NEXTDC

FY24

HALF-YEAR RESULTS

27 February 2024

1H24 RESULTS

AGENDA

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1H24

HIGHLIGHTS

1H24 HIGHLIGHTS

TOTAL REVENUE	UNDERLYING EBITDA[1]	CONTRACTED UTILISATION	INTER-CONNECTIONS[2]
A$209.1m	A$102.0m	149.0MW	18,207
↑ 31%	↑ 5%	↑ 77%	↑ 5%

Note: All percentage increases are expressed relative to the 1H23 results
1. Refer page 27 for reconciliation to underlying EBITDA
2. Comprises both physical and elastic cross connects

1H24 HIGHLIGHTS

SOLID REVENUE GROWTH

- Total revenue increased A$49.4m (31%) to A$209.1m
  - Net revenue[1] grew 8% to A$149.1m (1H23: A$138.4m) with 1H24 power passthrough revenues and direct costs reflecting higher energy prices
- Contracted utilisation increased 64.8MW (77%) to 149.0MW
- Interconnections[2] increased 906 (5%) to 18,207, representing 9.2% of net revenue[1]

RECORD EARNINGS RESULT

- Underlying EBITDA[3] increased A$4.5m (5%) to A$102.0m
- Billing utilisation increased 3.4MW (4%) to 80.2MW
- Record forward order book of 68.8MW[4] is projected to ramp into billing across FY25 to FY29, underpinning future growth in revenues & earnings

CAPITALISED FOR GROWTH

- Liquidity of A$2.1bn, including cash of A$589m and undrawn debt facilities of A$1.5bn
- Best-in-class data centres in prime metropolitan locations across major capital cities underpin approximately A$3.8bn of total assets
  - Includes A$2.0bn of property (land and buildings)[5]

NETWORK EXPANSION CONTINUES

- 12MW of built capacity added across S3 Sydney, M2 Melbourne and PH1 Port Hedland, with 53MW of fit out in progress
- A1 Adelaide, D1 Darwin, NE1 Newman developments continue at pace, with A1 Adelaide expected to open to customers in 1H25
- International expansion on track with design and planning works for KL1 Kuala Lumpur and AK1 Auckland nearing completion

Note: all percentage increases are expressed relative to 1H23 results
1. Comprises total revenue less direct costs
2. Comprises both physical and elastic cross connects
3. Refer to page 27 for reconciliation to underlying EBITDA
4. Forward order book represents the difference between contracted utilisation (149.0MW) and billing utilisation (80.2MW) at the end of 1H24
5. Reflects written down value and excludes right-of-use lease assets not owned by NEXTDC but reported as assets under AASB 16

1H24

FINANCIAL RESULTS

1H24 PROFIT AND LOSS SUMMARY

	Note	1H24 (A$m)	1H23 (A$m)	Change (A$m)	Change (%)
Total revenue		**209.1**	**159.7**	**49.4**	**31%**
Direct costs		60.0	21.3	38.7	181%
Net revenue	1	**149.1**	**138.4**	**10.7**	**8%**
Facility costs	2,3	21.1	17.8	3.3	19%
Corporate costs	2,3	25.8	23.1	2.6	11%
Total operating costs		**46.9**	**40.9**	**5.9**	**14%**
EBITDA	**3,4**	**96.8**	**91.9**	**4.9**	**5%**
Underlying EBITDA	**3**	**102.0**	**97.5**	**4.5**	**5%**
EBIT	**3,4**	**17.7**	**25.8**	**(8.1)**	**(31)%**
Profit / (loss) before tax	4	(16.1)	(0.9)	(15.1)	*nmf*
Profit / (loss) after tax	**4**	**(22.5)**	**(2.8)**	**(19.7)**	***nmf***

Net **REVENUE**[1] ⬆**8%**

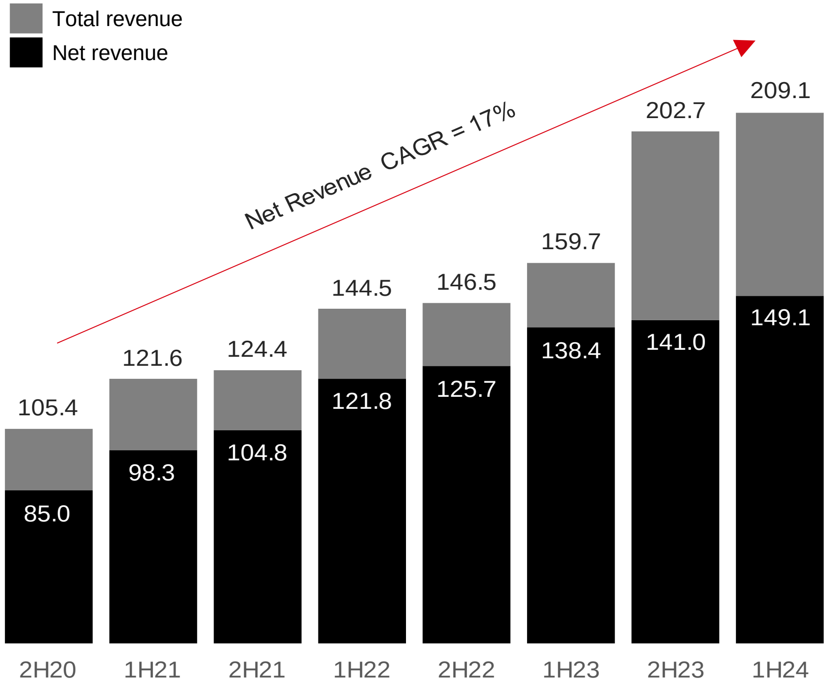
Underlying **EBITDA**[3] ⬆**5%**

- Calendar 2023 direct costs primarily driven by significantly higher contracted energy rates (approximately 270% increase relative to calendar 2022)
- Net revenue[1] up 8% on 1H23, in line with growth in billing capacity, with 68.8MW in the forward order book at the end of 1H24
- Facility cost growth reflects recently acquired land bank sites and growth in operating capacity on the back of material customer wins and record customer demand – with property holding costs up 43%, and facility staff costs, water and sewerage costs increasing in line with built capacity and customer consumption
- Corporate costs increased broadly in line with increased headcount and systems investment to accelerate and support new site expansion and customer delivery capability

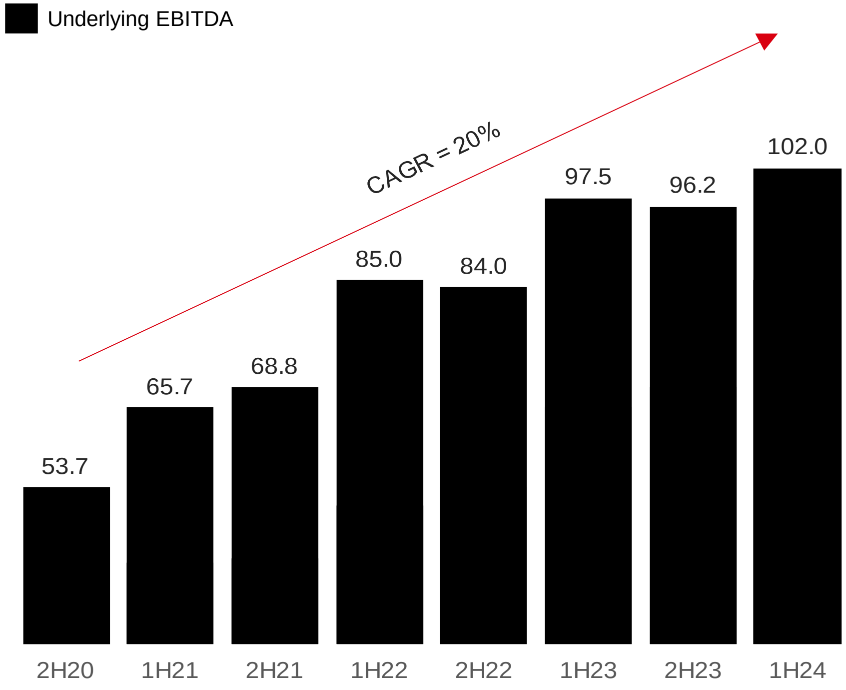
1. Net revenue refers to total revenue less direct costs
2. Approximately $1.7m of Corporate costs in 1H23 relating to centralised facility operations costs (including staff) have been reallocated into Facility costs
3. Refer to page 27 for reconciliation to underlying EBITDA
4. Excludes underlying EBITDA adjustments

STRONG REVENUE AND EBITDA GROWTH

Revenue (A$m)



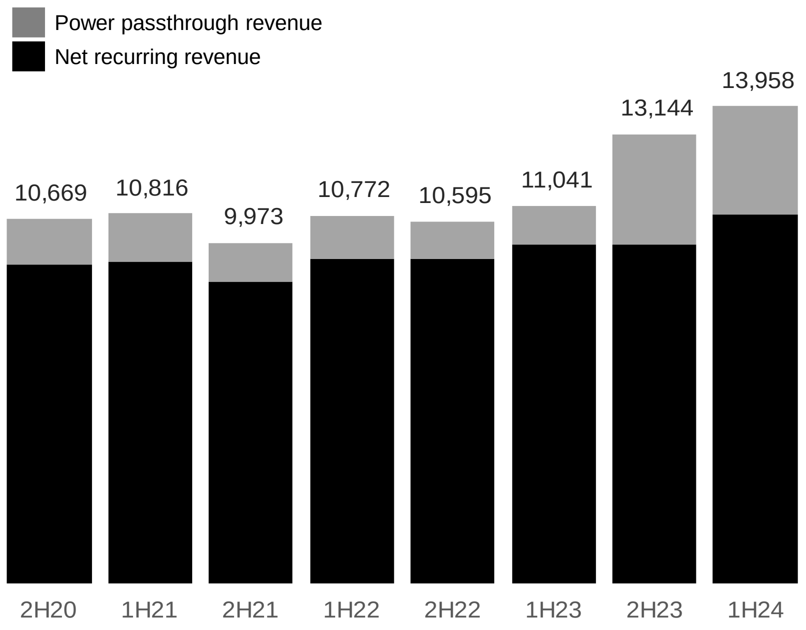
Underlying EBITDA[1] (A$m)



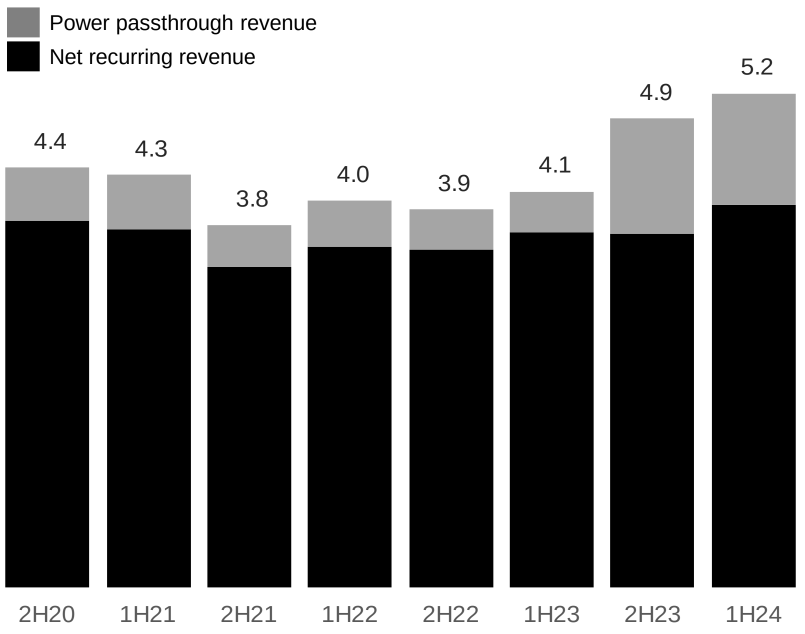
1. Refer to page 27 for reconciliation to underlying EBITDA

REVENUE PER UNIT METRICS

Annualised revenue per square metre[1,2,3] (A$)



Annualised revenue per MW[1,2,4] (A$m)



- The deployment of large, high-density ecosystem enhancing deals continues to trend net recurring revenues per square metre higher
- New facility developments and expansions are designed to take advantage of higher power density requirements
- As customer deployments mature, they use more power, connectivity and ancillary services

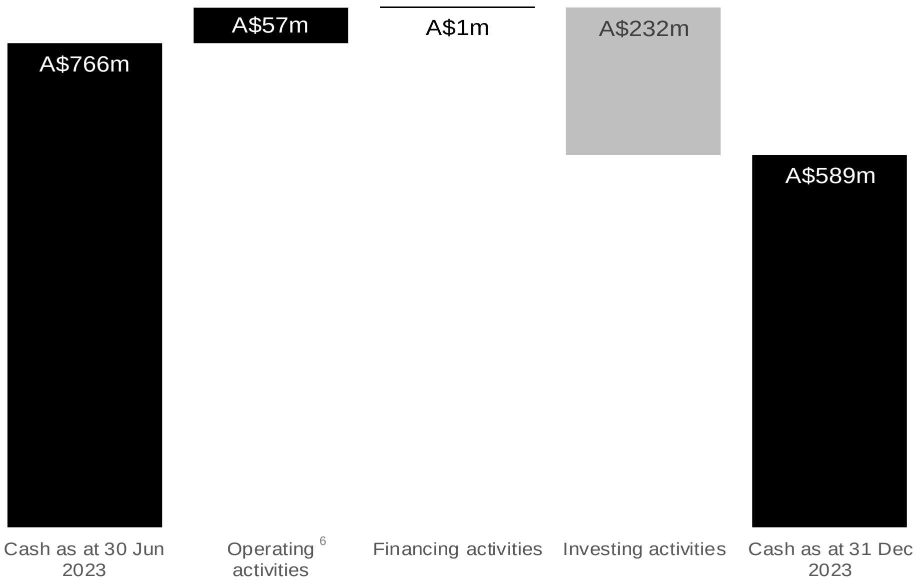
1. Power passthrough revenue reflects power recharges for customers who have their power consumption metered and charged separately
2. Net recurring revenue excludes power passthrough and establishment fees
3. Square metres are the total weighted average square metres utilised during the period
4. MW (megawatt) reflects the total weighted average megawatt months billed over the period

WELL CAPITALISED FOR GROWTH

Balance sheet summary (A$m)	31 Dec 23	30 Jun 23
Cash	589	766
Property (land and buildings)[1]	1,989	1,797
Plant and equipment	1,019	946
Other assets	216	340
Total assets	**3,813**	**3,850**
Borrowings[2]	1,370	1,365
Other liabilities	203	208
Total liabilities	**1,573**	**1,573**
Net assets	**2,240**	**2,277**

Debt metrics summary	31 Dec 23	30 Jun 23
Gearing[3]	25.2%	19.9%
Available liquidity (A$m)	2,089	2,266
Weighted average cost of debt[4]	4.5%	5.3%
Weighted average duration (years)	3.4	3.9
Hedged debt[5]	100%	100%

Cash Flows

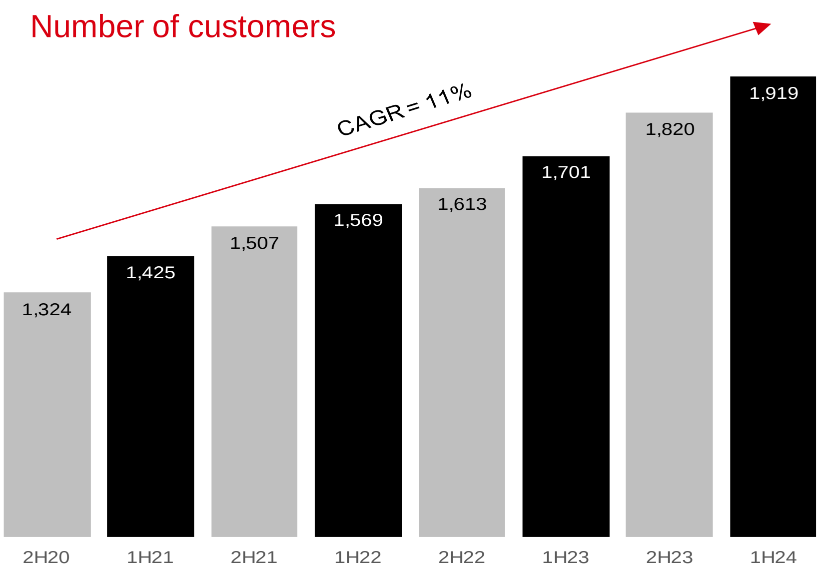


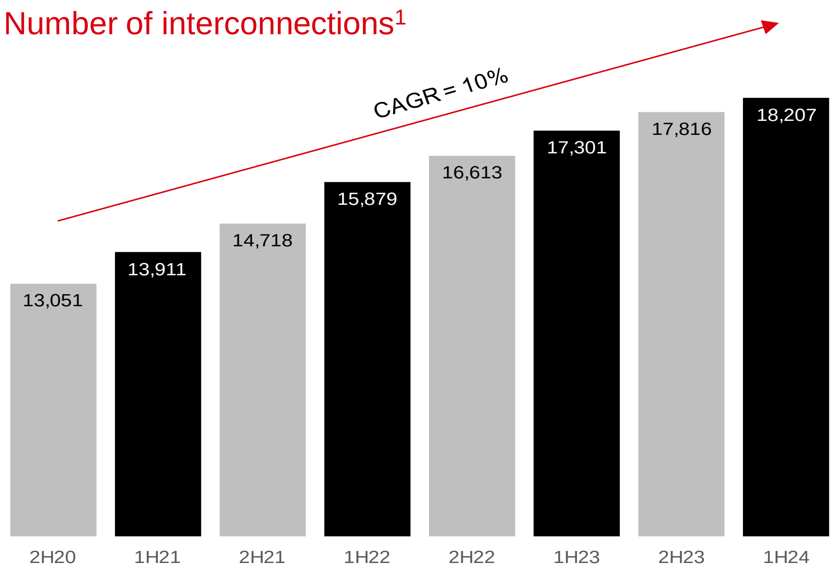
1. Property reflects written down value and excludes right-of-use lease assets not owned by NEXTDC but reported as assets under AASB 16
2. Reflects A$1.4 billion drawn debt as at 31 December 2023 less capitalised transaction costs which are amortised over the term of the debt instruments; excludes right of use lease liabilities under AASB 16
3. Net debt / (net debt + equity) based on book value of cash and cash equivalents, borrowings, derivative financial instruments and total equity
4. Weighted average at the end of the period, inclusive of fees and margins on a drawn basis
5. As at the end of the period
6. Cash flows from operating activities include net interest paid of A$23.3m

1H24

BUSINESS PERFORMANCE

STRONG GROWTH IN CUSTOMERS AND INTERCONNECTIONS

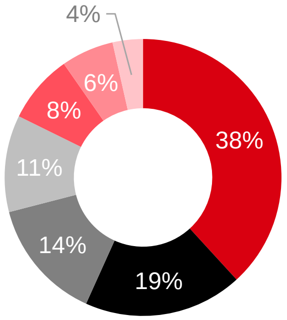




- Average interconnections per customer remained strong at 9.5 in 1H24, as customer numbers see significant growth
- Ecosystem growth drives higher margin and improves customer retention

1. Comprises both physical and elastic cross connects

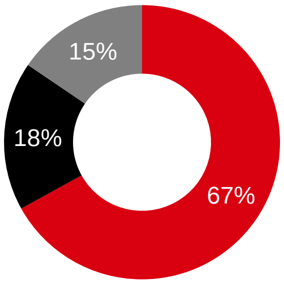
DIVERSIFIED REVENUE MODEL



Customers by industry[1,2]

- Enterprise
- Connectivity
- System Integrators
- Cloud
- Government
- Financial Services
- Digital Media

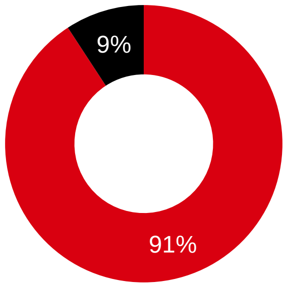
Cloud, Systems Integrators and Connectivity segments drive strong ecosystem growth



Utilisation by power density[1,3]

- > 6kW
- 4kW to 6kW
- < 4kW

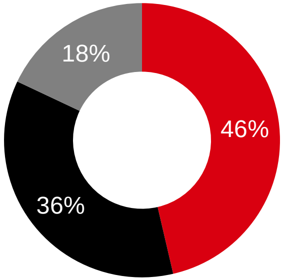
Customer power requirements continue to increase leading to greater density



Net revenue mix[4]

- Other net revenue
- Interconnection revenue

Interconnection growth driven by our evolving ecosystem of partners and consumers



Net revenue by region[4]

- NSW / ACT
- VIC
- Rest of Australia

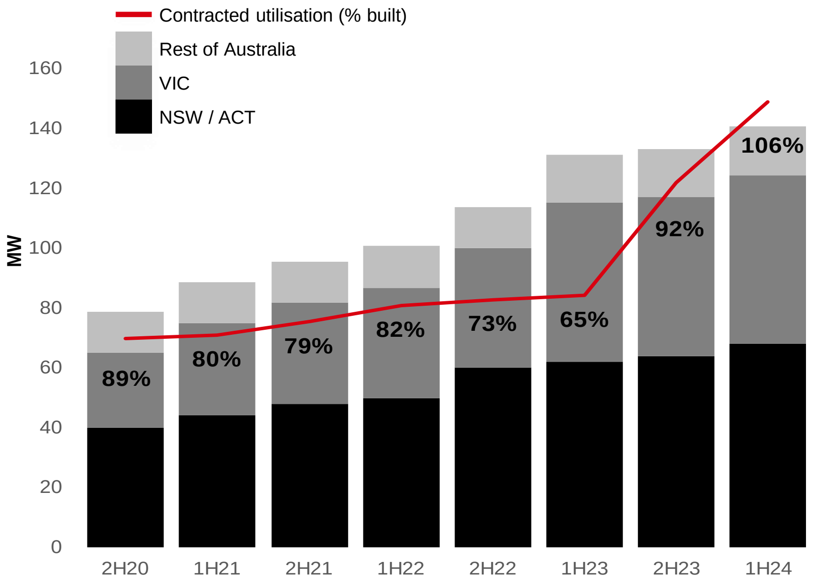
Net revenue is concentrated in key Australian metro markets

1. As at 31 December 2023
2. Percentages refer to the number of customers belonging to each industry
3. Density per rack equivalent. Percentages refer to the proportion of rack equivalents contracted at each density
4. Expressed as a percentage of 1H24 recurring net revenue, which is total revenue less direct costs

UTILISATION

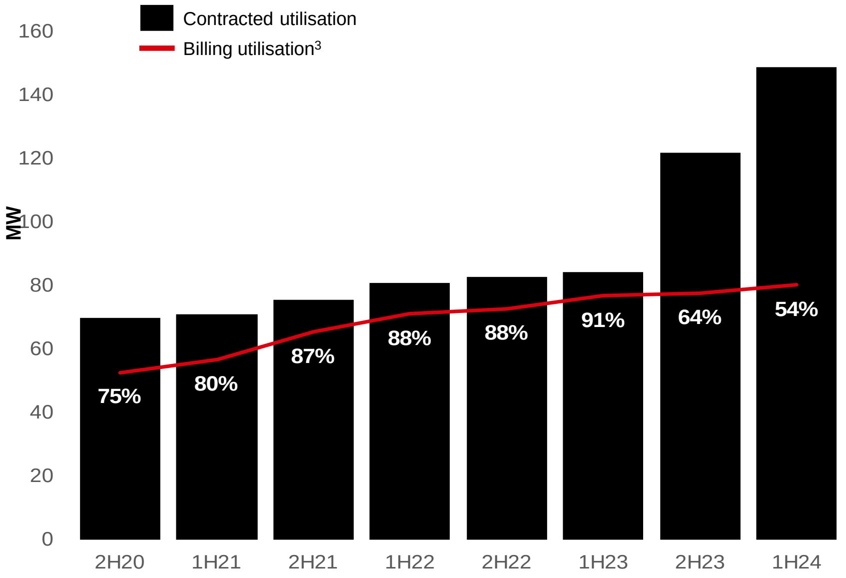
Built capacity[1] vs contracted utilisation[2]

- 106% of built capacity was contracted at 31 December 2023
- 7.5MW of new built capacity added in 6 months to 31 December 2023



Contracted vs billing utilisation[2]

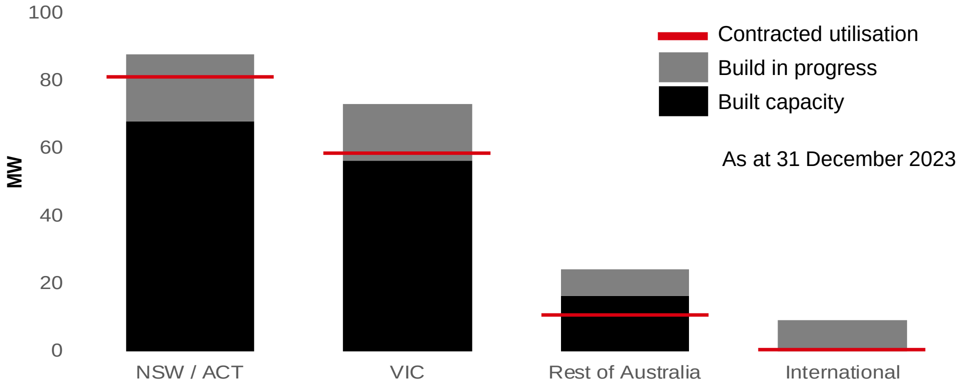
- Contracted utilisation up 64.8MW (77%) to 149.0MW since 31 December 2022[2]
- Billing utilisation up 3.4MW (8%) to 80.2MW since 31 December 2022, with record forward order book of 68.8MW



1. Built capacity 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. Contracted utilisation includes whitespace and rack power commitments with deferred start dates or ramp up periods and excludes options and reservations
3. Billing utilisation refers to the sold capacity for which revenue is currently being recognised as at the end of the period

FACILITIES CAPACITY AND CONTRACTED UTILISATION

- NEXTDC's expansion potential continues to grow with S4, S5, and M4, new regions in Malaysia, New Zealand, Adelaide and Darwin as well as an Edge deployment in Newman.
- Over 50MW of built capacity in progress, with a further 50MW+ in plan
- **S3 Sydney:** 4MW of built capacity added during 1H24, with a further 20MW in progress. Additional 20MW in planning
- **M2 Melbourne**: 3MW of built capacity added during 1H24, with 12MW in progress and further building construction underway. Additional 15MW in planning
- **P2 Perth**: 2MW in progress. Planning for Stage 2 final building development progressing
- Development works for A1 Adelaide and D1 Darwin continue, with both due to reach completion in 1H25
- Planning works for S4 Sydney, S5 Sydney and M4 Melbourne underway



	NSW/ACT	VIC	Rest of Australia	International	Total
Total power planned (MW)[1]	490.8	345.0	60.3	75.0	971.1
In progress (MW)[2]	20.0	16.5	7.7	9.2	53.4
Built capacity (MW)[3]	68.0	56.5	16.4	–	140.9
Land & building capex to date[4]	$934m	$712m	$406m	$29m	$2,082m
Fit-out capex to date	$700m	$480m	$279m	–	$1,460m
Contracted utilisation (MW)	80.8	58.0	10.2	–	149.0
% of total power planned	16%	17%	17%	0%	15%
% of built capacity	119%	103%	62%	0%	106%
Capacity available for sale (MW)[5]	50.0	207.0	50.0	75.0	382.0

1. Includes landbank without DA approvals in place, plus DA approved developments, facilities under construction and facilities that are open
2. Mechanical and electrical fitout underway to prepare data halls for customer deployments
3. 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
4. Excludes site selection and other due diligence-related costs for planned data centre developments, which are included in corporate overheads. Excludes right-of-use lease assets not owned by NEXTDC but reported as assets under AASB16
5. Includes uncontracted capacity in facilities that are open or in development

1H24

ESG & WHS HIGHLIGHTS

ESG HIGHLIGHTS

- **Commitment to Diversity, Equity and Inclusion** - 32% female participation, 40:40 Vision signatory, Work180 endorsement for 2024 Employer of Choice for women, women in leadership programs and RAP Reflection underway.
- **NEXTneutral** - means clients can offset their IT-related carbon emissions with the click of a button
- **Building renewable energy sources** with solar panels (M1, S1, P1, SC1, M3)
- **Carbon lifecycle analysis**: Whole-of-life carbon emissions studies undertaken at one of our facilities to further operational reduction initiatives.
- **Energy Efficiency**: Continuous improvement initiatives including data-driven and targeted adjustments to environmental temperature settings without compromising performance or equipment safety
- **Transparent reporting** - A forward-thinking approach by aligning our sustainability efforts with evolving regulations (i.e. Australian Sustainability Reporting Standards and IFRS S1, S2)

Sustainability Certifications:

- Corporate operations certified by the Australian Government's Climate Active program as carbon-neutral
- Australia's first colocation data centre to achieve **NABERS** 5* (S1, M1)
- Australia's first **TRUE** (Total Resource Use and Efficiency) Zero Waste Certified Data Centre (S1)
- **ISO14001/ ISO45001 c**ertified facilities

WHS HIGHLIGHTS

- Zero staff Lost Time Injuries (LTI) maintained during 1H24
- Construction Total Recordable Injury Frequency Rate (TRIFR) decreased 50% year on year (TRIFR 5.13 for 12 months to 31 December 2023)
- Independent WHS consultant audits continued as standard for all major construction projects
- Lessons Learnt Program continued, allowing NEXTDC to share incident and near miss learnings between suppliers, customers and partners
- Executive “Safety Leader Interaction” program commenced in FY23 and continuing throughout FY24
- First modular design project delivered with no injuries or incidents (PH1)
- NEXTDC Head Contractor Management Specifications have been documented and shared with offshore building partners to ensure high risk construction activities are appropriately managed

FY24 GUIDANCE

FY24 GUIDANCE

SOLID REVENUE GROWTH

Total revenue of A$400 million to A$415 million (unchanged)

- Net revenue of A$296 million to A$304 million (up 6-9% on FY23), with lower energy costs starting from 2HFY24 driving margin expansion
- Forward order book of 68.8MW to begin converting to revenues by end of FY24, then ramping up over FY25 to FY29
- Wall of hyperscale cloud and AI demand driving record high density data centre requirements and orders
- Expecting record contract wins in FY24 as NEXTDC's platform is well positioned to capture the exponential generative AI opportunity

OPERATING LEVERAGE INVESTMENTS

Underlying EBITDA[1,2] guidance of A$190m to A$200m (unchanged)

- Investments in data centre expansion on track to deliver capacity and capability in line with contracted customer commitments
- Land bank investments to convert to operational data centres over time, driving earnings growth
- Operating costs expected to be weighted towards the second half from the timing of project activity and maintenance costs
- Operating leverage to accelerate in line with the conversion of the forward order book from FY25

CUSTOMER DRIVEN INVESTMENT

Capital expenditure guidance in the range of A$850m to A$900m (unchanged)

- Over 50MW of built capacity under development with a further 50MW+ of additional developments in plan
- Accelerated expansion works for **S3** Sydney and **M2** Melbourne continue in line with contracted customer requirements
- **S4** Sydney**, S5** Sydney and **M4** Melbourne planning underway
- **A1** Adelaide, **D1** Darwin, **NE1** Newman developments on track with **A1** Adelaide open to customers in 1H25
- Design and planning works progressing for **KL1** Kuala Lumpur and **AK1** Auckland, with groundworks for **KL1** commencing shortly
- Additional capacity in plan at **M2** Melbourne, **M3** Melbourne, **S3** Sydney, **P2** Perth, **B2** Brisbane and **SC1** Sunshine Coast in line with record pipeline and strong growth in enterprise, cloud and AI demand

1. Refer to page 27 for reconciliation to underlying EBITDA in relation to 1H24
2. FY24 underlying EBITDA excludes costs related to review works into potential data centre investments in Asia, acquisition opportunities, investment in associates

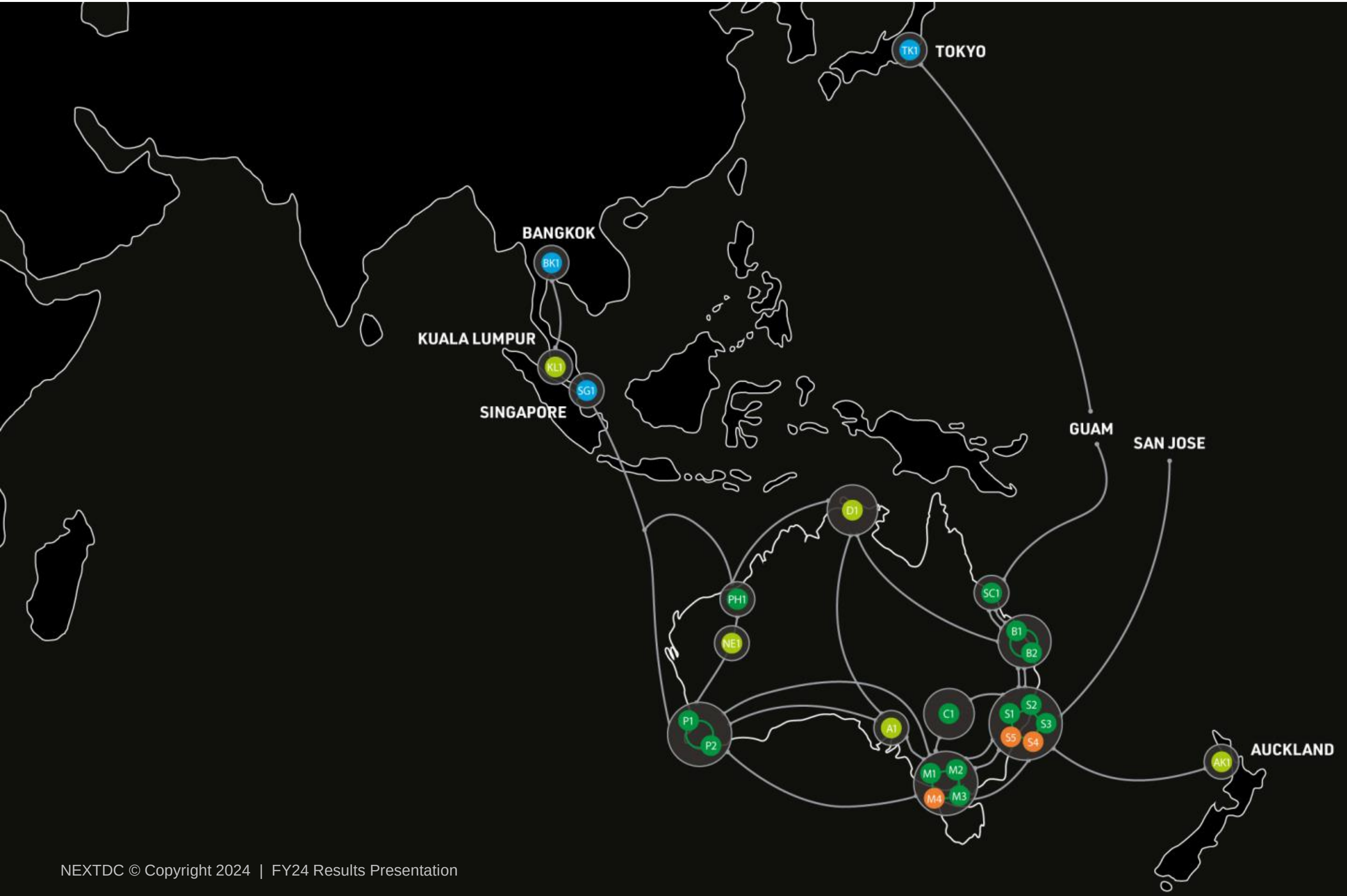
Q&A

HALF-YEAR RESULTS

APPENDICES

DEVELOPMENT PROJECTS

REGIONAL DATA CENTRE PLATFORM

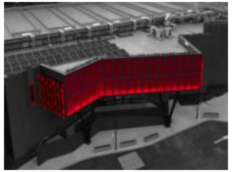


- Fully Operational
- In Development
- In Planning
- Under Evaluation

DEVELOPMENT PROJECTS

S4 SYDNEY

Target IT capacity	~300MW+[1]
Built capacity	Expected ~20MW for Phase 1
Status	Design & Town Planning

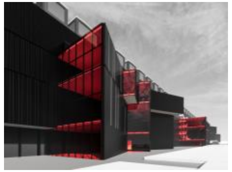


M3 MELBOURNE

Target IT capacity	150MW
Built capacity	13.5MW & 4.5MW in progress
Status	Operational

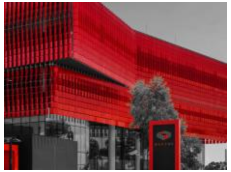
S5 SYDNEY

Target IT capacity	~60MW+[1]
Built capacity	Expected ~20MW for Phase 1
Status	Design & Town Planning



M4 MELBOURNE

Target IT capacity	~80MW[1]
Initial capacity	Expected ~10MW for Phase 1
Status	Design & Town Planning



M2 MELBOURNE

Target IT capacity	100MW
Built capacity	28MW, plus 12MW in progress
Status	Operational

A1 ADELAIDE

Target IT capacity	5MW
Initial capacity	2MW in progress
Status	Practical completion 1H25

1. Subject to development approval

DEVELOPMENT PROJECTS

D1 DARWIN

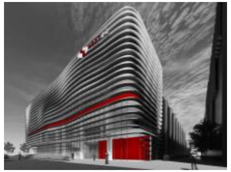
Target IT capacity	7MW+
Initial capacity	1MW in progress
Status	Practical completion 1H25

AK1 AUCKLAND

Target IT capacity	10MW+[1]
Initial capacity	1.7MW in progress
Status	Practical completion FY26

NE1 NEWMAN

Target IT capacity	1.5MW
Initial capacity	0.5MW
Status	Practical completion FY24



KL1 KUALA LUMPUR

Target IT capacity	65MW[1]
Initial capacity	7.5MW in progress
Status	Practical completion FY26

1. Subject to development approval

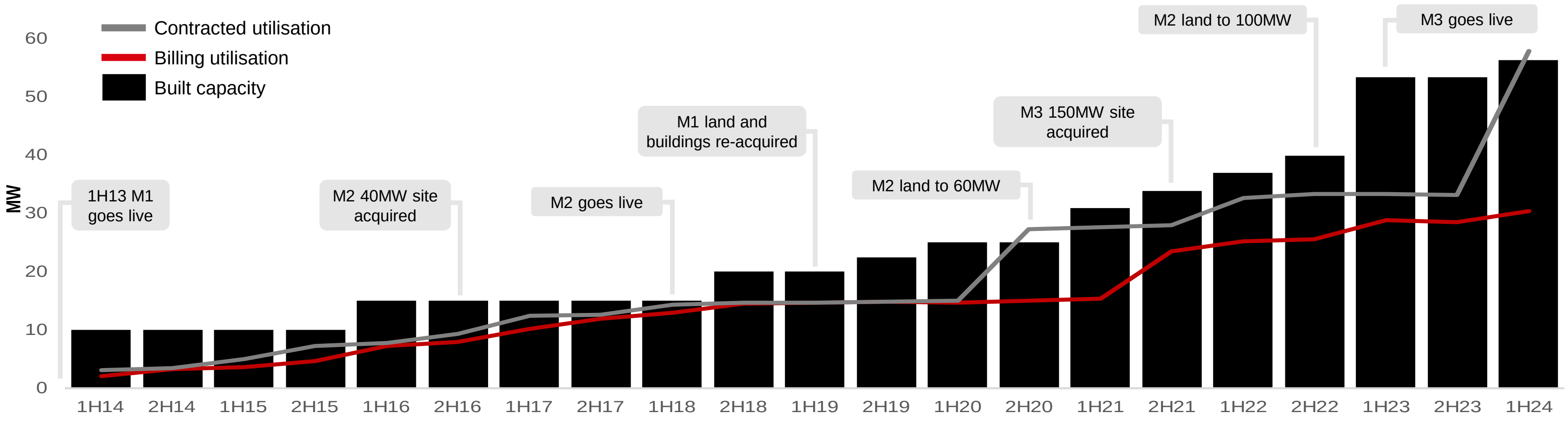
UNDERLYING EBITDA RECONCILIATION

	1H24 (A$m)	1H23 (A$m)
Net profit / (loss) after tax	**(22.5)**	**(2.8)**
Add: finance costs	49.4	31.3
Less: interest income	(15.6)	(4.5)
Add: income tax expense	6.4	1.8
Add: depreciation and amortisation	79.0	66.0
EBITDA	**96.8**	**91.9**
Add: early-stage international operating expenses	1.5	1.7
Add: cost expensed in relation to acquisition opportunities	0.3	0.5
Add: share of loss on investment in associate[1]	3.4	2.1
Add: impairment of investment in associate[2]	-	1.3
Underlying EBITDA	**102.0**	**97.5**

1. Represents NEXTDC's interest in Sovereign Cloud Holdings Limited (ASX: SOV)
2. Represents reduction in the carrying value of NXT's interest in SOV

CASE STUDY

CASE STUDY: VICTORIA



($m) Period ended	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21	1H22	2H22	1H23	2H23	1H24
Net Revenue	21.0	22.9	22.3	26.1	27.3	27.9	27.4	29.1	29.9	32.0	39.0	44.2	45.2	47.6	48.4	51.3
Facility EBITDA[1]	17.0	19.1	18.1	21.8	22.6	25.4	25.1	26.6	26.9	29.1	35.5	40.5	41.3	42.6	43.0	45.7
EBITDA margin %	81%	83%	81%	84%	83%	91%	92%	92%	90%	91%	91%	92%	91%	90%	89%	89%
Fitout capex to date	120.0	135.4	154.1	175.4	186.7	199.6	218.0	226.0	237.0	313.5	334.0	358.1	416.4	428.1	431.6	474.2
Property value at cost	9.9	13.8	23.8	35.0	53.2	168.4	175.0	175.0	197.0	205.0	266.5	357.0	470.6	547.7	581.4	591.6

Note: Not adjusted for differences in accounting standards from FY19 onwards relative to earlier periods, which distorts comparability. NEXTDC adopted new accounting standards AASB 9, AASB 15 and AASB 16 from 1 July 2018. Includes M1, M2 and M3 (excludes M4)

1. Before head office costs.

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