





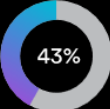


















Investor Day.

2019.

20 November 2019

Business Summary

| Business Areas |  macquarie TELECOM |  macquarie CLOUD SERVICES |  macquarie GOVERNMENT |  macquarie DATA CENTRES |
|--|---|--|---|---|
| Percentage of Revenue and EBITDA in FY19 |  Revenue  EBITDA |  Revenue  EBITDA | | |
| What we do | For business, we are the full service provider of data, voice, mobile, & colocation services. We are the telecom that does everything refreshingly different. We are where the Macquarie story started. | For business customers we are the specialists in hybrid IT. We integrate colocation, cloud & dedicated servers. Different applications need different types of hosting. We manage it. | We are the Australian specialists in cyber security, secure cloud & colocation for Federal Government. We deliver services to 42% of Federal Government agencies. | We are developers & operators of data centres for wholesale customers including underpinning our three internal BUs' colocation services. |
| Value proposition | Customer Service, Price, Choice, Flexibility, Control | Customer Service, Specialised and Compliant Hosting. For apps not suitable for Public Cloud | Customer Services, Security Operations Centre (SOC), Cyber Security, ASD-Certified Cloud, Data Centre in Canberra | Customer Services, Commercial and Design Flexibility, Physically Secure for Federal Government, Highly Certified, Local and Data Sovereignty, Proven track record |
| Competitors |     |     |    |     |
| People / Skill | Generalist for Voice & Mobiles TC for Data & Colo know Business Drivers | Cloud Specialists: Custom and Compliant | Cyber Security and Hosting Specialist know Government Drivers | Australian Data Centre Specialists |

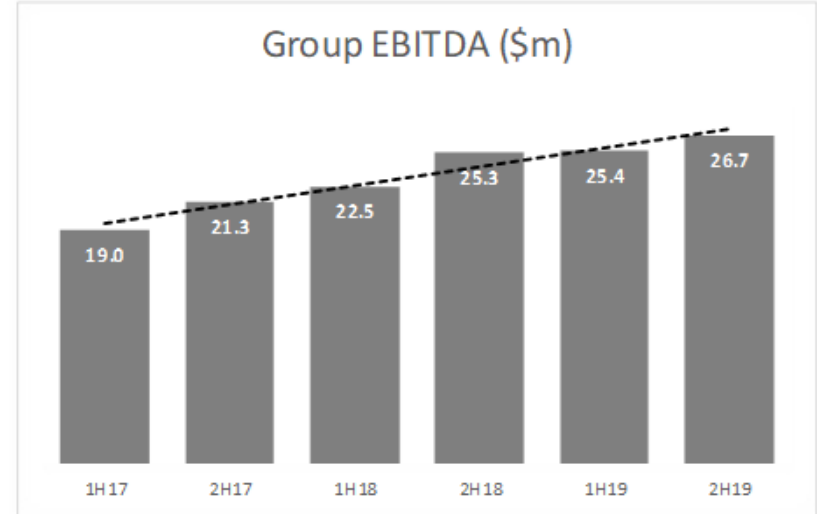
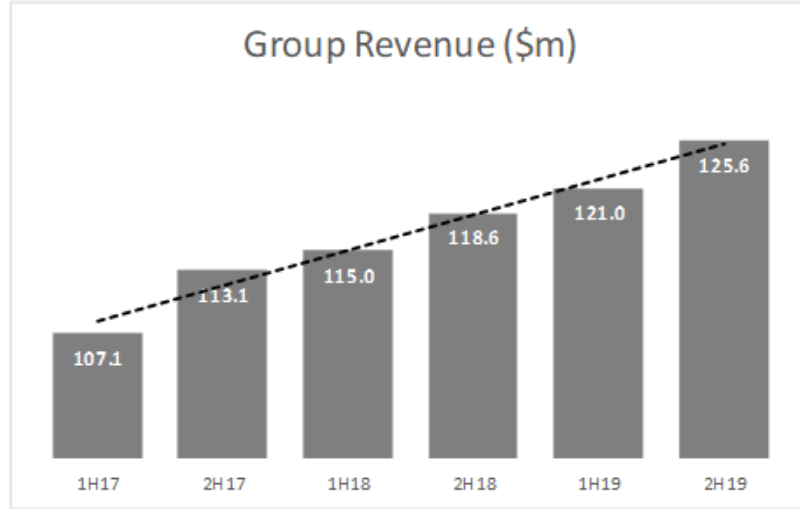
Company purpose

To make a difference in markets that are underserved and overcharged.

Customer focus...

- Our continued focus on providing a great customer experience is core to our service offering & differentiation
- Macquarie's net promoter score (NPS) is +70 for Q4 FY19 – Australian leading NPS
- NPS is the measure of customer loyalty that is assessed on a scale of -100 to +100, where a score of greater than +50 is excellent
- NPS is calculated on the single question "how likely is it that you would recommend our company to a friend or colleague?"
- Growth in our NPS is good for our investors

Group Financial Performance



- Over the last 3 years:
 - Revenue CAGR of 6.7%
 - EBITDA CAGR of 17.3%
 - EBITDA margin for the full year improved from 20.5% to 21.1%
- Reflects strategic shift in 1H FY15 and the change in revenue mix to higher margin hosting business

FY19 Colocation Business Highlights.

10.7%
YoY



Revenue
\$36.4m

6.7%
YoY



EBITDA
\$16.1m

6.6%
YoY



EBITDAR
\$21.0m

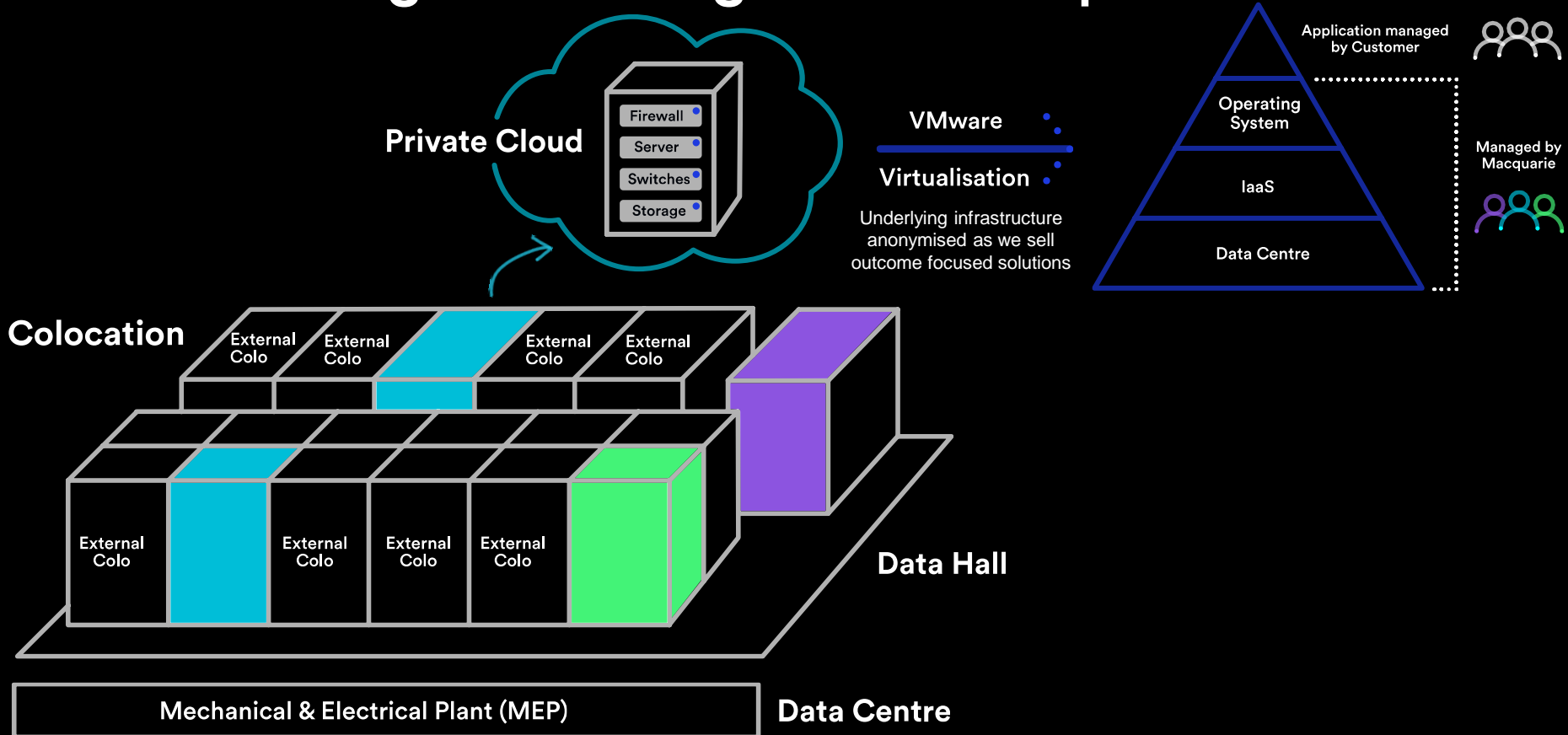
- Colocation EBITDA Margin of 44%
- Market leading EBITDAR Margin of 58% in FY19
- Colocation revenue is billed through both Hosting and Telecom Groups

Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs (**EBITDAR**) is a non-GAAP tool used to measure a company's financial performance



Cross connect / interconnect
5.1% of recurring revenue

Our private cloud is a key source of data centre utilisation and generates higher revenue per rack.



Balance Sheet & Cash Flows.

- Cash of \$17.1m. Commenced draw down of bank syndicated debt facility in October 2019 to fund the build of IC3 data centre.
- Strong conversion of EBITDA to operating cash flows.
- FY19 capital spend of \$46.1m:
 - Growth Capex \$14.8m;
 - Customer Growth Capex \$21.8m; and
 - Maintenance Capex \$9.5m.
- IC3 development expenditure will be maintained as WIP in the balance sheet until practical completion where it will form part of the development agreement with Keppel.

| \$m | FY18 | FY19 |
|---------------------------|--------------|--------------|
| Cash and cash equivalents | 30.3 | 17.1 |
| Other current assets | 21.4 | 29.5 |
| Non-current assets | 92.0 | 114.7 |
| Total Assets | 143.7 | 161.3 |
| Creditors | 33.4 | 34.1 |
| Other Liabilities | 16.9 | 20.4 |
| Total Liabilities | 50.3 | 54.5 |
| Total Equity | 93.4 | 106.8 |

| \$m | FY18 | FY19 |
|---|--------------|---------------|
| Cash flows from Operating Activities | 42.8 | 38.7 |
| Cash flows from Investing Activities ¹ | (33.8) | (45.8) |
| Cash flows from Financing Activities | (10.5) | (6.1) |
| Net increase/(decrease) in Cash Held | (1.5) | (13.2) |
| Opening Cash and cash equivalents | 31.8 | 30.3 |
| Closing Cash and cash equivalents | 30.3 | 17.1 |

¹ Include 273k profit from sale of property, plant and equipment

Luke Clifton and Brent Henley.

Group Executives, Macquarie Telecom

#SoUntelco



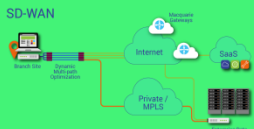
#SoUnTelco



MARKET

**\$4 Billion
market in
decline**

**Networking
Disruption
Threats &
Opportunities**



WHO



>\$12k per month



100 – 2000
Employees

WHAT

We represent the only full service Telco for Corporate Businesses in Australia, with a range of carriers we deliver choice, flexibility, control and cost reduction with an outstanding customer service model regardless of the carrier mix chosen.

We right the wrongs of competitors who overcharge and underserve.

HOW

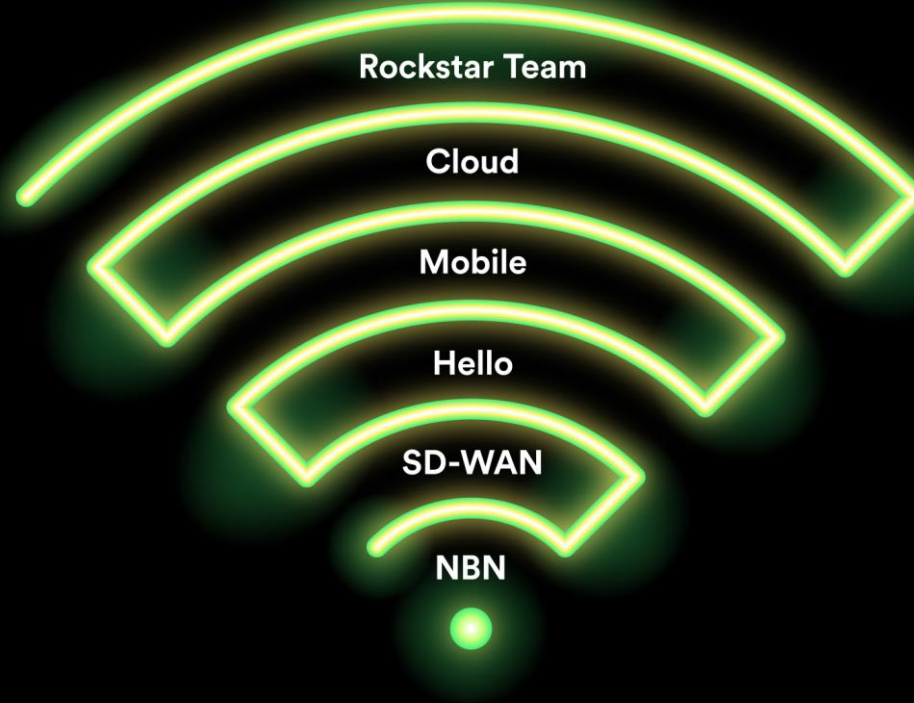
We are everything our competition is not. We deliberately chose to do the opposite of what our competitors do.

OUTCOME

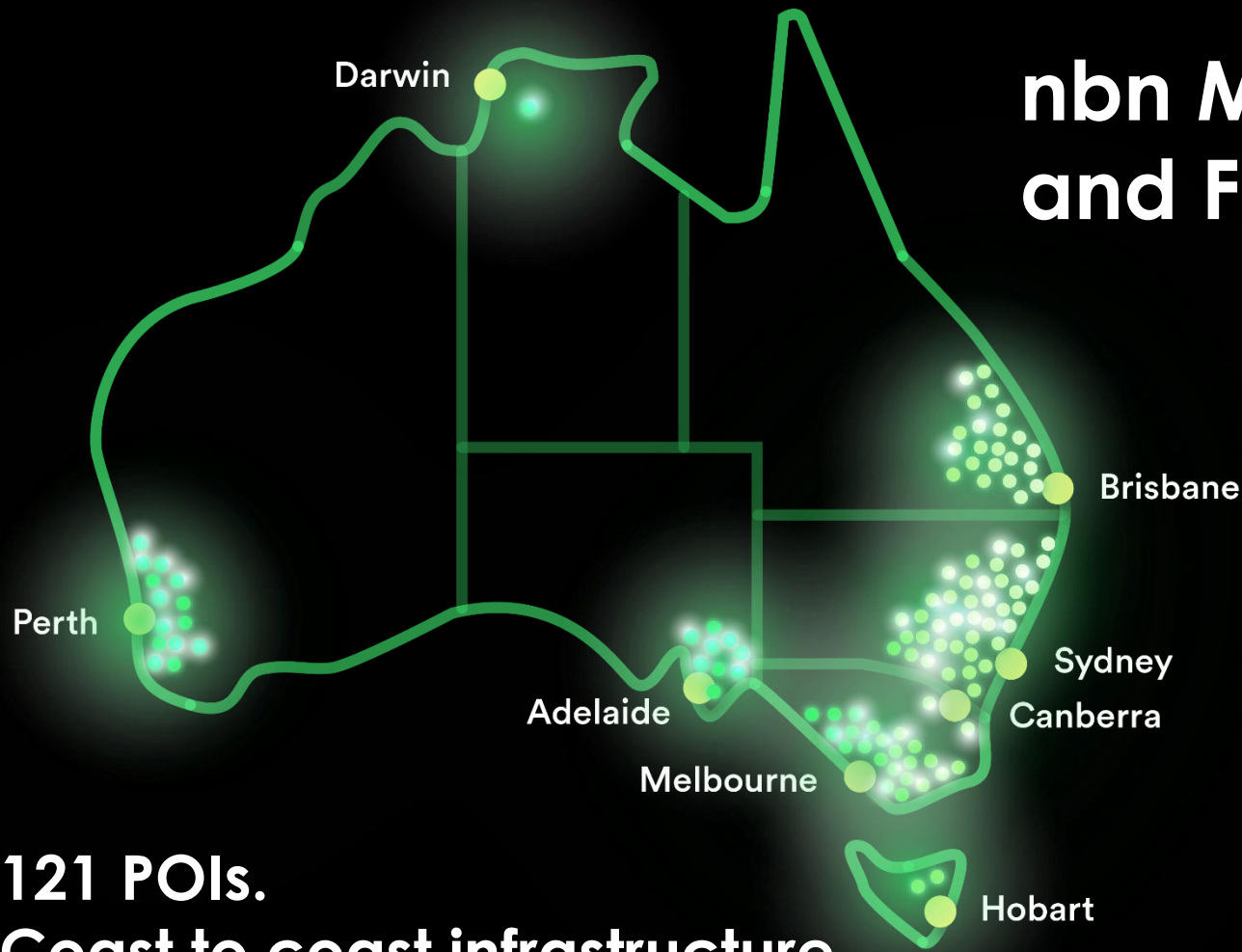


NPS + 60

Customer of the Future Product Stack

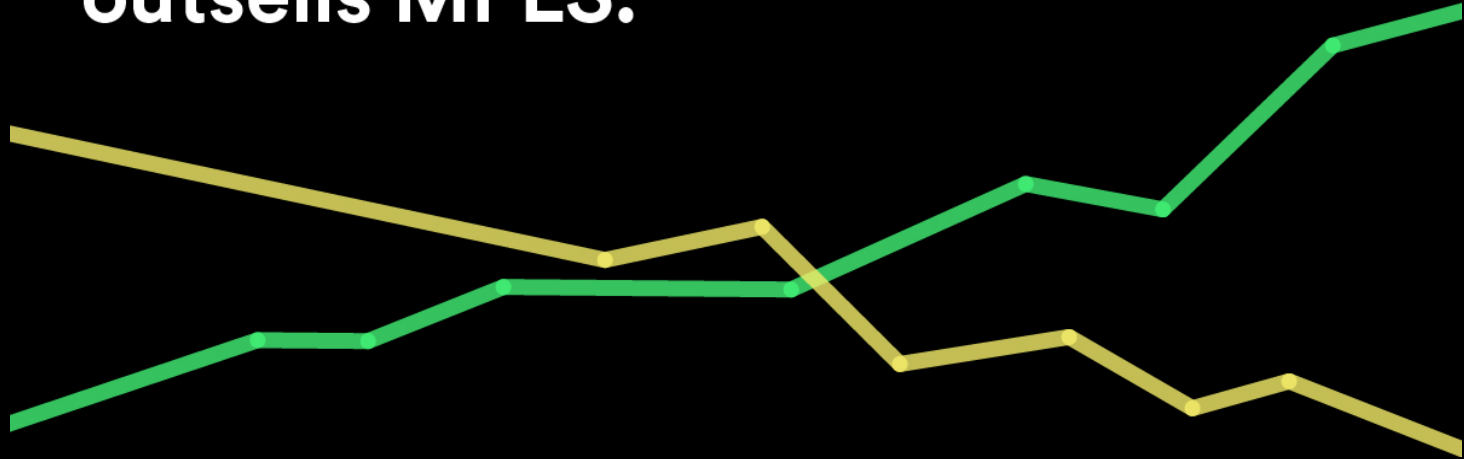


nbn Migrations and Fibre Build.



121 POIs.
Coast to coast infrastructure.

The market has shifted:
as of July, **SD-WAN**
outsells MPLS.



Australia first business-only MVNO

- The **first business-only MVNO** to work directly with Apple in Australia.
- The **experts** in Apple products and services **for mid-sized enterprise**.
- Two companies who **genuinely serve customers well** (each with a high NPS to prove it).

What does a “perfect fit” MT customer look like?



- ✓ 6,800 staff
- ✓ NBN Fiber Build for 131 Sites
- ✓ SDWAN
- ✓ Voice / SIP
- ✓ Mobile 1400 Services
- ✓ Hosting Cloud Services
- ✓ Beat Telstra, Optus and Vocus

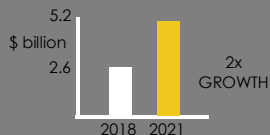
James Mystakidis.

Group Executive

Macquarie Cloud Services

MARKET

SAAS GROWING



+2.6bn today –
3 years SAAS market
will DOUBLE

IAAS (CORP IT)



1.5m VM's journey
to the Cloud

WHO



ENTERPRISE VIA
PARTNERS



CORPORATE IT
JOURNEY TO
CLOUD



SOFTWARE AS A
SERVICE
PROVIDER



WEB BUSINESS
WEB SITES
DIGI RETAIL

WHAT

**WE ENABLE HYBRID IT +
WE SECURE THE CLOUD**

Through
COLOCATION
DEDICATED SERVERS
PRIVATE CLOUD
PUBLIC CLOUD



HOW

Focus on “**custom**” and “**compliance**” for
those whose needs are not met by the one
size fits all approach.

OUTCOME

#1

Managed
Cloud Business
in Australia



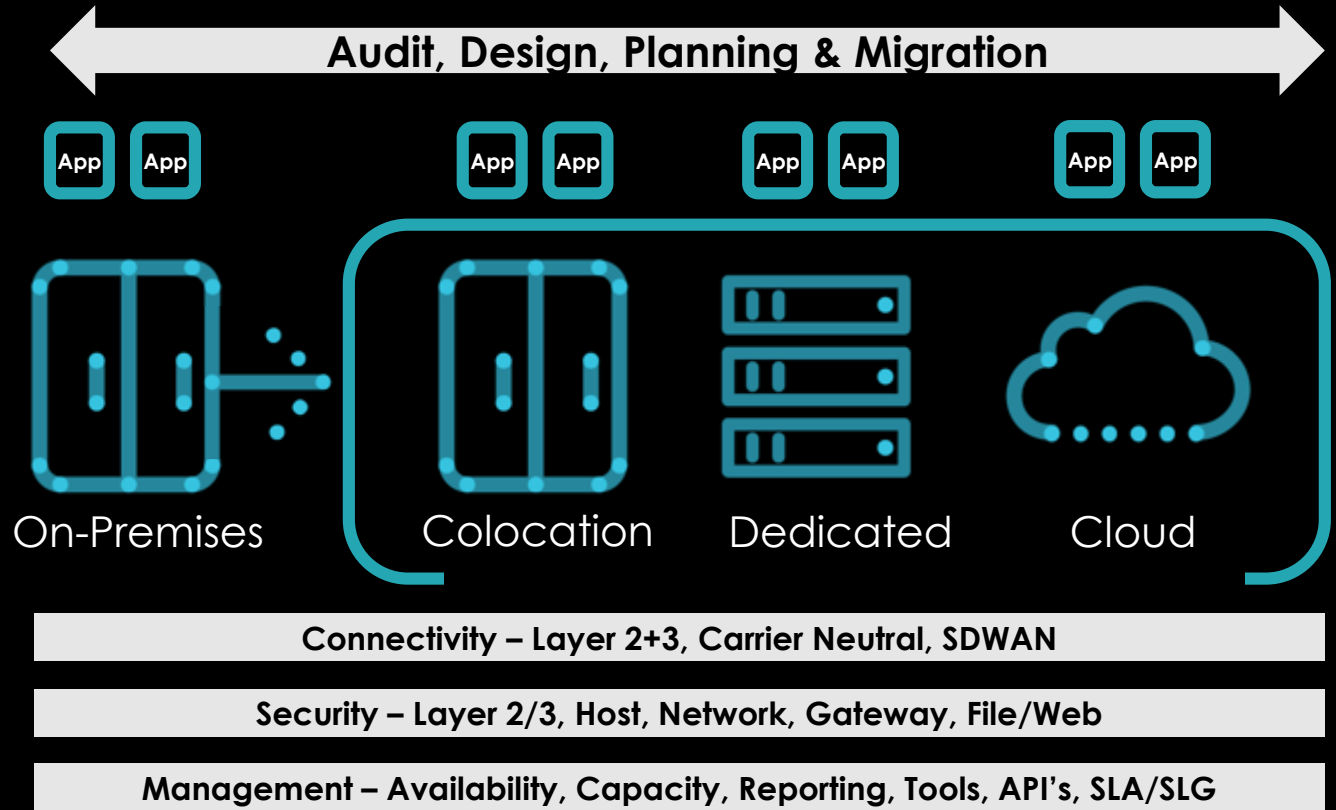
NPS + 80

Customer
NPS & Loyalty



Top Line Business
Growth

Hybrid IT













Case Study



Aidan Tudehope.

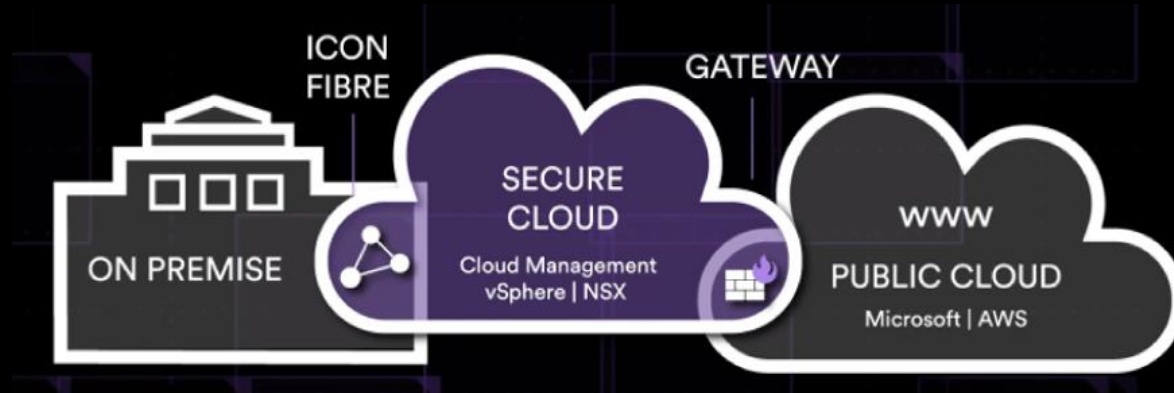
Managing Director
Government & Hosting Group

FY20 Government

| MARKET | WHO | WHAT | OUTCOME |
|---|---|--|--|
| <p>AUSTRALIAN GOVERNMENT POLICY</p> <p>DIGITAL TRANSFORMATION</p> <p>CYBER SECURITY INVESTMENTS</p> | <p>FEDERAL GOVERNMENT & NSW Direct</p>  | <p>SECURING THE DIGITAL TRANSFORMATION OF GOVERNMENT</p> <p>Through the PROTECTED High Ground (SECURE CLOUD, SECURE GATEWAY, COLOCATION)</p> |  |
| <p>SECURE SOVERIGN CLOUD STRATEGY</p> <p>SECURE INTERNET GATEWAY (SIG)</p> <p>PSPF (ISM) REQUIREMENTS</p> <p>DIGITAL MARKET</p> | <p>VIC</p> | <p>HOW</p> <div><div><p>ASIO T4 120+ NV1</p><p>SOC ACSC</p></div><div><p>SIG CREDENTIALS 15+ YEAR TRACK RECORD</p><p>DATA SOVEREIGNTY</p></div></div> <p>EASY TO BUY. EASY TO MIGRATE. EASY TO CONSUME</p> <p>BUILT FOR GOVERNMENT – DEFENCE CERTIFIED (CCSL)</p> <div><p>SaaS ...</p></div> | <p>GROWTH</p>  <p>NPS +60</p> |
| SOVEREIGN CAPABILITIES | | | |

2 Mega Trends.

Adoption of Cloud Cyber Security



Case Study



Royal Commission into the Management of Police Informants



Sovereign Australian Capabilities

David Hirst.

Group Executive

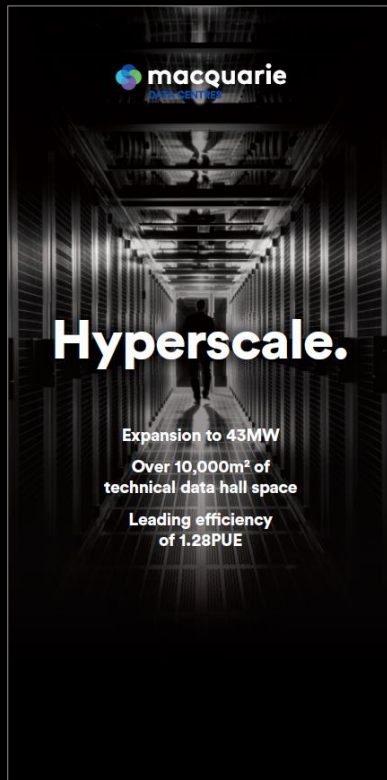

Macquarie Data Centres

IC3 Milestone Progress.

- DA Approved
- Breaking Ground Ceremony
December 2019
- Practical completion
H2 CY 2020
(IC3 East)



Hyperscale. Secure. Sovereign. Compliant.



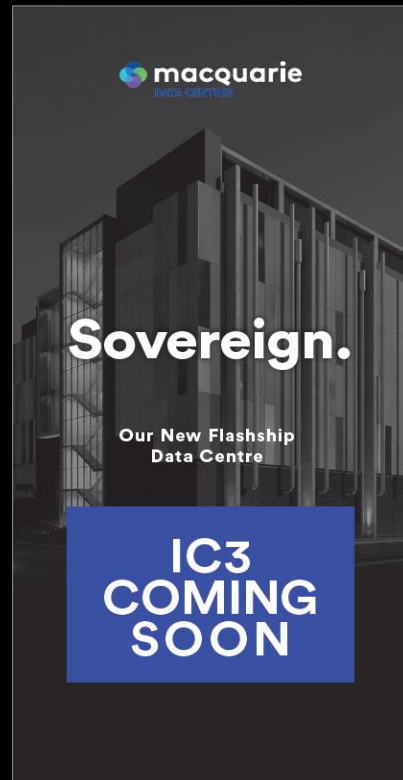

Hyperscale.

Expansion to 43MW
Over 10,000m² of
technical data hall space
Leading efficiency
of 1.28PUE



Secure & Compliant.

Tier III designed & certified
ISO27001:2013
PCI DSS 3.2
SCEC Zone 3 & higher
ISO 45001/9001 & 14001
SSAE SOC 2
NABERS 5-star rated
100+ NV1 Federal Government
Cleared Engineers



Sovereign.

Our New Flashship
Data Centre

**IC3
COMING
SOON**

Macquarie Data Centres Intellicentre 3 East – Phase 1



Intellicentre 3 East

- Initial build capex \$75-80M
- Keppel contribution to core and shell build cost \$26m-\$36m
- Initial MEP & Data hall fit out with initial capacity of 2.4MW
- Modular fit out based on customer demand
- IC3 East building area 13,400 sqm
- Practical completion H2 calendar year 2020

Macquarie Park Campus expansion from 10MW to 43MW total load



- Modularised build for core and shell phases
- Carrier Neutral
- Designed for global hyperscalers, enterprise and Government customers

Total Campus Load 43MW

- Intellicentre 2 (IC2) 10MW existing
- Intellicentre 3 (IC3) East & West 33MW

Macquarie Telecom

- #1 for SD WAN in Australia
- A third of nbn migration sites completed
- New Apple hardware partnership
- Upgrading core network capacity for future growth

Macquarie Cloud Services

- Benefiting from the hybrid IT megatrend
- Strong cross sell of Cloud solutions into Telecom's customer base
- Dell EMC 2019 Rising Star award
- 2019 Best Places to Work award

Business Highlights Summary.

Macquarie Government

- 42% of Australian Government
- ASD certified cloud for classified / protected workloads
- Cyber security services reinvestment planned
- 120+ NV1 cleared staff

Macquarie Data Centres

- DA Approved for IC3
- IC3 East on track for practical completion by H2 CY20
- Stage 3 of our Fortune 100 customer completed in March 2019
- Significant demand from hyperscale customers

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