



ASX Release

26 August 2015

FY15 Results and Market Update

NEXTDC Limited (ASX: NXT) (“NEXTDC” or the “Company”) is pleased to announce its financial results for the 12 months ended 30 June 2015 (“FY15”).

Highlights

- Contracted pro forma utilisation up 9.8MW¹ (83%) on FY14 to 21.7MW (Guidance: 3.4 to 4.0MW²)
- Revenues of \$60.9m up 85% on FY14³ (Guidance: \$55 to \$60m²)
- EBITDA⁴ of \$8.0m up \$24.1m on FY14 underlying EBITDA⁵ (Guidance: \$6.0 to \$8.0m²)
- Statutory net loss after tax of \$10.3m (FY14: net loss after tax of \$22.9m)
- Cash and term deposits of \$52.9m at 30 June 2015

Sales and operational milestones

NEXTDC achieved a number of key sales and operational milestones during FY15, including:

- Annualised contracted recurring revenue up \$27.9m¹ (67%) to \$69.6m¹ (FY14: \$41.7m).
- Interconnection (cross connects) up 94% to 2,893 (FY14: 1,488). Cross connect revenue continues to comprise ~4% of recurring revenue.
- Two material customer contract wins in recent months alongside the Major International Customer win announced in December 2014.
- Increase in network capacity by 4.7MW to 24.4MW (FY14: 19.65MW).
- Project Plus is expected to increase the originally planned network capacity of 35.35MW to approximately 42MW without the requirement for additional land, building or fit-out of additional data halls.

Major customer contracts

On a pro forma basis NEXTDC achieved new sales of 9.8MW¹ (during FY15, increasing its contracted utilisation by 83% to 21.7MW (FY14: 11.9MW).

New sales included several major customer contracts: (i) a Major International Customer for an initial capacity of over 1MW at S1 announced in December 2014, (ii) Leading Corporation for 4MW across M1 and S1 announced in June 2015 and (iii) the Federal Government contract announced on 10 August 2015.

NEXTDC also signed a number of other significant customer contracts in FY15, including with well-known national and international enterprises, such as Microsoft for connections to their Azure public cloud platform via ExpressRoute; PCCW Global and its worldwide MPLS network; CenturyLink – the third largest telecommunications company in the United States; and global network provider CloudFlare.

¹ Pro forma for Federal Government contract announced on 10 August 2015

² Company issued guidance dated 26 February 2015

³ FY14 revenue excludes \$15.5m of data centre development revenue

⁴ EBITDA is a non-statutory financial metric representing earnings before interest, tax, depreciation and amortisation. Non-statutory financial metrics have not been audited

⁵ FY14 underlying EBITDA excludes \$4.9m building development profit, \$2.2m in APDC distributions and gain on sale of securities, as well as \$1.3m in fund raising advisory fees



Funding update

NEXTDC advised the market on 29 June 2015 that it was contemplating a forthcoming senior unsecured notes offering to raise approximately \$70 million ("Notes II").

Given prevailing market conditions, the Company has decided it is prudent to defer Notes II issuance, until such time as market conditions stabilise.

The Company has sufficient funding in place from multiple sources to meet its planned FY16 capital expenditure of \$75m to \$85m across its five facilities, including:

- Cash and term deposits of \$52.9m at 30 June 2015;
- Available commitments under a senior secured debt facility with its relationship bank, National Australia Bank, which remains undrawn; and
- Ongoing operating cashflow.

New investments

On the back of the strong take up of capacity at B1 (79% utilised⁶) and M1 (76% utilised⁶) the Company is now assessing potential new facilities at Brisbane (B2) and Melbourne (M2) based on prospective customer demand.

These are discretionary investment opportunities to support the Company's long term growth.

The investment decision in relation to B2 will be subject to any subsequent Notes II issuance.

The investment decision in relation to M2 will be considered in 2016, pending any other material developments.

NEXTDC will continue to evaluate both customer demand and the optimal funding plan for any such investment opportunities.

FY16 outlook

NEXTDC provides the following guidance for FY16:

- Revenue: \$85m to \$90m (FY15: \$60.9m)
- EBITDA: \$25m to \$28m (FY15: \$8.0m)
- Capital expenditure: \$75m to \$85m (FY15: \$29.6m)

ENDS

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⁶ Pro forma for Federal Government contract announced on 10 August 2015



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 UTI Tier III-certified facilities, NEXTDC provides enterprise-class colocation services across the country, facilitating hybrid cloud deployments by offering direct connections to their 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