



# ASX Release

18 February 2016

## Significant revenue growth drives NEXTDC's strong earnings performance

NEXTDC Limited (ASX: NXT) ("NEXTDC" or "the Company") is pleased to announce its financial results for the half-year ended 31 December 2015 (1H16), which saw continued substantial growth in data centre services and EBITDA as well as delivery of a statutory net profit.

### 1H16 financial highlights

- › Revenue up 51% to \$42.1 million (1H15: \$28.0 million)
- › EBITDA<sup>1</sup> up 279% to \$11.4 million (1H15: \$3.0 million)
- › Statutory net profit of \$0.6 million, compared to net loss of \$5.8 million in 1H15
- › Liquidity of \$275 million at 31 December 2015, comprising cash of \$225 million and undrawn senior debt facility of \$50 million

Commenting on the 1H16 results, NEXTDC CEO Craig Scroggie said, "NEXTDC has been going from strength to strength in the past six months, announcing new data centre builds on the back of our Brisbane and Melbourne facilities nearing capacity, and the market's support of our capital raising in the last few months of 2015. This strong funding position allows us to pursue further growth supported by robust demand from new and existing customers."

### Sales and operational milestones

- › Contracted utilisation up 59% to 22.8MW at 31 December 2015 (31 December 2014: 14.3MW)
- › Interconnection (cross connects) up 75% to 3,843 at 31 December 2015 (31 December 2014: 2,198)
- › Annualised unweighted pipeline up 18% to \$203 million at 31 December 2015 (31 December 2014: \$172 million)

### New funding

The half-year ended December 2015 saw the successful completion of a fully underwritten \$120 million equity raising together with a \$100 million Notes II offer, resulting in a 1H16 ending cash balance of \$225 million. This ending cash balance, when taken together with NEXTDC's undrawn senior debt facility of \$50 million, means the Company has approximately \$275 million of capital available to fund accelerated growth and deliver significant new capacity to the Australian data centre market.

### New facilities

- › The Company announced on 23 November 2015 its intention to pursue the development of new data centres in Brisbane (B2) and Melbourne (M2), adding up to 31MW of IT load capacity to its national network over time<sup>2</sup>
- › NEXTDC is currently in advanced discussions in relation to short-listed sites for B2 and M2

<sup>1</sup> EBITDA is a non-statutory financial metric representing earnings before interest, tax, depreciation and amortisation. Non-statutory financial metrics have been extracted from the audited accounts

<sup>2</sup> B2 is expected to have an initial capacity of 1MW+ with a target total capacity of approximately 6MW. M2 is expected to have an initial capacity of 2MW+ with a target total capacity of approximately 25MW



- › FY16 capital investment in new facilities is expected to be between \$20 million and \$40 million (guidance<sup>3</sup>: \$60 million to \$80 million), with the variance largely reflecting timing differences (i.e. more spend is expected to fall into FY17)

### **Positive outlook**

Based on 1H16 performance, current utilisation levels and expected new client contracts in 2H16, NEXTDC now expects the following outcomes for FY16:

- › Revenues trending towards top end of the guidance range<sup>3</sup> of \$85 million to \$90 million (FY15: \$60.9 million)
- › EBITDA trending towards top end of the guidance range<sup>3</sup> of \$25 million to \$28 million (FY15: \$8 million)
- › Capital investment at existing sites of between \$100 million and \$120 million (guidance<sup>3</sup>: \$75 million to \$85 million, with a further \$40 million to \$50 million subject to securing large customer opportunities)

The Company is also currently in advanced discussions in relation to further large customer opportunities. While there can be no assurances that these discussions will result in further large contract wins, it is the Company's expectation that any such contract wins are likely to have the majority of their impact on NEXTDC's financial performance in FY17 and beyond.

### **ENDS**

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## **About NEXTDC**

NEXTDC is an ASX300-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a national network of Tier III facilities, NEXTDC provides enterprise-class colocation services across the country, facilitating hybrid cloud deployments by offering direct connections to our partner community: Australia's largest independent network of carriers, cloud and IT service providers.

NEXTDC's subsidiaries include AXON Systems, which offers AXONVX™, a virtual exchange delivering secure, elastic connections via a dynamic, high-speed switching fabric; and ONEDC Software, developer of the ONEDC® cloud-platform for data centre infrastructure management.

NEXTDC is *where the cloud lives*®.

To learn more, visit [www.nextdc.com](http://www.nextdc.com)

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<sup>3</sup> Company guidance dated 23 November 2015