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# FY21

11<sup>th</sup> ANNUAL GENERAL MEETING

19 NOVEMBER 2021



NEXT DC



# BOARD OF DIRECTORS



**DOUGLAS FLYNN**  
NON-EXECUTIVE  
CHAIRMAN



**STUART DAVIS**  
NON-EXECUTIVE  
DIRECTOR



**DR GREGORY CLARK AC**  
NON-EXECUTIVE  
DIRECTOR



**JENNIFER LAMBERT**  
NON-EXECUTIVE  
DIRECTOR



**DR EILEEN DOYLE**  
NON-EXECUTIVE  
DIRECTOR



**STEVE SMITH**  
NON-EXECUTIVE  
DIRECTOR



**CRAIG SCROGGIE**  
CHIEF EXECUTIVE OFFICER  
AND MANAGING DIRECTOR



**MICHAEL HELMER**  
COMPANY SECRETARY  
AND CHIEF LEGAL OFFICER

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# MEET OUR LEADERS



**CRAIG SROGGIE**  
CHIEF EXECUTIVE OFFICER  
AND MANAGING DIRECTOR



**ELLIE WHITTON**  
HEAD OF PEOPLE  
AND CULTURE



**SIMON COOPER**  
CHIEF OPERATIONS  
OFFICER



**JEFF VAN ZETTEN**  
CHIEF OF  
ENGINEERING



**OLIVIA HARVEY**  
CHIEF OF  
STAFF



**ADAM SCULLY**  
VICE PRESIDENT CUSTOMER  
AND COMMERCIAL  
OPERATIONS



**DAVID DZIENCIOŁ**  
CHIEF CUSTOMER AND  
COMMERCIAL OFFICER



**OSKAR TOMASZEWSKI**  
CHIEF FINANCIAL  
OFFICER



**HAIDEE VAN RUTH**  
CHIEF ACCOUNTING  
OFFICER



**MICHAEL HELMER**  
COMPANY SECRETARY AND  
CHIEF LEGAL OFFICER



**KARYN TURBILL**  
CHIEF MARKETING  
OFFICER



**JEFF ARNDT**  
CHIEF INFORMATION  
OFFICER

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# AGENDA

WELCOME AND INTRODUCTIONS

CONDUCT OF MEETING

CHAIRMAN'S ADDRESS

CEO'S ADDRESS

RESOLUTIONS

Q&A's



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# 2021

11<sup>th</sup> Annual General Meeting  
CHAIRMAN'S ADDRESS



NEXT DC





# VISION

NEXTDC's vision is to help enterprises harness the digital age, improving our society through the advancement of technology

# PURPOSE

NEXTDC's purpose is to be the leading customer-centric data centre services company, delivering solutions that power, secure and connect enterprise



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# 100% UPTIME GUARANTEE

POWER. SECURE. CONNECT



# FY21 HIGHLIGHTS



REVENUE<sup>1</sup>  
**\$246.1M**  
↑ 23%



UNDERLYING EBITDA<sup>2</sup>  
**\$134.5m**  
↑ 29%



CONTRACTED UTILISATION  
**75.5MW**  
↑ 8%



CUSTOMERS  
**1,547**  
↑ 13%



PARTNERS  
**730+**  
**70+ NETWORKS**



INTERCONNECTIONS<sup>3</sup>  
**14,718**  
↑ 13%

Note: All percentage increases are expressed relative to the FY20 results

1. Represents data centre services revenue
2. Refer page 25 for underlying adjustments
3. Comprises both Physical and Elastic Cross Connects

# Facility capacity and contracted utilisation

As at 30 June 2021

- NEXTDC has significant expansion potential with total planned capacity<sup>1</sup> of 400MW (excluding S4)
- **S2 Sydney:** Final data halls fitted out, taking S2 capacity to 30MW
- **S3 Sydney:** Building construction well progressed. On target for practical completion in 2H22, with 12MW of initial capacity currently being built
- **M2 Melbourne:** 9MW of capacity added to support customer requirements. Building expansion works continue, with 9MW of additional capacity built to support customer expansion
- **M3 Melbourne:** Planned capacity increased to 150MW. Groundworks well progressed and building construction commenced, on target for practical completion in 1H23 with 13.5MW of initial capacity
- **S4 Sydney:** Land secured in Western Sydney, providing long term expansion capacity of ~300MW
- **P1 Perth:** Expansion in plan, increasing target capacity to 10MW



	NSW / ACT	VIC	QLD	WA	Total
Total power planned <sup>1</sup> (MW)	130.8	225.0	14.3	30.0	400.1
Power built <sup>2</sup> (MW)	48.0	34.0	6.3	7.5	95.8
Land and building capex to date <sup>3</sup>	\$530m	\$267m	\$85m	\$151m	\$1,032m
Fitout capex to date <sup>3</sup>	\$489m	\$334m	\$80m	\$119m	\$1,022m
Contracted utilisation (MW)	41.1	28.0	3.1	3.2	75.5
% of total power planned	31%	12%	22%	11%	19%
% of power built	86%	82%	50%	43%	79%
Capacity available for sale (MW)	89.7	197.0	11.1	26.8	324.6

<sup>1</sup> Includes facilities which are open, under construction and for which full development approval has been attained. Excludes S4 Sydney's target capacity of ~300MW announced 28 July 2021

<sup>2</sup> 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

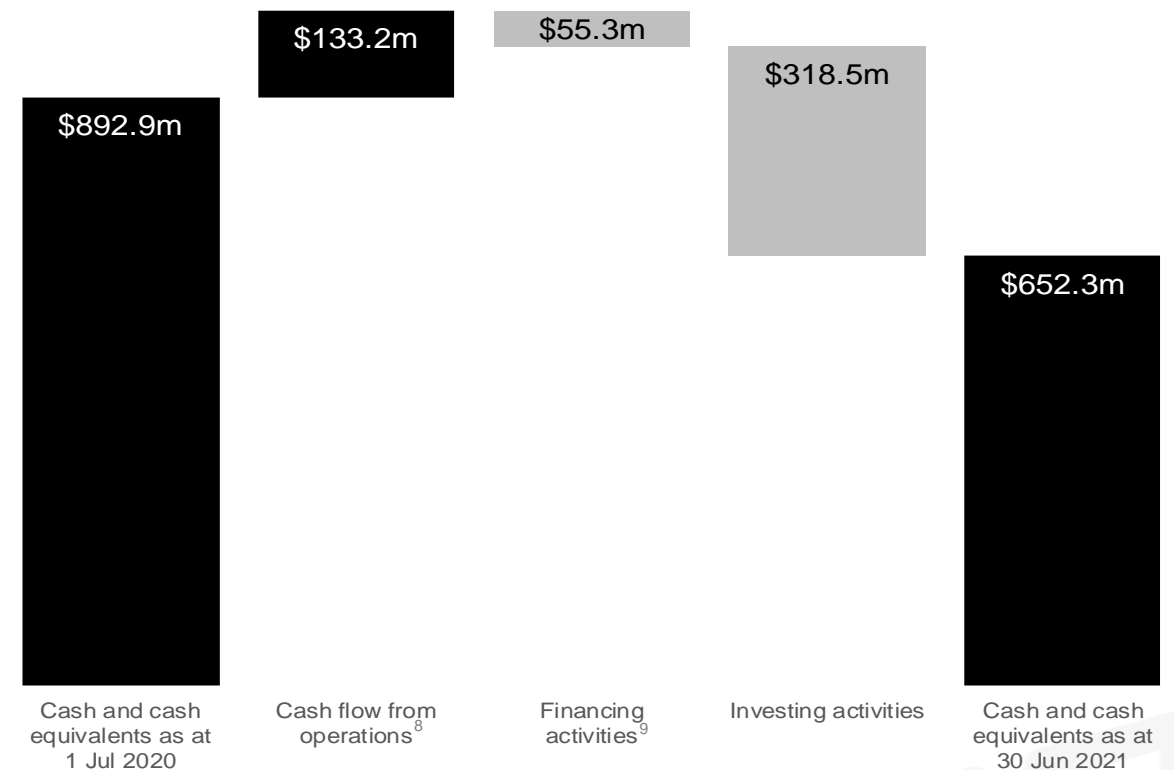
<sup>3</sup> Before depreciation and excluding site selection and other due diligence-related costs for planned data centre developments, which are included in corporate overheads

# Well capitalised for growth

Balance Sheet Summary (\$m)	30 June 2021	30 June 2020 <sup>1</sup>
Cash and cash equivalents	652	893
Property (land and buildings) <sup>2</sup>	997	854
Plant and equipment <sup>2</sup>	785	704
<b>Total assets</b>	<b>2,644</b>	<b>2,657</b>
Borrowings <sup>3</sup>	783	798
<b>Total liabilities</b>	<b>981</b>	<b>976</b>
<b>Net assets</b>	<b>1,663</b>	<b>1,681</b>

## Key Metrics

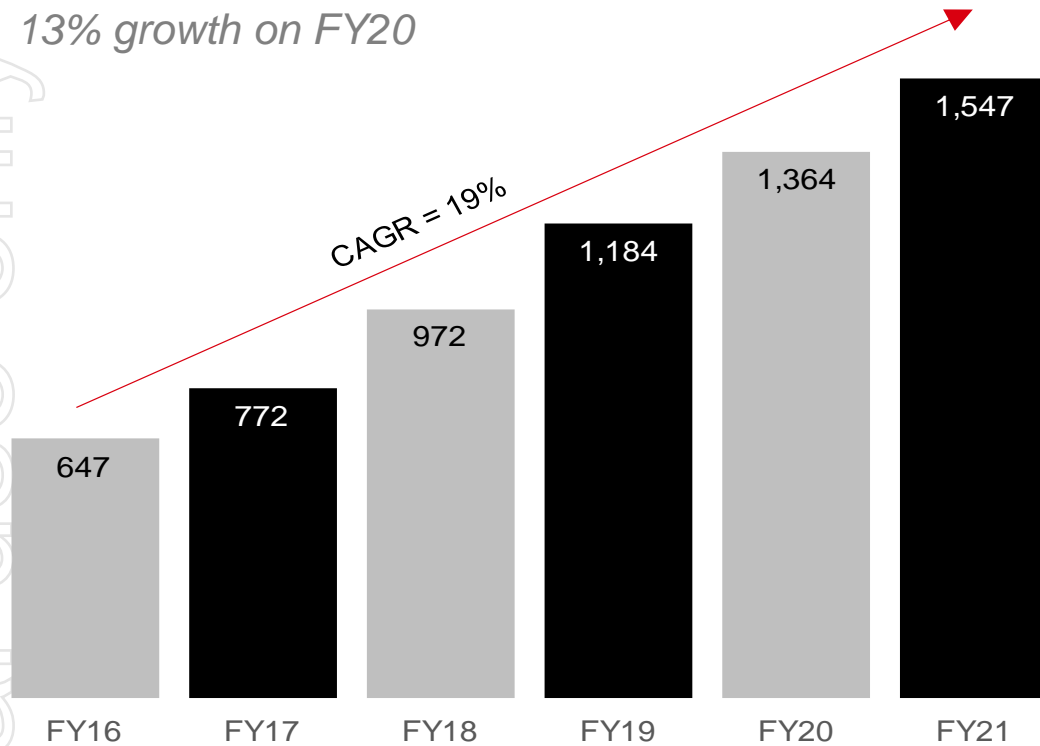
Gearing <sup>4</sup>	7.3%	n/a
Available liquidity <sup>5</sup> (\$m)	1,702	1,193
Cost of debt <sup>6</sup>	3.2%	5.6%
Duration of debt (years)	4.4	1.6
Hedged debt <sup>7</sup>	100%	54%



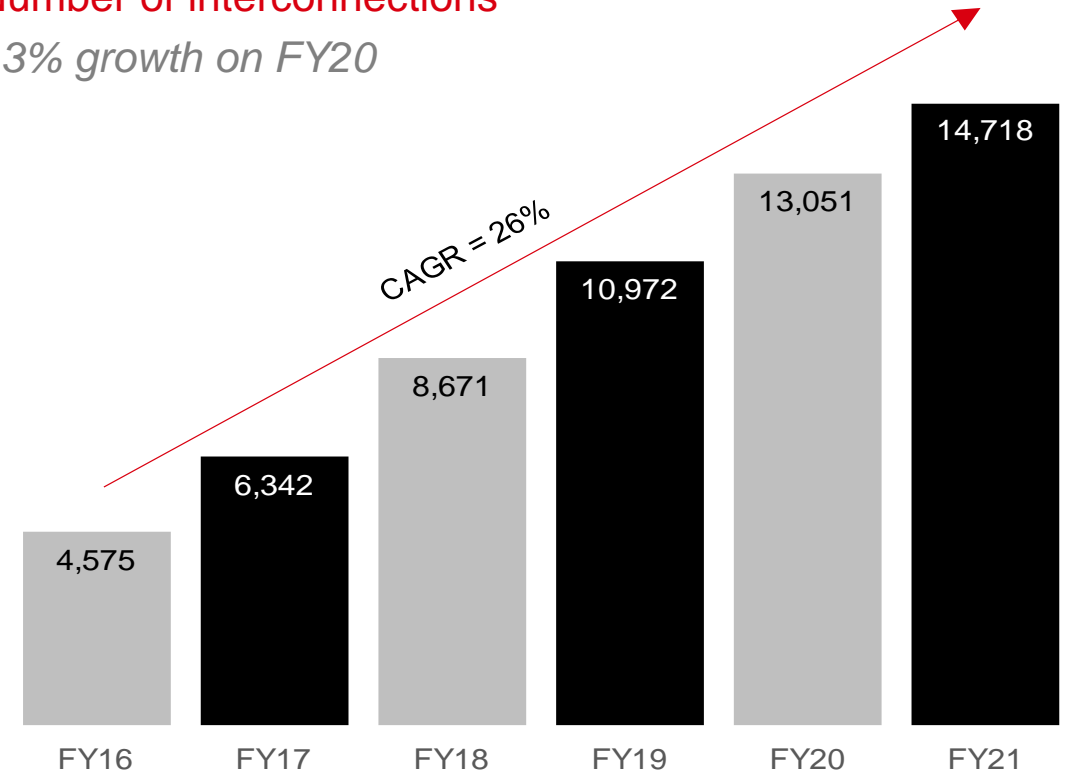
- FY20 figures have been restated to reflect the change in accounting policy in relation to costs incurred in configuring or customising SaaS arrangements. Refer to note 26(b) of the FY21 financial statements for further detail
- Property, as well as plant and equipment, exclude right-of-use assets not owned by NEXTDC but reported as assets under AASB 16
- Borrowings reflects debt owed to lenders and include capitalised transaction costs which are amortised over the term of the debt instruments; exclude lease liabilities related to right-of-use assets which are reported as leases under AASB 16 and also exclude derivative financial instruments
- Net debt / (net debt + equity) based on book value of cash and cash equivalents, borrowings, derivative financial instruments and total equity
- Undrawn facilities of \$1.05b plus cash and cash equivalents of \$652m
- Weighted average at the end of the period, inclusive of fees and margins on a drawn basis
- As at the end of the period with fixed interest debt treated as hedged
- Cash flows from operating activities include net interest paid of \$38.3m
- Cash flows from financing activities include transaction costs and redemption premiums associated with debt refinancing

# Strong growth in customers and interconnections

Number of customers  
13% growth on FY20



Number of interconnections<sup>1</sup>  
13% growth on FY20



- Strong ongoing growth in customers and interconnections, with 9.5 average interconnections per customer at 30 June 2021
- Growing number of interconnections highlights the increasing use of hybrid cloud and connectivity both inside and outside the data centre as customers expand their ecosystems
- Well established ecosystems drive higher margin and increase customer retention (lower churn)

<sup>1</sup> Comprises both Physical and Elastic Cross Connects

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# CARBON NEUTRALITY

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NEXTDC

Data centres will consume as much as 1/5 of the world's energy by 2025.

ICT represents the fastest growing volumes of CO<sub>2</sub> emissions.



N E X T D C

where the cloud lives™ | NEXTneutral

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# FOUNDATIONS FOR SUSTAINABLE OPERATIONS



## Power

NEXTDC data centres run at the lowest Power Usage Efficiency (PUE) ratings in the country.



## Cooling

Free airside cooling and the use of recycled air supply to reduce the need for power driven cooling.



## Renewables

NEXTDC invests in renewable and sustainable energy sources to reduce the overall need for use of power from the grid.



## Carbon Offsetting

100% of our corporate operations are offset under our partnership with Qantas Future Planet.

**Target zero waste and 100% renewable by 2030**

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# OFFSET PORTFOLIO



## Great Barrier Reef Restoration Project

*Native Vegetation and  
Reforestation*



## West Arnhem Land Fire Abatement Project

*Cool Fire  
Burning*



## Maharashtra Wind Power Project

*Renewable  
Energy*





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**NEXTne<sup>o</sup>tral**

CARBON NEUTRAL  
COLOCATION SOLUTIONS

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where the cloud lives™



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# 2021

11<sup>th</sup> ANNUAL GENERAL MEETING  
CEO'S ADDRESS



NEXTDC



# FY21 HIGHLIGHTS



- Data centre services revenue increased \$45.3m (23%) to \$246.1m
- Contracted utilisation increased 5.5MW (8%) to 75.5MW
- Interconnections<sup>1</sup> increased 1,667 (13%) to 14,718, representing 7.7% of recurring revenue



- EBITDA<sup>2</sup> increased \$29.9m (29%) to \$134.5m, exceeding the top end of upgraded guidance
- Operating cash flows<sup>3</sup> increased \$79.5m (148%) to \$133.2m
- Billing utilisation increased 12.6MW (24%) to 65.4MW



- \$1.85b senior syndicated debt facility completed, 5 year term, significantly reduced costs
- Finished FY21 with liquidity of \$1.7b, including undrawn debt facilities of \$1.05b
- Balance sheet strength underpinned by total assets of \$2.6b



- 17MW of expansion capacity built across S2 Sydney and M2 Melbourne
- S3 Sydney building construction well progressed, on target for practical completion in 2H22
- M3 Melbourne building construction underway, on target for practical completion in 1H23
- S4 Sydney site announced, adding ~300MW to future development pipeline

Note: All percentage increases are expressed relative to the FY20 results

1. Comprises both Physical and Elastic Cross Connects

2. Refer page 25 for underlying adjustments

3. FY20 figures have been restated to reflect the change in accounting policy in relation to costs incurred in configuring or customising SaaS arrangements. Refer to note 26(b) of the FY21 financial statements for further detail



DIGITAL

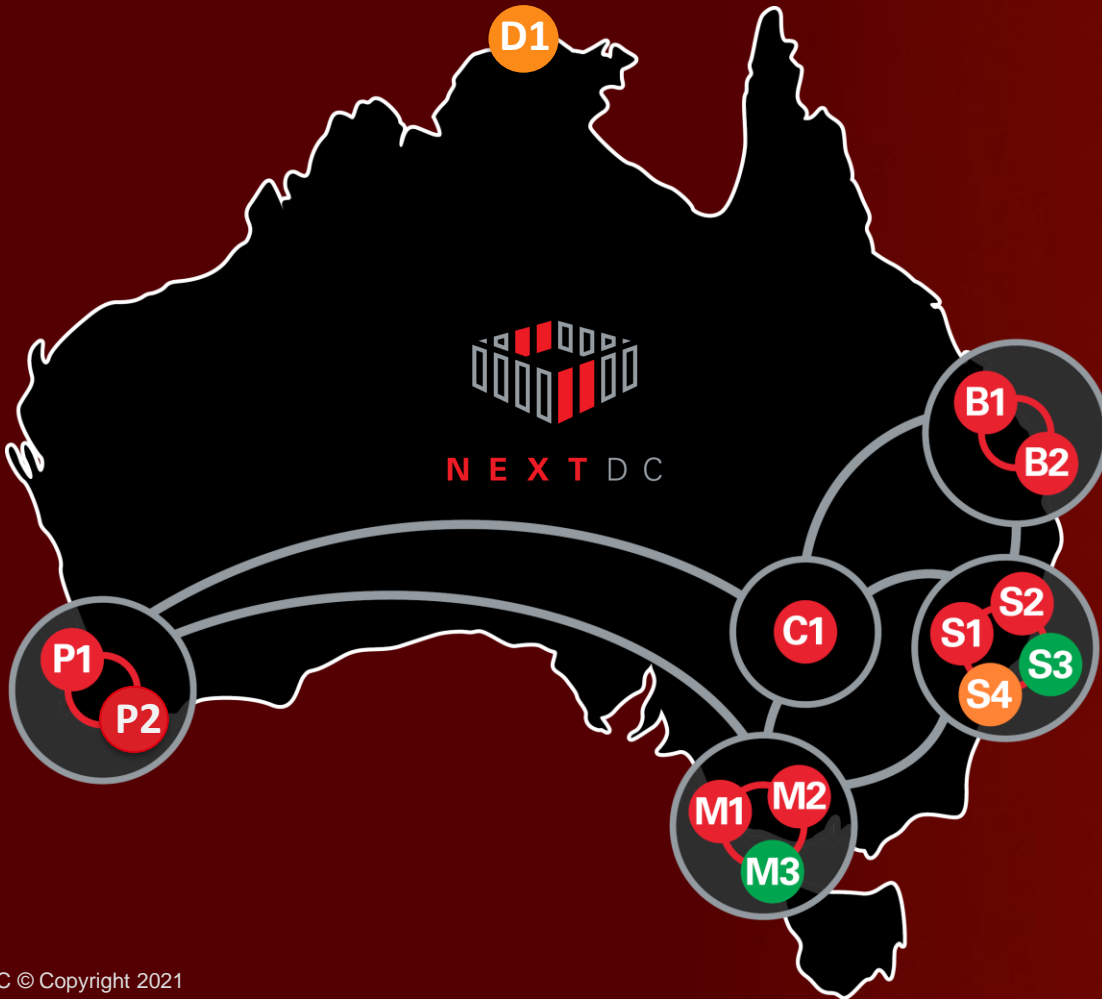
TRANSFORMATION

CHANGING THE WORLD IN  
EXCITING AND DISRUPTIVE  
WAYS

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# ENABLING HYBRID & MULTI-CLOUD



- Connect everyone, to everything
- Scalable and flexible connections
- Carrier neutral
- Diversity and redundancy
- Data centre neutral

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# EXPONENTIAL GROWTH

**\$332.3 Billion**

Worldwide public cloud spend, representing growth of 23.1%

**30.2% in IaaS**

Expected growth in Australia in 2021

**\$10.6 Billion**

Public cloud spend in Australia in 2021. An increase of 18.4% from 2020

**Almost 70%**

of organisations using cloud services today plan to increase their cloud spending

**\$5.7 Billion**

Expected spend in SaaS in Australia in 2021

# NEW WAYS OF DOING BUSINESS

**77%**

of knowledge workers want to continue working from home<sup>1</sup>.

**74%**

of organisations are planning for some workers to be permanently remote<sup>2</sup>.

**>53k**

square metres of office space reduced by ASX100 companies alone in 2020



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# AUSTRALIA'S NEW DIGITAL HUB





# SAFETY IS EVERYONE'S RESPONSIBILITY

## OUR GOAL IS ZERO INJURIES

**NEXTDC is committed to doing everything necessary to achieve this goal.**

NEXTDC considers workplace health and safety and incident prevention to be of the utmost importance. It is a vital factor of the ultimate success of the organisation.

We are committed to providing and maintaining a safe and healthy working environment for our people, our customers and our guests. We strive for continuous improvements, ensuring we eliminate the potential for anything which may pose a high risk to anyone who works in or visits a NEXTDC premise and/or uses NEXTDC services.



# globally & nationally recognised certifications

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 Information Security ISO 27001 SAI GLOBAL	 Quality ISO 9001 SAI GLOBAL	 Environment ISO 14001 SAI GLOBAL	 OHS ISO 45001 SAI GLOBAL
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Australian Government  
Digital Transformation Agency



# SUSTAINABILITY LEADERSHIP

- ISO 9001 and ISO 27001 (Head Office, M1, S1, C1, P1, B1 and B2) and ISO 14001 (M1, S1 and C1)
- Uptime Institute Gold in Operational Sustainability (P1, S1 and B2)
- Australia's first data centres to achieve NABERS 5-Star rating for energy efficiency (M1 and S1)
- 100% Climate Active certified
- Moving towards Task Force on Climate-Related Financial Disclosures (TCFD) compliance
- Founding member of the Melbourne Renewable Energy Project since 2014
- Free e-waste disposal at all sites



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# TRUE ZERO WASTE

A new unified  
business front



# CORPORATE SOCIAL RESPONSIBILITY



## THE SMITH FAMILY

In partnership with The Smith Family, NEXTDC supports the Learning for Life program which provides early intervention and balanced, long-term support to over 38,000 disadvantaged students across Australia.



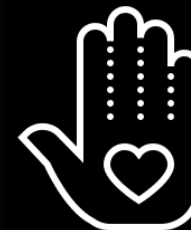
## PLEDGE 1%

NEXTDC is a member of the global Pledge 1% corporate movement. The program allows us to empower our people to give back to the communities we live and work by donating 1% employee time to help make the world a better place.



## WORKPLACE GIVING

NEXTDC's workplace giving program sees NEXTDC match \$1 for \$1 money raised from staff for any one of our three workplace giving partnerships – The Smith Family, beyondblue, Cancer Council and UN Women.



## VOLUNTEER DAYS

NEXTDC provides all staff with an additional paid volunteer day to enable both our teams and individuals to invest time with their preferred charity or giving back to their local community.



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PERSONAL USE ONLY  
PUTTING CUSTOMERS  
AT THE CENTRE OF  
EVERYTHING WE DO



NEXTDC

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# SECURING THE NEXT DECADE OF DEVELOPMENT PIPELINE





# DATA IS THE OIL OF THE 21<sup>st</sup> CENTURY

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# SIMPLIFYING DATA CENTRE MANAGEMENT

COLOCATION AT NEXTDC MEANS  
CONTROL AND TRANSPARENCY.

Manage your infrastructure on your  
terms. We give you the tools  
empower real-time decision making.



# FY22 OUTLOOK



## Data centre services revenue guidance of \$285m to \$295m (up 16% to 20% on FY21)

- Strong growth in recurring data centre services revenue, underpinned by long-term customer contracts
- Power recharge revenues move in line with power savings and improvements in data centre efficiency
- Inventory available across all markets to drive further enterprise and network opportunities



## Underlying EBITDA<sup>1,2</sup> guidance of \$160m to \$165m (up 19% to 23% on FY21)

- Second generation facilities continue to drive scale and earnings growth
- Expansion accelerating to accommodate customer demand
- Company continues to invest in growth platforms and centralisation



## Capital expenditure guidance<sup>3</sup> in the range of \$480m to \$540m

- S3 on track to achieve practical completion in 2H22
- M2 expansion continues, bringing forward another 9MW of customer capacity
- M3 target to achieve practical completion in 1H23



## Leading the industry on sustainability, safety and equality

- Industry leading energy efficiencies with NABERS and ISO14001 for environmental management
- Targeted investment in renewable generation, expanding our solar installations
- Supporting customers on their carbon neutral journey via increased adoption of NEXTneutral
- Prioritising programs that embrace diversity and inclusiveness

1. Refer page 25 for underlying adjustments in relation to FY20 and FY21  
2. FY22 underlying EBITDA excludes costs related to review works into potential data centre investments in Asia, acquisition opportunities as well as the impact of IFRIC's guidance in relation to customisation and configuration spend on cloud software platforms  
3. Taking into consideration existing COVID-19 based State Government restrictions on construction activities



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# DELIVERING ON

OUR VISION

OUR PURPOSE

OUR BRAND PROMISE



N E X T D C

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# 2021

11<sup>th</sup> Annual General Meeting  
BUSINESS OF MEETING



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# 2021

11<sup>th</sup> Annual General Meeting  
FINANCIAL STATEMENTS AND REPORTS



NEXTDC

# RESOLUTION 1

## Remuneration Report

"To adopt the Remuneration Report of the Company (as set out in the Directors' Report) for the financial year ended 30 June 2021."

**FOR**

281,011,720

**AGAINST**

5,386,522

**OPEN**

782,497

# RESOLUTION 2

## Re-election of Mr Douglas Flynn as a Director

"That Mr Douglas Flynn, who retires in accordance with the Listing Rules and Rule 58 of the Company's Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

FOR	AGAINST	OPEN
277,059,475	9,960,918	788,948



# RESOLUTION 3

## Approval of grant of Performance Rights to Mr Craig Scroggie.

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 147,860 Performance Rights to the CEO and Managing Director, Mr Craig Scroggie, for FY2022, pursuant to the Company's long-term incentive plan under the NEXTDC Limited Equity Incentive Plan on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting."

FOR	AGAINST	OPEN
280,081,132	6,908,010	791,054

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# Q&A

11<sup>th</sup> Annual General Meeting



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[youtube.com/user/nextdatacentre](https://www.youtube.com/user/nextdatacentre)