

**N E X T** D C  
where the cloud lives™

2014 Full Year Results

25 August 2014

NEXTDC LIMITED ACN 143 582 521

# FY14 highlights

## Inflection point reached



### Strong revenue growth

- Data centre services revenue up 237% to \$30.4m
- Annualised contracted recurring revenue up 36% to \$41.7m
- Average price per MW achieved of \$5.1m



### Impressive key performance drivers

- Contracted customer utilisation up 22% to 11.9MW
- Active (billing) customer utilisation up 359% to 10.6MW
- Interconnection (cross connects) up 190% to 1,488



### National network complete

- S1 Sydney live (September 2013) and P1 Perth live (February 2014)
- UTI tier III certifications achieved for S1 Sydney, M1 Melbourne and P1 Perth
- ISO 9001 and ISO 27001<sup>1</sup> certifications achieved as planned



### Substantial asset backing

- Net assets of \$224m
- Cash and term deposits of \$70.8m and undrawn debt facility of \$20m
- Unsecured note issue of \$60m completed



### Significant earnings leverage

- FY14's capital investment of \$91.0m increased total capacity by 10.7MW to 19.65MW
- 7.8MW available for sale with future expansion tightly tied to revenue growth
- B1 Brisbane, M1 Melbourne and S1 Sydney all EBITDA positive at the facility level

1. ISO 27001 achieved in July 2014

# Significant lift in revenue and utilisation levels

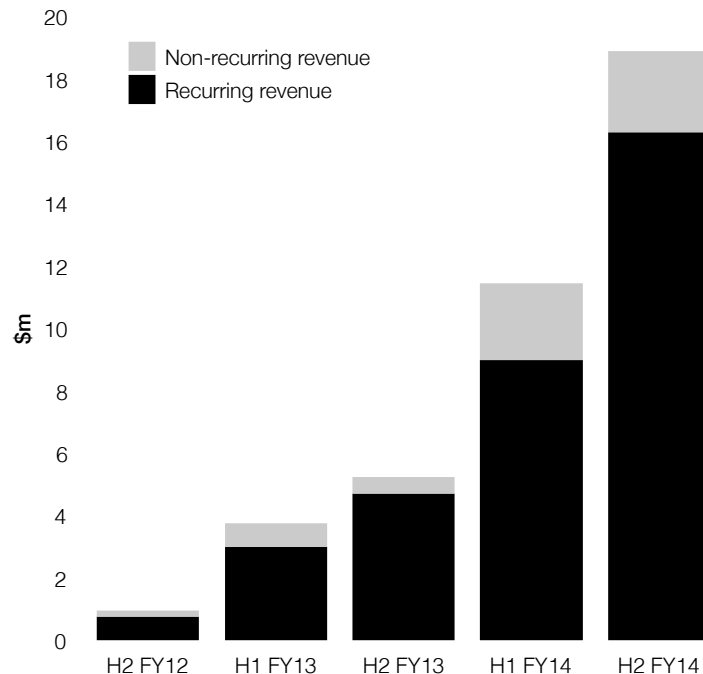
## FY14 data centre services revenue of \$30.4m

- Revenue up 65% half on half and 237% year on year
- Recurring revenue represents 84% of total FY14 revenue

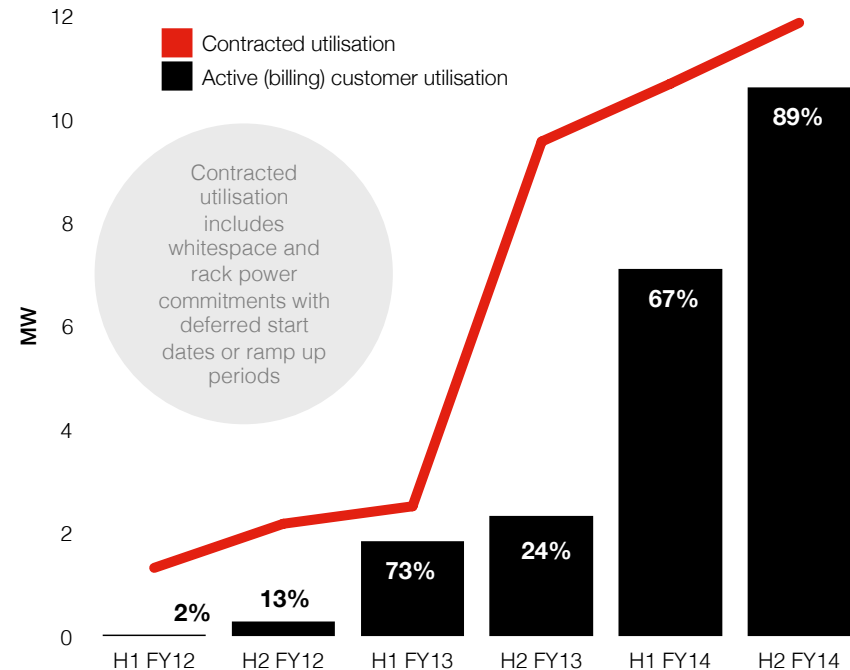
## FY14 contracted utilisation of 11.9MW

- Contracted utilisation up 11% half on half and 22% year on year
- Active (billing) customer utilisation up 49% half on half and 358% year on year
- 98% of contracted utilisation is from M1 Melbourne, B1 Brisbane and S1 Sydney

### Recurring and non-recurring revenue



### Active<sup>1</sup> vs contracted utilisation



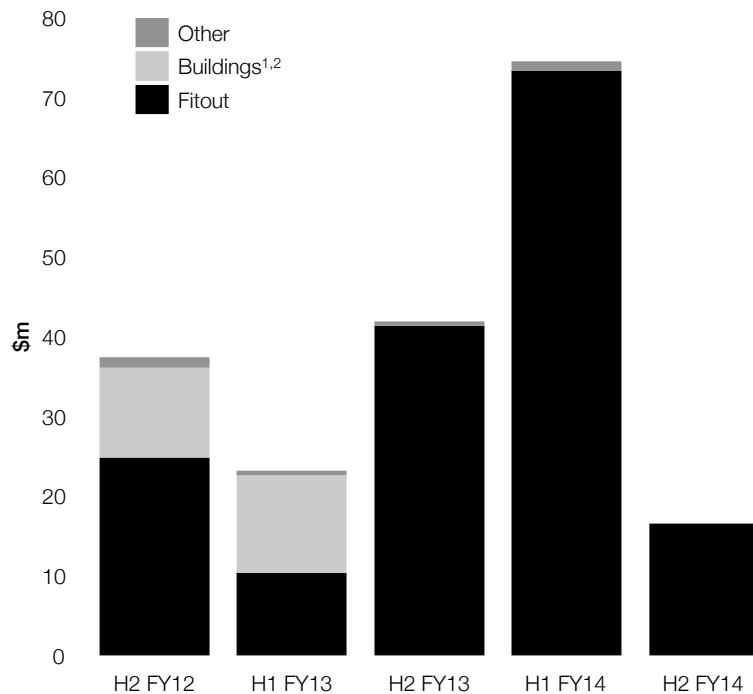
1. Active (billing) customer utilisation refers to the sold capacity for which revenue is being billed.

# Growth platform in place

## Historical capital expenditure

### Future capital expenditure tied to customer demand to leverage scale of existing facilities

- \$214m fitout expenditure to date delivering 19.65MW of capacity
- S1 Sydney and P1 Perth open
- Expansions at M1 Melbourne and S1 Sydney



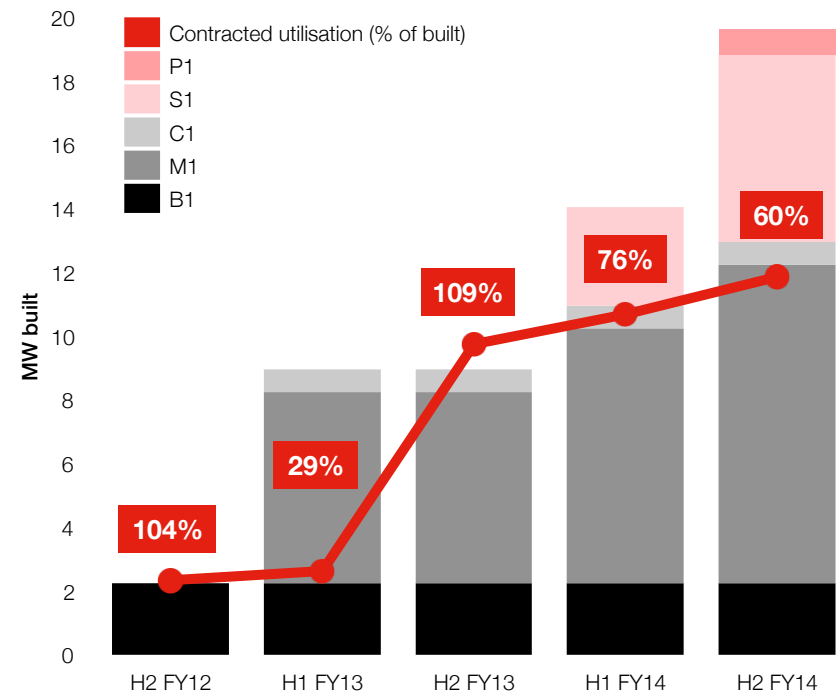
1. Buildings sold to Asia Pacific Data Centre Group (ASX: AJD) in H1 FY13

2. Excludes building development costs from H2 FY13 onwards. No new base building development currently in progress

## Installed capacity vs contracted utilisation

### FY14 capacity added of 10.7MW

- 7.8MW available for sale
- Capacity additions linked to contracted customer requirements



# Facilities' capacities and contracted utilisation

As at 30 June 2014

## M1 Melbourne

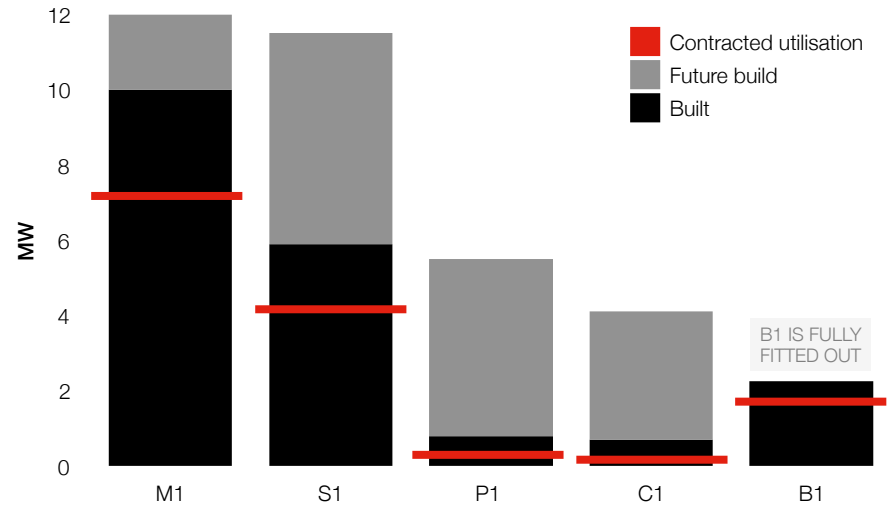
- Two data hall additions, adding 4MW capacity

## S1 Sydney

- Commenced operations in September 2013 with 3.1 MW capacity
- Second data hall addition, adding 2.8MW capacity

## P1 Perth

- Commenced operations in February 2014 with 0.8MW capacity

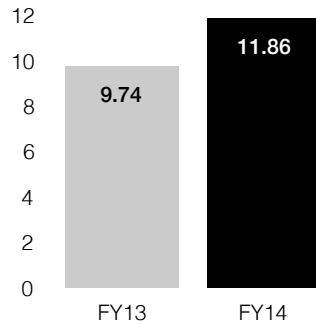


	M1	S1	P1	C1	B1	Total
Commenced operations	Sep 2012	Sep 2013	Feb 2014	Aug 2012	Oct 2011	
Total power planned	12.0MW	11.5MW	5.5MW	4.1MW	2.25MW	35.35MW
MW built	10.0MW	5.9MW	0.8MW	0.7MW	2.25MW	19.65MW
Contracted utilisation	6.4MW	3.7MW	0.2MW	0.1MW	1.6MW	11.9MW
% of total power planned	53%	32%	3%	2%	69%	34%
% of MW built	64%	62%	20%	11%	69%	60%
Active (billing) customer utilisation	5.5MW	3.5MW	0.1MW	0.1MW	1.5MW	10.6MW
% of total power planned	46%	31%	1%	2%	66%	30%
% of MW built	55%	60%	7%	11%	66%	54%
Capacity available for sale	3.6MW	2.2MW	0.6MW	0.6MW	0.7MW	7.8MW
Fitout capex to date	\$84m	\$64m	\$33m	\$6m	\$27m	\$214m



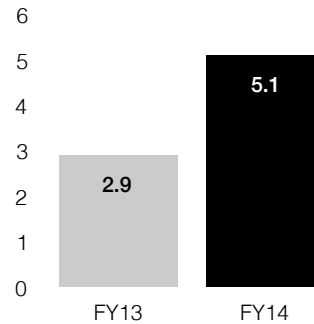
# Strong development in sales finance metrics

Cumulative  
contracted MW



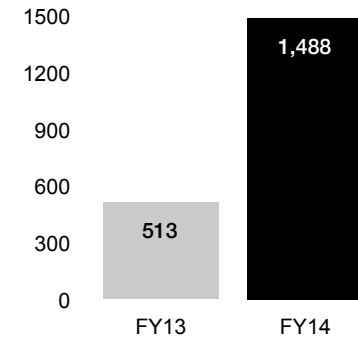
Contracted MW  
up 22%

Incremental \$m  
per MW achieved



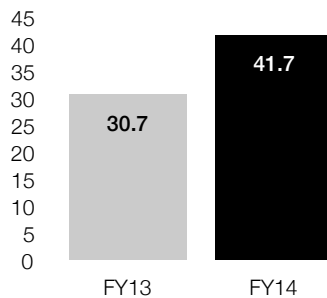
\$5.1m per MW  
average

Interconnection  
(number of cross connects)



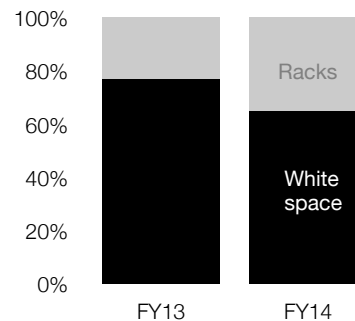
190% growth in  
interconnection

Annualised  
contracted recurring  
revenue (\$m)



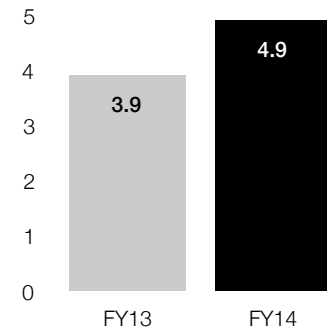
Contracted revenue  
up 36%

Racks vs  
whitespace



Growth in higher yield  
product mix

Interconnections  
per customer

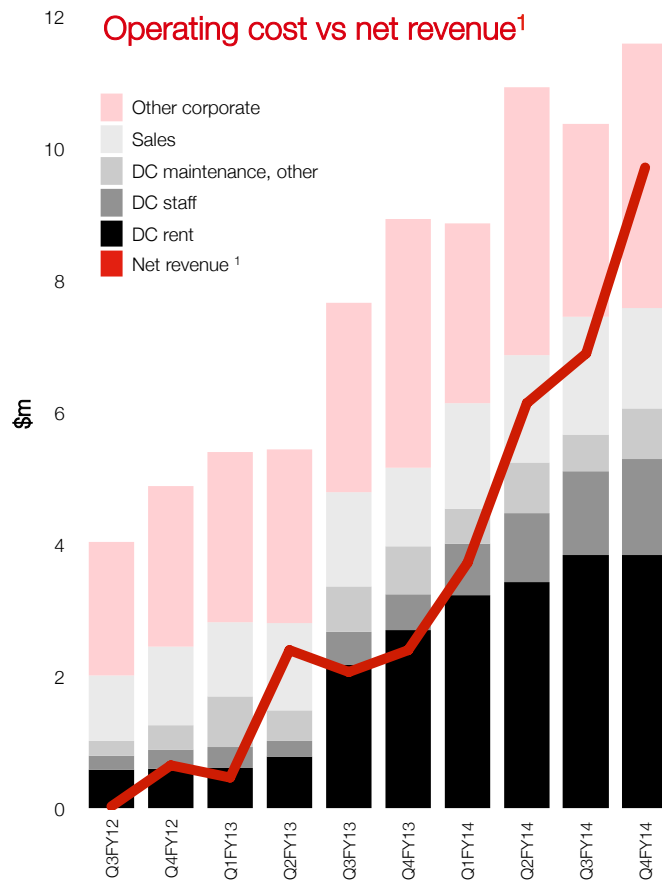


4.9 interconnections  
per customer

# Scale drives operating leverage

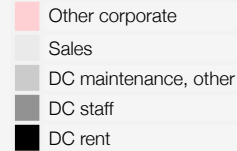
**Q4 FY14 net revenue<sup>1</sup> up to 84% of normalised operating costs**

- Net revenue rapidly approaching operating cost base



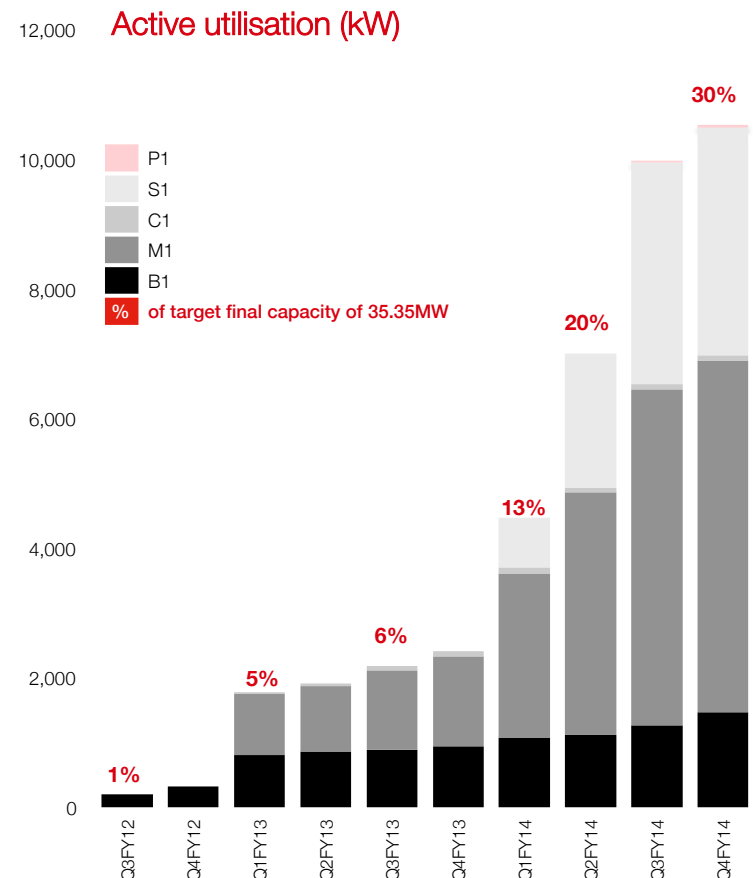
1. Net revenue is data centre services revenue less direct costs

## Costs in context



**Closing active (billing) utilisation reaches 30%**

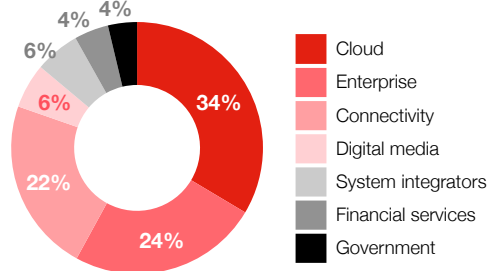
- Stable cost base creates EBITDA leverage



# Diversified recurring revenue model

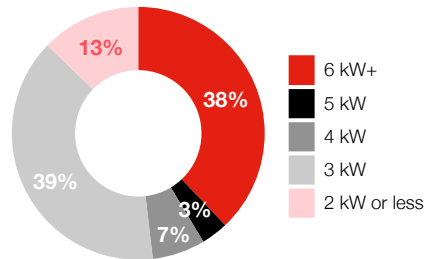
Metrics calculated as at 30 June 2014

## Customer by industry



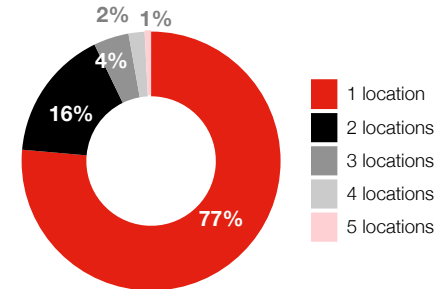
Cloud, connectivity and as-a-service partners drive strong ecosystem growth

## Utilisation by density



Power continues to increase as technologies like virtualisation drive higher density

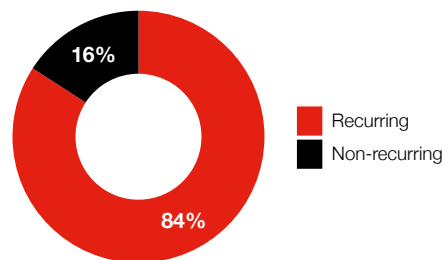
## National coverage



Cross selling opportunity now five locations are operational, national coverage an important differentiator

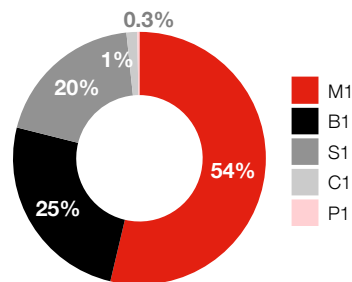
Data centre services revenue for the year ended 30 June 2014

## Recurring vs non-recurring



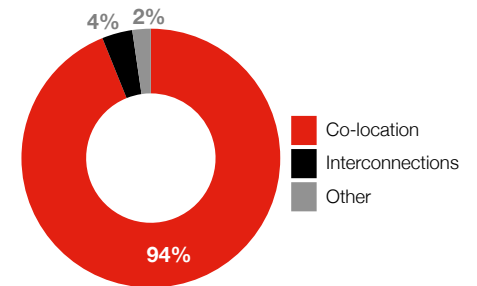
Significant recurring revenue stream with average contract term greater than four years

## Revenue by facility



S1 Sydney and P1 Perth will make full year revenue contributions in FY15

## Recurring revenue by product category



94% of recurring revenue from colocation services with strong growth from interconnection revenue

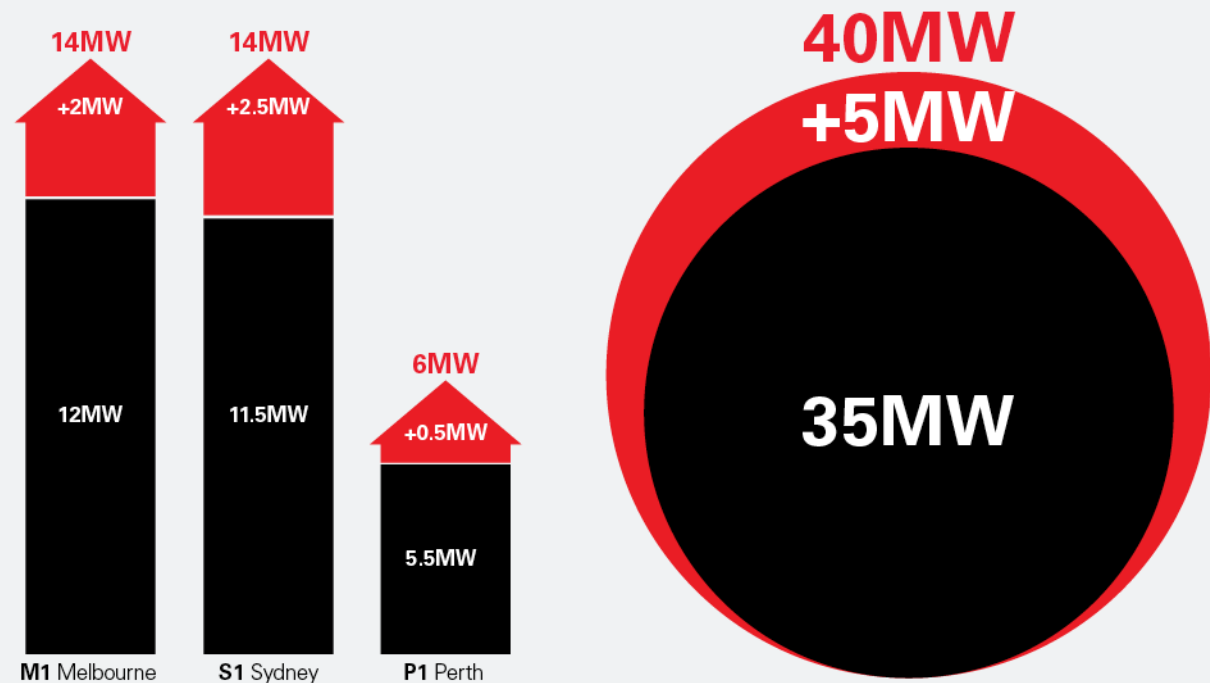


# Project PLUS: engineering innovation drives inventory growth

Incremental capacity at two thirds of the current cost per MW

- Capability to expand network capacity by 5MW within existing footprint – no requirement for additional land, buildings or fitout of additional halls
- Through NEXTDC's innovative engineering and design, and as independently verified, the total network capacity can be expanded when current inventory is sold to meet specific customer demand<sup>1</sup>. The existing footprint will deliver up to an additional 5MW
- Limited increase in fixed operating costs (no additional rent or facility staff) means net revenue from additional sold capacity flows to EBITDA
- Expansion in our largest markets, with S1 Sydney and M1 Melbourne capable of having a high density hall at 3kW/m<sup>2</sup>, supporting specific needs

Pushing  
more  
power  
through  
the  
existing  
footprint

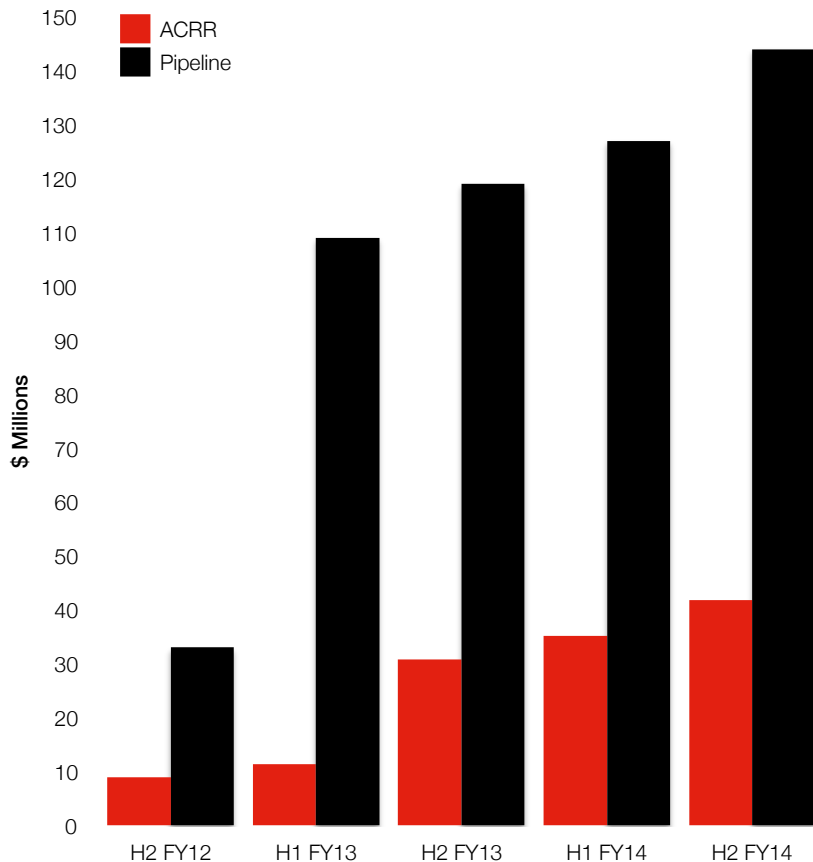


1. Subject to the applicable electrical grid operator supporting the incremental power need, if required.

# Pipeline conversion

## Pipeline and annualised contracted recurring revenue

- Annualised unweighted pipeline at 30 June of \$144m<sup>1</sup>
- 21% growth in annualised unweighted pipeline
- Annualised contracted recurring revenue at 30 June of \$41.7m<sup>2</sup>

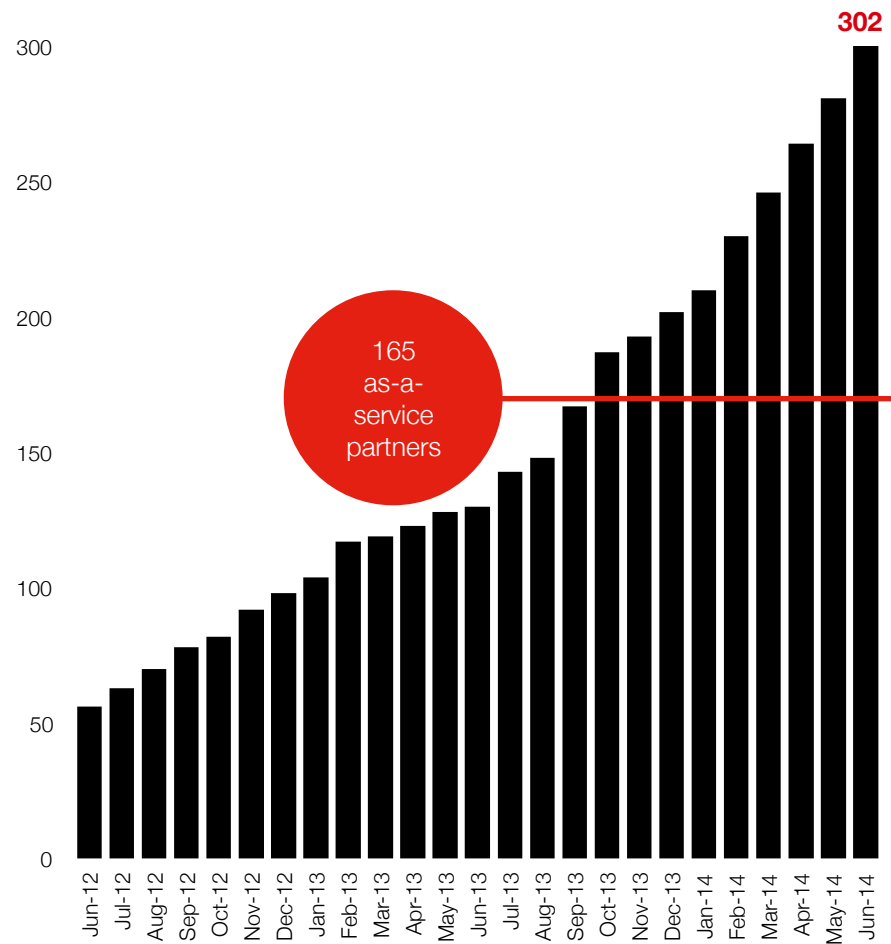


1. Annualised unweighted pipeline represents the value of known market opportunities, where a specific requirement has been matched to a particular customer. It has not been adjusted for risk and includes opportunities which may commence beyond FY15. Pipeline is not an indicator of future sales.

2. Not a forecast. Excludes interconnection and power recharges for whitespace customers. Includes customers with deferred contract commencement dates.

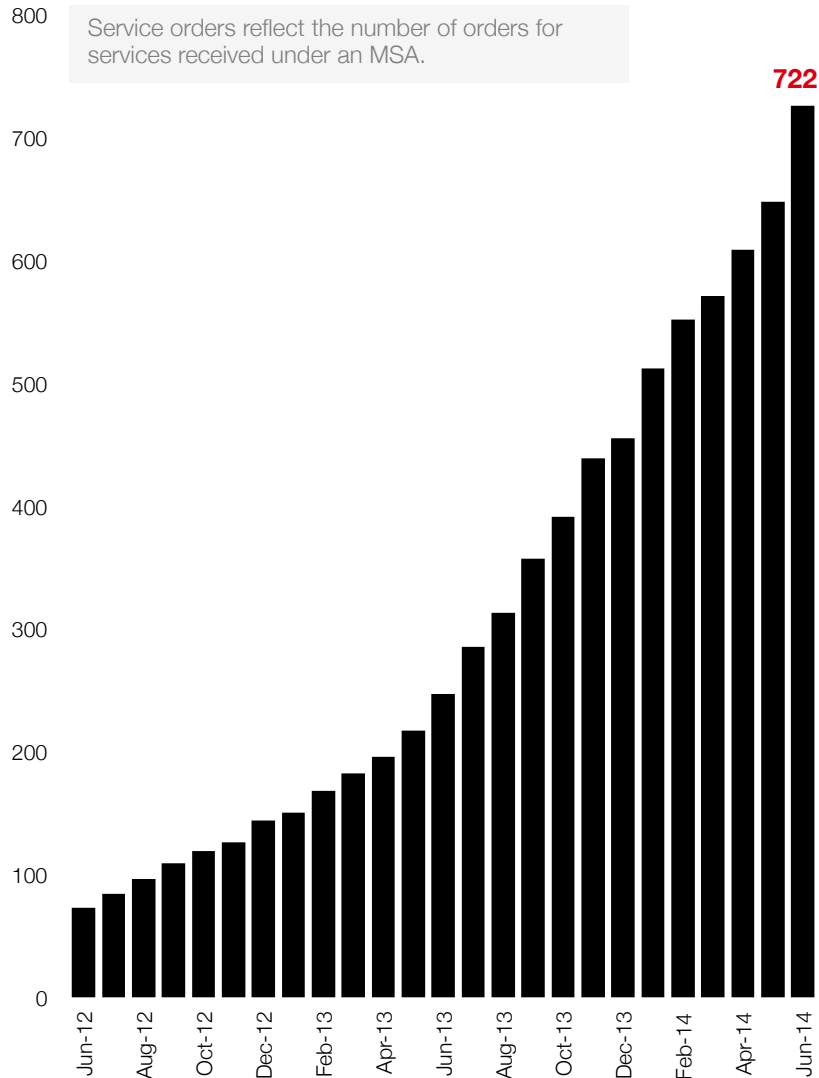
## Customer agreements

The Master Services Agreement (MSA) sets out the general terms and conditions upon which NEXTDC will agree to supply services to its customers

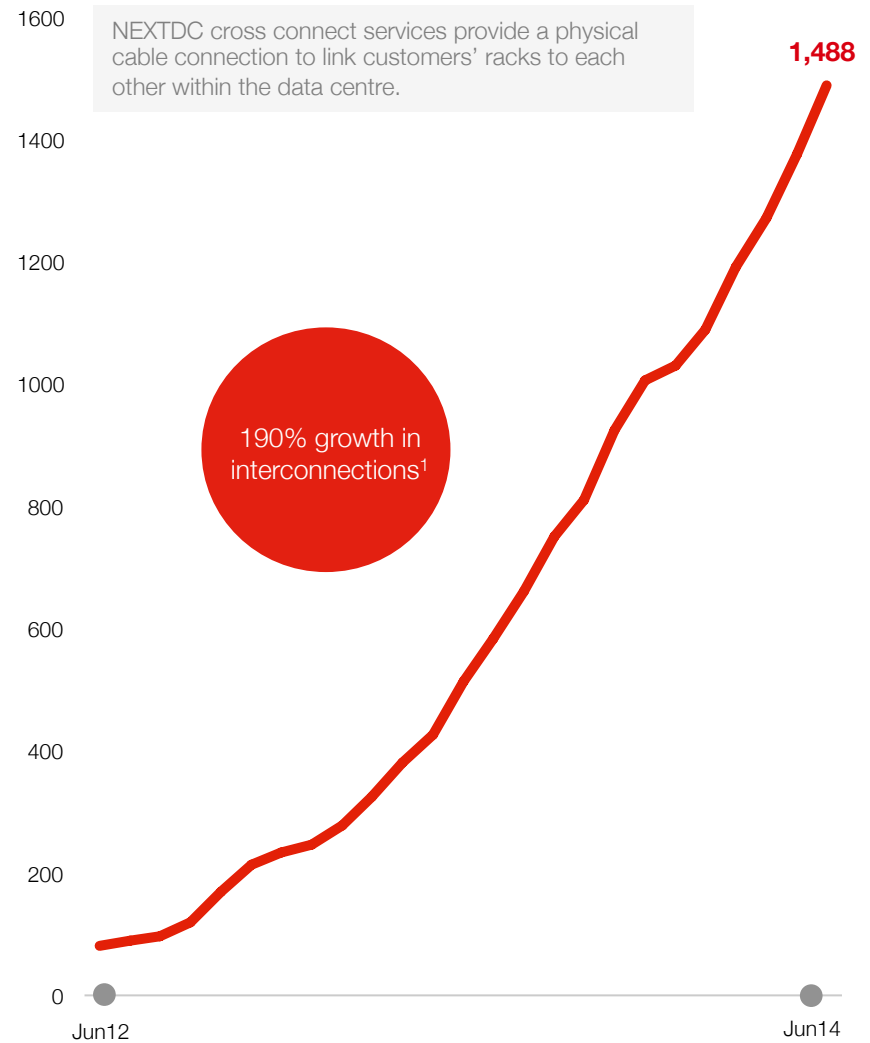


# Ecosystem growth

## Customer Service Orders



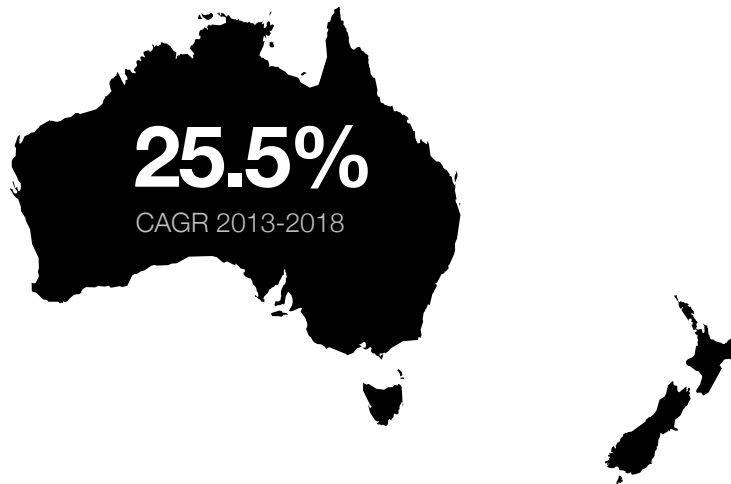
## Cross Connects (interconnections)



1. Interconnection represents 4% of recurring revenue for FY14

# Australia's cloud computing growth

## ANZ region cloud computing market growth



## Total Australia public cloud services growth



Infiniti Research Ltd, Cloud Computing Market in the ANZ Region 2014-2018  
IDC 2013 Australia End-User Cloud Survey

**65%** of respondents expect investments to centre on private or a hybrid cloud approach over the next 12-18 months.<sup>1</sup>

**Nearly half** of large enterprises will have hybrid cloud deployments by the end of 2017.<sup>2</sup>

Hybrid cloud model which will be in use by some **30%** of all enterprises by 2018.<sup>2</sup>

**86%** of large Australian enterprises (500+ employees) are currently using cloud computing, up from **71%**.<sup>3</sup>

Enterprises adopting Infrastructure-as-a-Service (IaaS) in 2013 **doubled**.<sup>4</sup>

**More than half of all organisations** greater than 20 employees are now using public cloud IaaS.<sup>4</sup>

1. VMware Cloud Index 2013: Asia Pacific Summary Report by Forrester Consulting
2. Gartner Press Release: Gartner Says Cloud Computing Will Become the Bulk of New IT Spend by 2016, October 24 2013
3. IDC 2013 Australia End-User Cloud Survey
4. Telsyte Australian Infrastructure & Cloud Computing Market Study 2014

# NEXTDC data centres are a marketplace for the digital economy

## Ecosystem development

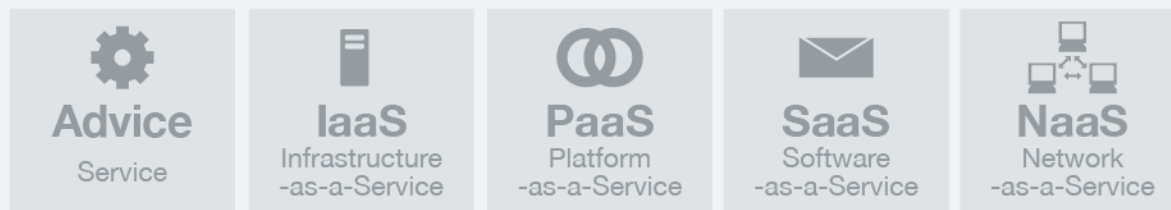
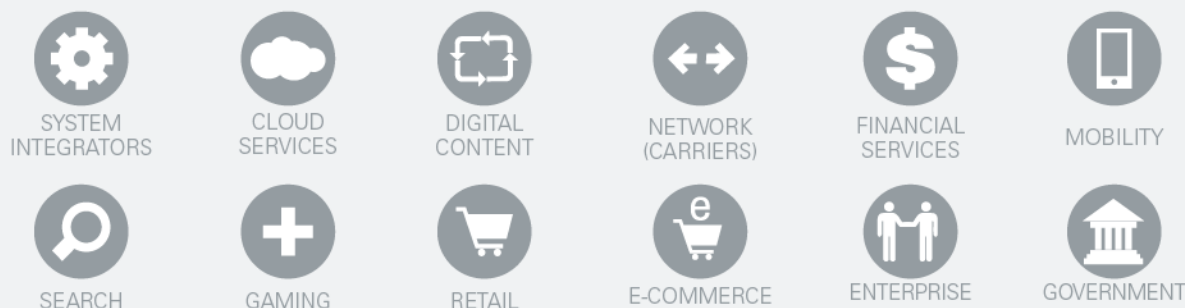
NEXTDC is home to some of the largest global cloud computing providers, domestic enterprises and government. Our ecosystem value grows through interconnectedness.

## The data centre is the heart of cloud computing

The movement by companies to selective sourcing of public and private cloud computing solutions does not diminish but enhances the strategic value of large scale, high power, high specification, colocation facilities such as ours.

Without carrier neutral data centres providing a place to build internet exchanges, the internet, private networks and cloud computing would not exist in their current forms.

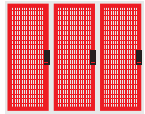
## Our target market customers include:



## DCaaS Data-Centre-as-a-Service



# NEXTDC product and services portfolio



## Rack Ready

Energy-efficient hot or cold aisle containment, electronic locks & PDUs.



## Whitespace

Our custom whitespace offers complete privacy in a dedicated customisable secure area, suited to bespoke data centre requirements.



## Cross Connects

One-to-one, secure connectivity for customers to connect to our dynamic ecosystem of world-class carriers and service providers.

## NXTech

### Services

Technical services, planning, project management, data centre migration, deliveries, building, and operating infrastructure.



## Portal & Mobile

Our award winning ONEDC® portal has revolutionised the way our customers manage their data-centre environment.

## NXTdesk

### BCP space

NXTdesk features highly secure space for shared or customisable BCP.

## NEW IN FY15



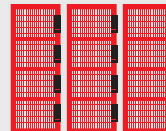
## oBIX community

**NEW: Available Q1**  
The ONEDC® oBIX (Open Building Information Xchange) open-source DCIM developer program.



## Fast Start Colo

**NEW: Available Q1**  
Introducing Fast Start customisable colocation bundles offering full, ¼ and ½ rack solutions.



## ¼ and ½ racks

**NEW: Available Q1**  
Energy-efficient hot or cold aisle containment ¼ and ½ racks with electronic locks & PDUs.



## VXConnection

**NEW: Available Q2**  
Introducing one-to-many virtual connectivity to our dynamic ecosystem of world-class carriers and service providers.



## SaaS

**NEW: Available Q2**  
ONEDC® SaaS subscription data centre intelligence telemetry for NEXTDC and third party data centre facilities.

Australia's leading independent **DCaaS** Data-Centre-as-a-Service provider.





# More information

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