

# Investor Briefing.

17 June 2020

# Business summary.

Business Areas	 <b>macquarie</b> TELECOM	 <b>macquarie</b> CLOUD SERVICES	 <b>macquarie</b> GOVERNMENT	 <b>macquarie</b> DATA CENTRES
<b>Percentage of Revenue and EBITDA in H120</b>	 <p>54%</p> <p>Revenue</p>  <p>31%</p> <p>EBITDA</p>		 <p>46%</p> <p>Revenue</p>  <p>69%</p> <p>EBITDA</p>	
<b>What we do</b>	<p>For business customers, we are the full service provider of data, voice, mobile &amp; colocation services. We are the telecom that does everything refreshingly different. We are where the Macquarie story started.</p>	<p>For business customers, we are the specialists in hybrid IT. We integrate colocation, cloud &amp; dedicated servers. Different applications need different types of hosting. We manage it.</p>	<p>We are the Australian specialists in cyber security, secure cloud &amp; colocation for Federal Government. We deliver services to 42% of Federal Government agencies.</p>	<p>We are developers &amp; operators of data centres for wholesale customers including underpinning our three internal BU's colocation services.</p>
<b>Value proposition</b>	<p>Customer Service, Price, Choice, Flexibility, Control</p>	<p>Customer Service, Specialised and Compliant Hosting. For apps not suitable for Public Cloud</p>	<p>Customer Service, Security Operations Centre (SOC), Cyber Security, ASD-Certified Cloud, Data Centre in Canberra</p>	<p>Customer Service, Commercial and Design Flexibility, Physically Secure for Federal Government, Highly Certified, Local and Data Sovereignty, Proven track record</p>
<b>Competitors</b>				
<b>People / Skill</b>	<p>Generalist for Voice &amp; Mobiles Technical Consultant for Data &amp; Colo know Business Drivers</p>	<p>Cloud Specialists: Custom and Compliant</p>	<p>Cyber Security and Hosting Specialist know Government Drivers</p>	<p>Australian Data Centre Specialists</p>

# Data Centre Portfolio



Intellicentre 1  
Sydney



Intellicentre 2  
Macquarie Park



Intellicentre 3 East  
Macquarie Park



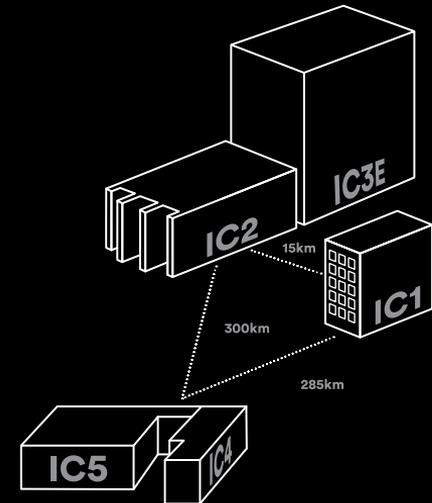
Intellicentre 4 Bunker,  
Canberra



Intellicentre 5 South  
Bunker, Canberra

Macquarie Data Centre's projected total load is **50MW** comprising of

- Macquarie Park Data Centre Campus 43MW: IC2, IC3 East and IC3 West;
- Macquarie Canberra Data Centre Campus 4MW: IC4 and IC5;
- Existing IC1 in Sydney CBD 3MW



# IC3 East Progress.

IC3 East build is progressing well and we continue to expect completion in January 2021.

To meet the needs of prospective wholesale customers we have decided to:

- Bring forward additional total load of 4MW in IC3 East to increase capacity to 6.4MW;
- Increase the overall IC3 East capacity to 18MW; and
- Review options to expand Campus capacity.



# IC5 South Bunker Canberra.

- Construction due to complete by December 2020.
- Built to Federal Government security standards (SCEC Zone 5 ready) and redundancy (Tier IV).
- Stage 1 investment of \$17M.
- Campus Total Load 4MW comprising:
  - Existing IC4 Bunker 1MW
  - IC5 South Bunker (Stage 1) 1.5MW
  - IC5 North Bunker (Stage 2) 1.5MW
  - Plus additional capacity to expand
- Australian Sovereign data centres to support expected growth in Federal Government business.



# High Quality & Diverse Customer Base.

- Top 20 customers of Macquarie Telcom count for 23% of revenue.
- Top 20 customers of Hosting count for 47% of revenue.
- COVID-19 has resulted in:
  - Acceleration of mega trend to cloud and data centres as well as cyber-security resulting in strong sales by Government and Cloud Services; and
  - Change in mix in Telecom products from higher margin fixed voice to lower margin mobile due to WFH customer workforce activity.





# Guidance & Funding.

- Confirming our guidance that full year FY20 EBITDA is expected to be approximately \$63-\$66m (\$55-\$58m pre AASB16).
- IC3 development expenditure expected to be in the range of \$24-\$26m for FY20 due to timing.
- Total CAPEX excluding IC3 expected to be in the range of \$61-\$64m for FY20.
- The debt facility of \$100m with a syndicate of banks has been increased to \$140m to fund the build of IC3 East and IC5 data centre along with the investment in Secure Internet Gateway across all Intellicentres.
- Commenced draw down of bank syndicated debt facility in October 2019 to fund the build of IC3 East data centre. As at 17 June \$48m has been drawn down.
- The sale and lease back of IC3 East core and shell upon Practical Completion will result in additional funds of \$26-36m. The Company will enter a 20-year lease with Keppel DC REIT including options to renew.

# Future reporting.

- To improve investor visibility of the value being created, Macquarie Data Centres will be reported as a separate segment from 1 July 2020.
- This will result in 3 segments revenue and EBITDA being reported, being:
  - Macquarie Telecom
  - Macquarie Government & Macquarie Cloud Services
  - Macquarie Data Centres
- Macquarie Data Centres will comprise primarily of:
  - Data Centre assets; and
  - Related contracts including:
    - Fortune 100 customer and external wholesale colocation contracts;
    - Internal wholesale colocation contracts with the 3 other business units; and
    - Property leases and key supplier contracts.

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