




**N E X T** D C

# NEXTDC INVESTOR DAY

9 May 2017

NEXTDC LIMITED ACN 143 582 521



An aerial night photograph of a city, likely New York City, showing a dense grid of lights and a prominent yellow light trail running vertically through the center. A full moon is visible in the dark sky above the city.

More data has been created  
in the past 2 years than in the  
entire previous history of the  
human race...





Opportunity



Autonomous  
Data Centres



Ecosystems



Customer  
Experience



Growth



NEXTDC



**Simon Cooper**

Chief Operating Officer



**Craig Scroggie**

Chief Executive Officer



**Oskar Tomaszewski**

Chief Financial Officer



**David Dzienciol**

Chief Customer Officer  
EVP of Technology



**Mark Dougan**

Managing Director  
Australia & New Zealand  
Frost & Sullivan



**Adam Scully**

Group Executive  
Sales and Marketing



**N E X T D C**





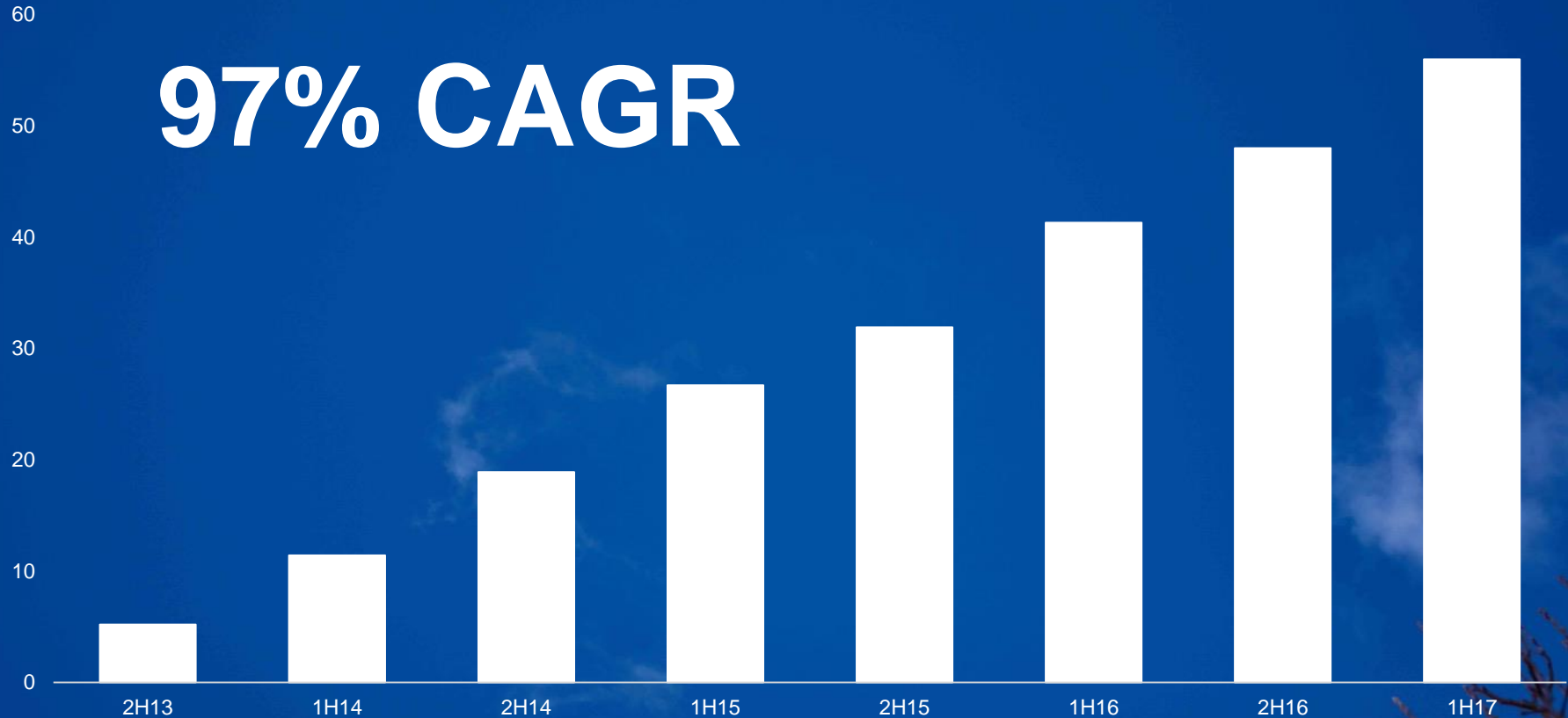
# LEADING NATIONAL NETWORK OF NEUTRAL DATA CENTRES



NEXTDC

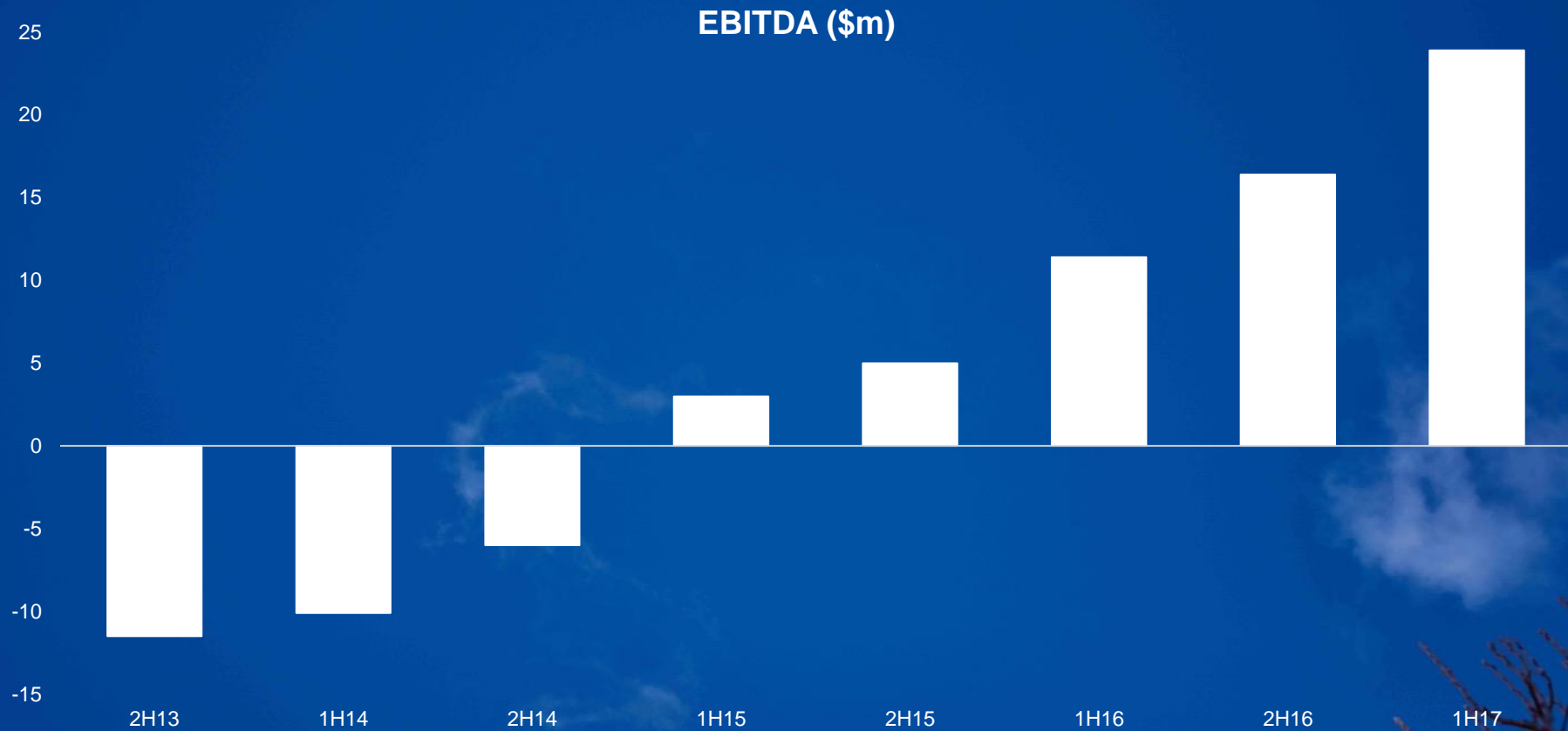
Revenue (\$m)

97% CAGR



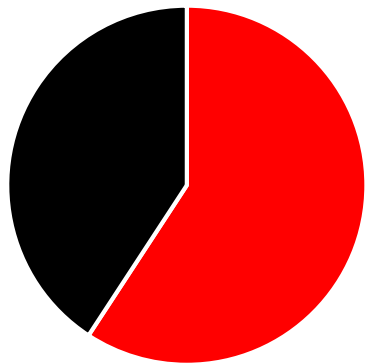
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**N E X T D C**

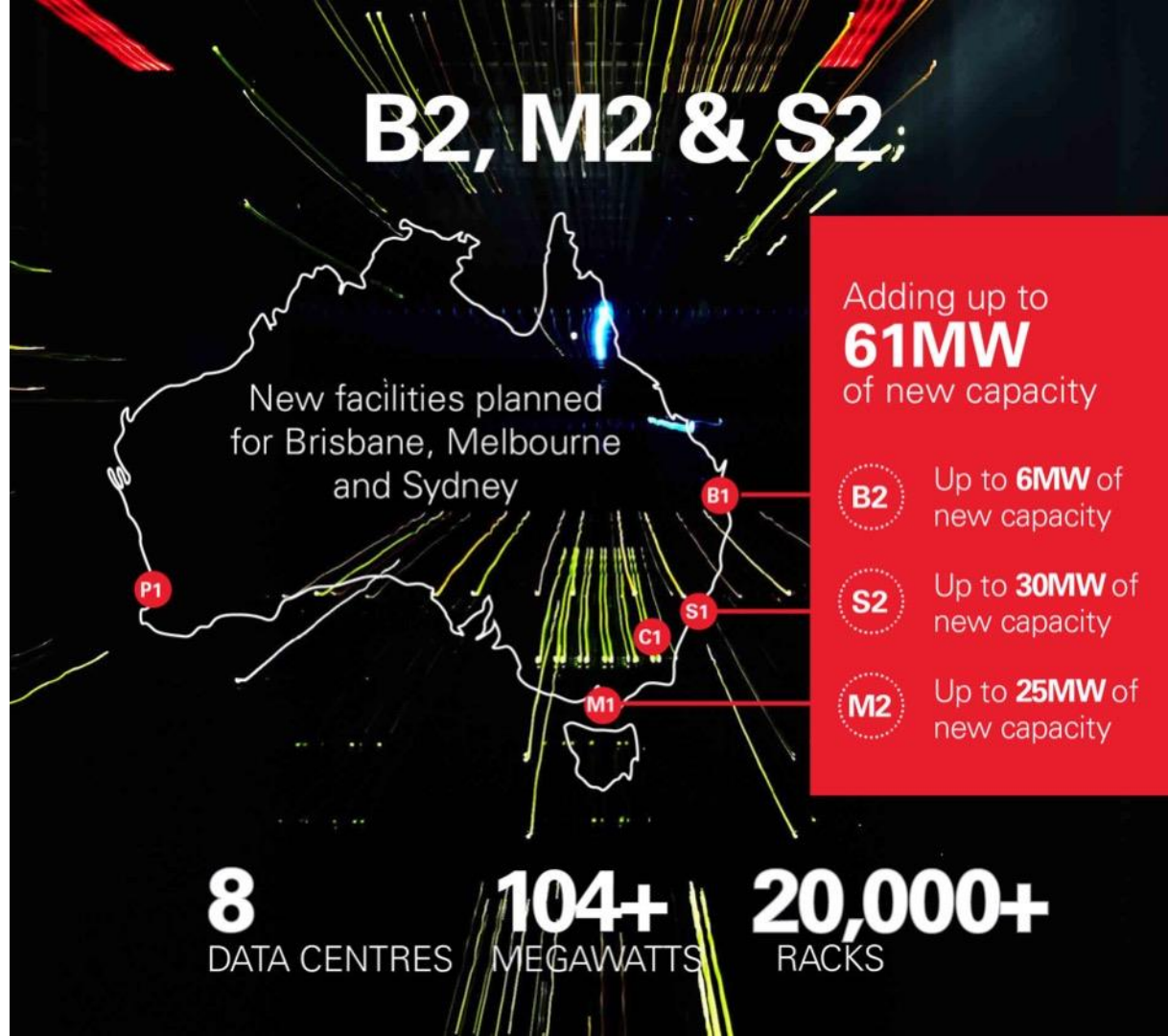
# GENERATION 2 KICKS OFF HALF A BILLION IN NEW DATA CENTRE INFRASTRUCTURE INVESTMENT



■ Gen 2 (MW) ■ Gen 1 (MW)

nextdc.com

## B2, M2 & S2;

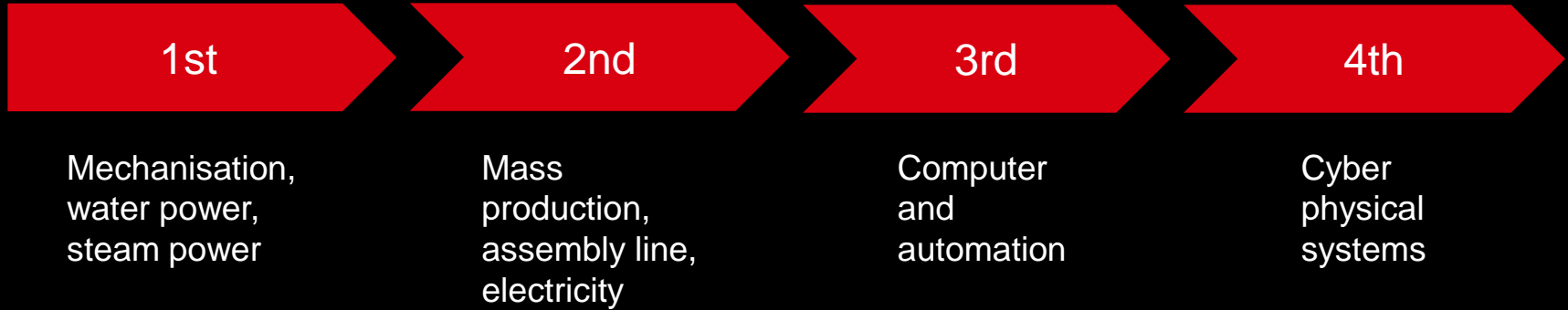




**The world's most valuable resource is no longer oil, but data**



# THE 4TH INDUSTRIAL REVOLUTION

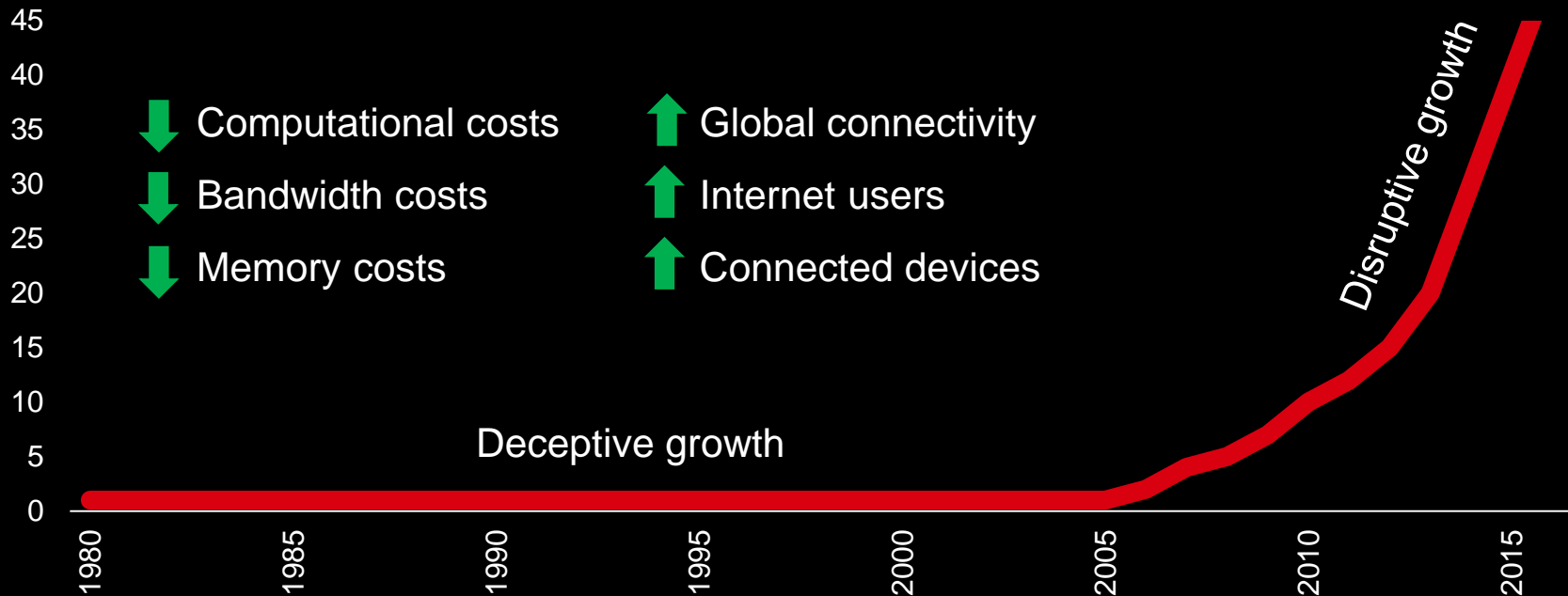


“The past 250 years has seen a few select inventions, namely the steam engine, electrification and the microprocessor, spur the past three industrial revolutions and ‘catalysed human progress’. **The fourth will be driven by data – ‘the electricity of our age’, as well as the data centers that will make this massive use of data possible.**”

Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum

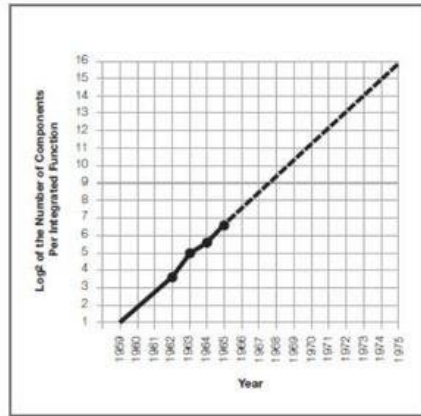
# Rise in global computing capacity

Annual additions to global business and consumer computing power in exaflops



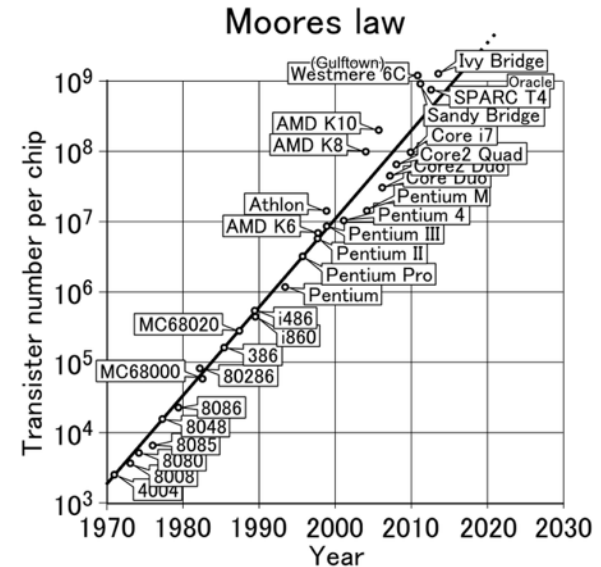
An exaflop is one quintillion (10 to the 18<sup>th</sup> power) floating point operations per second

# Moore's law is a law of economics



“**Reduced cost** is one of the big attractions of integrated electronics, and the cost advantage continues to increase as the technology evolves toward the production of larger and larger circuit functions on a single semiconductor substrate.”

Electronics, Volume 38, Number 8, April 19, 1965







**iPhone (1st gen)**

Launched on:  
June 29, 2007



**iPhone 3G**

Launched on:  
July 11, 2008



**iPhone 3GS**

Launched on:  
June 19, 2009



**iPhone 4**

Launched on:  
June 24, 2010



**iPhone 4s**

Launched on:  
Oct 14, 2011



**iPhone 5**

Launched on:  
Sept 21, 2012



**iPhone 5c**

Launched on:  
Sept 20, 2013



**iPhone 5s**

Launched on:  
Sept 20, 2013



**iPhone 6**

Launched on:  
Sept 19, 2014



**iPhone 6 Plus**

Launched on:  
Sept 19, 2014

# iPhone 7



2007



2017





# KURZWEIL'S LAW OF ACCELERATING RETURNS

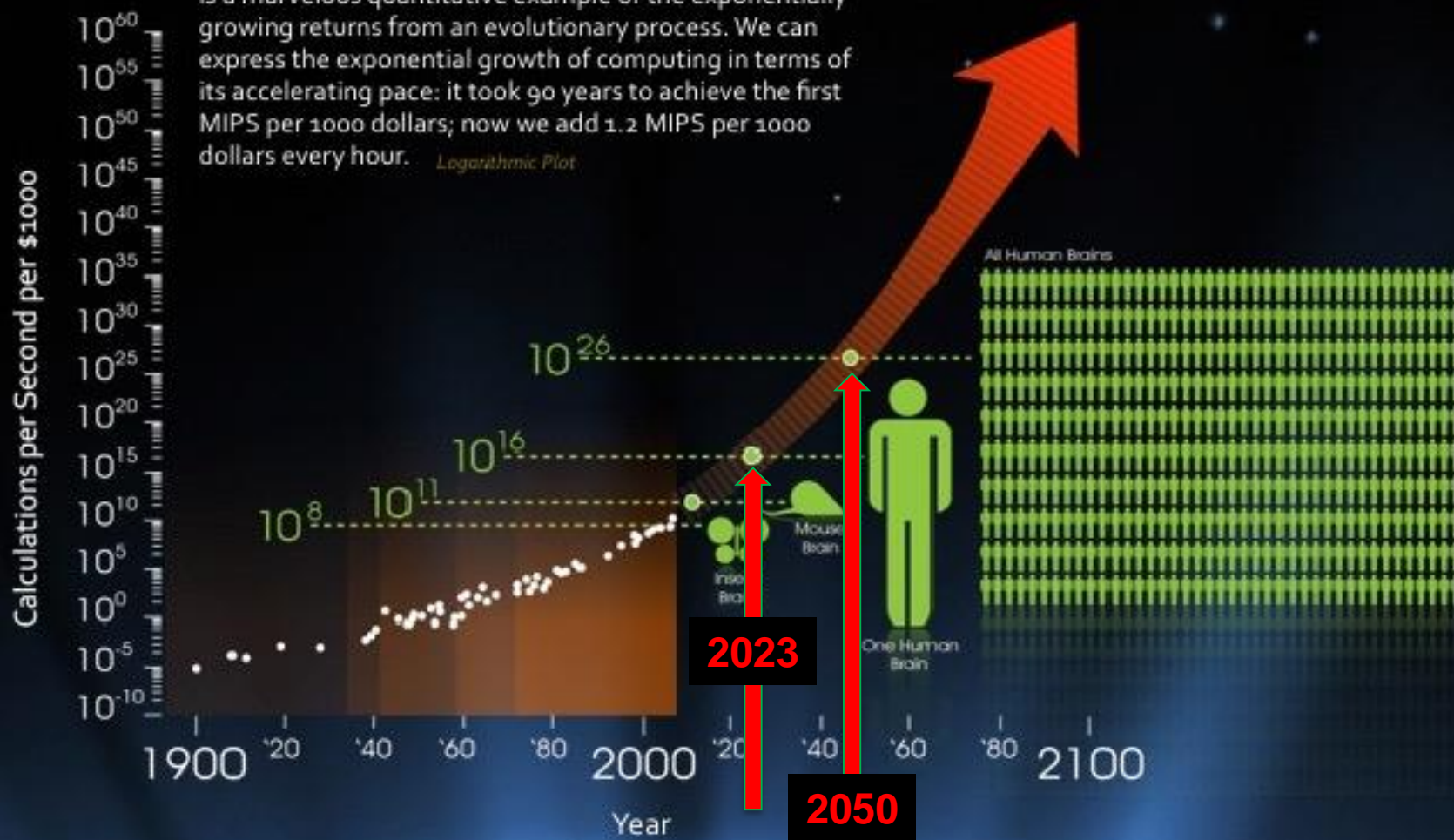
the pace of technological progress ... speeds up exponentially over time because there is a **common force driving it forward.**

*"Technology goes beyond mere tool making; it is a process of creating ever more powerful technology using the tools from the previous round of innovation." – Ray Kurzweil*

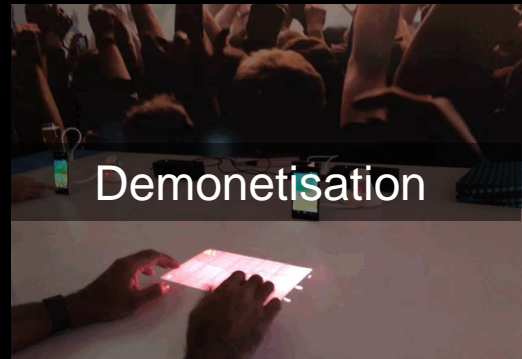


## The exponential growth of computing

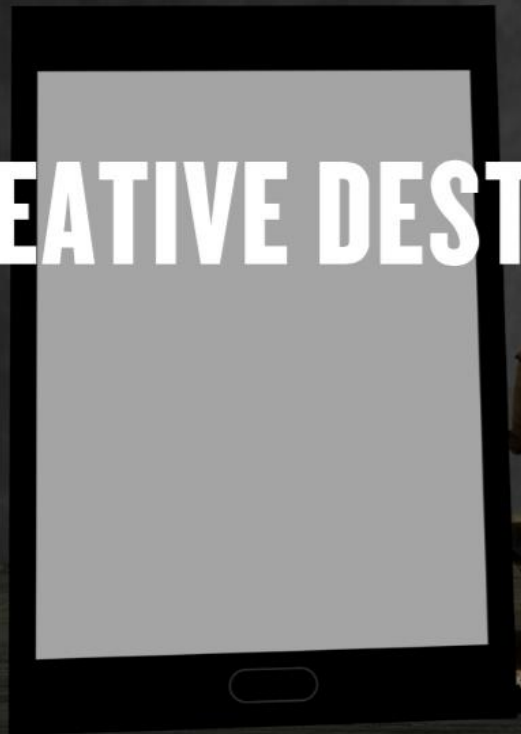
is a marvelous quantitative example of the exponentially growing returns from an evolutionary process. We can express the exponential growth of computing in terms of its accelerating pace: it took 90 years to achieve the first MIPS per 1000 dollars; now we add 1.2 MIPS per 1000 dollars every hour. *Logarithmic Plot*



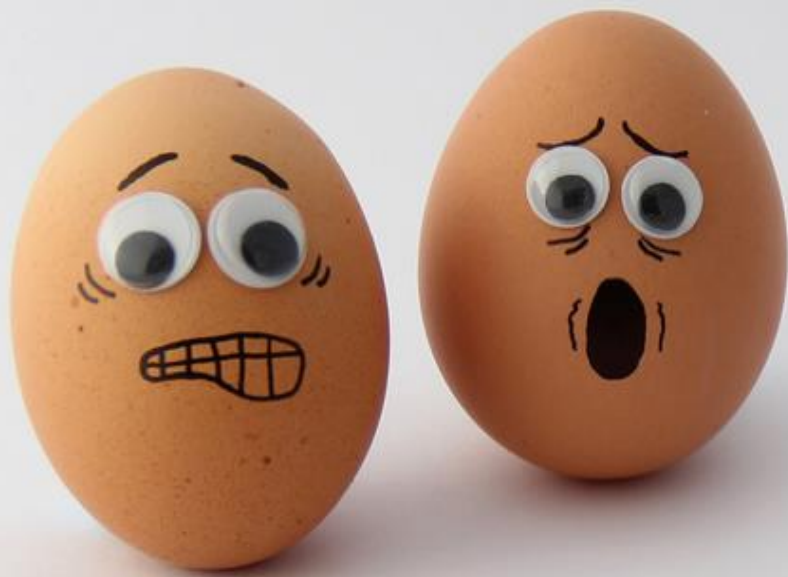
# Kotler's 6 D's of exponential technology



# CREATIVE DESTRUCTION







“

In the next decade,  
40 percent of today's  
Fortune 500 companies  
will no longer exist.

*Olin School of Business @ Washington University*



# Kodak

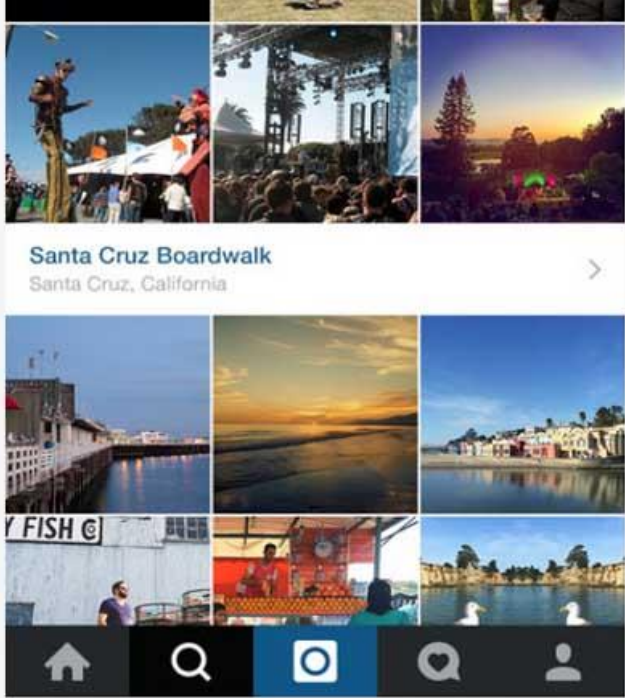
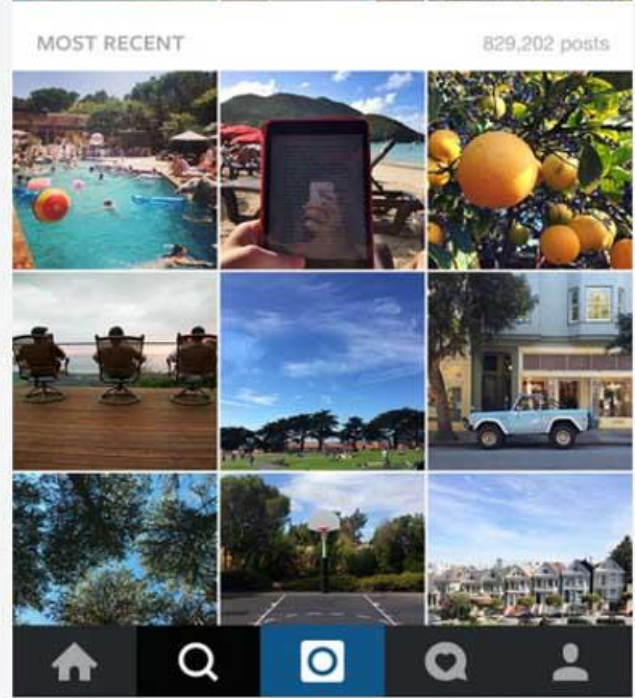
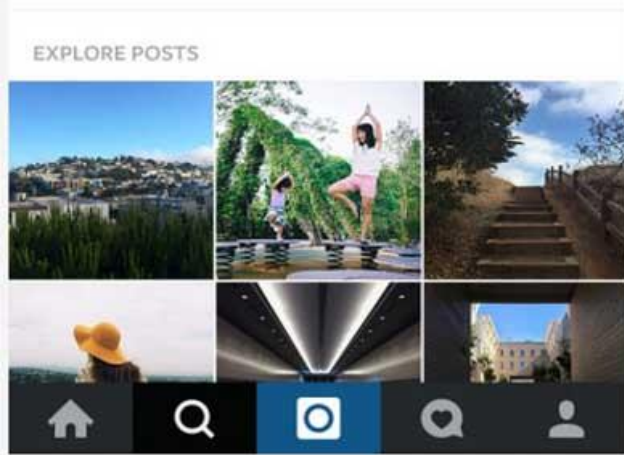


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**KODAK INVENTED THE  
DIGITAL CAMERA, BUT WENT  
BANKRUPT BECAUSE IT  
COULD NOT TRANSFORM  
ITSELF INTO A DIGITAL  
COMPANY.**









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**STORE  
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**ALL STOCK  
REDUCED!**  
EVERYTHING MUST GO!

**TOTAL STOCK  
LIQUIDATION**  
EVERYTHING MUST GO!

**90%  
OFF**

**TOTAL STOCK  
LIQUIDATION**  
EVERYTHING MUST GO!

**STORE  
CLOSING**  
EVERYTHING MUST GO!

**STORE  
CLOSING**

**ALL STOCK  
REDUCED!**  
EVERYTHING MUST GO!

**STORE  
CLOSING**

**ALL STOCK  
REDUCED!**  
EVERYTHING MUST GO!

**STORE  
CLOSING**

**ALL STOCK  
REDUCED!**  
EVERYTHING MUST GO!

**SAVE UP TO  
90%  
OFF**

**90%  
OFF**

**EVERYTHING  
MUST GO!**

**SAVE UP TO  
90%  
OFF**

**90%  
OFF**

**EVERYTHING  
MUST GO!**

**SAVE UP TO  
90%  
OFF**

**90%  
OFF**

**EVERYTHING  
MUST GO!**

# amazon books

## THE AMAZON EDITORS' Best books of November

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Get Started



Virgin

MEGASTORE

STORE CLOSING

FOR SALE

STORE  
N/A

NOTHING  
HE!

LAST

E 14





**BLOCKBUSTER**

**BLOCKBUSTER**

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**STORE CLOSING**

ALL  
DVD'S  
AND  
GAMES  
MUST BE  
SOLD!

ALL PRICED TO  
DVD'S  
\$9.99  
OR LESS!

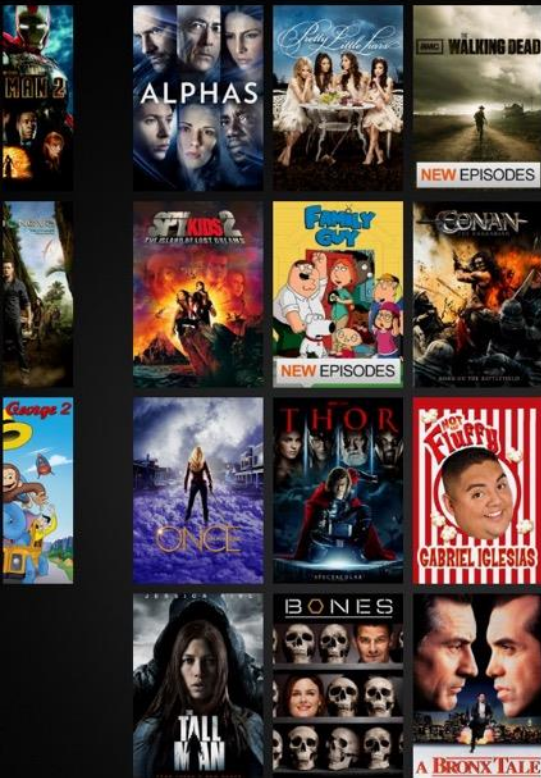
STORE  
CLOSING  
WOW

ENTIRE  
STORE  
ON  
SALE!

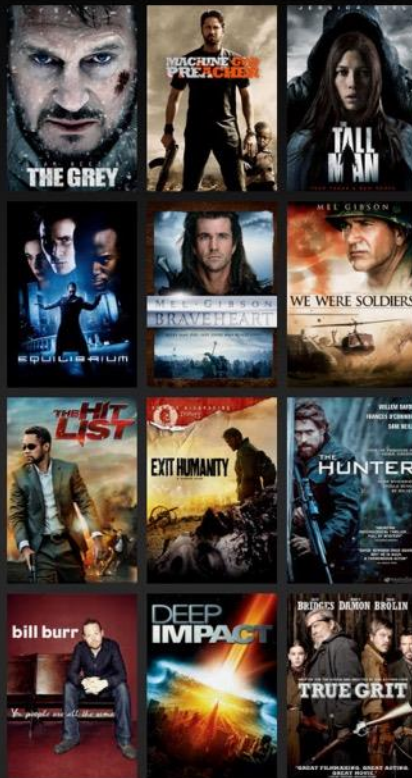
EVERYTHING  
MUST  
GO!



## Popular on Netflix



## Dark Movies



## Romantic Opposites-Attract...



## Emotional Movies



“

If you aren't genuinely pained by the risk involved in your strategic choices, it's not much of a strategy.

Reed Hastings (Netflix co-founder and CEO, Facebook board member)





# Unexpected convergent consequences

networks

synthetic biology

virtual reality

sensors

renewable energy

3D printing

autonomous

augmented reality

material sciences

artificial intelligence

health

nanotech



**NETWORKS**

A photograph of a group of children in a classroom. The child in the foreground is holding a mobile phone to their eye, looking at the screen. Other children are visible in the background, some also holding phones. The scene is lit by natural light from a window on the left.

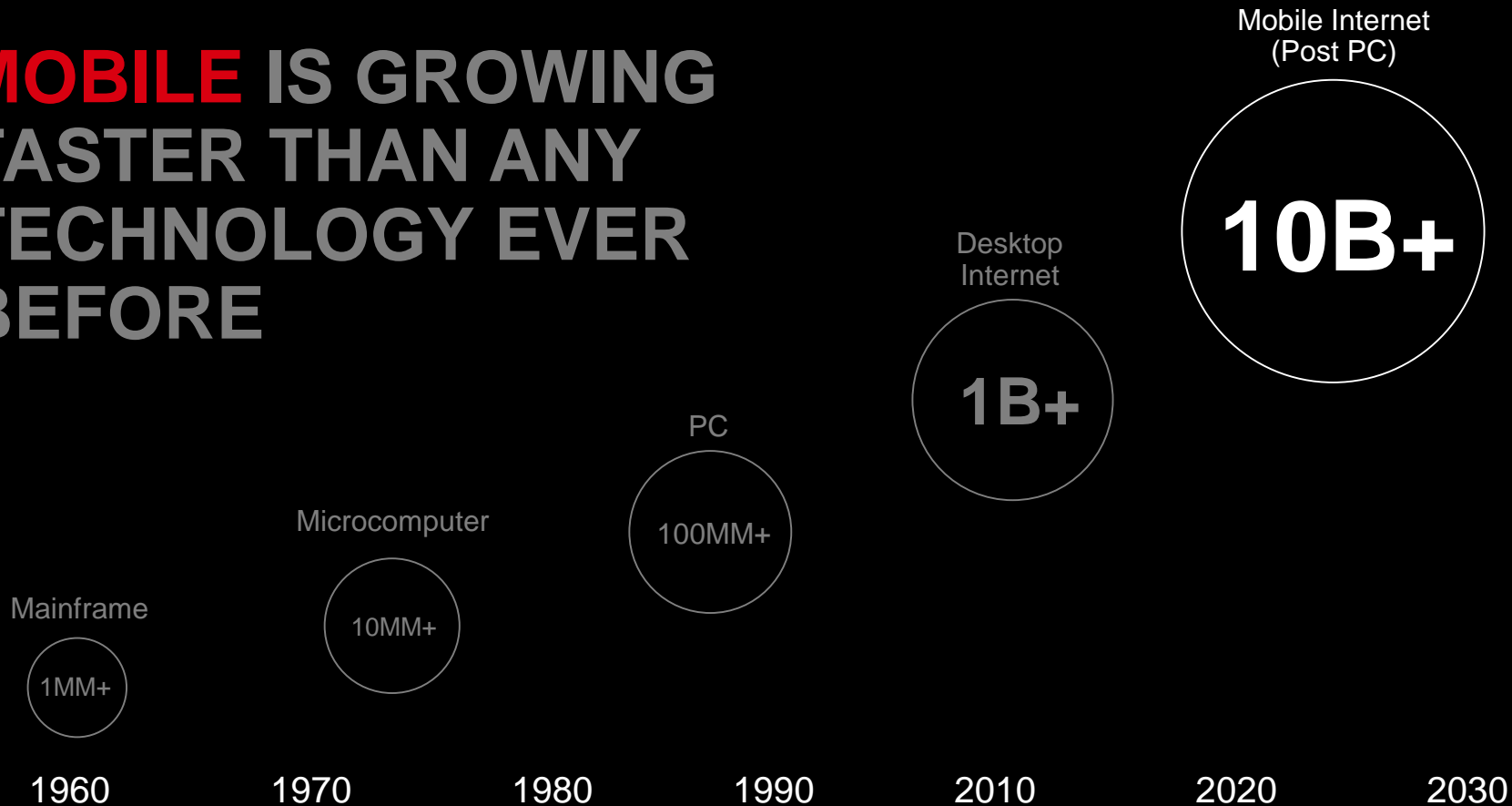
**1.2b**  
2010

**2.9b**  
2015

**>6b**  
2020

Entrepreneurs coming online today now have access to bandwidth, tens of billions of capital in crowdfunding, the world's knowledge on Google, cloud computing, 3D printing, access to sensors, networks, payment platforms and even synthetic biology

# MOBILE IS GROWING FASTER THAN ANY TECHNOLOGY EVER BEFORE

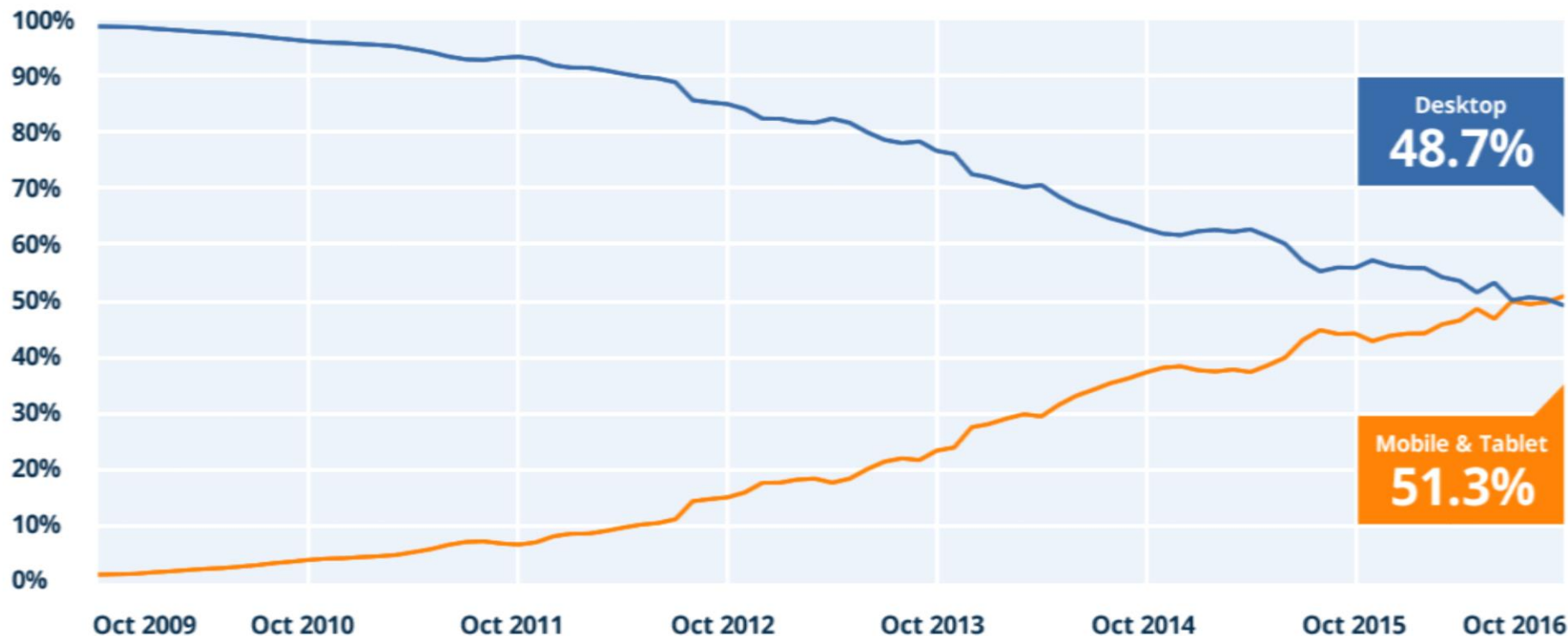




# Internet Usage Worldwide

October 2009 – October 2016

■ Desktop ■ Mobile & Tablet



# HYPERCONNECTIVITY

1999

**80B**

consumer  
photos  
taken on film

2014

**800B**

photos  
shared on  
social media

2016

**40B**

videos  
viewed on  
YouTube

2016

**216B**

emails  
per day

WhatsApp

**30B**

messages  
a day  
(with just 40  
engineers)

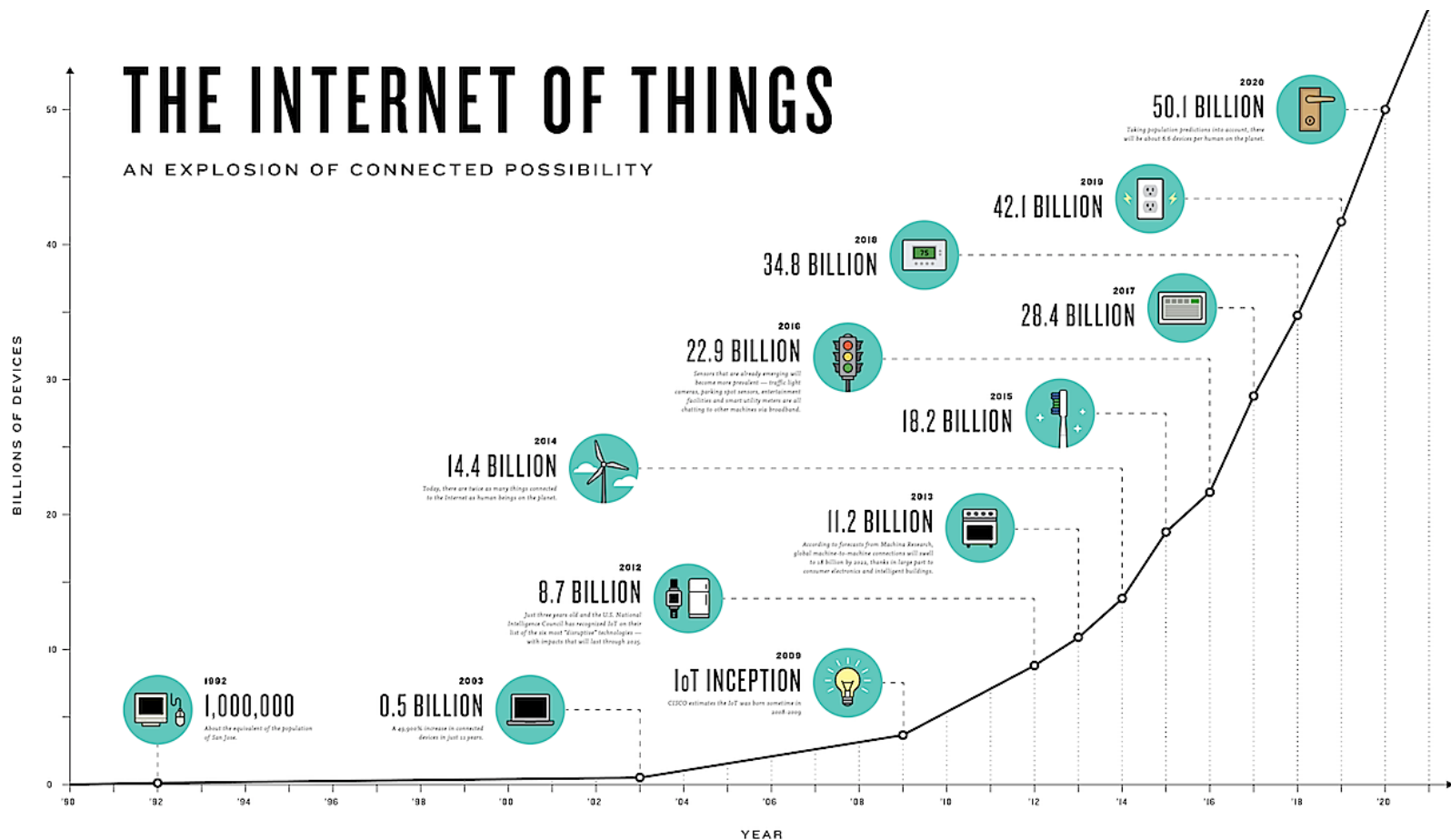
## MARGINAL INCREMENTAL COST IS ZERO



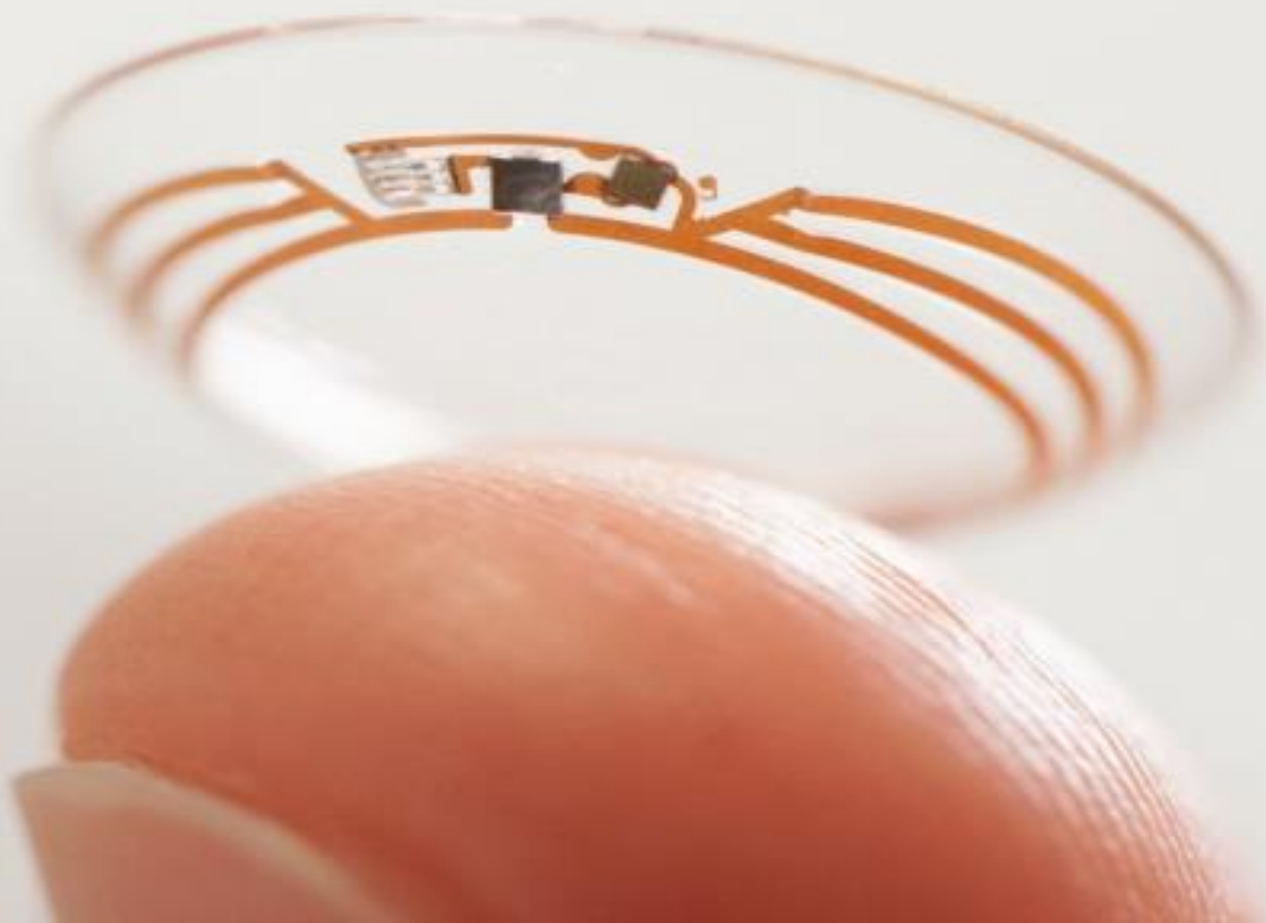


# THE INTERNET OF THINGS

AN EXPLOSION OF CONNECTED POSSIBILITY









# ARTIFICIAL INTELLIGENCE





**I'm sorry, Dave.  
I'm afraid I can't do that.**

HAL 9000

Phone Mail Safari Music

What can I help you with?





INTRODUCING  
**amazon** echo



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