

**MACQUARIE TECHNOLOGY GROUP LIMITED**

**ANNUAL GENERAL MEETING**

**THURSDAY 30 NOVEMBER 2023 at 9AM**

**CHAIRMAN'S ADDRESS**

Ladies and Gentlemen, good morning. My name is Peter James, the Chairman of Macquarie Technology Group Limited ('the Company'), and I would like to extend a warm welcome to shareholders at the Annual General Meeting for 2023.

**INTRODUCTION OF THE BOARD**

I would like to introduce our Board of Directors:

**Adelle Howse** – Adelle joined the Board in August 2019 and is a member of the People, Remuneration and Culture Committee and the Audit and Risk Management Committee.

**Lisa Brock** - Lisa joined the Board in January this year and is a member of the People, Remuneration and Culture Committee and the Audit and Risk Management Committee.

**Bart Vogel** – Bart joined the Board in July 2014 and is the Chairman of the Audit and Risk Management Committee and a member of the People, Remuneration and Culture Committee.

**David Tudehope** – David is co-founder and Chief Executive of Macquarie Technology Group.

**Aidan Tudehope** – Aidan is co-founder of Macquarie Technology Group and is the Managing Director of the Macquarie Government and Hosting Group.

We welcome our auditors **PricewaterhouseCoopers** represented by **Marc Upcroft**.

I would also like to introduce **Michael Gold**, our **Company Secretary** and **Helen Cox** our **CFO**.

**BUSINESS OF MEETING**

I will now take a moment to outline this morning's agenda. First you will hear an address from myself and then from David. We will then go through the highlights from the year in review. Then we will proceed to the ordinary business of the meeting. After we close the meeting, we will then address the questions we have received from Shareholders about the operations of the business.

The procedural items for this meeting are set out in the Notice of Meeting dated 30 October 2023, a copy of which is available on the ASX platform. In accordance with the Notice of Meeting this is a physical meeting of shareholders that has been supplemented by a webcast of the meeting via the Microsoft Teams platform. Shareholders who pre-registered for the webcast have been sent a link to watch the proceedings of the meeting remotely, but are not counted as attendees and cannot vote on the resolutions except by proxies received by 9.00am on Tuesday.

The Company asked that Shareholders submit any questions in advance of the meeting. We will accept questions from shareholders in attendance today, and to the extent practical to the proceedings of the meeting, we will review any questions submitted online, which can be done via the chat function on the online platform, or by emailing [AGM@macquarietechnologygroup.com](mailto:AGM@macquarietechnologygroup.com).

All of the materials that we are going through today have been uploaded onto the ASX platform.

### **ORDINARY BUSINESS**

We will consider five items of ordinary business:

1. The receipt of the financial statements and accompanying reports for the period ended 30 June 2023;
2. The adoption of the remuneration report for the year ended 30 June 2023;
3. The re-election of Aidan Tudehope as an Executive Director;
4. The election of Lisa Brock as a Non-Executive Director; and
5. An increase to the aggregate fee cap for Director's fees.

### **OTHER BUSINESS**

There has been no notice of other business validly given by any member under the *Corporations Act 2001*.

### **NOTICE OF MEETING**

The notice of meeting was sent to all members. I will take the notice of meeting as taken as read.

### **MINUTES OF THE PREVIOUS GENERAL MEETING**

The minutes of the previous general meeting of members of the Company, which was the Annual General Meeting held on 22 November 2022, have been approved by the Board and signed by the Chair. The original minutes are tabled and are available for inspection by any member wishing to see them.

And now to the Chairman's Address:

This is my tenth AGM as Chairman, and I am pleased to report on the ninth successive year of strong performance and EBITDA growth of Macquarie Technology Group.

### **Key Business Highlights**

Our continued focus on providing an outstanding customer experience has driven an increase in revenue of 11.6% to \$345.1 million and EBITDA by 16.6% to \$103.1 million compared to the previous financial year.

Macquarie Technology Group delivered a net profit after tax from continuing operations of \$17.7 million, reflecting the increase revenue and EBITDA.

### **Group financial performance**

Over the last three years the Group has achieved a Revenue CAGR of 10% and an EBITDA CAGR of 18.2%.

Since FY21 the Hosting segment has been split into the Cloud Services & Government and Data Centre segments. The Cloud Services & Government segment contributed \$191.9 million in revenue, an increase of 16.8% compared to the prior year, and EBITDA of \$49.8 million, an increase of 9%. The segment continues to leverage investment in our hybrid IT and cyber security strategies to deliver solid customer growth.

The Data Centre segment contributed \$64.4 million in revenue, an increase of 30.1% compared to prior year, and EBITDA of \$33.1 million, an increase of 22.1%. The segment continues to grow and has long-standing relationships with our hyperscale customers. This significant investment in infrastructure will ensure our Data Centre business is well placed to benefit from rising demand in cloud and high-density AI workloads. With our strong balance sheet and available funding, the Company is focused on acquiring a campus site in Sydney to enable our ambitious growth plans.

The Telecom segment remains an important contributor to the Group's service offering, delivering \$118.1 million in revenue and EBITDA of \$20.2 million. This result ensured that there was EBITDA growth in every segment of the business for the second year in a row. To support further business development in the Telecom business, our focus on SD-WAN technology will facilitate new revenue growth opportunities, and our great customer experience remains compelling in customer acquisition.

### **Balance sheet and cash flow**

EBITDA performance for the year resulted in operational cash flows of \$108.9 million. The Company completed a successful capital raising to institutional investors of \$160 million and had \$190 million in undrawn debt facilities as of year-end. With the additional capital and available funding, the Company is in a strong position to pursue growth opportunities in its data centre portfolio.

As previously announced, during this significant capital-intensive growth investment phase, the Company has ceased paying dividends.

## Outlook

EBITDA will continue to grow in FY24. Due to investments being made in Cloud Services & Government, and timing of sales in the second half of FY23, EBITDA is expected to be flat in the first half of this fiscal year and grow in the second half.

We continue to see strong demand for cloud and cyber security services in our Government and Cloud Services businesses. In FY24 we are increasing our investment in people to position the business to grow further.

Macquarie Data Centres is continuing with its development pipeline in Macquarie Park, and David Tudehope will provide some comments on the State Significant Development Application for the IC3 SuperWest project.

Our Telecom business has evolved into a managed connectivity and network security business via SDWAN. It is also focussed on maintaining operational efficiencies to generate current profitability and free cash flow.

When we announce our half year results in February we expect to provide EBITDA guidance for the full year. The timing of our Development Application for IC3 SuperWest is a key focus for the business and is also a key driver our Capex forecast. We will provide a Capex update in February (or earlier should it be required).

In conclusion, ladies and gentlemen, the Company has had an outstanding 2023 fiscal year and we enter the new financial year confident we will continue to leverage our investments to drive further shareholder value and ongoing returns.

I would like to thank the Board and Management team for their significant contribution and also the many dedicated and hardworking employees of Macquarie Technology.

I will now hand over to David Tudehope, Chief Executive of Macquarie Technology Group.