



8th ANNUAL GENERAL MEETING

13 NOVEMBER 2018



N E X T D C

NEXTDC LIMITED ACN 143 582 521

A photograph of three men in NEXTDC uniforms standing in a server room hallway. The man on the left is leaning against a red server rack with his arms crossed. The man in the middle is also leaning against a red server rack with his arms crossed. The man on the right is standing further back in the hallway with his arms crossed. The hallway is lined with red server racks and has a black door at the end with a green exit sign and a fire safety door sign. The floor is grey.

Chairman's Address

8th Annual General Meeting | 13 NOVEMBER 2018



NEXTDC

NEXTDC LIMITED ACN 143 582 521

NEXTDC VISION

NEXTDC'S VISION IS
TO HELP ENTERPRISES
HARNESS THE DIGITAL
AGE, IMPROVING OUR
SOCIETY THROUGH
THE ADVANCEMENT
OF TECHNOLOGY.



NEXTDC PURPOSE

NEXTDC'S PURPOSE IS TO BE
THE LEADING CUSTOMER-
CENTRIC DATA CENTRE
SERVICES COMPANY,
DELIVERING SOLUTIONS THAT
POWER, SECURE AND CONNECT
ENTERPRISE.



NEXTDC



BRAND PROMISE

100% UPTIME GUARANTEE
POWER. SECURE. CONNECT



FY18 HIGHLIGHTS



REVENUE

\$161.5m

+31%



UNDERLYING EBITDA¹

\$62.6m

+28%



UTILISATION

40MW

+28%



CUSTOMERS

972

+26%



PARTNERS

470+

60+ NETWORKS



INTERCONNECTIONS

8,671

+37%

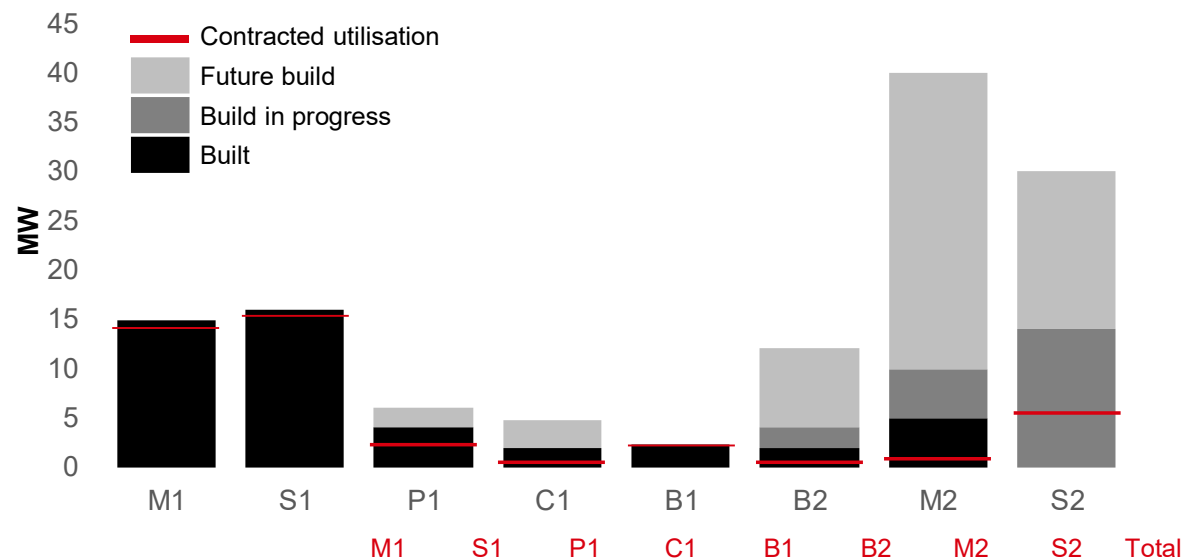
1.Excludes distribution income of \$3.2m from NEXTDC's 29.2% investment in Asia Pacific Data Centre Group (APDC), as well as \$1.8m of costs related to the current APDC wind-up proposal
Note: All percentage increases are expressed relative to the FY17 results

NEXTDC 2018 Annual General Meeting

Facilities capacity and utilisation

As at 30 June 2018

- **B2 Brisbane and M2 Melbourne:** B2 and M2 developments opened in FY18 with 2MW of new capacity in each market. M2 subsequently expanded to 5MW of new capacity, while B2 obtained Tier IV Gold Certification of Operational Sustainability
- **S2 Sydney:** S2 development continues with target open expected in 1H19, with 6MW of capacity (Phase 1) and an additional 8MW of new capacity being brought forward
- **S1 Sydney:** Final expansion works completed, adding 2MW of new capacity including additional data hall space being fitted out to support customer requirements and drive higher utilisation
- **P1 Perth:** Third data hall opened in FY18, development continues on fourth and final data hall



	M1	S1	P1	C1	B1	B2	M2	S2	Total
Commenced operations	Sep-12	Sep-13	Feb-14	Aug-12	Oct-11	Sep-17	Nov-17	1H19	
Total power planned (MW)	15.0	16.0	6.0	4.8	2.25	12.0	40.0	30.0	126.1
MW built ¹ (MW)	15.0	16.0	4.1	2.0	2.25	2.0	5.0	–	46.4
Land and building capex to date	–	–	–	–	–	\$52m	\$53m	\$59m	\$164m
Fitout capex to date ^{2,3}	\$147m	\$155m	\$60m	\$37m	\$33m	\$32m	\$40m	–	\$503m
Contracted utilisation (MW)	14.0	15.2	2.2	0.4	2.1	0.3	0.7	5.4	40.2
% of total power planned	93%	95%	36%	8%	92%	3%	2%	18%	32%
% of MW built	93%	95%	53%	18%	92%	16%	14%	–	87%
Capacity available for sale (MW)	1.0	0.8	3.8	4.4	0.2	11.7	39.3	24.6	85.8

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

2. Site selection and other due diligence-related costs for planned data centre developments are included in corporate overheads

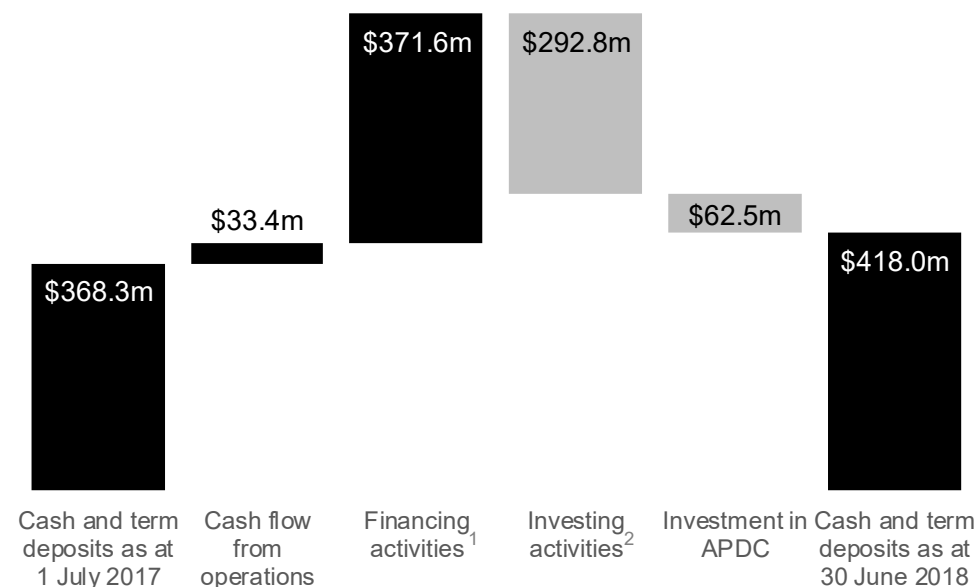
3. Excludes land and buildings

Well capitalised for growth

	30 June 2018 (\$m)	30 June 2017 (\$m)
Cash and term deposits	418.0	368.3
Property, plant, equipment	679.9	434.3
Investment in APDC	62.5	—
Total assets	1,235.9	852.4
Interest-bearing liabilities	304.1	302.3
Total liabilities	341.9	345.9
Net assets	894.0	506.5

- Post 30 June 2018, NEXTDC raised an additional **\$300m** in **senior unsecured notes (Notes IV)** in July 2018, bringing pro-forma cash and term deposits to **\$718m**
- Strong banking support demonstrated through the **upsized of the senior secured debt facility in August 2017 to \$300m** (previously \$100m). This facility remains undrawn
- Together, this brings our total **pro-forma liquidity to over \$1bn** in July 2018

1. Cash flows from financing activities include proceeds from equity and debt raisings, transaction costs relating to financing activities and finance lease payments
2. Excluding receipts for term deposits



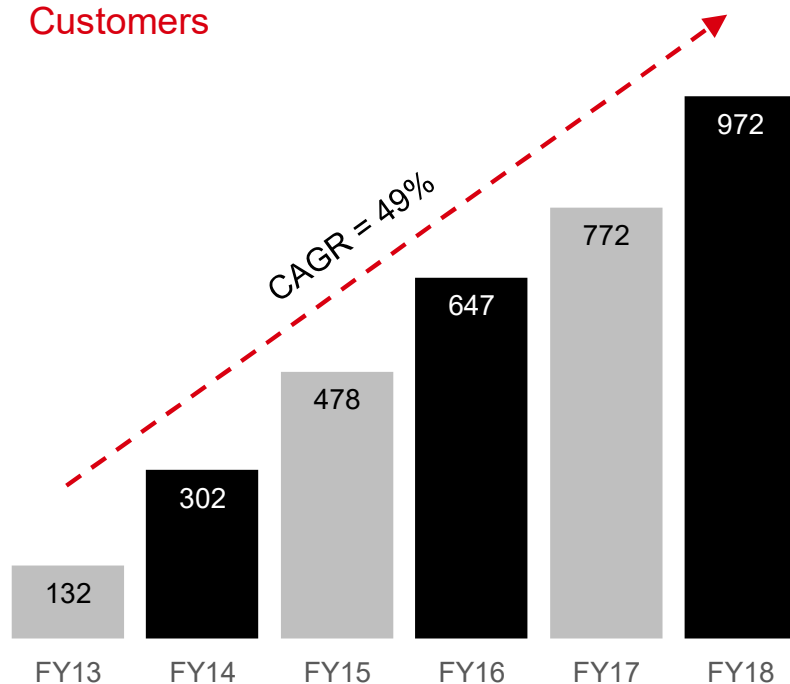


Takeover of APDC

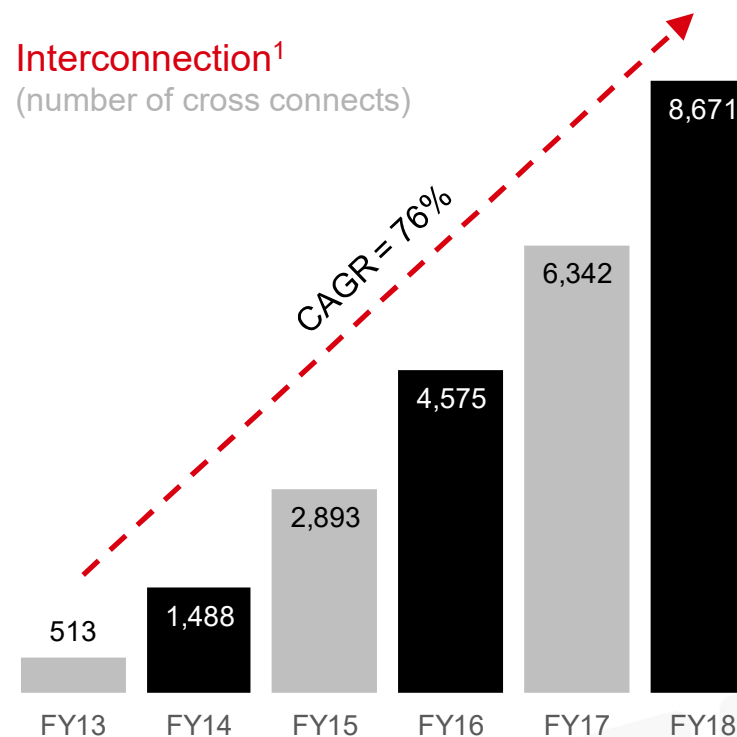
- NEXTDC now has a relevant interest in 98.7% AJD securities (11 Nov). As a result of having a relevant interest in greater than 90% of AJD securities, NEXTDC now has the right to compulsorily acquire all of the remaining securities that it does not own.
- Compulsory acquisition notices and related correspondence will now be dispatched to all AJD securityholders who have not accepted NEXTDC's offer.

Strong growth in customers and connectivity

Customers



Interconnection¹ (number of cross connects)



- Strong growth in interconnection drives average interconnects per customer to 8.9 (up 9%) at 30 June 2018 compared to 8.2 at 30 June 2017
- Growth in average interconnects per customer highlights the increasing use of hybrid cloud and connectivity both inside and outside the data centre as customers expand their ecosystems
- Ecosystem growth is expected to drive higher margins and customer retention

1. Comprises both physical and elastic cross connections

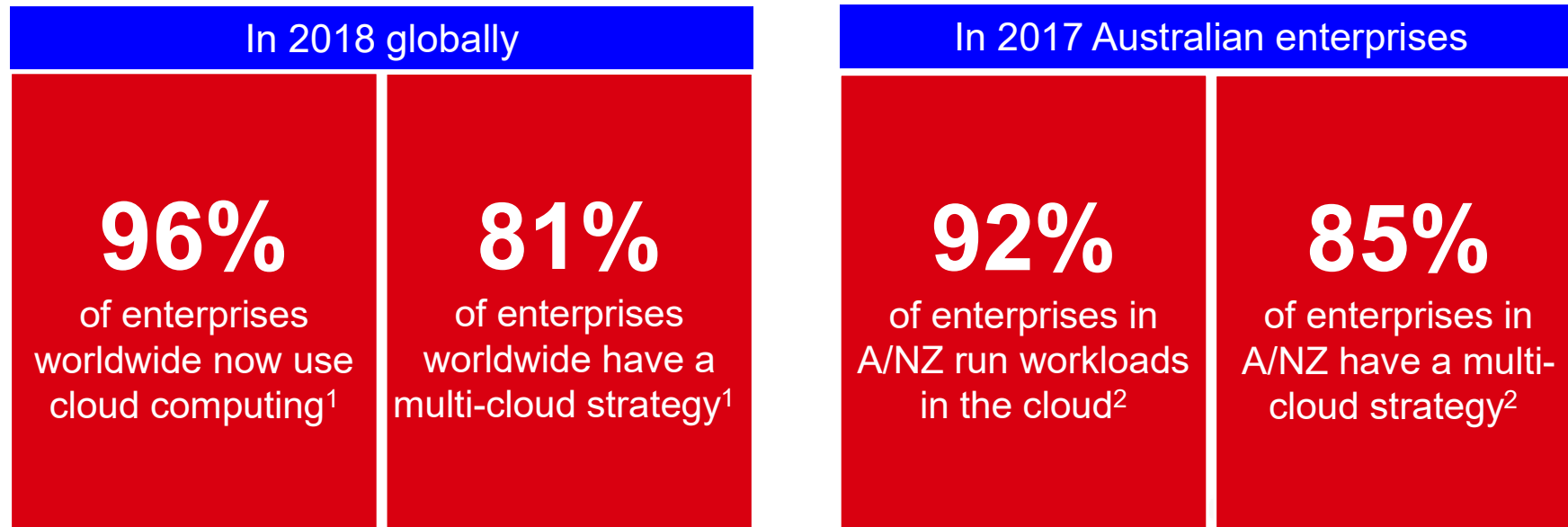
where the cloud lives™



Australian enterprises favour multi-cloud strategies

"Technology that allows organisations to run their systems in the cloud will be the driving force of a rise in Australian technology spending to \$84.8bn in 2018."

Matt Boon, Gartner Australia Managing VP, as quoted in the AFR (Oct 2017)



1. RightScale 2018 State of the Cloud report (Feb 2018)

2. RightScale 2017 State of the Cloud report Australia / New Zealand Edition (Apr 2017)



Thriving in the age of digital disruption

We are living in the most exciting time in human history. The exponential convergent consequences of these technologies will herald a new age of accelerated advancements in many industries. This is what is referred to as the 4th Industrial Revolution - the cyber physical age. NEXTDC is proud to be the leading data centre infrastructure platform supporting Australian businesses to take advantage of these extraordinary opportunities.

THE CUSTOMER
IS AT THE
CENTRE OF
EVERYTHING
WE DO



A person is holding a tablet in a busy city at night. The tablet screen shows a dashboard titled 'ONEDC' with various data visualizations. The background is a blurred city street with many people walking and lights from buildings and streetlights.

REAL TIME INTELLIGENCE

Keep tabs on your infrastructure with data centre telemetry

A man with short dark hair and a beard, wearing a dark polo shirt and dark trousers, stands with his arms crossed in the center of a long aisle in a server room. The aisle is flanked by tall, red server racks that stretch into the distance. The racks have a perforated front panel. The floor is a light-colored, reflective material. The ceiling has several long, rectangular light fixtures. The overall color scheme is dominated by the red of the server racks and the dark clothing of the man.

CEO's Address

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NEXTDC

NEXTDC LIMITED ACN 143 582 521

2010

MAY
Founded by
Bevan Slattery

DEC
Listed on the ASX
Acquired properties in
Brisbane and Melbourne

2014

FEB
P1 Perth
data centre live

JUL
Admitted to the Australian
Government Data Centre
Facilities Supplies Panel
in Canberra

DEC
Major International customer
signed a 1MW deal at S1

2011

MAR
Acquired Sydney property

APR
Acquired Perth property

JUL
Entered into long-term operating
lease for Canberra data centre
facility

OCT
B1 Brisbane
data centre live

2015

FEB
Maiden profit result, achieving
A\$3m EBITDA in 1H2015

FEB
Announces ExpressRoute
partnership with Microsoft

JUN
4MW deal announced with
leading Corporation

JUL
Announced AXON virtual
connectivity platform.

AUG
Federal Government contract
wins 6 years, \$35m

OCT
AXON platform general
availability

NOV
Announced plans for B2 and M2

DEC
Announced IBM Direct Link
hosting location at M1

2012

JUN
Craig Scroggie
appointed CEO

JUL
M1 Melbourne
data centre goes live

AUG
C1 Canberra
data centre goes live

2016

JAN
Launched AWS Direct Connect
hosting location at M1

FEB
EBITDA up 279% in 1H2016

MAR
ONEDC DCIMaaS general
availability

MAY
Acquired properties for B2
Brisbane and M2 Melbourne

JUN
M1 data centre awarded
NABERS 4.5 star rating for
energy efficiency

SEP
Announced plans for S2

2013

JAN
Completion of the sale of M1, S1
and P1 property assets to APDC
(ASX:AJD)

FEB-APR
Significant customer signings
including Optus, Australia Post and
Pacnet

2017

FEB
P1 Perth data centre achieved
Tier III Gold certification for
Operational Sustainability

APR
B2 achieved UTI Tier IV
certification for design
documents and constructed
facility

MAY
S1 achieves 4.5 NABERS rating
for energy efficiency

JUN
Launched AWS Direct Connect
hosting location at C1

SEP
B2 opens - Australia's first Tier
IV certified data centre for
design and construction

OCT
AWS Direct Connect launches
hosting in P1

NOV
M2 opens - Victoria's first UTI
Tier IV fully certified data centre

2018

JUN
Leading Corporation signed A\$60m
over 5 years

SEP
S1 Sydney data centre live;
Changes to the Board,
Bevan Slattery retires

DEC
Signed channel partner agreement
with Telstra

FEB
Record results for 1H18

Announced expanded cloud
offering with Oracle Cloud

MAR
S1 achieved UTI Tier III Gold
certification for Operational
Sustainability

APR
Announced plans for S3, M3
and P2

JUL
Launched Google Cloud
Dedicated and Partner
Interconnects at S1

AUG
Launched Corporate
Sustainability Program

B2 – Achieved Tier IV Gold
Certification of Operational
Sustainability

SEP
Named Frost & Sullivan data
centre 'Champion' in FrostIQ
quadrant

OCT
Announced Alibaba cloud
partnership

FY18 HIGHLIGHTS



Solid revenue growth

- Revenue from continuing operations up \$38.0m¹ (31%)¹ to \$161.5m
- Contracted utilisation up 8.7MW¹ (28%)¹ to 40.2MW
- Interconnections up 2,329 (37%)¹ to 8,671, representing 6.5% of recurring revenue



Strong operating leverage

- Underlying EBITDA up \$13.6m^{1,2} (28%)^{1,2} to \$62.6m²
- Operating cash flows down \$11.5m¹ (26%)¹ to \$33.4m
- Profit before tax down \$1.9m¹ (15%)¹ to \$10.9m



Capitalised for growth

- Cash and term deposits of \$418m at 30 June 2018
- Pro-forma cash and term deposits of \$718m, following \$300m Notes IV raising in July 2018
- NEXTDC undrawn senior syndicated debt facility of \$300m
- Balance sheet position underpinned by over \$1.2bn of total assets



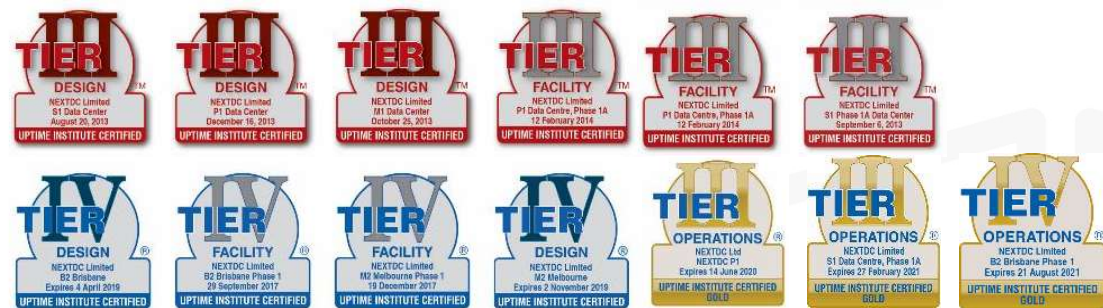
Network expansion continues

- \$285m of capital invested across new and existing developments
- B2 and M2 opened and received Uptime Tier IV Certification of Constructed Facility (TCCF)
- B2 received Tier IV Gold Certification of Operational Sustainability³
- S2 development on track for completion and customer access in 1H19
- Announced three new sites at P2 Perth, S3 Sydney and M3 Melbourne. The construction of P2 has commenced since FY18 year end

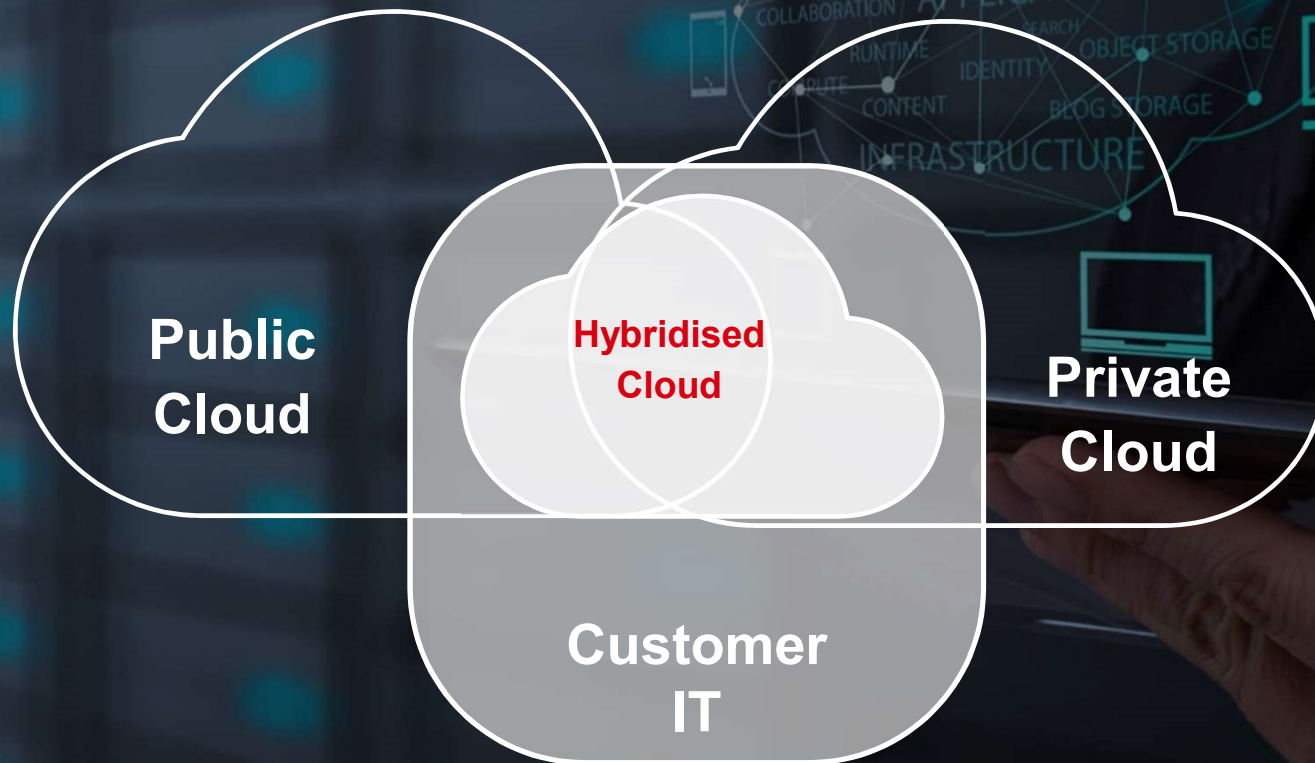
1. Compared to FY17

2. Excludes distribution income of \$3.2m from NEXTDC's 29.2% investment in APDC, as well as \$1.8m of costs related to the current APDC wind-up proposal

3. Achieved 2 August 2018



THE EVOLUTION OF CUSTOMER IT



Consumption economics is a powerful driver of hybrid cloud and colocation.

NEXTDC customers enjoy a wide choice of public, private and hybrid cloud solutions through our Cloud Centre partner community: the largest carrier, vendor and integrator neutral ecosystem in Australia.

CORPORATE SOCIAL RESPONSIBILITY

Live to Give



The Smith Family

NEXTDC is supporting The Smith Family's Learning for Life program, which provides early intervention and balanced, long-term support to over 38,000 disadvantaged students across Australia.



Pledge 1%

NEXTDC has become a member of the global Pledge 1% corporate social responsibility initiative. The program allows the world's most successful companies to give back to communities around the world by donating 1% of product, 1% of equity, 1% of profit and/or 1% of employee time to make the world a better place.



Workplace Giving Program

NEXTDC launched a new workplace giving program whereby the company will match \$1 for \$1 money raised from staff for any one of three workplace giving partnerships - beyondblue, Cancer Council and UN Women.



Volunteer Days

NEXTDC has also chosen to provide all of its staff with additional paid volunteer days to enable both teams and individuals to invest time with their preferred charity or giving back to their local community.



Sustainability

NEXTDC Environmental Objectives

Tune Mechanical and Electrical Plant (MEP) to maximise energy efficiency

- Proactive and predictive management of energy demand and usage
- Implementation of latest standards, optimum settings and monitoring systems
- Utilisation of net energy-neutral solutions where possible

Reduce risk of an environmental incident

- Quarterly review of suppliers' environmental risk management practices
- 100% screening of environmental risks included in suppliers' Safe Work Management Statements (SWMS)
- Internal procedures and staff training to address prevention and any potentially required incident response

Minimise emissions

- Careful management and testing to minimise non-emergency diesel usage
- Setting MEP to run at maximum efficiency
- Reporting under the National Greenhouse and Energy Reporting (NGER) Act
- Targeting carbon neutrality by offsetting emissions associated with our corporate activities – certification under National Carbon Offset Standard (NCOS)

Reduce NEXTDC's contribution to landfill

- Recycling of all cardboard, fluorescent light tubes and e-waste (end of life batteries, computers, phones, etc)
- NEXTDC does not permit customers to dispose of e-waste in its bins



Sustainability

- ISO 9001 and ISO 27001 (Head Office, M1, S1, C1, P1, B1 and B2) and ISO 14001 (M1, S1 and C1)
- Uptime Institute Gold Uptime Institute Operational Sustainability (P1, S1 and B2)
- NABERS 4.5-star rating for energy efficiency (M1 and S1)
- National Carbon Offset Standard (NCOS) – all corporate operations to have a carbon-neutral footprint
- Carbon Disclose Project (CDP) participation for FY18
- Moving towards Task Force on Climate-Related Financial Disclosures (TCFD) compliance
- Founding member of the Melbourne Renewable Energy Project since 2014



FY19 Outlook



**Strong
revenue
growth**

Revenue between \$183m to \$188m¹ (up 17% to 20% on FY18)¹:

- Revenue growth underpinned by long-term customer contracts
- Connectivity revenues supported by 37% increase in Cross Connects during FY18
- Expect material new customer wins to drive further growth in FY19 and beyond



**Substantial
operating
leverage**

Underlying EBITDA² between \$83m to \$87m¹ (up 10% to 15% on FY18)¹:

- Generation 2 facility performance driving scale and rapid earnings growth
- Operational excellence driving efficiencies in energy management and purchasing
- Company continues to invest in growth projects and customer experience



**Customer
driven
investment**

Capital expenditure between \$430m to \$470m, in response to strong demand:

- S2 open in 1H19, with 6MW of capacity (Phase 1) and an additional 8MW being brought forward
- Capacity expansion works to continue at P1, B2 and M2 to support customer demand
- Commencement of construction of P2 as well as settlement of land for future expansion at M3



**Benchmark
operational
excellence**

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

- Uptime Institute (UTI) Tier IV Certification of Constructed Facility (TCCF) achieved at B2 and M2, expected at S2
- UTI Gold Certification of Operational Sustainability achieved at P1 and B2. B2 is the first Tier IV Gold certified data centre in the southern hemisphere
- B2, M2 and S2 are designed to achieve an industry-leading NABERS 4.5 -star rating for energy efficiency
- P2, S3 and M3 will further extend NEXTDC's lead in technological innovation and customer experience

1. Based on current accounting standards. From FY19 onwards, NEXTDC has adopted AASB 9 (Financial Instruments), AASB 15 (Revenue from Contracts with Customers) and AASB 16 (Leases).

2. Underlying EBITDA excludes distribution income from NEXTDC's investment in APDC, as well as any costs related to the current APDC wind-up proposal



NEXT DC

Resolutions

Resolution 1

Remuneration Report

"To adopt the Remuneration Report of the Company (as set out in the Directors' Report) for the financial year ended 30 June 2018."

FOR

225,460,966

AGAINST

1,275,741

OPEN

13,699,452

Resolution 2

Re-election of Mr Douglas Flynn as a Director

"That Mr Douglas Flynn, who retires in accordance with the Listing Rules and Rule 58 of the Company's Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

FOR

227,052,533

AGAINST

874,901

OPEN

13,945,416

Resolution 3

Increase in the maximum aggregate annual remuneration of Non-executive Directors

"That, for the purposes of ASX Listing Rule 10.17, Rule 61 of the Company's Constitution and for all other purposes, the maximum aggregate amount of remuneration that may be paid to Non-executive Directors for their services as Directors in any year be increased by \$500,000 from \$750,000 to \$1,250,000."

FOR

221,747,761

AGAINST

5,121,012

OPEN

13,638,932

Resolution 4

Ratification of issue of shares under April 2018 placement

“That for the purpose of Listing Rule 7.4 and for all other purposes, the issue of 43,071,371 Ordinary Shares, comprising 21,581,399 Ordinary Shares at \$6.81 per share and 21,489,972 at \$6.98 per share, under an institutional placement on 23 April 2018, is approved.”

FOR

79,670,159

AGAINST

434,162

OPEN

13,942,007

Resolution 5

Approval of the grant of Performance Rights to Mr Craig Scroggie

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of 208,202 Performance Rights to the Executive Director and Chief Executive Officer, Mr Craig Scroggie, for FY2019, pursuant to the Company's long term incentive plan under the NEXTDC Limited Executive Incentive Plan on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting."

FOR

221,959,795

AGAINST

5,862,951

OPEN

14,022,089



investorrelations@nextdc.com



13 6398



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www.nextdc.com/blog

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