

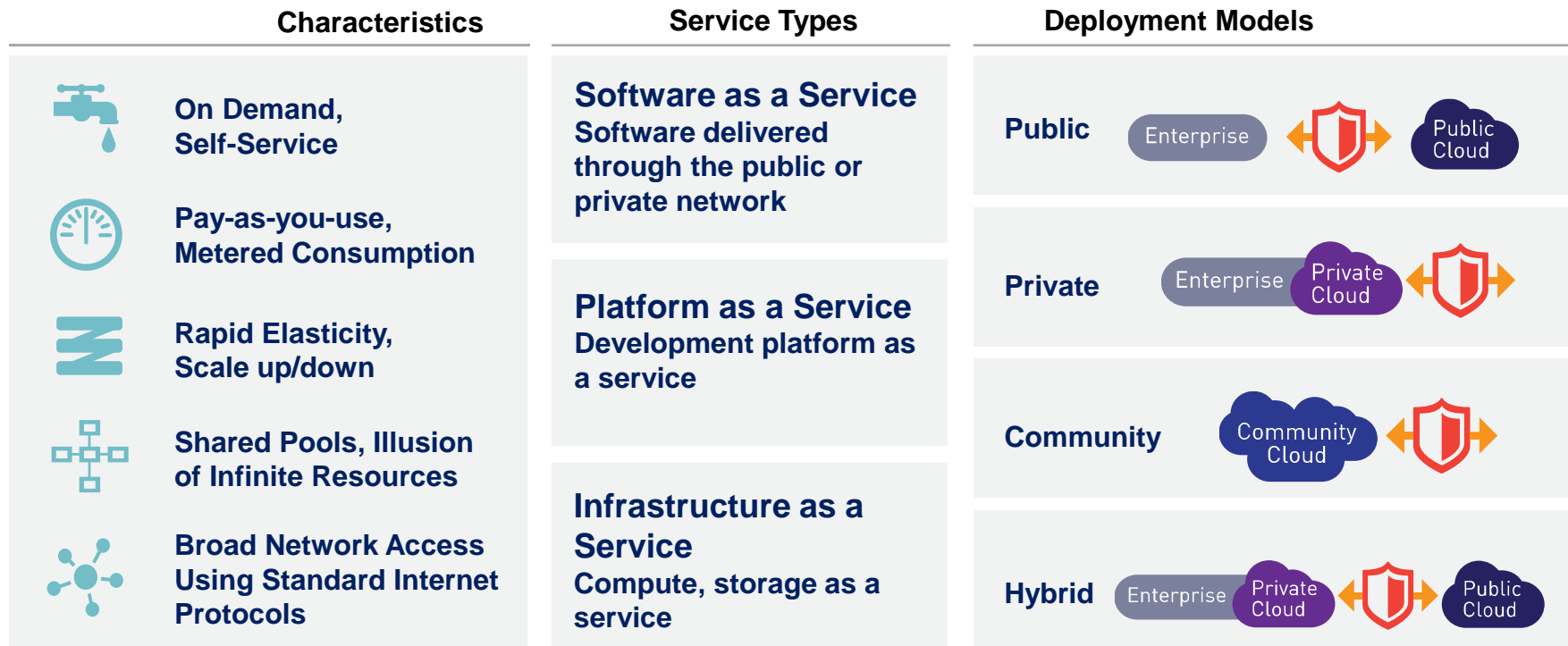


Data Centres: The Infrastructure That Underpins The Cloud

May 2017

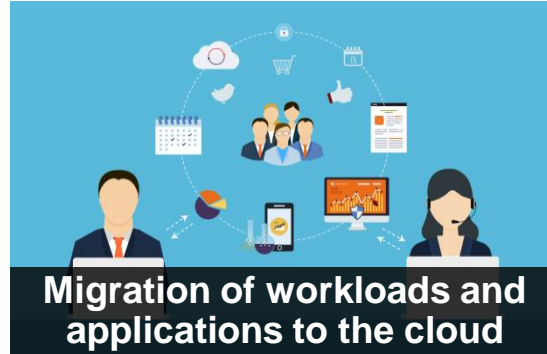
FROST & SULLIVAN

Cloud computing is redefining the way that IT services are accessed and delivered

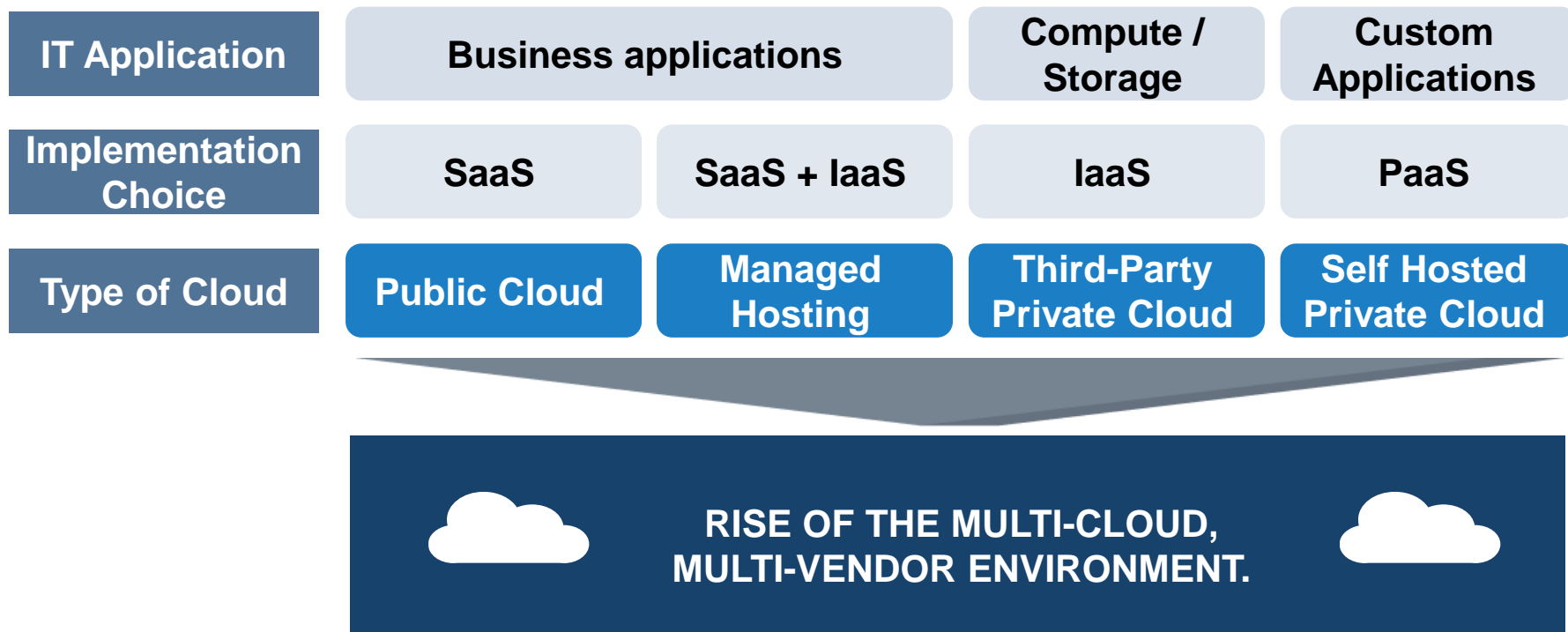


Source: Frost & Sullivan Analysis

Trends Impacting the data centre market

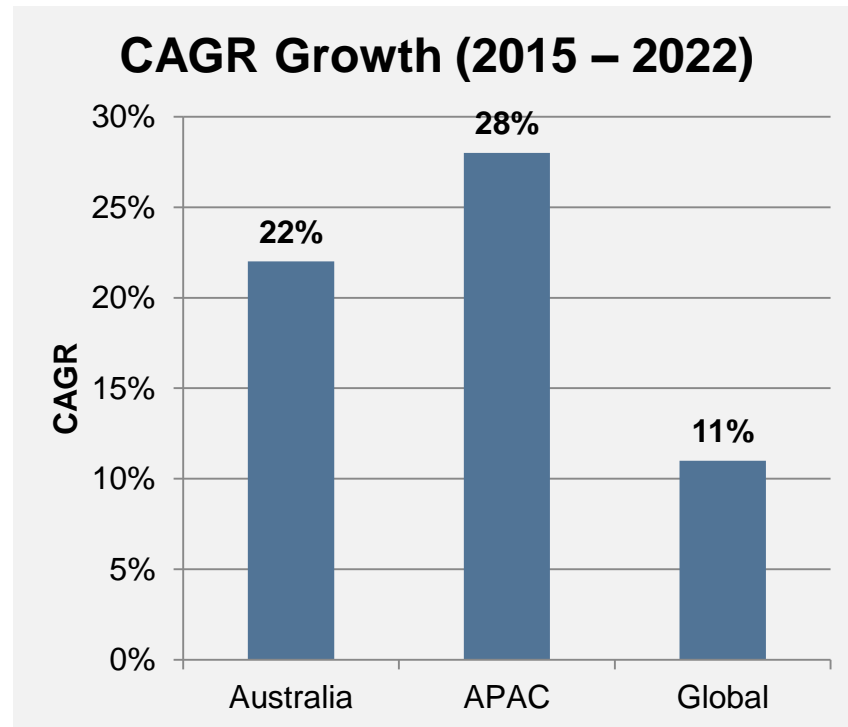
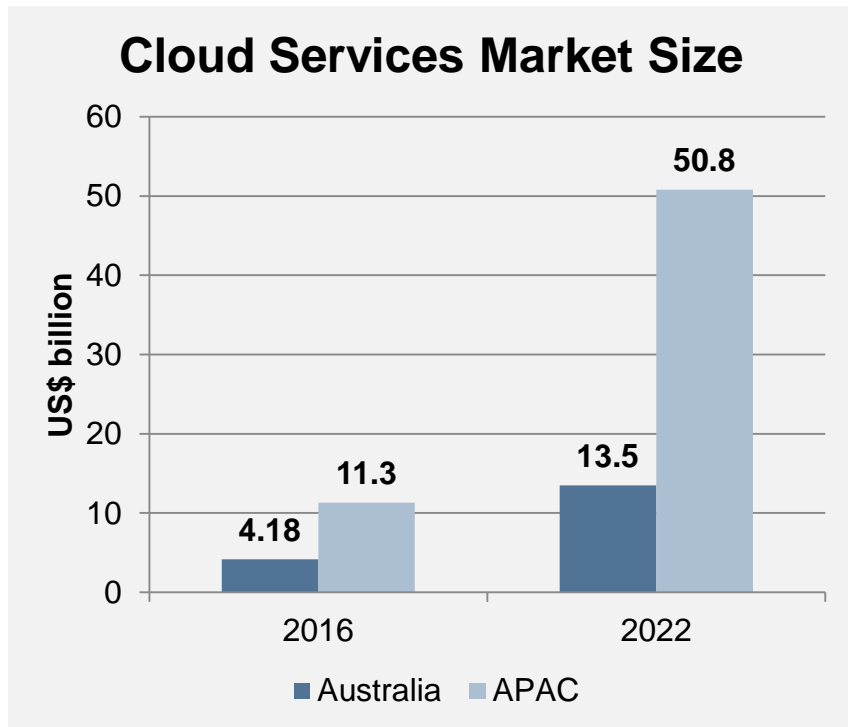


Applications are increasingly delivered by multiple vendors in the cloud ecosystem



Source: Frost & Sullivan Analysis

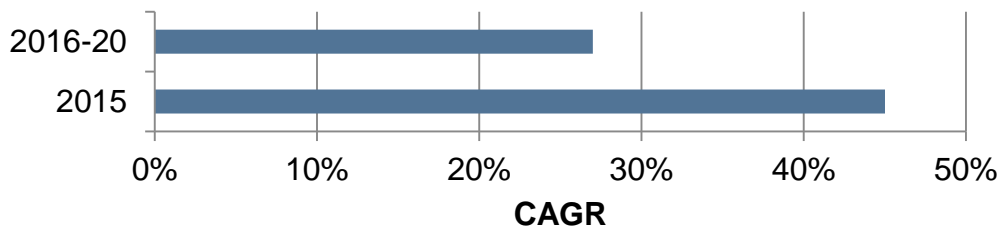
Global cloud services currently a \$277 billion market: APAC at \$11.3 billion, but strong growth forecast



Source: Frost & Sullivan Analysis

Applications & workloads moving rapidly to the cloud

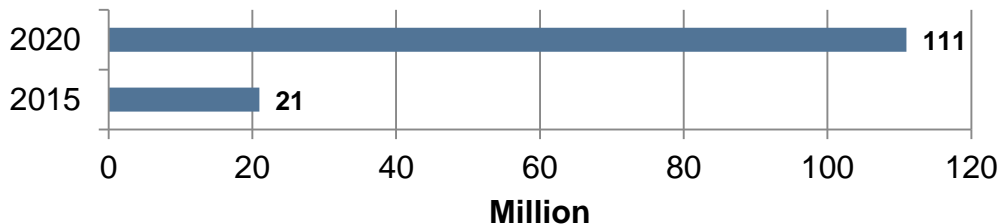
Asia Pacific Data Centre Traffic



Public cloud workloads increasingly dominant, as security and latency concerns with public cloud reduce.

40% CAGR increase in public cloud workloads over next 5 years

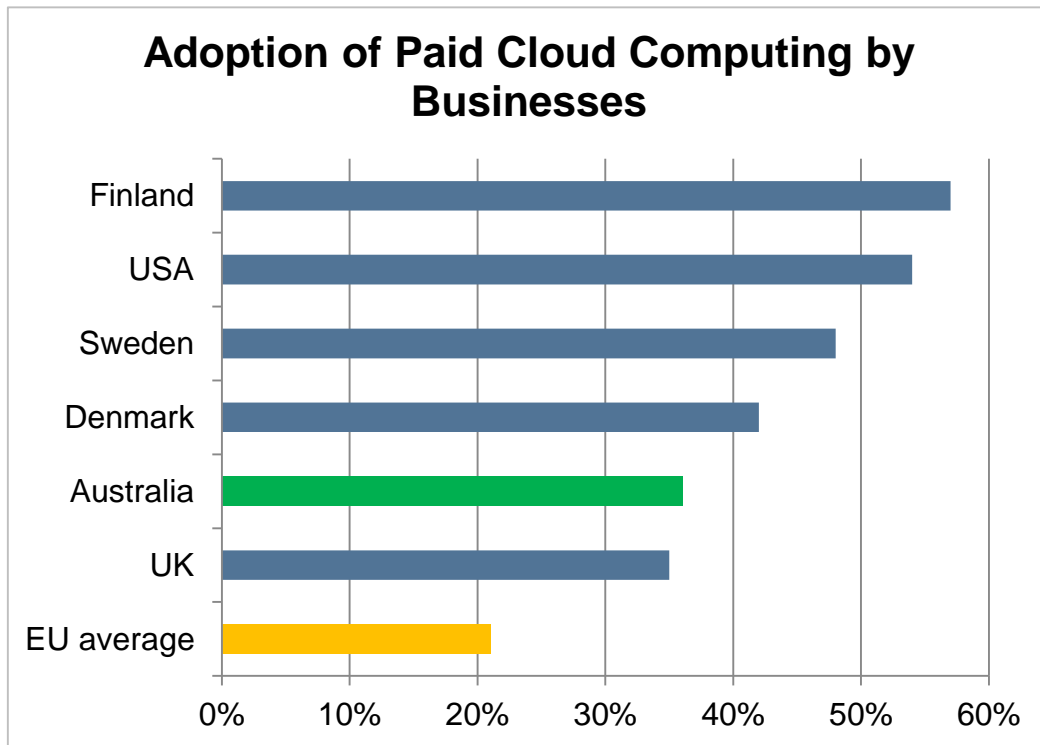
Data Centre Workloads (Public Cloud)



SaaS is dominant workload, as usage of SaaS for business applications increases rapidly (currently Australia at ~40% compared to US >60%)

Source: Cisco, Frost & Sullivan

Australia still has potential for significantly greater adoption of cloud services

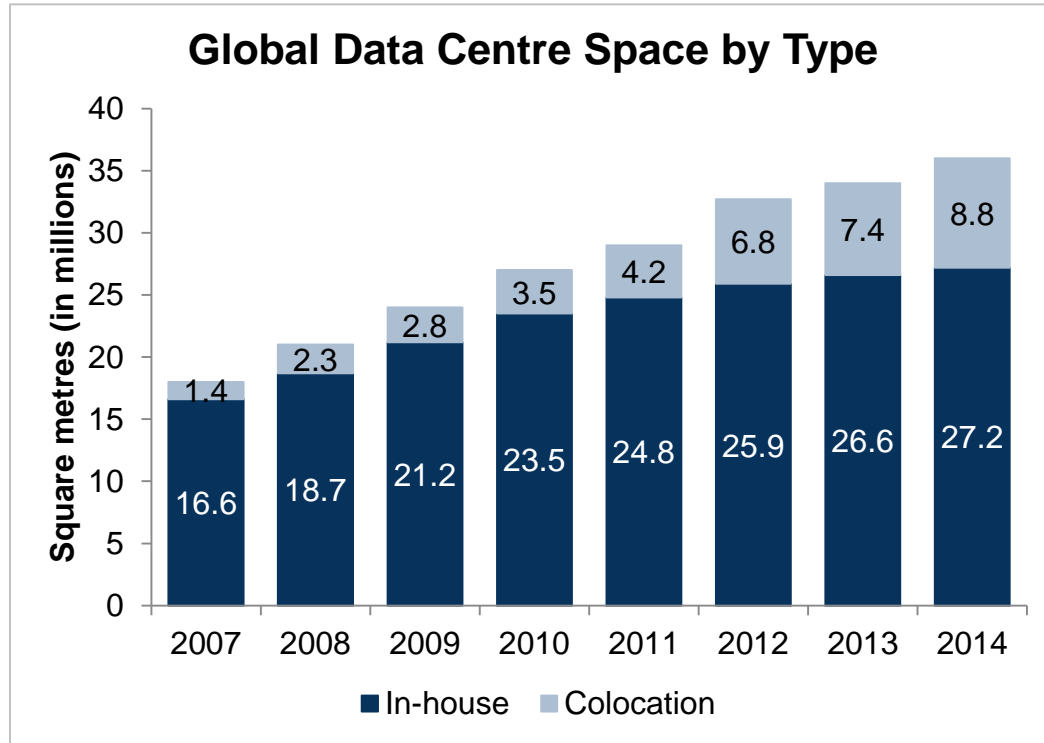


Adoption of paid cloud services for business applications in Australia is ahead of the EU average, but still lags leading adopters such as Scandinavia and USA

Adoption in Australia is accelerating, for example about 40% of small businesses are now using cloud services for core accounting and financials (Xero, MYOB, etc.)

Source: ABS, Eurostat

Outsourced data centre space is growing well ahead of captive

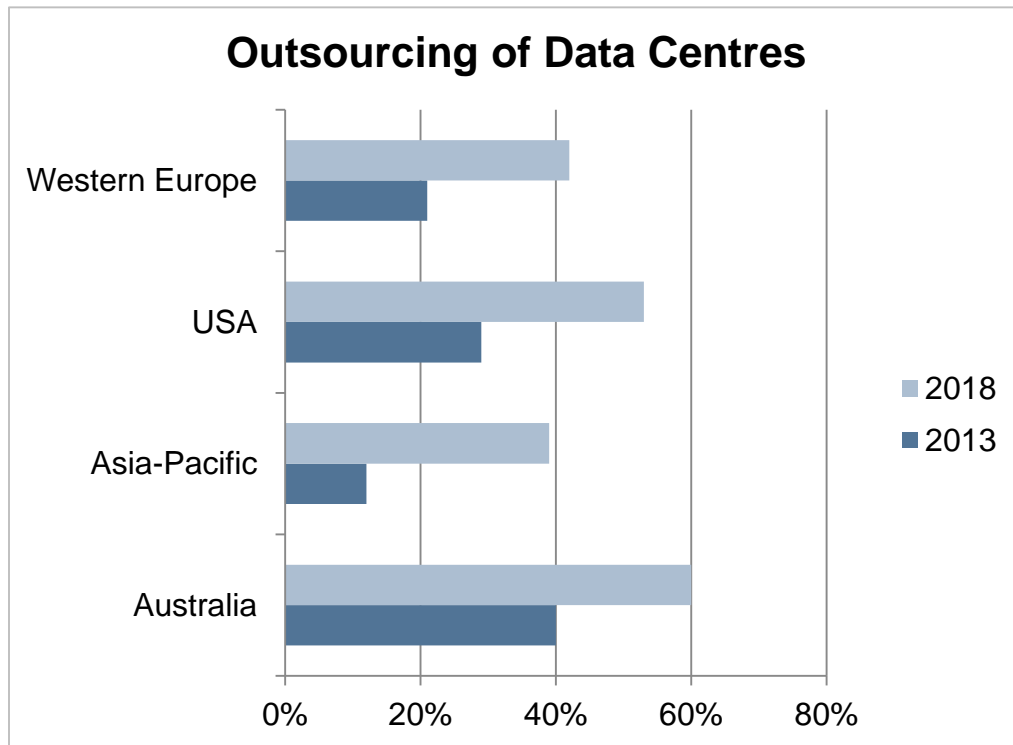


Outsourced DC space has been growing at around 20% over the past 5 years, while the captive data centres are growing at around 3% over the same time period.

However, outsourced space constitutes just 24% of total data centre space, which indicates a sizeable growth opportunity. The opportunity is even larger in APAC, with just 12.1% of total floor space outsourced

Source: Datacenter Dynamics, Frost & Sullivan

Australia leads the way in data centre outsourcing



**250,000 sq metres of
outsourced data centre capacity
in Australia**

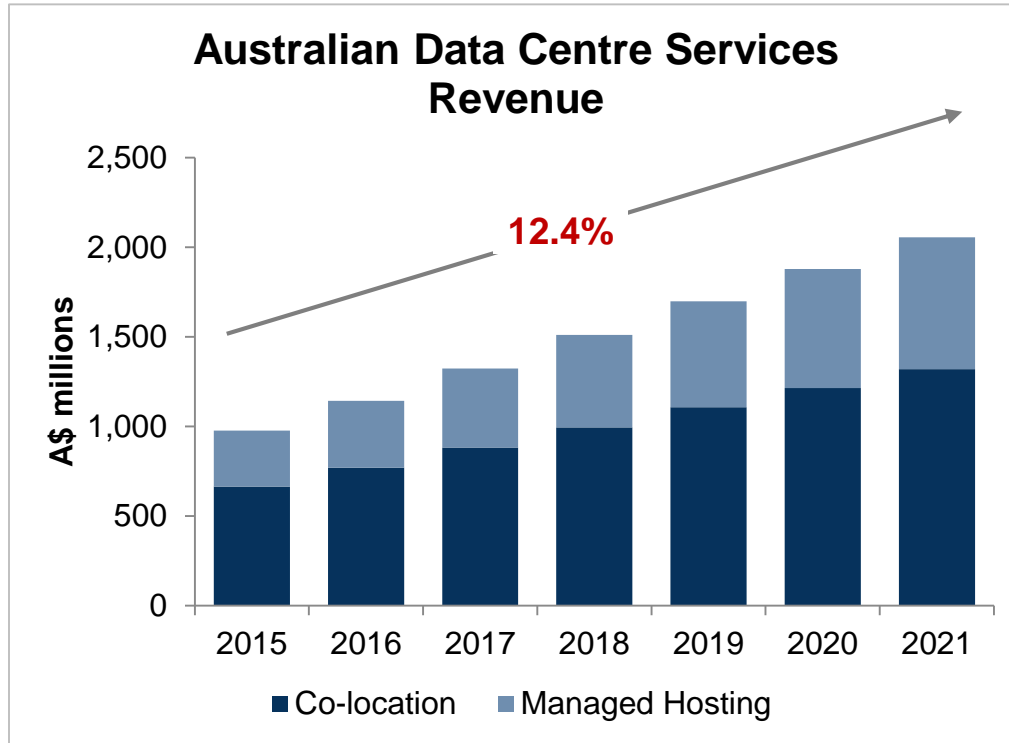
**Estimated at 55% of total
available data centre space**

**6% growth in available space in
2015**

**Australia is an attractive market
for outsourcing due to high
power costs, availability of
specialist providers**

Source: Frost & Sullivan, BroadGroup

Australian data services revenue to exceed \$2 billion by 2021



12.4% CAGR to exceed A\$2 billion by 2021

Fastest growth in managed hosting, but co-location will still grow at over 10% CAGR

Source: Frost & Sullivan

Frost & Sullivan's cloud and data centre research agenda

Recent Reports

- Australian Data Centre Services Market, 2016
- Asia-Pacific Data Centre Services Market (10 countries), 2016
- European Data Centre Services Market, 2016
- Data Centre Benchmarking Strategy Study, 2016
- Global Data Centre Infrastructure Solutions Market, 2016
- Global Modular Data Centre Market, 2016
- Global Power & Cooling in the Data Centre Market, 2015
- Asia-Pacific Cloud Computing Services Market (10 countries), 2016



THANK YOU

FROST & SULLIVAN