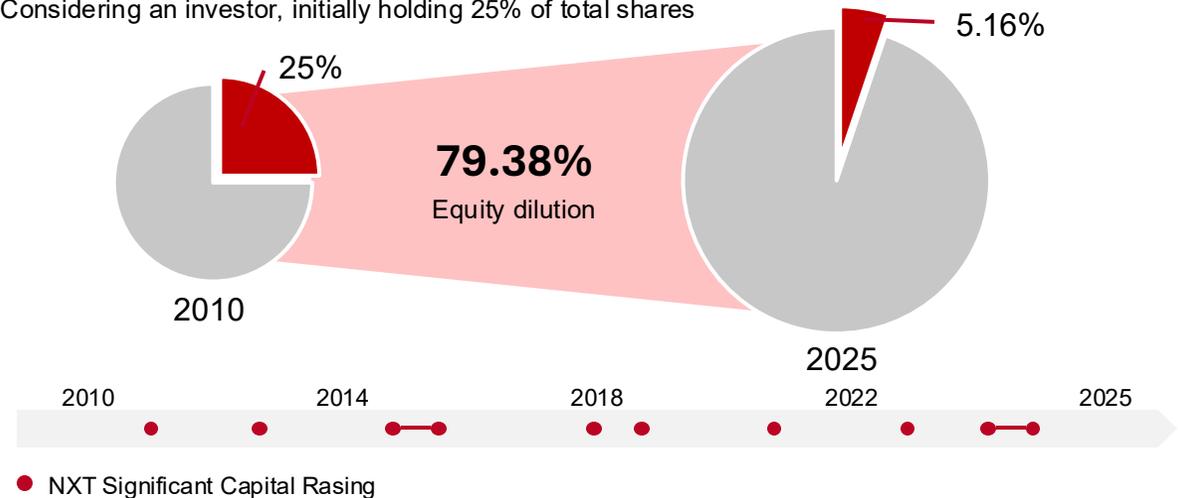
Valuation Ceiling: Because investors don't trust growth to flow through to per-share returns, multiples stay capped despite strong fundamentals.

Despite strong topline growth, EPS displays volatility due to ongoing dilution



Illustrative dilution since 2010 IPO

Considering an investor, initially holding 25% of total shares

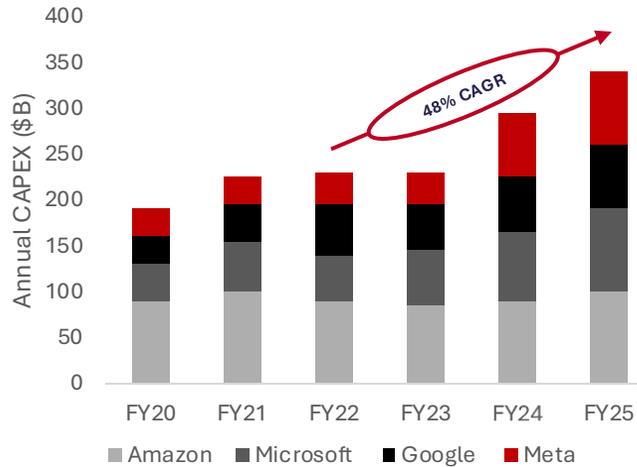


Investment Thesis 2: Competitive Pressures

Global markets suggest NextDC's current premium multiple has already priced in the upside, without reflecting execution risk that comes from competitive headwinds

Generative AI creates future demand for the industry's growth and expansion

AI demand was initially led by the hyperscale tenants – driving massive infrastructure investment and accelerating energy consumption globally



32% forecasted CAGR from FY25-FY30

80% of data centre capacity is pre-leased

165% forecasted increase in global data centre power demand

50% of data centre infrastructure leased from third party landlords

NextDC's top two customers (hyperscalers) accounted for **\$169m** or **47% of revenue** in FY23

Build-out speed constraints also building execution risk for NextDC

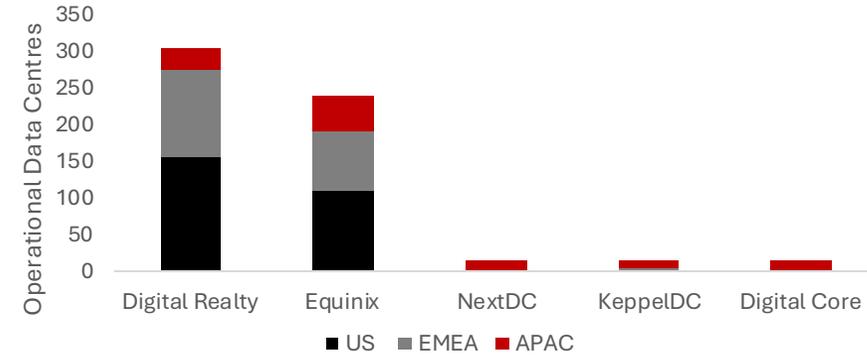
Must Increase 6x Utilisation Capacity to meet its 7-year pipeline target

141MW
Utilisation
2012-2024

+ 120MW p.a

1000MW
Target Utilisation
2031

... however, NextDC lags behind 2 listed pure-play data centre REITS



EQUINIX

10,000+
customers

DIGITAL REALTY

5,000+
customers

Equinix competitively advantaged with a denser ecosystem:

EQUINIX

155

NEXTDC

70

1

Less international diversification as opposed to global competitors' access to lower interest rate on borrowings

2

Limited access to debt capital markets so unable to issue large-scale bonds at lower yields, instead having to rely heavily on equity financing

3

Lack of growth opportunities due to geographic concentration and a smaller scale, a recent 30-40% price decline indicative of such challenges

Investment Thesis 3: Expansion into South-East Asian Market

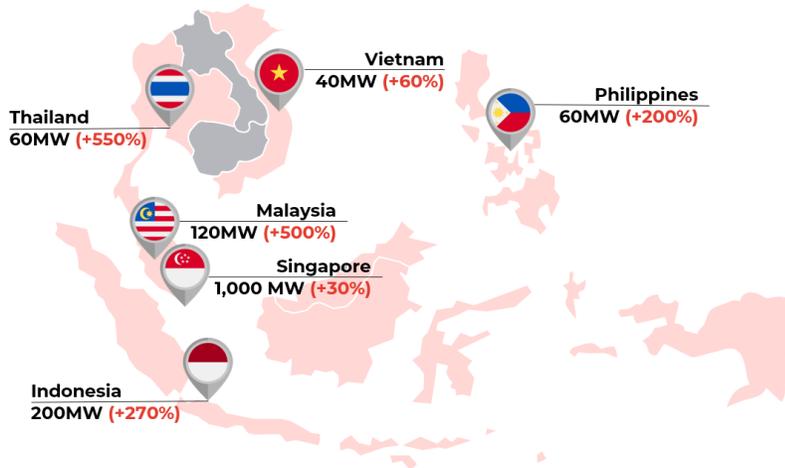
Premium valuation assumes flawless expansion despite competitive and regulatory headwinds

Unprecedented hyper-growth of data centres creating investor excitement

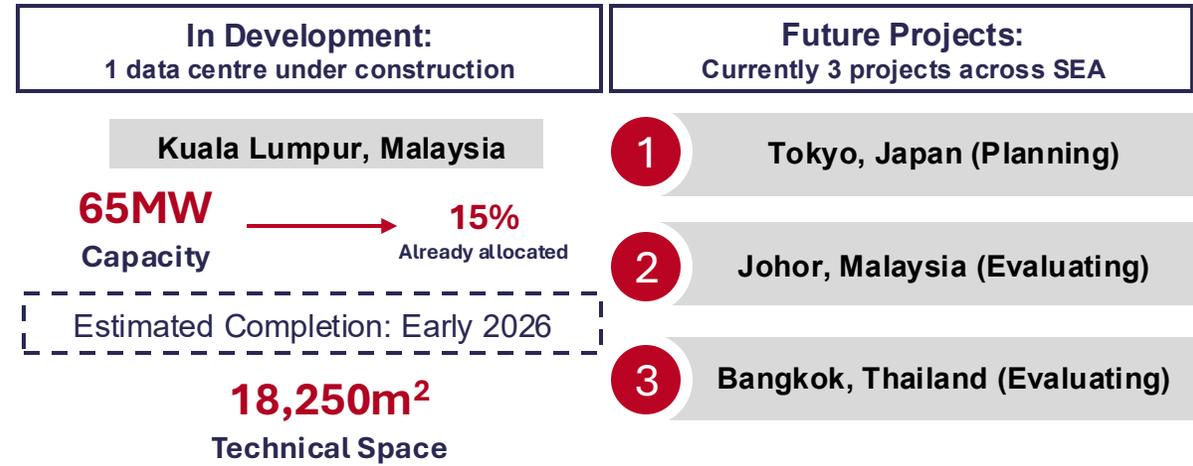
\$15bn
Investments
2023

↓ CAGR ~10%

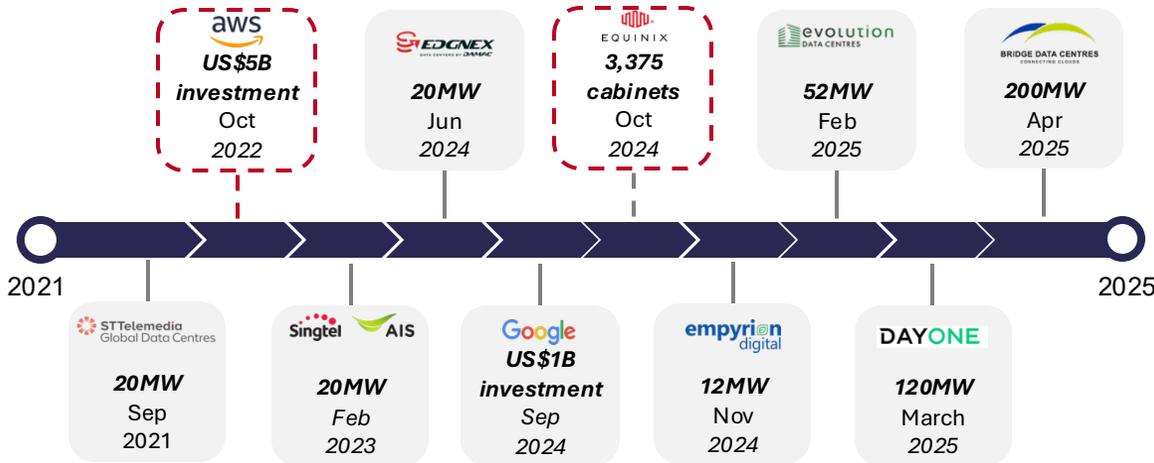
\$29bn
Projected Investments
2029



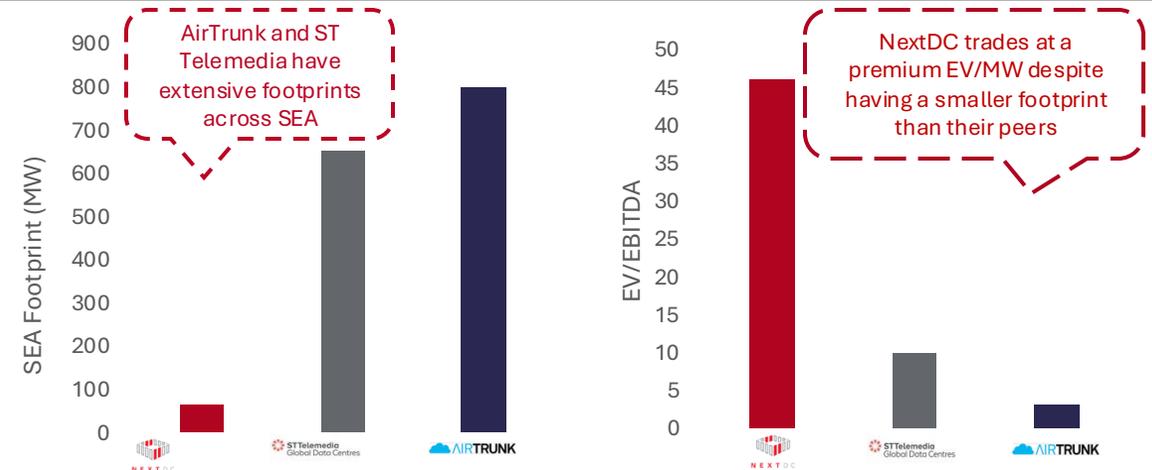
NextDC secures debt finance for Asia expansion, with the current share price reflecting the market's belief in growth success



However, developments in Bangkok's Data Centre Market reduce NextDC's market share

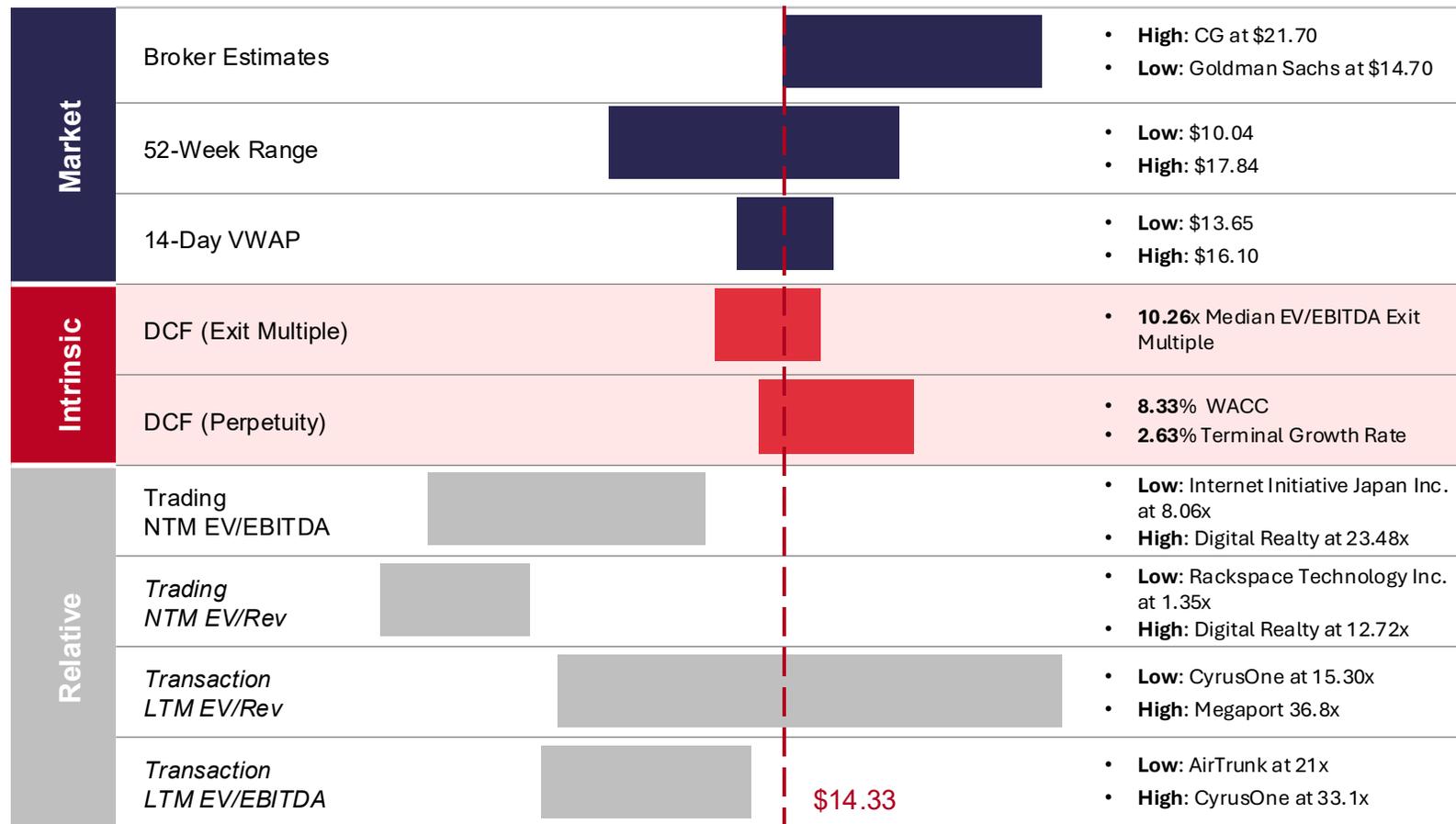


Can NextDC Catch Up to Regional Leaders Despite Its Late Entry?



Football Field Valuation

An intrinsic and relative valuation shows NXT is trading at a 13.57% premium



Key Insights

\$16.58 Spot Price (08 Sep 2025) → **\$14.33** Target Share Price **13.57% Downside**

Base Case Metrics

\$16.11 DCF Perpetuity | **\$14.27** DCF Exit Multiple | **\$11.25** Trading Multiples | **\$13.24** Transaction Multiples | **\$15.65** Broker Estimates

Illustrative Price Weightings

32.5% DCF Perpetuity | **32.5%** DCF Exit Multiple | **15%** Trading Multiples | **15%** Transaction | **5%** Market Estimates

Bear/Bull Scenarios

Methodology	Bear	Bull
DCF (Perpetuity)	\$8.01	\$24.21
DCF (Exit Multiple)	\$6.61	\$21.94
Trading Multiples	\$11.25	\$11.24
Transaction	\$13.24	\$13.24
Broker Estimates	\$15.65	\$15.65
Target Price	\$9.21	\$19.46
Upside	-44.21%	17.91%

Value Destruction

0.23% ROIC < **8.39%** WACC

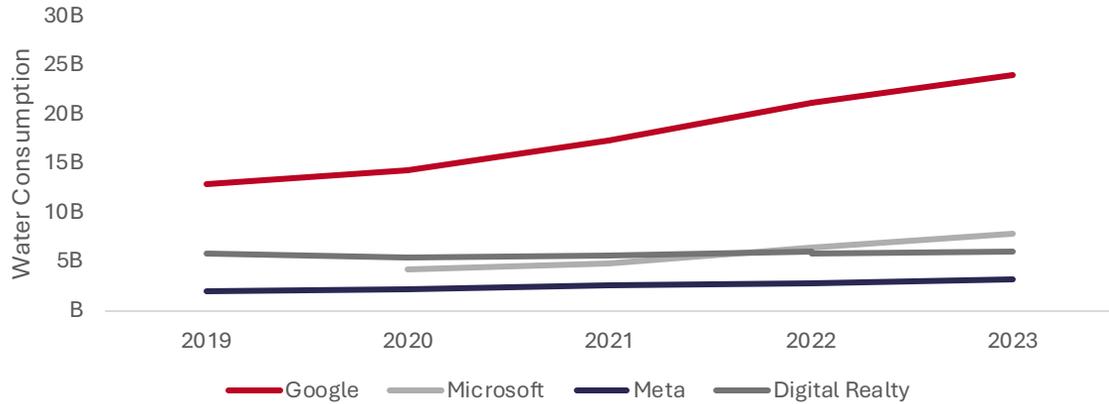
General Information

10,865m Enterprise Value | **219m** Net Debt | **10,646m** Equity Value

Key Risk: Environmental and Energy Constraints

Grid strain and rising sustainability costs could erode NextDC's growth advantage and weigh on its premium valuation

Rapidly increasing water demand for cooling and energy production



Impact on NextDC's future growth

- 1 Grid Access & Project Delays**
 NextDC may face connection hurdles if it cannot establish new facilities near high-capacity Renewable Energy Zones (REZs). However, this mismatch could lead to significant delays, higher infrastructure costs or project deferrals.
- 2 Electricity Cost & Sustainability Trade-Offs**
 Potential to rely on non-renewable generation grid segments or expensive upgrades. Compounds the risk of rising electricity costs and undermines NextDC's sustainable positioning.
- 3 Potential Strategic Opportunity**
 Could partner with renewable developers to secure grid capacity more efficiently and align with clean energy goals. This positions NextDC ahead of competitors who may not integrate power planning as tightly into their expansion strategy.

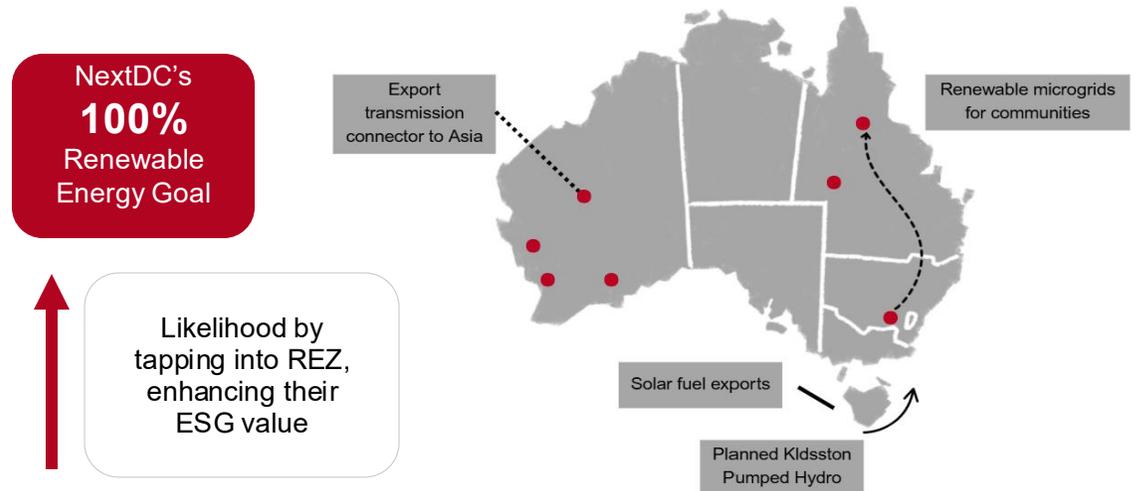
Australia faces grid capacity limitations

- Transmission and distribution infrastructure is already under strain with grid connection lead times lengthening, and priority often given to residential and renewable integration

AEMO anticipates Australia is not well placed to cope with rising demand



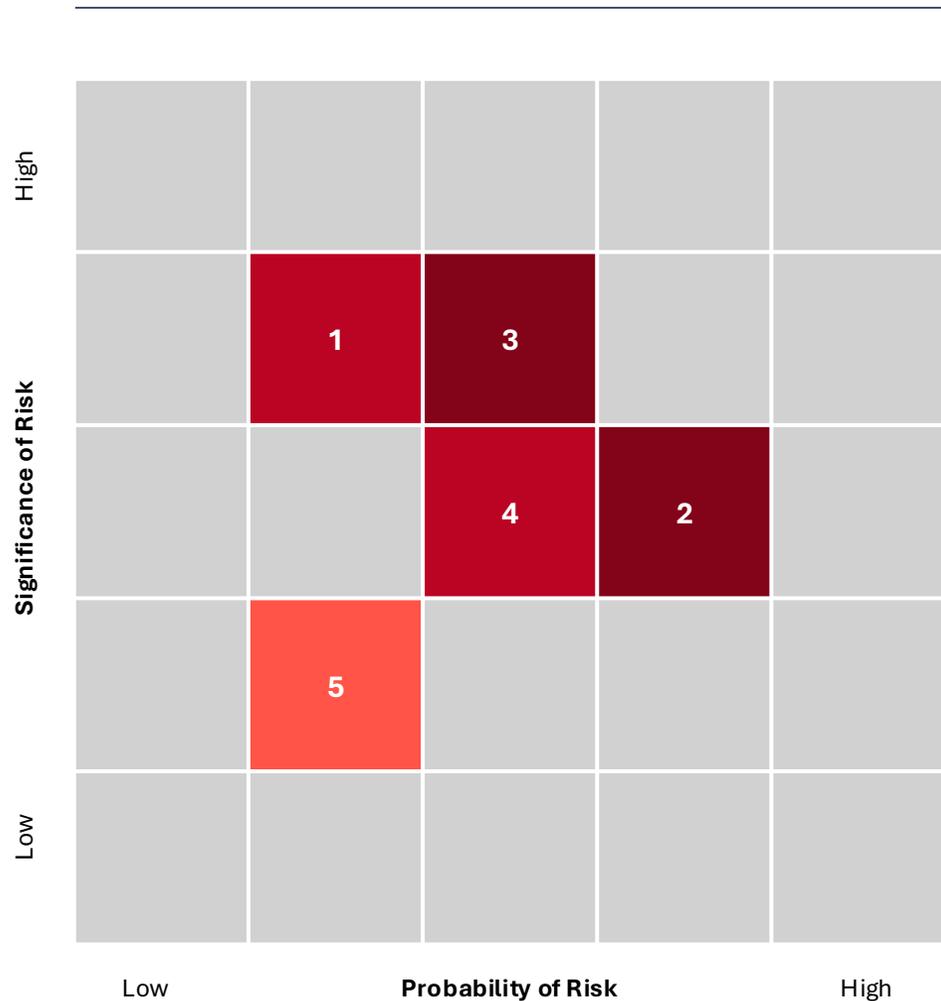
Renewable Energy Zones



Risks

Business and industry specific risks pose a threat to NextDC's growth outlook, further rationalising its valuation recommendation

Risk Matrix



Business Risks

	Description	Mitigation Techniques
1 Technology Advances	Failures to keep up with the latest technology to support the business expansion in a competitive sector could hinder reputation. This is particularly with AI advances in China.	Consistent investment in R&D and proactive infrastructure upgrades such as adopting AI and edge computing.
2 Profitability Risk	NextDC trades >50x EV/EBITDA for the next couple of years despite the first EPS positive forecasted year being 2029.	Improve operating efficiency such as investment in AI-driven energy management to optimise power usage.
3 Debt Burden/Management	Increasing sensitivity to interest rate fluctuations from the \$2.9b facility added to NextDC's leverage. Until earnings turn positive, hurdles for probability are existent.	Hedging for interest rate exposure. Potential equity raising to rebalance NextDC's capital structure.
Industry Risks		
4 Sector Volatility	The industry for data centre creation faced broad-based turbulence in 2025, with NextDC's 52-week trading range (\$10.04-\$17.84) highlighting this instability	Further diversify customer base with geographical expansion to Asia-Pacific regions. Continue to strengthen long-term contracts with hyperscalers.
5 Customer Demand	Insufficient consumer demand to achieve an adequate ROI especially with the capital-intensive nature of new data centres. Development is often undertaken without the pre-sale commitment from customers.	Secure pre-commitments from customers before building capacity to match demand with supply. Could offer incentives such as discounted pricing for early commitment or priority to new capacity.

Final Recommendation

While Australia's data centre sector offers strong growth potential, we believe NextDC is unlikely to deliver the most attractive risk-adjusted returns for Schroders

NXT has high growth prospects, leading to its undervaluation



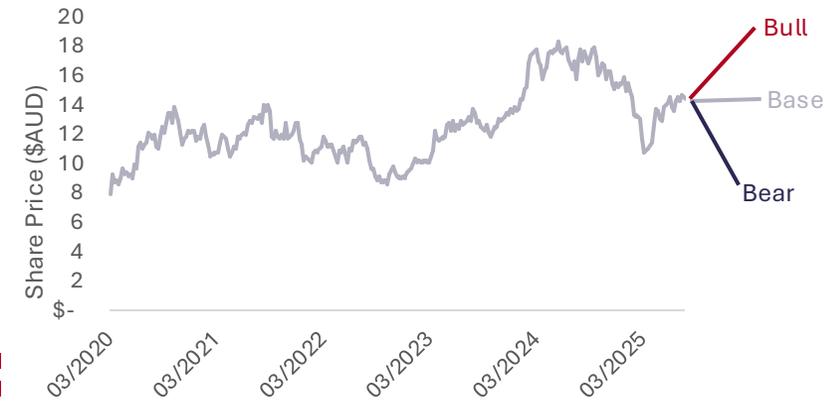
- 1 Capex Constraints**
 - High refinancing and interest rate risks
 - Execution and utilisation Risk
 - Investor fatigue and suppressed share price
- 2 Competitive Pressures**
 - Less international diversification
 - Limited access to debt capital markets
 - Lack of growth opportunities geographically
- 3 Expansion into Asian Market**
 - Unprecedented hyper-growth in data centre market
 - NextDC secures AU\$2.2bn debt finance for Asia expansion
 - Developments in Bangkok's Data Centre Market



Stronger AI exposure opportunities exist through peers with more robust financials and established profitability

Price Catalysts

- Blended Financing Approach**
 - Historical data shows NextDC to primarily fund their capex with equity, increasing cost of capital
 - JV establishes a more favourable financing to avoid over-leveraging with co-investors
- Improving Competitiveness**
 - Execution of a \$150m GIP for management, meeting capacity rollout and growth projections – driving the share price to double
- Expansion Plans**
 - Newly developed sites in Asia (Bangkok, Johor, Tokyo) act as material catalysts especially being contracted to hyperscalers



Appendix Hyperlinks

Valuation Considerations

[Annotated Share Price Performance](#)

[Management and Governance](#)

[Competitive Advantage and Market Positioning](#)

[Shareholder Register](#)

[ESG Analysis](#)

[Joint Venture Considerations](#)

[Joint Venture Considerations Continued](#)

[Risks of Holding Investment](#)

[Broker Recommendations](#)

[Hamilton Helmer Analysis](#)

[Alignment with Schroders Values](#)

[WACC Summary](#)

[Dividend Policy](#)

[Precedent Transactions](#)

[Trading Comparables \(1\)](#)

[Trading Comparables \(2\)](#)

Financial Considerations

[Valuation Summary](#)

[Financial Statement Model Assumptions](#)

[Income Statement](#)

[Revenue Growth Model](#)

[Balance Sheet](#)

[Cash Flow Statement](#)

[Supporting Schedules](#)

[Supporting Schedules continued](#)

[Revenue Driver: Bear](#)

[Revenue Drivers: Base](#)

[Revenue Driver: Bull](#)

[Discounted Cash Flow Model](#)

[WACC](#)

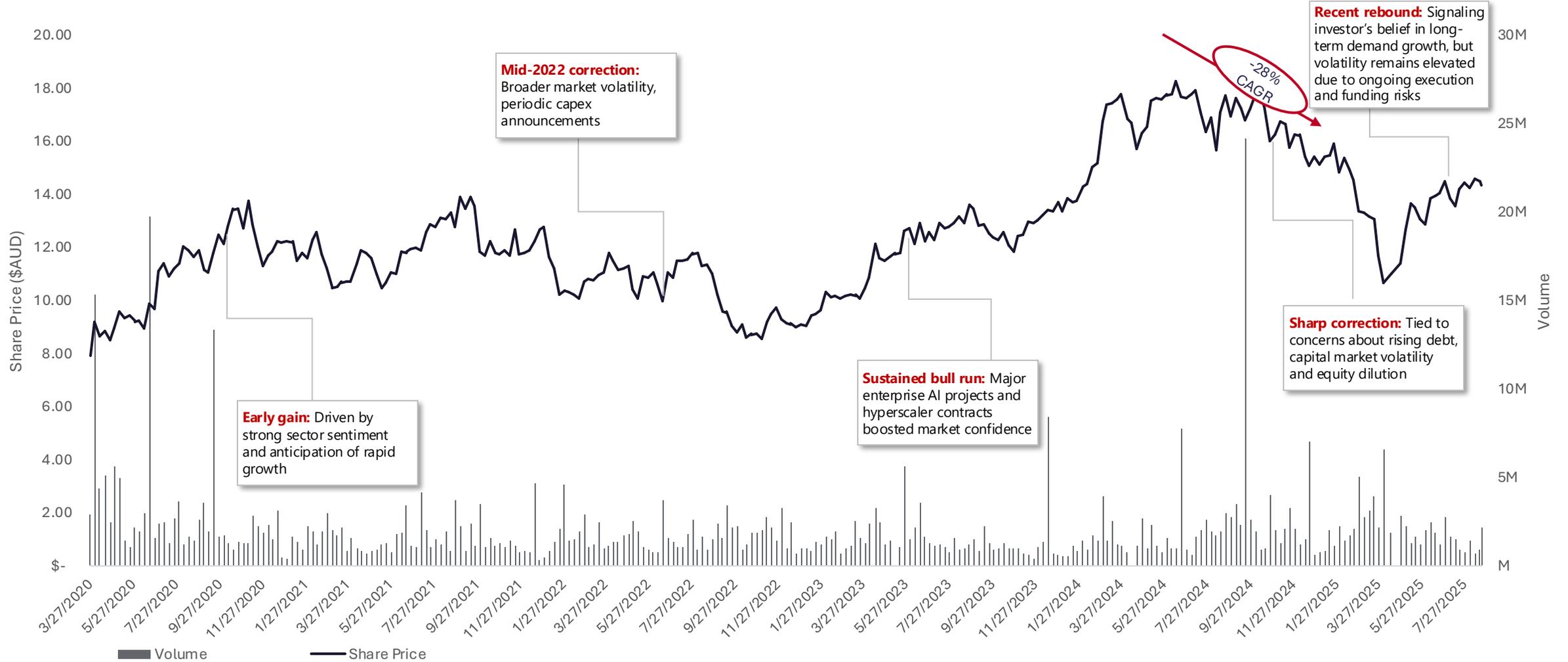
[Terminal Growth Rate](#)

[Trading Comparables](#)

[Transaction Comparables](#)

Annotated Share Price Performance

Recent share price resurgence is a result of investor demand for enterprise AI infrastructure exposure.



Management and Governance

NextDC's senior management have notable experience and strong company goals

Management team hold significant experience



Craig Scroggie
CEO & MD

Tenure: 14 yrs



Simon Cooper
COO

Tenure: 12 yrs



Oskar Tomaszewski
CFO

Tenure: 10 yrs



Douglas Flynn
Non-Exec Chairman

Tenure: 12 yrs



Emphasis on Short- and Long-Term Goals

Short-Term Goals

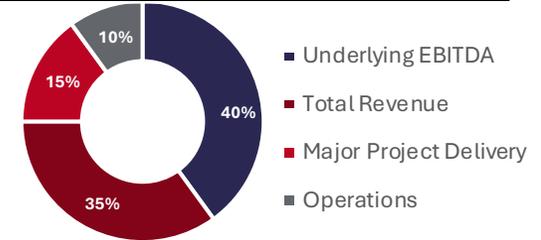
A\$150m

GIP Rights

1:2

MD/CEO: Participants

Current management focus



Long-Term Goals

~40%

Female Representation

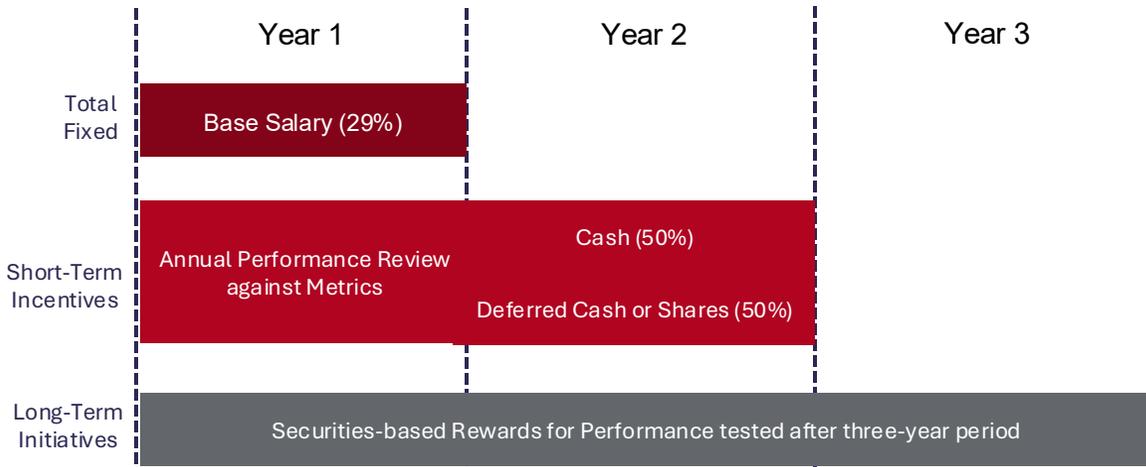
By 2030

~985MW

Planned Capacity

Across Australia and Asia (next 7 years)

Remuneration Policies



Internal Culture Review

Core values:

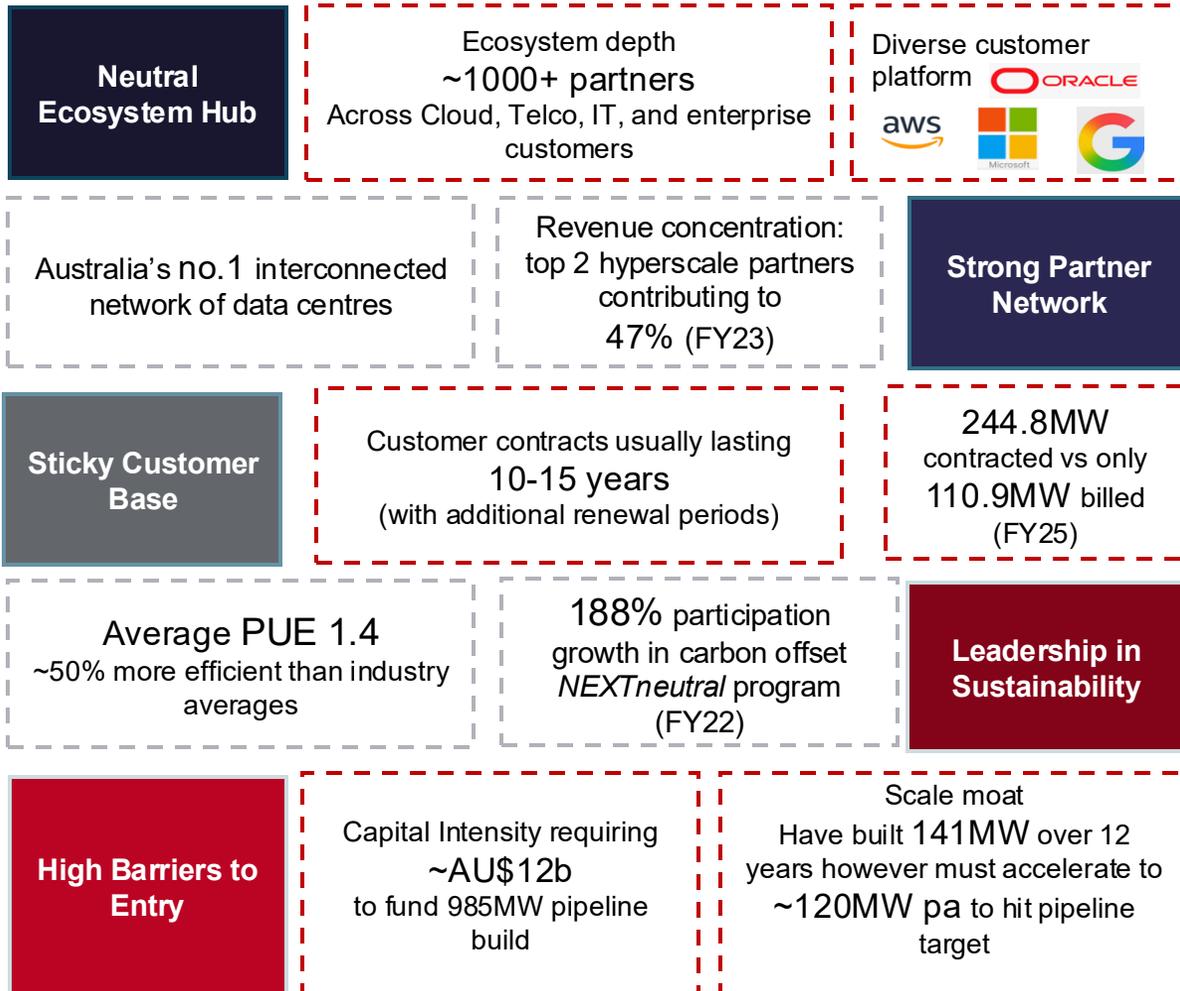
- **Customer First:** delivering exceptional customer experience
- **One Team:** encourage working together
- **Bright Ideas:** create the future
- **Pursuit of Excellence:** focus on excellence, not perfection
- **Straight Talk:** encourage crucial conversations
- **Frugal not Cheap:** spend money where it matters



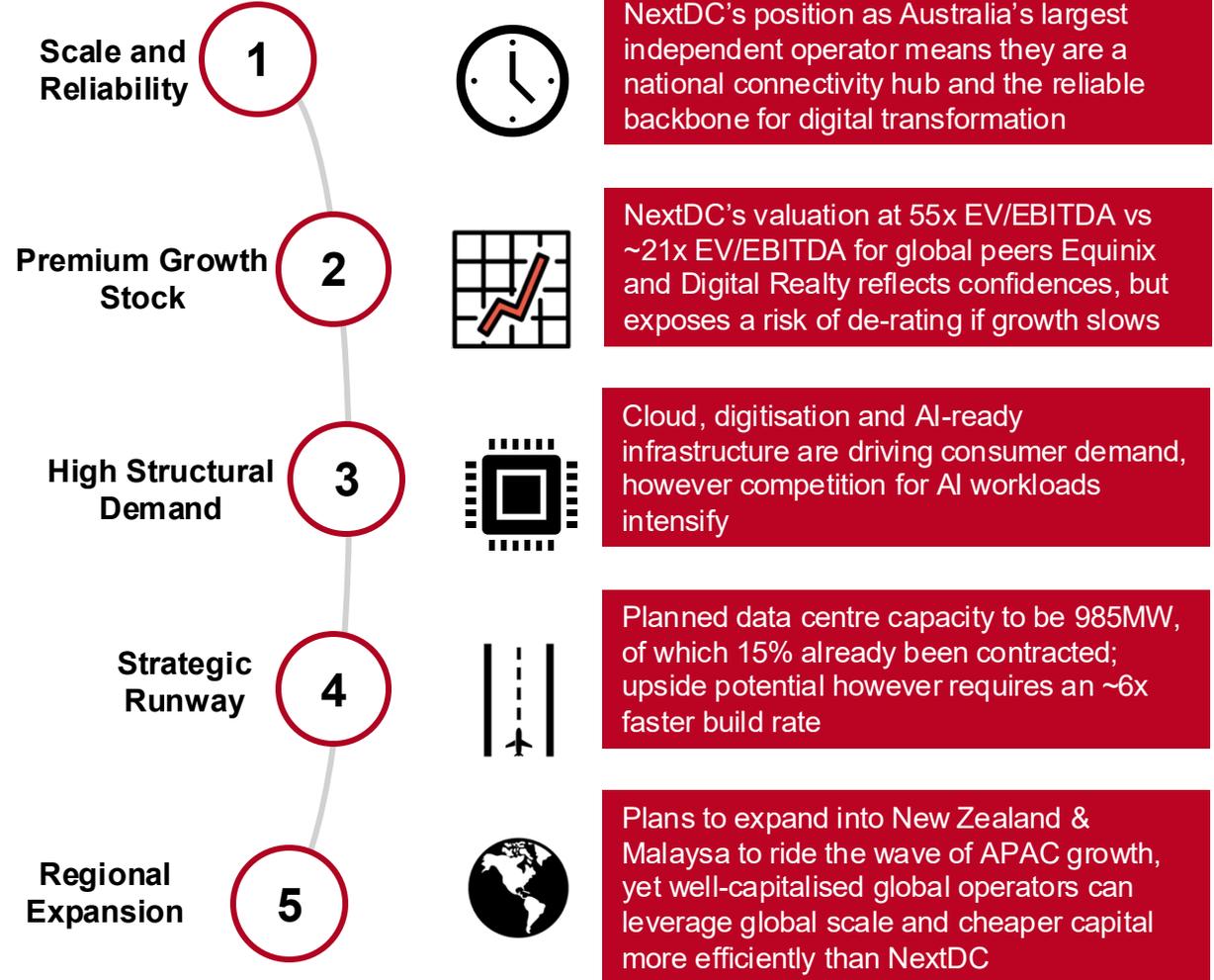
Competitive Advantage and Market Positioning

Competitive advantages underpin NextDC's premium positioning and growth strategy, yet some competition from the market arises

Competitive Advantages

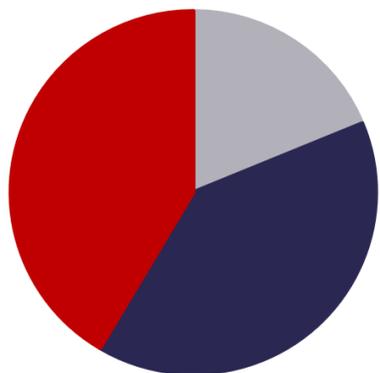


Market Positioning



Shareholder Register

NextDC has a balanced ownership profile, with institutional and public investors being the main shareholders.



	Common Stock Held	% of Shares Outstanding	Market Value
Mutual Fund + ETFs	120.39M	18.79	1.73B
Other Institutional Investors	254.47M	39.73	3.65B
Public Companies + Retail Investors	265.69M	41.48	3.81B

Top Institutional Investors

	% of holding	Shares held	Date Reported	Value
State Street Global Advisors	9.48	60,695,640	Jul 2025	870M
Australian Super Pty Ltd	7.49	47,957,117	Apr 2025	688M
The Vanguard Group	5.80	37,180,417	Jun 2025	533M
BlackRock	5.20	33,310,861	Sep 2024	478M
United Super Pty Ltd	5.00	32,035,296	Jul 2025	459M
BNP	4.76	30,504,866	Aug 2024	437M
UniSuper Limited	3.94	25,231,277	Jan 2024	362M

Overview

- NextDC has a balanced ownership profile, with no group dominating.
- The concentration among a few global asset managers and super funds indicates strong institutional backing
- NEXTDC is widely held by index and passive funds, making it part of global ETF strategies.
- Retail investors collectively have more influence than any single institutional block. This suggests the share price could be more sensitive to market sentiment and retail flows, not just institutional moves.

Environmental, Social and Governance Analysis

NextDC has set achievable and beneficial ESG goals, however it's current score is lagging behind competitors.

Environmental



Energy Efficiency: Maintains a Average Power Usage Effectiveness (PUE) of 1.39, well ahead of the global average (1.57).



Waste Reduction: Achieved over 90% diversion of solid waste at four facilities. Sydney S1 became the first Australian data centre with TRUE Zero Waste certification.



Water Management: Recorded a Water Usage Effectiveness (WUE) of 1.73, with initiatives like rainwater harvesting and cooling water recycling.

Social



Diversity, Equity & Inclusion: Targeting a 40:40:20 gender balance (40% men, 40% women, 20% flexible) by 2030. 34% are currently women



Employee Wellbeing: Expanded mental health programs via Sonder; 33 staff trained as Mental Health First Aid Officers.



Community involvement: supports The Smith Family, UN Women, SolarBuddy, Red Cross, and Pledge 1% movement. Employees get 3 days of paid volunteer leave plus additional leave for emergency services.

Governance



Board & Committees: NEXTDC has a majority-independent Board with sub-committees for Audit & Risk (ARMC), Remuneration & Nomination (REMCO), and Investment (IC). Also operates a Work Health & Safety Committee.



Risk Management: ESG issues integrated into the Risk Management Framework overseen by ARMC.

In comparison to competitors current ESG scores, NextDC is lagging behind.

49



50



56



57



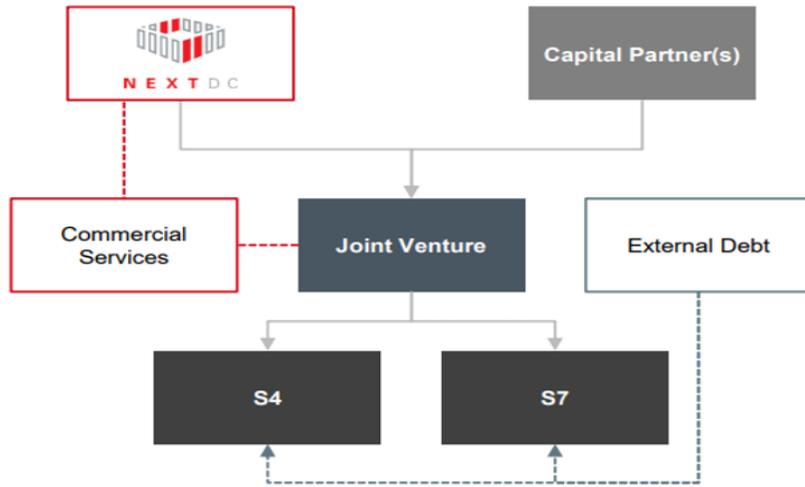
Joint Venture Considerations

Proposed Partnerships over S4 and S7 Developments

NEXTDC's current financing indicates an opportunity to shift further toward debt financing to:

- 1 Lower overall finance costs
- 2 Reduce reliance on equity that dilutes ownership
- 3 Manage capital more efficiently for large projects
- 4 Improve profitability metrics through optimized cost of capital

Suggested Joint Venture Structure from NextDC



In Malaysia (KL1 project) and proposed Japan developments, management has flagged that these will likely be under JV or partnership structures. This aligns with their “capital-light expansion” strategy: leveraging joint ventures + third-party capital to pursue a ~985MW development pipeline without over-leveraging NEXTDC's balance sheet



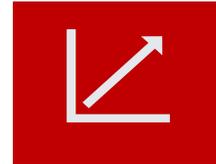
Capital Requirements:

~\$15bn funding over 10+ years requires balanced equity & debt mix
Reliance on external partners increases financing flexibility but introduces dependency



Control & Governance

NextDC retains minority equity interest but holds operational control
Need for clear governance framework to manage strategic decisions



Return Optimisation

Leverage within JV structure enhances equity returns but heightens risk exposure



Execution & Timing

Initial financial close targeted within 12–18 months
Delays in partner commitments could impact S4 & S7 delivery timelines



Strategic Alignment

Ensuring partner objectives align with NextDC's long-term hyperscale growth strategy. Importance of preserving NextDC's brand, customer relationships, and service quality

Joint Venture Considerations (cont.)

Further assessment of Joint Venture

Capacity

~A\$15b

Required for S4&S7 over next 10+ years
 VC allows co-investors to share funding

Blended Equity and Debt Financing

Equity from NextDC + JV partners
 Debt raised at JV level

Return Optimisation

Without JVs, NextDC would raise much more equity, diluting shareholders

IRR

Confidence



Market Appetite

JV digital infrastructure attracts banks and infrastructure investors



Cash Flow Backing

Structure surrounding long-term customer contracts and high occupancy support stable revenues

Continuity

JV Risk Sharing

Contributed equity from capital partners



Leverage Balance

Aim to blend equity and external debt

Debt management strategy further validated:

1

Significant capital expenditure intensity remains:

Negative EBIT (~A\$60m in FY25) with heavy depreciation and amortization
 → upfront CapEx mostly funded by equity

CapEx
 FY25
 ~A\$1.7b

Hedging
 losses
 ~A\$2.1b

Hedging and Interest Rate Exposure:

Cost of maintaining hedge contracts > benefits
 Zero net interest income debt: floating-rate debt without fixed-rate coverage

2

3

ROIC vs WACC gap continues to widen:

No evidence the returns on capital are trajectory to match cost of capital with heavy upfront spending continuing

~A\$206m

Net Debt FY24



~A\$974m

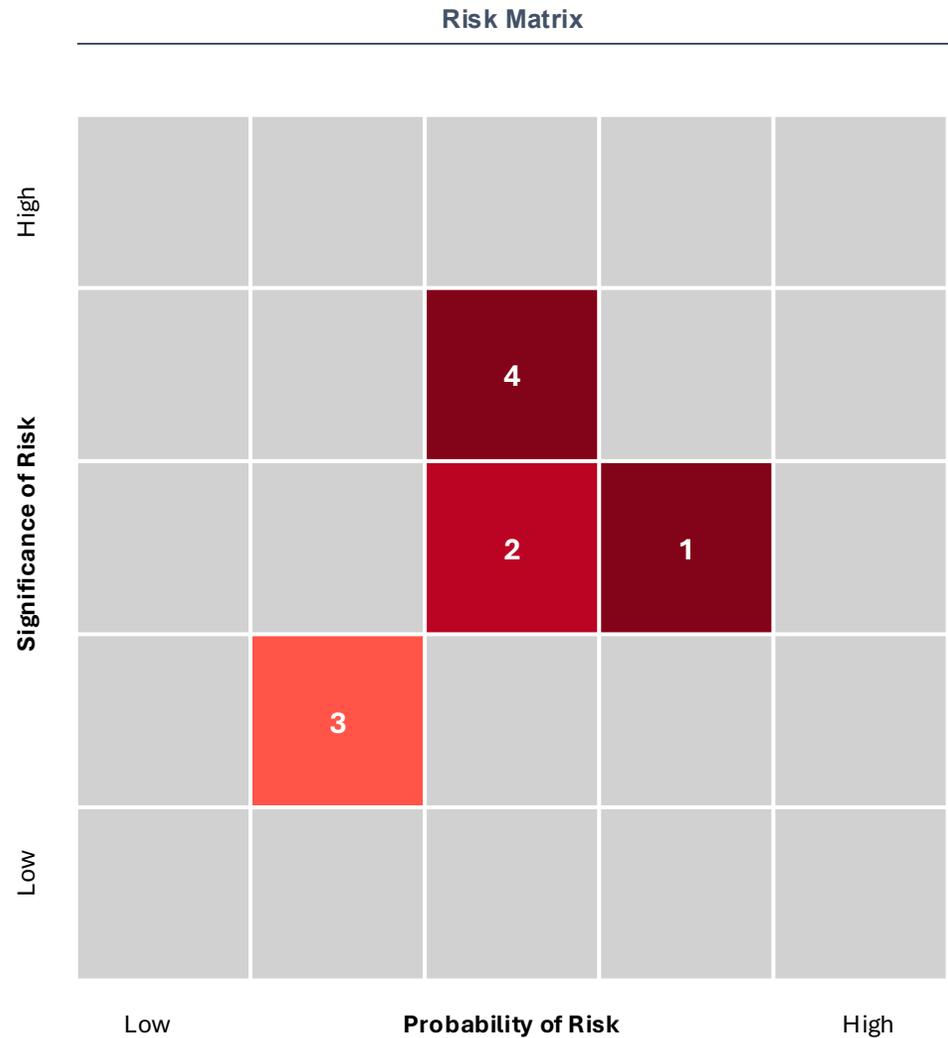
FY25

4

Further justifying need for debt financial structuring

Risks of Holding Investment

Despite our rationalised valuation recommendation, there are inevitable risks of not investing



Risks

	Description
<p>1</p> <p>Structural Growth in AI and Cloud</p>	<p>Holding investment risks exposure to Australia and APAC's booming data centre industry that NextDC would be likely to benefit from</p>
<p>2</p> <p>Further gains from regional expansion</p>	<p>Expansion into the SE Asia region to reach the new pipeline of centres could catalyse significant revenue and turn cash flow positive</p>
<p>3</p> <p>Sustainability-Driven Value</p>	<p>NextDC is recognised as an early adopter of ESG initiatives (carbon neutrality, efficient cooling, renewable energy sourcing with REZs), strengthening competitive positioning</p>
<p>4</p> <p>Capital-Light Expansion from Joint Venture</p>	<p>JV plan allows NextDC to scale faster with reduced constraints on capital expenditure due to co-funding, easing debt reliance and shareholder dilution</p>

Broker Recommendations

Broker recommendations suggest to buy, but Cicada Capital is making an anti-consensus call.

Analyst Price Targets

Broker	Date	Position	Price Target
	11/06/25	Buy	21.70
	12/06/25	Buy	20.50
	11/06/25	Buy	20.20
Jefferies	10/06/25	Buy	18.00
J.P.Morgan	25/02/25	Buy	16.50
	11/04/25	Buy	14.70

Average: \$18.6

Key Broker Commentary

Clearly the overwhelming position of brokers is to buy NextDC stock. Some reasonings and our counter arguments are as follows:

Capex as Investment, Not Expense

The assumption that heavy capex always translates into profitable long-term revenue is risky. Currently the firm is only forecast to have a positive net income in 2031.

Low ROE is Misleading in Early Stage

The model shows the ROE only becomes relatively strong in about 2046, and repeated capital raisings makes this forecasting difficult to pinpoint.

The cloud, AI, and digital infrastructure megatrends are expected to drive multi-year demand growth in colocation and hyperscale data centres.

While cloud and AI are powerful tailwinds, the supply response is just as strong. Demand growth doesn't automatically guarantee superior returns if competition drives down margins.

Price Consensus Data



Hamilton Helmer

Exploration of Hamilton Helmer's 7 Powers

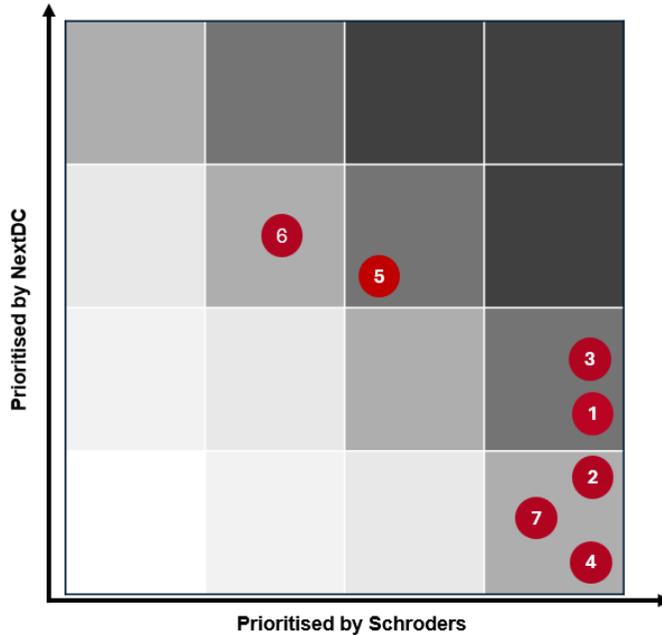
Scale Economics	Network Economics	Counter Positioning	Switching Costs	Branding	Cornered Resource	Process Power
<p>A business where per unit cost decline as volume increases</p> <p>Has national platform buildout with a growing customer base meaning cost per MW should fall; however, must still accelerate to ~120MW pa to hit pipeline target</p> <p></p>	<p>A business where the value realised by a customer increases as the userbase increases</p> <p>Unlike social platforms and marketplaces, customer value will not increase as the user base grows – no amplified network effect.</p> <p></p>	<p>A business adopts a new, superior business model that incumbents cannot mimic.</p> <p>NextDC's Tier IV data centres and advanced sustainability (carbon neutral) create difficulty for rivals and smaller newcomers to match.</p> <p></p>	<p>A business where customers expect a greater loss than the value they gain from switching to an alternate</p> <p>Long term contracts alongside customers facing considerable risk in relocating workloads increases consumer stickiness.</p> <p></p>	<p>A business that enjoys a higher perceived value to an objectively identical offering due to historical information</p> <p>NextDC invests strongly in reputation for reliability and sustainability, earning repeated industry awards and certifications.</p> <p></p>	<p>A business that has preferential access to a coveted resource that independently enhances Value</p> <p>NextDC does not have exclusive access to any unique material, patent or asset compared to competitors.</p> <p></p>	<p>A business whose organisation enables lower costs and/or superior products that can only be matched by an extended commitment</p> <p>Their in-house engineering and advanced cooling creates operating excellence other peers struggle to replicate.</p> <p></p>

Hamilton's Helmers powers suggest NextDC is well placed to match rising demand from cloud, digital and AI transformation following strong growth in industry tailwinds. Despite this, their weaknesses may hinder their ability to maintain a 'moat' status valuable for long-term investment.

Alignment with Schroders Strategy

Schroders and NextDC have similar strategy but adapted for their separate industries.

Visual comparison of strategies



Datapoints sourced from Schroders' 2025 Strategy Report and compared with NextDC company reports. The comparison highlights a clear misalignment between Schroders' priorities and NextDC's strategic focus.

- 1 Stabilising Revenues
- 2 Decreasing cost:income ratio
- 3 Profitable Growth
- 4 Increasing net new businesses
- 5 Competitive edge
- 6 Expansions into Asia
- 7 Improve operating leverage

Written Comparison of Strategies

	
<p>High growth.</p> <p>Increase capital and market share</p> <p>Technological advancements and capacity</p> <p>Large expansions, particularly in the South-East Asian Market</p>	<p>“Return our business to profitable growth”</p> <p>“Stabilise revenues in Public Markets”</p> <p>Increase “Net new business (NNB) excluding joint ventures (JVs)”</p> <p>“Reduce operating expenses”</p>

This misalignment highlights that Schroders' strategy is centred on sustainable, efficient returns, while NextDC's approach leans toward high-risk expansion and delayed profitability.

NextDC does not fit Schroders' strategy.

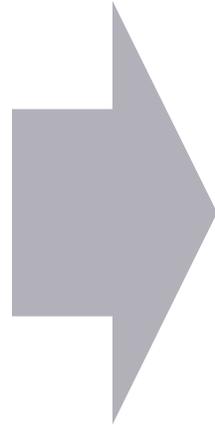
Dividend Policy

NextDC currently does not pay dividends

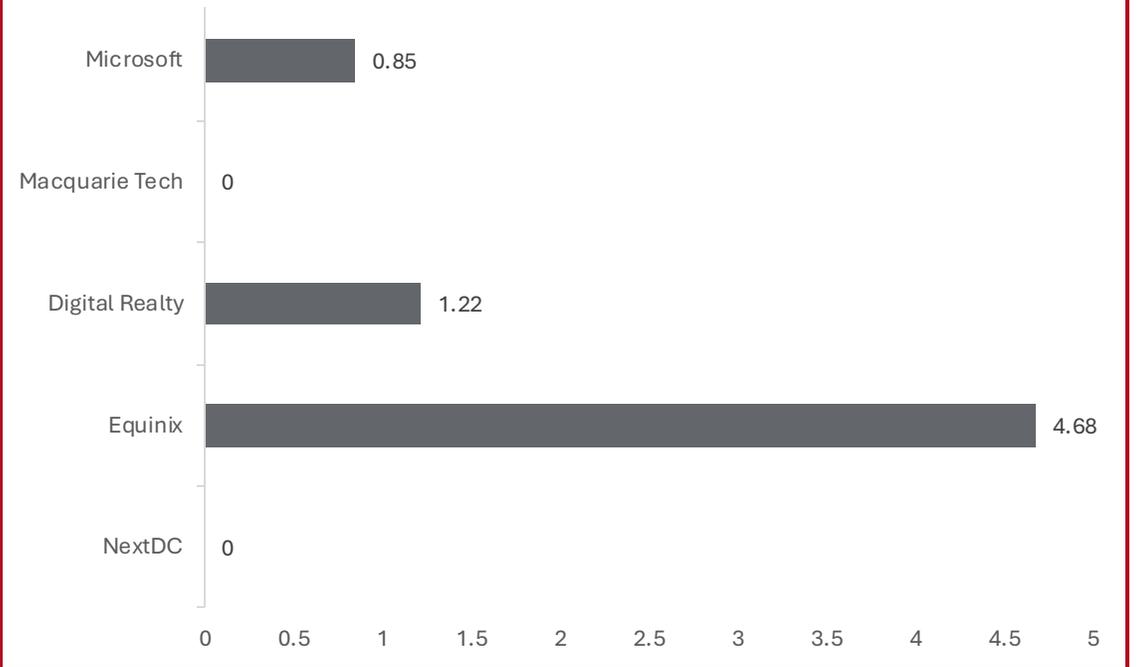
Current Dividend Policy

“In considering dividend policy the Board considers the demand for capital to invest in growth, its level of retained earnings and the availability of franked earnings.”

“It is unlikely that NEXTDC will pay any dividend in the next two years. Dividends were neither paid nor declared during the year.”



Dividend comparison with competitors



Precedent transactions

Key comparable transactions have been identified to support the valuation of NextDC

Target	Acquiror	Date	EV (mm)	EV/LTM EBITDA
Megaport Ltd	Digital MP, LLC	Jun-20	1528	 15.3 33.1
Global Switch Australia Holding	HMC Capital	Oct-24	1406.7	 21
Switch Inc	IFM Investors, Digital BridgeGroup	May-22	10606.6	 17.3
Nginx Software	F5 Inc	May-19	670	 26.2
Metronode Pty Ltd	Equinix Inc	Dec-17	1035	 16.9 35
AirTrunk	Blackstone	Sep-24	23500	 24.7
CyrusOne Inc	KKR, Gloval Infrastructure Management	Nov-21	15649	 36.8
25% Percentile				18.23x
Mean				24.70x
75% Percentile				31.27x

Trading Comparables

NextDC is trading at a significant premium to its peer group indicating potential for better value elsewhere.

NTM EV/EBITDA



Company	Location	Mkt. Cap. (A\$m)	Operational Similarity (%)	ND/EBITDA (x)	3yr EBITDA growth
 NEXTDC	Australia	5,781	100%	2.25x	11.34%
 DIGITAL REALTY	Canada	73,188	82.93%	4.82x	7.48%
 EQUINIX	US	138,126	92.44%	1.49x	9.82%
 macquarie TECHNOLOGY GROUP	US	12,344	56.99%	3.18x	15.65%
 rackspace technology.	Australia	2,960	95.59%	2.01x	-2.46%
 C H O R U S	US	4,920	65.77%	3.78x	-3.41%
 IIJ Internet Initiative Japan	Spain	1,257	34.59%	2.03x	14.35%
 5G networks	Spain	2,791	49.15%	3.58x	6.84%

Trading Comparables continued

Macquarie Technology Group is the most comparable with NextDC

Company	Similarities	Differences	Comparability
	<ul style="list-style-type: none"> - Australian-based data centre operator - Focus on Tier III/IV facilities - Exposure to cloud & enterprise demand 	<ul style="list-style-type: none"> - Smaller scale vs NEXTDC - Greater focus on government contracts & cyber security - More conservative growth model 	
	<ul style="list-style-type: none"> - Global leader in colocation & interconnection - Strong hyperscale and enterprise demand drivers 	<ul style="list-style-type: none"> - Vastly larger global footprint (~70+ markets) - Diversified revenue streams (interconnection services) - REIT structure with dividend policy 	
	<ul style="list-style-type: none"> - Global data centre REIT - Focus on hyperscale and colocation - Exposed to cloud/AI growth tailwinds 	<ul style="list-style-type: none"> - Much larger global footprint - Different financing structure (US-listed REIT with dividend requirements) - Lower growth trajectory than NEXTDC 	
	<ul style="list-style-type: none"> - Provides IT infrastructure & cloud hosting solutions - Addresses enterprise IT needs 	<ul style="list-style-type: none"> - Primarily a managed services/cloud solutions provider, not a data centre landlord - Asset-light - Lower margins, turnaround challenges 	
	<ul style="list-style-type: none"> - Infrastructure provider - Plays into digital connectivity demand 	<ul style="list-style-type: none"> - Telecommunications network operator (NZ fibre broadband) - Regulated utility-type returns vs growth/CapEx intensity of NEXTDC 	

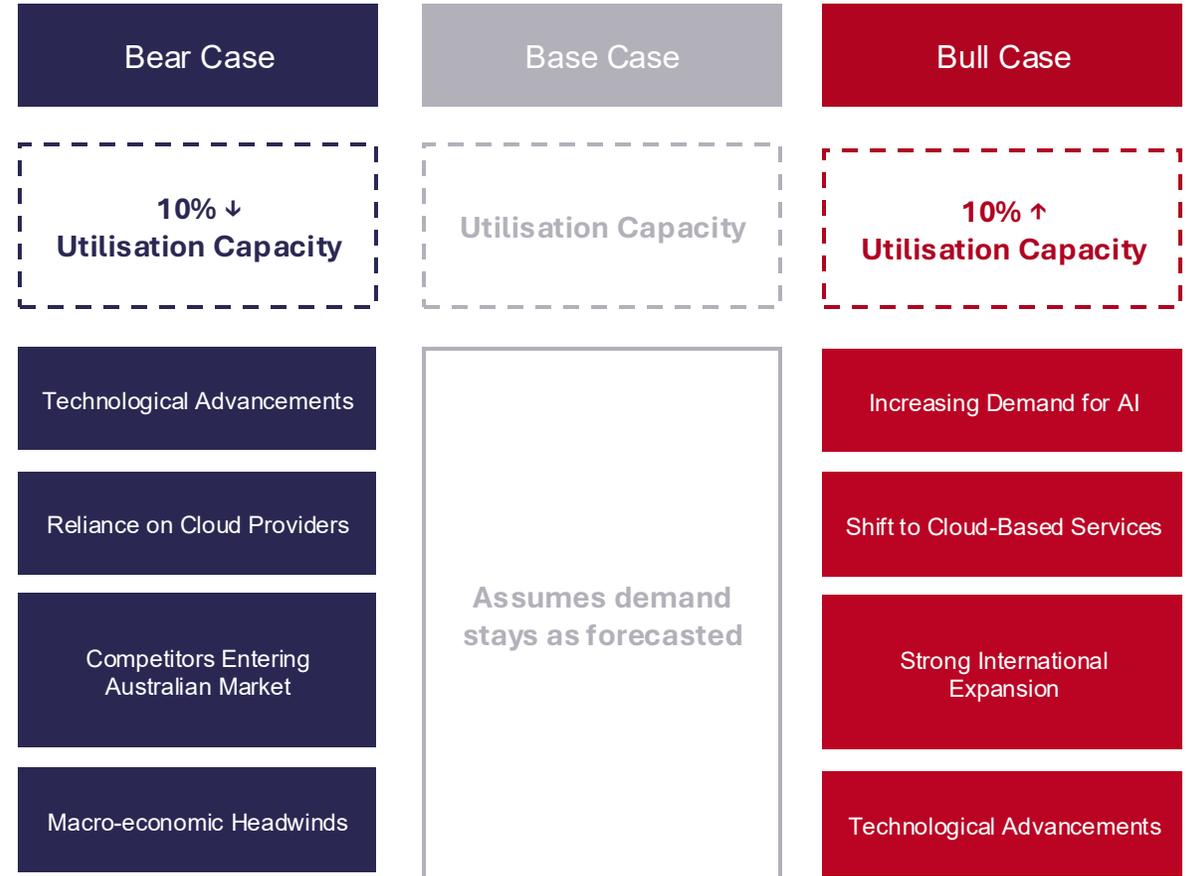
Scenario and Sensitivity Analysis

Forecasting Share Price

Overview



Outlining Three Possible Scenarios



Valuation Summary

Valuation Summary					
Method	Low	Difference	High	Mean	
<i>Discounted Cash Flow</i>					
Perpetuity Method	14.04	4.14	18.18	16.11	
Exit Multiple Method	12.85	2.85	15.70	14.27	
Average	13.44	3.50	16.94	15.19	
<i>Trading Comparables</i>					
LTM EV/EBITDA	4.17	7.50	11.67	7.92	
NTM EV/EBITDA	5.13	4.85	9.98	7.56	
LTM EV/Revenue	2.79	5.80	8.60	5.69	
NTM EV/Revenue	3.89	4.02	7.92	5.90	
LTM P/BV	16.85	24.63	41.48	29.16	
Average	6.57	9.36	15.93	11.25	
<i>Transaction Comparables</i>					
LTM EV/EBITDA	8.19	5.69	13.89	11.04	
LTM EV/Revenue	8.66	13.57	22.23	15.44	
Average	8.43	9.63	18.06	13.24	
<i>Market</i>					
Broker Estimates	14.70	7.00	21.70	18.20	
14-Day VWAP	13.50	2.61	16.10	14.80	
52-Week Trading Range	10.04	7.80	17.84	13.94	
Average				15.65	
Price (70% Intrinsic 30% Relative)			14.33	11.72	17.19
Share Price			16.50	16.50	16.50
Upside			-13.15%	-28.95%	4.21%

Financial Statement Model Assumptions

Financial Statement

Valuation Date	22/08/2025
Days in a Year	365.25
Share Price	16.50
Shares Outstanding	640,500,000
Terminal Growth Rate	2.63%
Circuit Breaker	On
Tax Rate	30%

Income Statement

[units]	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Income Statement																
Total Segment Revenue	200,778.0	246,065.0	291,044.0	362,369.0	404,337.0	427,209.0	535,026.1	611,444.0	756,383.7	988,699.9	1,262,208.3	1,622,452.1	2,060,530.8	2,444,915.0	2,852,073.5	3,331,286.2
Victoria	72,497.0	84,437.0	101,870.0	117,404.0	129,354.0	144,751.0										
NSW/ACT	86,384.0	115,692.0	135,614.0	182,915.0	203,689.0	202,496.0										
Rest of Australia	39,633.0	43,497.0	50,890.0	58,644.0	67,721.0	76,337.0										
International	0.0	0.0	0.0	144.0	98.0	0.0										
Other	2,264.0	2,439.0	2,670.0	3,262.0	3,475.0	3,623.0										
Total Segment Direct and Facility Costs	(49,475.0)	(56,756.0)	(60,410.0)	(105,097.0)	(125,015.0)	(123,638.0)	(154,841.2)	(176,957.2)	(218,904.0)	(286,138.4)	(365,294.1)	(469,551.8)	(596,335.5)	(707,579.7)	(825,414.9)	(964,103.2)
Victoria	(16,742.0)	(16,962.0)	(16,769.0)	(26,712.0)	(31,920.0)	(35,193.0)										
NSW/ACT	(23,491.0)	(30,449.0)	(33,044.0)	(64,132.0)	(74,626.0)	(67,626.0)										
Rest of Australia	(8,695.0)	(8,692.0)	(9,210.0)	(13,581.0)	(17,259.0)	(20,107.0)										
International	0.0	0.0		(68.0)	(197.0)	(431.0)										
Other	(547.0)	(653.0)	(1,387.0)	(604.0)	(1,013.0)	(281.0)										
Total Segment Employee Benefits Expense	(8,841.0)	(9,660.0)	(10,932.0)	(14,277.0)	(16,109.0)	(17,096.0)	(21,410.6)	(24,468.7)	(30,268.9)	(39,565.7)	(50,510.9)	(64,927.1)	(82,458.1)	(97,840.3)	(114,133.9)	(133,311.0)
Victoria	(2,073.0)	(2,655.0)	(3,054.0)	(4,403.0)	(5,083.0)	(4,604.0)										
NSW/ACT	(3,005.0)	(3,327.0)	(3,687.0)	(5,003.0)	(5,733.0)	(6,491.0)										
Rest of Australia	(2,893.0)	(3,261.0)	(3,555.0)	(4,312.0)	(4,312.0)	(3,927.0)										
International	0.0	0.0	(313.0)	(822.0)	(811.0)	(389.0)										
Other	(870.0)	(417.0)	(323.0)	(122.0)	(170.0)	(91.0)										
Total Segment Other Expenses	(1,756.0)	(1,735.0)	(3,689.0)	(3,291.0)	(2,843.0)	(4,840.0)	(6,061.5)	(6,927.3)	(8,569.3)	(11,201.3)	(14,300.0)	(18,381.3)	(23,344.5)	(27,699.3)	(32,312.1)	(37,741.3)
Victoria	(177.0)	(183.0)	(198.0)	(159.0)	(62.0)	(135.0)										
NSW/ACT	(271.0)	(321.0)	(376.0)	(1,049.0)	(293.0)	(808.0)										
Rest of Australia	(214.0)	(346.0)	(189.0)	(242.0)	(80.0)	(579.0)										
International	0.0	0.0	(2,006.0)	(1,359.0)	(994.0)	(618.0)										
Other	(1,094.0)	(885.0)	(920.0)	(482.0)	(1,414.0)	(2,700.0)										
Total Segment EBITDA	140,706.0	177,914.0	216,013.0	239,704.0	260,370.0	281,635.0	352,712.8	403,090.8	498,641.5	651,794.6	832,103.3	1,069,592.0	1,358,392.7	1,611,795.7	1,880,212.6	2,196,130.7
Victoria	53,505.0	64,637.0	81,849.0	86,130.0	92,289.0	104,819.0										
NSW/ACT	59,617.0	81,595.0	98,507.0	112,731.0	123,037.0	127,573.0										
Rest of Australia	27,831.0	31,198.0	37,936.0	40,894.0	46,070.0	50,130.0										
International	0.0	0.0	(2,319.0)	(2,105.0)	(1,904.0)	(1,438.0)										
Other	(247.0)	484.0	40.0	2,054.0	878.0	551.0										
Total Employee Benefits (non-facility staff)	(25,174.0)	(28,430.0)	(33,475.0)	(29,207.0)	(34,657.0)	(44,286.0)	(55,462.7)	(63,384.5)	(78,409.4)	(102,492.1)	(130,845.0)	(168,189.1)	(213,601.9)	(253,448.6)	(295,656.1)	(345,332.9)
Impairment of Investment in associate	0.0	0.0	(9,800.0)	(6,061.0)	(6,592.0)	(5,050.0)	(10,502.8)	(12,003.0)	(14,848.2)	(19,408.7)	(24,777.8)	(31,849.6)	(40,449.3)	(47,994.9)	(55,987.7)	(65,394.9)
Other income	556.0	452.0	2,686.0	11,806.0	33,749.0	34,000.0	42,580.8	48,662.6	60,197.8	78,687.0	100,454.5	129,125.0	163,990.1	194,581.8	226,986.1	265,124.9
Finance costs	(52,461.0)	(58,307.0)	(49,269.0)	(73,119.0)	(91,967.0)	(83,786.0)	(118,624.1)	(144,149.6)	(172,981.1)	(205,101.7)	(243,768.3)	(287,216.3)	(334,748.7)	(386,351.7)	(441,991.2)	(502,876.9)
Total Overheads and other expenses	(12,723.0)	(16,891.0)	(20,960.0)	(22,623.0)	(29,510.0)	(32,775.0)	(41,046.6)	(46,909.3)	(58,028.9)	(75,852.0)	(96,835.2)	(124,472.7)	(158,081.6)	(187,571.2)	(218,807.9)	(255,572.6)
Finance Charge	(5,244.0)	(5,270.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	45,660.0	69,468.0	105,195.0	120,500.0	131,393.0	149,738.0	169,657.3	185,307.1	234,571.6	327,627.1	436,331.6	586,989.2	775,501.3	931,011.2	1,094,755.8	1,292,078.2
Depreciation and Amortisation	(68,715.0)	(97,031.0)	(106,853.0)	(140,130.0)	(167,699.0)	(208,407.0)	(194,883.2)	(242,651.6)	(294,728.0)	(353,070.6)	(414,906.1)	(479,199.3)	(542,947.3)	(599,523.5)	(647,250.4)	(713,461.6)
EBIT	(23,055.0)	(27,563.0)	(1,658.0)	(19,630.0)	(36,306.0)	(58,669.0)	(25,225.9)	(57,344.5)	(60,156.4)	(25,443.5)	21,425.4	107,789.9	232,554.0	331,487.7	447,505.4	578,616.6
Total Interest Revenue	4,447.0	3,932.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit/(loss) before tax	(18,608.0)	(23,631.0)	(1,658.0)	(19,630.0)	(36,306.0)	(58,669.0)	(25,225.9)	(57,344.5)	(60,156.4)	(25,443.5)	21,425.4	107,789.9	232,554.0	331,487.7	447,505.4	578,616.6
Income tax expense/(benefit)	(26,434.0)	0.0	10,797.0	(2,402.0)	(7,840.0)	(1,874.0)	7,567.8	17,203.4	18,046.9	7,633.1	(6,427.6)	(32,337.0)	(69,766.2)	(99,446.3)	(134,251.6)	(173,585.0)
Hedging Gains/(Losses)	(63.0)	(762.0)	25,587.0	(4,526.0)	(17,733.0)	(8,918.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Comprehensive Income/(Expense)	(45,105.0)	(24,393.0)	34,726.0	(26,558.0)	(61,879.0)	(69,461.0)	(17,658.1)	(40,141.2)	(42,109.5)	(17,810.5)	14,997.8	75,453.0	162,787.8	232,041.4	313,253.8	405,031.6

Revenue Growth Metrics

[units]	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Key Drivers and Metrics																
Revenue Growth		22.56%	18.28%	24.51%	11.58%	5.66%	25.24%	14.28%	23.70%	30.71%	27.66%	28.54%	27.00%	18.65%	16.65%	16.80%
Impairment of Investment in associate (% of Revenue)	0.00%	0.00%	-3.37%	-1.67%	-1.63%	-1.18%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%	-1.96%

Balance Sheet

	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Balance Sheet																	
Current Assets																	
Cash and cash equivalents	398,999	892,939	652,334	456,562	765,841	1,236,192	243,688	1,938,187	2,075,045	2,868,737	3,906,017	5,263,173	7,615,304	9,497,117	12,117,551	14,862,940	18,385,940
Trade and other receivables	33,856	45,065	49,716	44,335	54,186	70,354	59,472	67,764	84,866	96,988	119,978	156,828	200,212	257,354	326,843	387,814	452,398
Derivative financial instruments				6,449	8,727	2,242	838	0	0	0	0	0	0	0	0	0	0
Other assets	14,432	18,110	14,647	20,356	24,500	25,926	15,717	37,601	42,972	53,158	69,485	88,707	114,025	144,812	171,827	200,441	234,120
Total Current Assets	447,287	956,114	716,697	527,702	853,254	1,334,714	319,715	2,043,553	2,202,882	3,018,883	4,095,480	5,508,708	7,929,540	9,899,283	12,616,220	15,451,195	19,072,457
Non-Current Assets																	
Property, plant and equipment	1,328,473	1,670,815	1,881,003	2,359,059	2,947,960	3,781,537	5,284,020	6,650,712	8,262,040	10,129,936	12,257,772	14,638,193	17,251,250	20,063,068	23,025,276	26,075,375	29,290,872
Other assets	4,898	3,344	22,699	14,168	18,565	21,750	30,252	28,100	32,114	39,726	51,928	66,293	85,214	108,222	128,410	149,795	174,964
Intangible assets	23,678	27,219	20,745	38,218	51,979	55,829	54,700	68,001	80,342	95,609	115,565	141,041	173,788	215,378	264,726	322,292	389,530
Investment in associates				8,315	6,271	12,137	0	10,151	11,601	14,351	18,759	23,948	30,783	39,095	46,387	54,113	63,205
Derivative financial instruments				29,539	25,030	10,730	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	1,378,601	1,701,378	1,924,447	2,449,299	3,049,805	3,881,983	5,368,972	6,756,965	8,386,098	10,279,622	12,444,023	14,869,475	17,541,035	20,425,763	23,464,799	26,601,574	29,918,570
Total Assets	1,825,888	2,657,492	2,641,144	2,977,001	3,903,059	5,216,697	5,688,687	8,800,518	10,588,980	13,298,505	16,539,504	20,378,183	25,470,575	30,325,046	36,081,020	42,052,769	48,991,027
Current Liabilities																	
Trade and other payables	56,646	64,885	56,010	81,606	72,537	131,713	227,252	167,558	201,952	257,372	364,124	475,591	560,982	725,882	872,045	1,026,630	1,193,580
Other liabilities	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease liabilities	1,061	5,057	5,970	6,232	6,681	7,056	7,701	19,334	21,314	27,259	34,346	43,319	58,360	69,716	85,490	101,504	121,781
Revenue received in advance	5,819	7,088	15,313	16,495	12,548	11,823	23,579	23,335	26,668	32,990	43,123	55,052	70,764	89,871	106,636	124,395	145,296
Unsecured notes		301,811					0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	63,527	378,843	77,293	104,333	91,766	150,592	258,532	210,227	249,935	317,622	441,592	573,962	690,106	885,468	1,064,172	1,252,529	1,460,657
Non-Current Liabilities																	
Provisions	964	1,292	1,612	1,035	1,384	1,840	2,633	2,666	3,046	3,769	4,926	6,289	8,084	10,266	12,182	14,210	16,598
Revenue received in advance	19,978	27,758	46,967	43,715	44,839	49,139	66,473	77,535	88,610	109,614	143,281	182,918	235,124	298,609	354,314	413,319	482,766
Derivative financial instruments	0	0	333	0	0	0	11,735	0	0	0	0	0	0	0	0	0	0
Borrowings	793,849	496,426	783,156	1,058,762	1,365,429	1,375,353	1,127,564	2,894,493	3,190,931	4,080,954	5,141,888	6,485,325	8,737,033	10,437,107	12,798,669	15,196,167	18,231,816
Lease liabilities	72,267	71,777	71,325	70,628	69,963	72,673	70,937	232,008	255,769	327,109	412,148	519,831	700,316	836,586	1,025,877	1,218,048	1,461,370
Total Non-Current Liabilities	887,058	597,253	903,393	1,174,140	1,481,615	1,499,005	1,279,342	3,206,702	3,538,356	4,521,445	5,702,243	7,194,362	9,680,556	11,582,568	14,191,041	16,841,744	20,192,550
Total Liabilities	950,585	976,096	980,686	1,278,473	1,573,381	1,649,597	1,537,874	3,416,929	3,788,291	4,839,067	6,143,835	7,768,324	10,370,662	12,468,037	15,255,212	18,094,273	21,653,207
Net Assets	875,303	1,681,396	1,660,458	1,698,528	2,329,678	3,567,100	4,150,813	5,383,589	6,800,689	8,459,438	10,395,669	12,609,860	15,099,913	17,857,010	20,825,807	23,958,497	27,337,821
Equity																	
Contributed equity	905,117.0	1,757,262.0	1,759,777.0	1,762,663.0	2,371,154.0	3,667,117.0	4,316,387.0	5,566,820.6	7,024,062.5	8,724,920.8	10,678,962.2	12,884,154.5	15,328,935.5	17,988,359.7	20,817,932.7	23,762,669.6	26,898,974.8
Reserves	6,412.0	7,612.0	7,693.0	33,725.0	28,965.0	14,570.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0	9,556.0
Accumulated gains / (losses)	(36,226.0)	(83,478.0)	(107,012.0)	(97,860.0)	(70,441.0)	(114,587.0)	(175,130.0)	(192,788.1)	(232,929.3)	(275,038.8)	(292,849.3)	(283,850.6)	(238,578.8)	(140,906.1)	(1,681.3)	186,271.0	429,289.9
Total Equity	875,303	1,681,396.0	1,660,458.0	1,698,528.0	2,329,678.0	3,567,100.0	4,150,813.0	5,383,588.5	6,800,689.2	8,459,438.0	10,395,668.9	12,609,859.8	15,099,912.7	17,857,009.6	20,825,807.3	23,958,496.5	27,337,820.7
<i>Return on Equity</i>	-1.12%	-3.50%	-1.40%	0.50%	-1.10%	-1.50%	-1.67%	-0.33%	-0.59%	-0.50%	-0.17%	0.12%	0.50%	0.91%	1.11%	1.31%	1.48%
<i>Balance Check</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Cash Flow Statement

[units]	Y20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Cash Flow Statement																
Cash Flows From Operating Activities																
Net Income	(45,105.0)	(24,393.0)	34,726.0	(26,558.0)	(61,879.0)	(69,461.0)	(17,658.1)	(40,141.2)	(42,109.5)	(17,810.5)	14,997.8	75,453.0	162,787.8	232,041.4	313,253.8	405,031.6
Depreciation and Amortisation	68,715	97,030	106,853	140,127	167,700	208,407.0	194,883.2	242,651.6	294,728.0	353,070.6	414,906.1	479,199.3	542,947.3	599,523.5	647,250.4	713,461.6
Decreases / (Increases) in Working Capital Assets	(14,887.0) ▲	(1,188.0) ▲	(6,777.0) ▲	16,273.0 ▲	22,495.0 ▲	22,495.0 ▲	(29,338.4)	(22,472.6)	(22,307.7)	(39,317.4)	(56,072.1)	(68,701.7)	(87,929.9)	(96,502.5)	(89,586.0)	(98,262.4)
Increases / (Decreases) in Working Capital Liabilities	315,316.0	(301,550.0)	27,040.0	(12,567.0)	58,826.0	107,940.0	(48,304.7)	39,707.7	67,686.7	123,970.7	132,369.6	116,144.2	195,362.3	178,703.2	188,357.5	208,127.6
Decreases / (Increases) in Non Current Assets	1,554.0	(19,355.0)	(29,323.0)	2,156.0	5,249.0	14,365.0	(7,999.4)	(5,463.5)	(10,362.4)	(16,609.3)	(19,554.3)	(25,755.4)	(31,320.2)	(27,481.3)	(29,109.6)	(34,261.1)
Increases / (Decreases) in Non Current Liabilities	8,108.0 ▲	19,862.0 ▲	(4,162.0) ▲	1,473.0 ▲	4,756.0 ▲	29,862.0 ▲	(640.0)	11,455.1	21,726.6	34,824.5	40,999.2	54,001.0	65,668.5	57,619.6	61,033.5	71,834.5
Net Cash Flows from Operating Activities	333,701.0	(229,594.0)	128,357.0	120,904.0	197,147.0	313,608.0 ▲	90,942.6	225,737.2	309,361.7	438,128.5	527,646.3	630,340.2	847,515.7	943,903.8	1,091,199.6	1,265,931.8
Cash Flows From Investing Activities																
Capital Expenditures	(417,648.0)	(301,224.0)	(604,782.0)	(695,702.0)	(1,002,591.0)	(1,698,957.0)	(1,574,876.8)	(1,866,320.8)	(2,177,890.2)	(2,500,862.4)	(2,820,803.5)	(3,125,003.5)	(3,396,355.2)	(3,611,078.9)	(3,754,915.2)	(3,996,196.8)
Net Cash Flows from Investing Activities	(417,648.0)	(301,224.0)	(604,782.0)	(695,702.0)	(1,002,591.0)	(1,698,957.0)	(1,574,876.8)	(1,866,320.8)	(2,177,890.2)	(2,500,862.4)	(2,820,803.5)	(3,125,003.5)	(3,396,355.2)	(3,611,078.9)	(3,754,915.2)	(3,996,196.8)
Cash Flows From Financing Activities																
Long Term Debt	(297,913.0) ▲	286,278.0 ▲	274,909.0 ▲	306,002.0 ▲	12,634.0 ▲	(249,525.0) ▲	1,927,999.9	320,198.9	961,362.7	1,145,972.9	1,451,120.0	2,432,193.6	1,836,343.5	2,550,853.0	2,589,669.4	3,278,971.7
Common Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5,999.1)	(30,181.2)	(65,115.1)	(92,816.5)	(125,301.5)	(162,012.6)
Change in Contributed Equity	852,145.0	2,515.0	2,886.0	608,491.0	1,295,963.0	649,270.0	1,250,433.6	1,457,241.8	1,700,858.3	1,954,041.4	2,205,192.3	2,444,781.1	2,659,424.2	2,829,572.9	2,944,736.9	3,136,305.2
Net Cash Flows from Financing Activities	554,232.0	288,793.0	277,795.0	914,493.0	1,308,597.0	399,745.0	3,178,433.5	1,777,440.7	2,662,221.0	3,100,014.2	3,650,313.2	4,846,793.5	4,430,652.6	5,287,609.4	5,409,104.8	6,253,264.3
Net Change in Cash During Period	470,285.0	(242,025.0)	(198,630.0)	339,695.0	503,153.0	(985,604.0)	1,694,499.4	136,857.1	793,692.5	1,037,280.3	1,357,156.0	2,352,130.3	1,881,813.1	2,620,434.3	2,745,389.1	3,522,999.4

Supporting Schedules

Units	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Supporting Schedules																
Receivables																
Current Receivables	45,065	49,716	44,335	54,186	70,354	67,764	84,866	96,988	119,978	156,828	200,212	257,354	326,843	387,814	452,398	528,411
Revenue	200,778	246,065	291,044	362,369	404,337	427,209	535,026	611,444	756,384	988,700	1,262,208	1,622,452	2,060,531	2,444,915	2,852,074	3,331,286
Annual Days	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25
Days Outstanding	82	74	56	55	64	58	58	58	58	58	58	58	58	58	58	58
Other Assets																
Current Other Assets	18,110	14,647	20,356	24,500	25,926	30,024	37,601	42,972	53,158	69,485	88,707	114,025	144,812	171,827	200,441	234,120
% of Revenue	9.02%	5.95%	6.99%	6.76%	6.41%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
Non-Current Other Assets	3,344	22,699	14,168	18,565	21,750	22,438	28,100	32,114	39,726	51,928	66,293	85,214	108,222	128,410	149,795	174,964
% of Revenue	1.67%	9.22%	4.87%	5.12%	5.38%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Investment in Associates																
Investment in Associates	0	0	8,315	6,271	12,137	8,105	10,151	11,601	14,351	18,759	23,948	30,783	39,095	46,387	54,113	63,205
% of Revenue	0.00%	0.00%	2.86%	1.73%	3.00%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Property, Plant and Equipment																
Beginning Balance	1,328,473	1,670,815	1,881,003	2,359,059	2,947,960	3,781,537	5,284,020	6,650,712	8,262,040	10,129,936	12,257,772	14,638,193	17,251,250	20,063,068	23,025,276	26,075,375
Capital Expenditures	410,576	294,493	587,513	675,860	982,838	1,682,699	1,550,442	1,838,396	2,143,345	2,455,708	2,763,157	3,050,905	3,302,249	3,499,417	3,624,658	3,844,054
% of Revenue	204.49%	119.68%	201.86%	186.51%	243.07%	393.88%	289.79%	300.66%	283.37%	248.38%	218.91%	188.04%	160.26%	143.13%	127.09%	115.39%
% of PPE	30.91%	17.63%	31.23%	28.65%	33.34%	44.50%	29.34%	27.64%	25.94%	24.24%	22.54%	19.14%	17.44%	15.74%	14.74%	
Depreciation and Amortisation	67,380	92,885	102,873	131,618	151,613	191,010	183,749	227,068	275,450	327,871	382,736	437,848	490,430	537,210	574,559	628,557
Ratio to CAPEX	0.16	0.32	0.18	0.19	0.15	0.11	0.12	0.12	0.13	0.13	0.14	0.14	0.15	0.15	0.16	0.16
Other Adjustments	-854	8,580	-6,584	44,659	2,352	10,794	0	0	0	0	0	0	0	0	0	0
Ending Balance	1,670,815	1,881,003	2,359,059	2,947,960	3,781,537	5,284,020	6,650,712	8,262,040	10,129,936	12,257,772	14,638,193	17,251,250	20,063,068	23,025,276	26,075,375	29,290,872
	342,342	210,188	478,056	588,901	833,577	1,502,483	1,366,692	1,611,328	1,867,895	2,127,836	2,380,421	2,613,057	2,811,818	2,962,208	3,050,099	3,215,497
		13%	25%	25%	28%	40%	26%	24%	23%	21%	19%	18%	16%	15%	13%	12%
Intangible Assets																
Beginning Balance	23,678	27,219	20,745	38,218	51,979	55,829	54,700	68,001	80,342	95,609	115,565	141,041	173,788	215,378	264,726	322,292
Capital Expenditures	7,072	6,731	17,269	19,842	19,753	16,258	24,435	27,925	34,545	45,155	57,646	74,099	94,106	111,662	130,257	152,143
% of Revenue	3.52%	2.74%	5.93%	5.48%	4.89%	3.81%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%
Depreciation and Amortisation	1,335	4,145	3,980	8,509	16,087	17,397	11,134	15,584	19,278	25,199	32,170	41,352	52,517	62,314	72,691	84,905
Ratio to CAPEX	0.19	0.62	0.23	0.43	0.81	1.07	0.46	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
Other Adjustments	-2,196	-9,060	4,184	2,428	184	10	0	0	0	0	0	0	0	0	0	0
Ending Balance	27,219	20,745	38,218	51,979	55,829	54,700	68,001	80,342	95,609	115,565	141,041	173,788	215,378	264,726	322,292	389,530
Payables																
Current Payables	64,885	56,010	81,606	72,537	131,713	227,252	167,558	201,952	257,372	364,124	475,591	560,982	725,882	872,045	1,026,630	1,193,580
Revenue	200,778	246,065	291,044	362,369	404,337	427,209	535,026	611,444	756,384	988,700	1,262,208	1,622,452	2,060,531	2,444,915	2,852,074	3,331,286
Annual Days	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25	365.25
Days Payables Outstanding	118	83	102	73	119	194	114	121	124	135	138	126	129	130	131	131
Provisions																
Provisions	1,292	1,612	1,035	1,384	1,840	2,633	2,666	3,046	3,769	4,926	6,289	8,084	10,266	12,182	14,210	16,598
% of Revenue	0.64%	0.66%	0.36%	0.38%	0.46%	0.62%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Revenue received in advance																
Current Liabilities	7,088	15,313	16,495	12,548	11,823	23,579	23,335	26,668	32,990	43,123	55,052	70,764	89,871	106,636	124,395	145,296
% of Revenue	3.53%	6.22%	5.67%	3.46%	2.92%	5.52%	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%
Non-Current Liabilities	27,758	46,967	43,715	44,839	49,139	66,473	77,535	88,610	109,614	143,281	182,918	235,124	298,609	354,314	413,319	482,766
% of Revenue	13.83%	19.09%	15.02%	12.37%	12.15%	15.56%	14.49%	14.49%	14.49%	14.49%	14.49%	14.49%	14.49%	14.49%	14.49%	14.49%
Accumulated Losses																
Beginning Period	-36,226	-83,478	-107,012	-97,860	-70,441	-114,587	-175,130	-192,788	-232,929	-275,039	-292,849	-283,851	-238,579	-140,906	-1,681	186,271
Net Income	-45,105	-24,393	34,726	-26,558	-61,879	-69,461	-17,658	-40,141	-42,110	-17,810	14,998	75,453	162,788	232,041	313,254	405,032
Dividends	0	0	0	0	0	0	0	0	0	0	-5,999	-30,181	-65,115	-92,817	-125,302	-162,013
Dividend Payout Ratio		0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Other Adjustments	-2,147	859	-25,574	53,977	17,733	8,918	0	0	0	0	0	0	0	0	0	0
End of Period	-83,478	-107,012	-97,860	-70,441	-114,587	-175,130	-192,788	-232,929	-275,039	-292,849	-283,851	-238,579	-140,906	-1,681	186,271	429,290

Supporting Schedules continued

[units]	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Contributed Equity																
Beginning Balance	906,969	1,757,262	1,759,777	1,762,663	2,371,154	3,667,117	4,336,990	5,566,821	7,024,062	8,724,921	10,678,962	12,884,154	15,328,936	17,988,360	20,817,933	23,762,670
Vesting of Right Plan Shares	1,511	2,546	2,912	3,713	617	2,188	4,243	4,849	5,998	7,840	10,009	12,866	16,340	19,388	22,617	26,417
% of Revenue	0.75%	1.03%	1.00%	1.02%	0.15%	0.51%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
Issue of Shares	862,024	0	0	617,942	1,321,302	678,155	1,225,588	1,452,393	1,694,860	1,946,201	2,195,183	2,431,915	2,643,084	2,810,185	2,922,120	3,109,888
Ratio to Capex	2.06x	0.00x	0.00x	0.89x	1.32x	0.40x	0.78x	0.78x	0.78x							
Other Adjustments	-13,242	-31	-26	-13,164	-25,956	-10,470	0	0	0	0	0	0	0	0	0	0
Ending Balance	1,757,262	1,759,777	1,762,663	2,371,154	3,667,117	4,336,990	5,566,821	7,024,062	8,724,921	10,678,962	12,884,154	15,328,936	17,988,360	20,817,933	23,762,670	26,898,975
Debt																
Borrowings	496,426	783,156	1,058,762	1,365,429	1,375,353	1,127,564	2,894,493	3,190,931	4,080,954	5,141,888	6,485,325	8,737,033	10,437,107	12,798,669	15,196,167	18,231,816
Current Lease Liabilities	5,057	5,970	6,232	6,681	7,056	7,701	19,334	21,314	27,259	34,346	43,319	58,360	69,716	85,490	101,504	121,781
Non-Current Lease Liabilities	71,777	71,325	70,628	69,963	72,673	70,937	232,008	255,769	327,109	412,148	519,831	700,316	836,586	1,025,877	1,218,048	1,461,370
Total Debt	573,260	860,451	1,135,622	1,442,073	1,455,082	1,206,202	3,145,835	3,468,014	4,435,322	5,588,381	7,048,475	9,495,709	11,343,408	13,910,035	16,515,719	19,814,968
Borrowings % of Debt	86.60%	91.02%	93.23%	94.69%	94.52%	93.48%	92.01%	92.01%	92.01%	92.01%	92.01%	92.01%	92.01%	92.01%	92.01%	92.01%
Current Lease Liabilities % of Debt	0.88%	0.69%	0.55%	0.46%	0.48%	0.64%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Non-Current Lease Liabilities % of Debt	12.52%	8.29%	6.22%	4.85%	4.99%	5.88%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%
Beginning Balance		573,260	860,451	1,135,622	1,442,073	1,455,082	1,206,202	3,145,835	3,468,014	4,435,322	5,588,381	7,048,475	9,495,709	11,343,408	13,910,035	16,515,719
Book Value of Equity	1,681,396	1,660,458	1,698,528	2,329,678	3,567,100	4,150,813	5,383,589	6,800,689	8,459,438	10,395,669	12,609,860	15,099,913	17,857,010	20,825,807	23,958,497	27,337,821
Debt / Book Value of Equity	0.34x	0.52x	0.67x	0.62x	0.41x	0.29x	0.58x	0.51x	0.52x	0.54x	0.56x	0.63x	0.64x	0.67x	0.69x	0.72x
Ending Value	573,260	860,451	1,135,622	1,442,073	1,455,082	1,206,202	3,145,835	3,468,014	4,435,322	5,588,381	7,048,475	9,495,709	11,343,408	13,910,035	16,515,719	19,814,968
Cash and Cash Equivalents	892,939.0	652,334.0	456,562.0	765,841.0	1,236,192.0	243,688.0	1,938,187.4	2,075,044.5	2,868,737.0	3,906,017.3	5,263,173.3	7,615,303.5	9,497,116.7	12,117,551.0	14,862,940.1	18,385,939.5
Net Debt	(319,679.0)	208,117.0	679,060.0	676,232.0	218,890.0	962,514.0	1,207,647.5	1,392,969.4	1,566,584.5	1,682,363.7	1,785,301.3	1,880,405.2	1,846,291.3	1,792,484.3	1,652,778.9	1,429,028.1
Finance Charges																
Interest Expense on Borrowings	52,396	43,883	46,923	73,446	94,119	81,369	161,060	177,555	227,079	286,113	360,867	486,160	580,759	712,165	845,570	1,014,485
Implied Borrowings Interest Rate	10.55%	5.60%	4.43%	5.38%	6.84%	7.22%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%
Capitalised Borrowing Costs (Amount Capitalised)				5,869	7,745	29,891	13,062	14,400	18,416	23,204	29,266	39,427	47,099	57,756	68,575	82,274
Effective Capitalisation Rate				7.99%	8.23%	36.74%	8.11%	8.11%	8.11%	8.11%	8.11%	8.11%	8.11%	8.11%	8.11%	8.11%
Interest Expense on Lease Liabilities	5,309	5,507	5,537	5,542	5,593	5,816	17,837	19,664	25,149	31,687	39,966	53,842	64,319	78,872	93,647	112,354
Implied Lease Liabilities Interest Rate	6.91%	7.12%	7.20%	7.23%	7.02%	7.40%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Total Debt	573,260	860,451	1,135,622	1,442,073	1,455,082	1,206,202	3,145,835	3,468,014	4,435,322	5,588,381	7,048,475	9,495,709	11,343,408	13,910,035	16,515,719	19,814,968
Finance Charges	(57,705.0)	(63,577.0)	(49,269.0)	(73,119.0)	(91,967.0)	(83,786.0)	-118,624	-144,150	-172,981	-205,102	-243,768	-287,216	-334,749	-386,352	-441,991	-502,877
Implied Cost of Debt	10.07%	7.39%	4.34%	5.07%	6.32%	6.95%	3.77%	4.16%	3.90%	3.67%	3.46%	3.02%	2.95%	2.78%	2.68%	2.54%
Interest Coverage Ratio	(0.3995)	(0.5581)	(0.0316)	(0.2485)	(0.3641)	(0.6729)	(0.1410)	(0.2908)	(0.2385)	(0.0801)	0.0535	0.1996	0.3605	0.4191	0.4765	0.5135
Debt Service Coverage Ratio	0.7816	0.3837	(0.7048)	0.3632	0.6728	0.8290	0.1489	0.2785	0.2434	0.0868	(0.0615)	(0.2627)	(0.4863)	(0.6006)	(0.7087)	(0.8054)
Working Capital																
Net Working Capital	56,087	49,050	48,196	66,138	84,457	74,209	99,132	113,291	140,146	183,191	233,867	300,615	381,784	453,004	528,444	617,235

Revenue Drivers: Bear

Bear	[units]	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	
Capacity Forecast																		
Operating Facilities		9.00	9.00	11.00	12.00	16.00	18.00	21.00	23.00	25.00	29.00	33.13	38.36	44.15	51.11	58.17	66.28	
Built Capacity	MW	78.80	95.80	113.90	133.40	165.10	207.80	242.43	240.48	261.39	303.22	346.35	401.10	461.64	534.39	608.18	693.05	
Contracted utilisation	MW	70.00	75.50	83.00	122.20	172.60	244.80	201.63	200.01	217.40	252.18	288.06	333.59	383.94	444.46	505.83	576.41	
% of built capacity		88.83%	78.81%	72.87%	91.60%	104.54%	117.81%	83.17%	83.17%	83.17%	83.17%	83.17%	83.17%	83.17%	83.17%	83.17%	83.17%	
Billing utilisation	MW	52.80	65.40	72.80	77.70	86.00	110.90	121.95	135.97	164.10	209.27	260.64	326.96	404.99	488.82	533.56	608.00	
% of built capacity		67.01%	68.27%	63.92%	58.25%	52.09%	53.37%	60.48%	67.98%	75.48%	82.98%	90.48%	97.98%	105.48%	105.48%	105.48%	105.48%	
Revenue	\$	200,778	246,065	291,044	362,369	404,337	427,209	481,524	550,300	680,745	889,830	#####	#####	#####	#####	#####	#####	2,998,158
Price per Billable Megawatt	\$	3,803	3,762	3,998	4,664	4,702	3,852	3,949	4,047	4,148	4,252	4,358	4,467	4,579	4,694	4,811	4,931	
Price per Billable Megawatt Growth %			-1.06%	6.26%	16.65%	0.81%	-18.07%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Operating Facility Growth Rate	%		0.00%	22.22%	9.09%	33.33%	12.50%	16.67%	9.52%	8.70%	16.00%	14.23%	15.81%	15.09%	15.76%	13.81%	13.95%	
Capacity per facility	MW	8.76	10.64	10.35	11.12	10.32	11.54	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	
Capacity Growth Rate	%		21.57%	18.89%	17.12%	23.76%	25.86%	16.67%	-0.80%	8.70%	16.00%	14.23%	15.81%	15.09%	15.76%	13.81%	13.95%	

Data Centre Operating Years																		
S1 Macquarie Park						1	1	1	1	1	1	1	1	1	1	1	1	1 = operational
S2 Macquarie Park						1	1	1	1	1	1	1	1	1	1	1	1	1 = non-operational
S3 Artarmon						1	1	1	1	1	1	1	1	1	1	1	1	
S4 Horsley Park						0	1	1	1	1	1	1	1	1	1	1	1	
S5 Macquarie park						0	0	0	0	0	1	1	1	1	1	1	1	
S6 Artarmon						0	0	1	1	1	1	1	1	1	1	1	1	
S7 Eastern Creek						0	0	0	0	0	0	0	0	0	0	0	0	
M1 Port Melbourne						1	1	1	1	1	1	1	1	1	1	1	1	
M2 Tullamarine						1	1	1	1	1	1	1	1	1	1	1	1	
M3 West Footscray						0	0	1	1	1	1	1	1	1	1	1	1	
CE1 Geelong						1	1	1	1	1	1	1	1	1	1	1	1	
M4 Port Melbourne						0	0	0	1	1	1	1	1	1	1	1	1	
B1 Brisbane CBD						1	1	1	1	1	1	1	1	1	1	1	1	
B2 Fortitude Valley						1	1	1	1	1	1	1	1	1	1	1	1	
P1 Malaga						1	1	1	1	1	1	1	1	1	1	1	1	
P2 Perth CBD						1	1	1	1	1	1	1	1	1	1	1	1	
PH1 Port Hedland						1	1	1	1	1	1	1	1	1	1	1	1	
A1 Central						1	1	1	1	1	1	1	1	1	1	1	1	
C1 Canberra						1	1	1	1	1	1	1	1	1	1	1	1	
D1 Darwin CBD						1	1	1	1	1	1	1	1	1	1	1	1	
SC1 Maroochydore						1	1	1	1	1	1	1	1	1	1	1	1	
SC2 Sunshine Coast						0	1	1	1	1	1	1	1	1	1	1	1	
TK1 Tokyo						0	0	0	1	1	1	1	1	1	1	1	1	
TK2 Tokyo						0	0	0	0	0	0	0	0	0	0	0	0	
KL1 Kuala Lumpur						0	0	0	0	0	0	0	0	0	0	0	0	
KL2 Johor						0	0	0	0	0	0	0	0	0	0	0	0	
BK1 Bangkok						0	0	0	0	0	0	0	0	0	0	0	0	
AK1 Auckland						0	0	1	1	1	1	1	1	1	1	1	1	
NE1 Pilbara						1	1	1	1	1	1	1	1	1	1	1	1	
Operational Facilities						16	18	21	23	25	29							

Industry Growth Rate FY30-40	
Fortune Business Insights	10.70%
Globe News Wire	9.85%
Statista	8.37%
M3 Property	9.20%
P&S Intelligence	9.10%
Average	9.44%

Industry Growth Rate FY40-50	
Fortune Business Insights	5.55%
Globe News Wire	4.65%
Statista	5.89%
M3 Property	4.32%
P&S Intelligence	5.07%
Average	5.10%

Inflation FY30-50	
OCED Long Term Economic Outlook	2.00%
PWC	3.00%
World Bank Global Economic Pros	2.50%
European Commission	3.00%
National Intelligence Council	2.50%
Average	2.60%

Revenue Drivers: Base

Base	[units]	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Capacity Forecast																	
Operating Facilities		9.00	9.00	11.00	12.00	16.00	18.00	21.00	23.00	25.00	29.00	33.13	38.36	44.15	51.11	58.17	66.28
Built Capacity	MW	78.80	95.80	113.90	133.40	165.10	207.80	242.43	240.48	261.39	303.22	346.35	401.10	461.64	534.39	608.18	693.05
Contracted utilisation	MW	70.00	75.50	83.00	122.20	172.60	244.80	224.04	222.23	241.56	280.21	320.07	370.66	426.60	493.84	562.03	640.45
% of built capacity		88.83%	78.81%	72.87%	91.60%	104.54%	117.81%	92.41%	92.41%	92.41%	92.41%	92.41%	92.41%	92.41%	92.41%	92.41%	92.41%
Billing utilisation	MW	52.80	65.40	72.80	77.70	86.00	110.90	135.50	151.08	182.33	232.52	289.60	363.18	449.99	520.91	592.84	675.56
% of built capacity		67.01%	68.27%	63.92%	58.25%	52.09%	53.37%	60.48%	67.98%	75.48%	82.98%	90.48%	97.98%	105.48%	105.48%	105.48%	105.48%
Revenue	\$	200,778	246,065	291,044	362,369	404,337	427,209	535,026	611,444	756,384	988,700	#####	#####	#####	#####	#####	3,331,286
Price per Billable Megawatt	\$	3,803	3,762	3,998	4,664	4,702	3,852	3,949	4,047	4,148	4,252	4,358	4,467	4,579	4,694	4,811	4,931
Price per Billable Megawatt Growth %			-1.06%	6.26%	16.65%	0.81%	-18.07%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Operating Facility Growth Rate	%		0.00%	22.22%	9.09%	33.33%	12.50%	16.67%	9.52%	8.70%	16.00%	14.23%	15.81%	15.09%	15.76%	13.81%	13.95%
Capacity per facility	MW	8.76	10.64	10.35	11.12	10.32	11.54	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46
Capacity Growth Rate	%		21.57%	18.89%	17.12%	23.76%	25.86%	16.67%	-0.80%	8.70%	16.00%	14.23%	15.81%	15.09%	15.76%	13.81%	13.95%

Data Centre Operating Years																	
S1 Macquarie Park						1	1	1	1	1	1	1	1	1	1	1	1 = operational
S2 Macquarie Park						1	1	1	1	1	1	1	1	1	1	1	1 = non-operational
S3 Artarmon						1	1	1	1	1	1	1	1	1	1	1	
S4 Horsley Park						0	1	1	1	1	1	1	1	1	1	1	
S5 Macquarie park						0	0	0	0	0	1	1	1	1	1	1	
S6 Artarmon						0	0	1	1	1	1	1	1	1	1	1	
S7 Eastern Creek						0	0	0	0	0	0	1	1	1	1	1	
M1 Port Melbourne						1	1	1	1	1	1	1	1	1	1	1	
M2 Tullamarine						1	1	1	1	1	1	1	1	1	1	1	
M3 West Footscray						0	0	1	1	1	1	1	1	1	1	1	
GE1 Geelong						1	1	1	1	1	1	1	1	1	1	1	
M4 Port Melbourne						0	0	0	1	1	1	1	1	1	1	1	
B1 Brisbane CBD						1	1	1	1	1	1	1	1	1	1	1	
B2 Fortitude Valley						1	1	1	1	1	1	1	1	1	1	1	
P1 Malaga						1	1	1	1	1	1	1	1	1	1	1	
P2 Perth CBD						1	1	1	1	1	1	1	1	1	1	1	
PH1 Port Hedland						1	1	1	1	1	1	1	1	1	1	1	
A1 Central						1	1	1	1	1	1	1	1	1	1	1	
C1 Canberra						1	1	1	1	1	1	1	1	1	1	1	
D1 Darwin CBD						1	1	1	1	1	1	1	1	1	1	1	
SC1 Maroochydore						1	1	1	1	1	1	1	1	1	1	1	
SC2 Sunshine Coast						0	1	1	1	1	1	1	1	1	1	1	
TK1 Tokyo						0	0	0	1	1	1	1	1	1	1	1	
TK2 Tokyo						0	0	0	0	0	0	1	1	1	1	1	
KL1 Kuala Lumpur						0	0	0	0	0	1	1	1	1	1	1	
KL2 Johor						0	0	0	0	0	0	0	0	0	0	0	
BK1 Bangkok						0	0	0	0	0	0	0	0	0	0	0	
AK1 Auckland						0	0	1	1	1	1	1	1	1	1	1	
NE1 Pilbara						1	1	1	1	1	1	1	1	1	1	1	
Operational Facilities						16	18	21	23	25	29						

Industry Growth Rate FY30-40	
Fortune Business Insights	10.70%
Globe News Wire	9.85%
Statista	8.37%
M3 Property	9.20%
P&S Intelligence	9.10%
Average	9.44%

Industry Growth Rate FY40-50	
Fortune Business Insights	5.55%
Globe News Wire	4.65%
Statista	5.89%
M3 Property	4.32%
P&S Intelligence	5.07%
Average	5.10%

Inflation FY30-50	
OCED Long Term Economic Outlo	2.00%
PWC	3.00%
World Bank Global Economic Pros	2.50%
European Commission	3.00%
National Intelligence Council	2.50%
Average	2.60%

Revenue Drivers: Bull

Bull	[units]	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Capacity Forecast																	
Operating Facilities		9.00	9.00	11.00	12.00	16.00	18.00	21.00	23.00	25.00	29.00	33.13	38.36	44.15	51.11	58.17	66.28
Bull Capacity	MW	78.80	95.80	113.90	133.40	165.10	207.80	242.43	240.48	261.39	303.22	346.35	401.10	461.64	534.39	608.18	693.05
Contracted utilisation	MW	70.00	75.50	83.00	122.20	172.60	244.80	246.44	244.45	265.71	308.23	352.07	407.72	469.26	543.22	618.23	704.50
% of bull capacity		88.83%	78.81%	72.87%	91.60%	104.54%	117.81%	101.65%	101.65%	101.65%	101.65%	101.65%	101.65%	101.65%	101.65%	101.65%	101.65%
Billing utilisation	MW	52.80	65.40	72.80	77.70	86.00	110.90	149.05	166.19	200.56	255.77	318.56	399.50	494.99	573.00	652.12	743.12
% of bull capacity		67.01%	68.27%	63.92%	58.25%	52.09%	53.37%	60.48%	67.98%	75.48%	82.98%	90.48%	97.98%	105.48%	105.48%	105.48%	105.48%
Revenue	\$	200,778	246,065	291,044	362,369	404,337	427,209	588,529	672,588	832,022	#####	#####	#####	#####	#####	#####	3,664,415
Price per Billable Megawatt	\$	3,803	3,762	3,998	4,664	4,702	3,852	3,949	4,047	4,148	4,252	4,358	4,467	4,579	4,694	4,811	4,931
Price per Billable Megawatt Growth %			-1.06%	6.26%	16.65%	0.81%	-18.07%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Operating Facility Growth Rate	%		0.00%	22.22%	9.09%	33.33%	12.50%	16.67%	9.52%	8.70%	16.00%	14.23%	15.81%	15.09%	15.76%	13.81%	13.95%
Capacity per facility	MW	8.76	10.64	10.35	11.12	10.32	11.54	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46
Capacity Growth Rate	%		21.57%	18.89%	17.12%	23.76%	25.86%	16.67%	-0.80%	8.70%	16.00%	14.23%	15.81%	15.09%	15.76%	13.81%	13.95%
Data Centre Operating Years																	
S1 Macquarie Park						1	1	1	1	1	1	1	1	1	1	1	1 = operational
S2 Macquarie Park						1	1	1	1	1	1	1	1	1	1	1	0 = non-operational
S3 Artarmon						1	1	1	1	1	1	1	1	1	1	1	
S4 Horsley Park						0	1	1	1	1	1	1	1	1	1	1	
S5 Macquarie park						0	0	0	0	0	1	1	1	1	1	1	
S6 Artarmon						0	0	1	1	1	1	1	1	1	1	1	
S7 Eastern Creek						0	0	0	0	0	0	1	1	1	1	1	
M1 Port Melbourne						1	1	1	1	1	1	1	1	1	1	1	
M2 Tullamarine						1	1	1	1	1	1	1	1	1	1	1	
M3 West Footscray						0	0	1	1	1	1	1	1	1	1	1	
GE1 Geelong						1	1	1	1	1	1	1	1	1	1	1	
M4 Port Melbourne						0	0	0	1	1	1	1	1	1	1	1	
B1 Brisbane CBD						1	1	1	1	1	1	1	1	1	1	1	
B2 Fortitude Valley						1	1	1	1	1	1	1	1	1	1	1	
P1 Malaga						1	1	1	1	1	1	1	1	1	1	1	
P2 Perth CBD						1	1	1	1	1	1	1	1	1	1	1	
PH1 Port Hedland						1	1	1	1	1	1	1	1	1	1	1	
A1 Central						1	1	1	1	1	1	1	1	1	1	1	
C1 Canberra						1	1	1	1	1	1	1	1	1	1	1	
D1 Darwin CBD						1	1	1	1	1	1	1	1	1	1	1	
SC1 Maroochydore						1	1	1	1	1	1	1	1	1	1	1	
SC2 Sunshine Coast						0	1	1	1	1	1	1	1	1	1	1	
TK1 Tokyo						0	0	0	1	1	1	1	1	1	1	1	
TK2 Tokyo						0	0	0	0	0	0	1	1	1	1	1	
KL1 Kuala Lumpur						0	0	0	0	0	1	1	1	1	1	1	
KL2 Johor						0	0	0	0	0	0	1	1	1	1	1	
BK1 Bangkok						0	0	0	0	0	0	1	1	1	1	1	
AK1 Auckland						0	0	1	1	1	1	1	1	1	1	1	
NE1 Pilbara						1	1	1	1	1	1	1	1	1	1	1	
Operational Facilities						16	18	21	23	25	29						

Industry Growth Rate FY30-40	
Fortune Business Insights	10.70%
Globe News Wire	9.85%
Statista	8.37%
M3 Property	9.20%
P&S Intelligence	9.10%
Average	9.44%

Industry Growth Rate FY40-50	
Fortune Business Insights	5.55%
Globe News Wire	4.65%
Statista	5.89%
M3 Property	4.32%
P&S Intelligence	5.07%
Average	5.10%

Inflation FY30-50	
OCED Long Term Economic Outlo	2.00%
PWC	3.00%
World Bank Global Economic Pros	2.50%
European Commission	3.00%
National Intelligence Council	2.50%
Average	2.60%

Discounted Cash Flow Model

Assumptions	
WACC	8.39%
Tax Rate	30%
TGR	2.63%
Valuation Date	22/08/2025
Current Price	16.50
Shares Outstanding	640,500,000
Total Debt	1,206,202
NTM EBIT	-25,226
Cash	1,236,192

Growth ON

Discounted Free Cash Flows	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	
EBITDA	169,657	185,307	234,572	327,627	436,332	586,989	775,501	931,011	1,094,756	1,292,078	
EBIT	-25,226	-57,345	-60,156	-25,444	21,425	107,790	232,554	331,488	447,505	578,617	
Tax Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
NOPAT	(17,658.1)	(40,141.2)	(42,109.5)	(17,810.5)	14,997.8	75,453.0	162,787.8	232,041.4	313,253.8	405,031.6	
Plus: Depreciation and amortisation	194,883.2	242,651.6	294,728.0	353,070.6	414,906.1	479,199.3	542,947.3	599,523.5	647,250.4	713,461.6	
Less: Increase/(Decrease) net working capital	(77,643.1)	17,235.1	45,379.0	84,653.2	76,297.5	47,442.5	107,432.3	82,200.7	98,771.5	109,865.1	
Less: CAPEX	(1,574,876.8)	(1,866,320.8)	(2,177,890.2)	(2,500,862.4)	(2,820,803.5)	(3,125,003.5)	(3,396,355.2)	(3,611,078.9)	(3,754,915.2)	(3,996,196.8)	
Less Maintenance CAPEX	(194,883.2)	(242,651.6)	(294,728.0)	(353,070.6)	(414,906.1)	(479,199.3)	(542,947.3)	(599,523.5)	(647,250.4)	(713,461.6)	
Less Growth CAPEX	-1,379,993.52	-1,623,669.15	-1,883,162.19	-2,147,791.87	-2,405,897.38	-2,645,804.18	-2,853,407.89	-3,011,555.36	-3,107,664.89	#####	
Unlevered Free Cash Flow	-1,475,295	-1,646,575	-1,879,893	-2,080,949	-2,314,602	-2,522,909	-2,583,188	-2,697,313	-2,695,640	-2,767,838	
Growth											
Date	22/08/2025	30/06/2025	30/06/2026	30/06/2027	29/06/2028	29/06/2029	29/06/2030	29/06/2031	28/06/2032	28/06/2033	28/06/2034
Difference in days		-53	312	677	1042	1407	1772	2137	2502	2867	3232
Discount Period		-0.15	0.85	1.85	2.85	3.85	4.85	5.85	6.85	7.85	8.85
Discounted FCF	-1,492,641	-1,537,081	-1,619,149	-1,653,688	-1,697,099	-1,706,754	-1,612,367	-1,553,380	-1,432,342	-1,356,951	

Perpetuity Method	
Long Term Growth Rate	2.63%
FCF(t+1)	9,584,977
Terminal Value	166,529,753
PV of Terminal Value	26,451,786
PV of Cash Flows	-15,613,561
Enterprise Value	10,838,224
Cash and cash equivalent	1,236,192
Total Debt	1,455,082
Net debt	218,890
Equity value	10,619,334
Shares outstanding ('000)	640,500
Implied Share price	\$ 16.58
Implied Upside (Downside)	0.48%

Perpetuity Method Sensitivity	
	TGR
	2.43% 2.53% 2.63% 2.73% 2.83%
WACC	7.99% \$ 21.7 \$ 22.6 \$ 23.5 \$ 24.5 \$ 25.5
	8.24% \$ 17.4 \$ 18.2 \$ 19.0 \$ 19.9 \$ 20.7
	8.39% \$ 15.1 \$ 15.8 \$ 16.6 \$ 17.4 \$ 18.1
	8.64% \$ 11.6 \$ 12.2 \$ 12.9 \$ 13.6 \$ 14.3
	8.89% \$ 8.5 \$ 9.1 \$ 9.6 \$ 10.2 \$ 10.8
WACC Sensitivity	Low \$ 12.25 Mean \$ 16.58 High \$ 19.01
	Upside -25.78% 0.48% 15.23%
TGR Sensitivity	Low \$ 15.83 Mean \$ 16.58 High \$ 17.35
	Upside -4.03% 0.48% 5.16%

Exit EBITDA Multiple Method	
EBITDA in last period	14,249,777
Exit EV/EBITDA	12.40x
Terminal Value	176,897,238
PV of Terminal Value	28,066,801
PV of Cash Flows	(15,613,561)
Enterprise Value	12,453,240
Cash and cash equivalent	1,236,192
Total Debt	1,455,082
Net debt	218,890
Equity Value	12,234,350
Shares outstanding ('000)	640,500
Implied Share price	\$ 19.10
Implied Upside (Downside)	15.77%

Exit EBITDA Multiple Method Sensitivity	
	WACC
	7.89% 8.14% 8.39% 8.64% 8.89%
EXIT EV/EBIT	11.40x \$ 19.95 \$ 17.69 \$ 15.57 \$ 13.57 \$ 11.69
	11.90x \$ 17.99 \$ 15.83 \$ 13.80 \$ 11.89 \$ 10.10
	12.40x \$ 17.99 \$ 15.83 \$ 13.80 \$ 11.89 \$ 10.10
	12.90x \$ 19.95 \$ 17.69 \$ 15.57 \$ 13.57 \$ 11.69
	12.40x \$ 19.95 \$ 17.69 \$ 15.57 \$ 13.57 \$ 11.69
WACC Sensitivity	Low \$ 11.89 Mean \$ 13.80 High \$ 15.83
	Upside -27.93% -16.36% -4.06%
TGR Sensitivity	Low \$ 13.80 Mean \$ 13.80 High \$ 15.57
	Upside -16.36% -16.36% -5.65%

WACC

\$ AUD in millions, except share price

Cost of Capital

Cost of Debt	6.95%
Tax Rate	30.00%
Cost of Debt (After Tax)	4.86%

Risk Free Rate	4.97%
Beta	0.64
Market Risk Premium	6.00%
Cost of Equity	8.79%

Capital Structure

Debt Value

Debt Outstanding	1,206,202
Debt Weighting	10.24%

Equity Value

Share Price	\$16.50
Shares Outstanding	640,500,000.0
Market Cap	10,568,250
Equity Weighting	89.76%

WACC	8.39%
-------------	--------------

Beta

5-year weekly	0.867
5-year monthly	0.293
10-year weekly	0.868
10-year monthly	0.519
Average	0.637

Market Risk Premium

Damodaran	5.60%
Bank of England (2002)	5.82%
Bank of England (2010)	5.89%
Refinitiv	4.99%
SFG Market indicator (mean)	6.84%
SFG analysts implied method	6.87%
Average	6.00%

Terminal Growth Rate

Year	Australian GDP Growth Rate
2021	5.50%
2022	3.90%
2023	2.00%
2024	1.20%
2025	2.10%
2026	2.20%
2027	2.20%
2028	2.30%
2029	2.30%
Terminal Growth Rate	2.63%

International Monetary Fund (IMF, 2025)

Trading Comparables

Market Data

Company	2Yr Correlation	Market Cap (\$bn)	LTM EV/EBITDA	NTM EV/EBITDA	LTM EV/REV	NTM EV/REV	LTM P/BV
NEXTDC Limited		8.36	61.30x	48.85x	23.61x	22.13x	3.53x
Macquarie Technology Limited	0.34	1.77	15.00x	20.02x	4.70x	12.38x	6.46x
Locaweb Services	0.20	2.18	10.26x	6.23x	1.27x	1.13x	0.94x
Chorus Ltd	0.19	3.18	8.90x	9.45x	6.20x	6.58x	5.30x
Internet Initiative Japan Inc	0.16	5.00	7.60x	8.06x	1.40x	1.41x	3.30x
Equinix	0.12	1.80	27.32x	20.88x	11.14x	1.52x	2.80x
5G Networks Limited		0.04	0.28x		(0.06)x		0.68x
Digital Realty Trust, Inc.		56.96	27.00x	23.48x	13.40x	12.72x	2.60x
Rackspace Technology INC		0.29	9.80x	12.45x	1.26x	1.35x	
Min			0.28x	6.23x	(0.06)x	1.13x	0.68x
Max			27.32x	23.48x	13.40x	12.72x	6.46x
Median			10.03x	12.45x	3.05x	1.52x	2.80x
Mean			13.77x	14.69x	5.44x	5.96x	3.15x

Output Summary

LTM EV/EBITDA	Low	High
LTM EBITDA	260,370	260,370
LTM EV/EBITDA	10.03x	21.60x
EV	2,611,511	5,623,992
Net debt (excluding leases)	218,890	218,890
Equity Value	2,392,621	5,405,102
Shares Outstanding ('000)	640,500	640,500
Share Price	\$ 3.74	\$ 8.44

NTM EV/EBITDA	Low	High
NTM EBITDA	317,014	317,014
NTM EV/EBITDA	13.57x	24.32x
EV	4,301,882	7,709,784
Net debt (excluding leases)	218,890	218,890
Equity Value	4,082,992	7,490,894
Shares Outstanding ('000)	640,500	640,500
Share Price	\$ 6.37	\$ 11.70

LTM EV/REV	Low	High
LTM EV/REV	404,337	404,337
LTM EV/REV	6.00x	16.10x
EV	2,426,022	6,509,826
Net debt (excluding leases)	218,890	218,890
Equity Value	2,207,132	6,290,936
Shares Outstanding ('000)	640,500	640,500
Share Price	\$ 3.45	\$ 9.82

NTM EV/REV	Low	High
NTM EV/REV	492,302	492,302
NTM EV/REV	7.51x	15.56x
EV	3,697,184	7,660,212
Net debt (excluding leases)	218,890	218,890
Equity Value	3,478,294	7,441,322
Shares Outstanding ('000)	640,500	640,500
Share Price	\$ 5.43	\$ 11.62

LTM P/BV	Low	High
LTM P/BV	3,567,100	3,567,100
LTM P/BV	2.00x	3.50x
EV	7,134,200	12,484,850
Net debt (excluding leases)	0	0
Equity Value	7,134,200	12,484,850
Shares Outstanding ('000)	640,500	640,500
Share Price	\$ 11.14	\$ 19.49

Transaction Comparables

Market Data

Target	Acquiror	Date	EV (mm)	LTM EV/Revenue	LTM EV/EBITDA
Megaport Ltd	Digital MP, LLC	Jun-20	1528	36.8	
Global Switch Australia Holding	HMC Capital	Oct-24	1406.7		24.7
Switch Inc	IFM Investors, Digital BridgeGroup	May-22	10606.6	16.9	35
Nginx Software	F5 Inc	May-19	670	26.2	
Metronode Pty Ltd	Equinix Inc	Dec-17	1035	17.3	
AirTrunk	Blackstone	Sep-24	23500		21
CyrusOne Inc	KKR, Gloval Infrastructure Management	Nov-21	15649	15.3	33.1
Min				15.30x	21.00x
Max				36.80x	35.00x
Median				17.30x	28.90x
Mean				22.50x	28.45x

Output - Summary

LTM EV/EBITDA	Low	High
LTM EBITDA	260,370	260,370
LTM EV/EBITDA	21.00x	35.00x
EV	5,467,770	9,112,950
Net debt (exclucing leases)	218890	218890
Equity Value	5,248,880	8,894,060
Shares Oustanding ('000)	640,500	640,500
Share Price	\$ 8.19	\$ 13.89
LTM EV/Revenue	Low	High
LTM Revenue	404,337	404,337
LTM EV/Revenue	15.30x	36.80x
EV	6,186,356	14,879,602
Net debt (exclucing leases)	640500	640500
Equity Value	5,545,856	14,239,102
Shares Oustanding ('000)	640,500	640,500
Share Price	\$ 8.66	\$ 22.23