



30 August 2024

**ASX Announcement: DXN**

## **FY24 RESULTS**

**DXN Ltd (ASX:DXN) (“DXN” or “the Company”)**, today released its full year results for the financial year ended 30 June 2024 (“**FY24**”)

### **FY24 Highlights:**

- **FY24 revenue of \$10.8m**
  - Modular data centre order intake for manufacturing was \$12.6m, an improvement of 202% on FY23, including the largest order in DXN’s history from East Micronesia Cable System (EMCS) for circa \$5.7m and our first orders from a global internet company.
  - Data centre operations delivered \$2.8m in revenue in FY24 (\$2.63m excluding the Sydney data centre (DC) which was exited during FY24).
- **EBITDA**
  - Underlying EBITDA of \$1.2m taking out one-off restructuring costs
  - Statutory EBITDA of \$644k and the first positive EBITDA result in DXN’s history.
- **Modular manufacturing work in hand** commencing FY25 of \$8.9m.
- **Exit from non-performing asset, Sydney DC in FY24**, saving \$1.4m per annum (pa) over the remaining 9 years of the lease.
- **Product engineering and innovation in FY24**
  - Modular DC designed to serve customers’ demands for the integration of advanced computing power (referred to as High-Performance Compute or HPC) and Artificial Intelligence (AI) capabilities at the edge of a network (the Edge), closer to where data is generated or needs to be processed for AI.
  - Indoor-based application engineered for innovative prefabricated modular DC suitable for the telecommunications industry.
- **Operational improvements in FY24**
  - Modular manufacturing: evolving improvements in procurement, supply chain and logistics management.
  - Data centre operations: activities for improving customer management and operations of the Tasmanian and Darwin data centres.
- **Closing cash:** circa \$3m
- **Modular DCs contracted / delivered during FY24** is 21, with over 80 modules delivered/ contracted globally in total.
- **Modular DC contracts signed FY25 YTD of over \$1m.**

For personal use only

Commenting on the results Managing Director, Shalini Lagrutta said:

“FY24 was a transformational year for DXN. The catalyst of change was exiting Sydney data centre, which was a non-profitable asset, allowing the DXN team to focus on the core business of manufacturing prefabricated modular data centres offering world class solutions for our global customer base.

With our new board members who have ASX experience and technology entrepreneurial skills, DXN is well positioned for growth in the data centre market where DXN have proven our ability to repeatedly generate revenue and deliver solutions to customers. To date the team has successfully deployed over 80 modules globally.”

### **Financial performance**

Group revenue for FY24 is \$10.8m, primarily due to growth in the modular manufacturing division, which experienced a 202% increase on FY23. Underlying EBITDA for FY24 is \$1.2m taking out one-off restructuring costs, while statutory EBITDA achieved is \$644k being DXN's first financial year positive EBITDA result.

### **Operational overview**

#### Modular manufacturing

The DXN team are proud to have delivered over 80 modules globally to date. DXN continues pursuing opportunities for growth from industries such as mining, gas and energy, subsea, telecommunications and government as they require Edge AI with high power density requirements, which DXN can provide. DXN is also contracting directly with global internet companies who require prefabricated modular data centres (PMDC) and cable landing stations (CLS) across the region.

Commencing FY24, DXN implemented operational, and systems processes to track and improve its margins for its modular manufacturing business. DXN now has an analytical view of its build costs across its supply chain and continues to apply improvements to back-end processes and systems.

DXN will continue delivering the high-quality solutions that its renowned for globally with focus on the Asia Pacific region given the anticipated demand there and DXN's proximity.

In addition, DXN will offer to operate and maintain its customers' data centres as a service (DaaS) onsite for a monthly fee providing DXN with an annual recurring revenue stream.

#### DC operations

Following the successful exit from the Sydney DC, DXN worked to streamline its Darwin and Hobart DCs. Efficiencies are being implemented through improved processes as well as new product offerings to customers.

Both Darwin and Hobart continued to perform in FY24 and as customer demand grows, DXN will continue to invest in these assets.

## Outlook

With \$8.9m in modular manufacturing contracts (work in hand) going into FY25, over \$1m worth of new contracts in FY25 already and over \$2m in recurring revenue from Darwin and Hobart DCs, DXN is anticipating a growth year for FY25.

DXN continues to attract blue-chip customers, including global internet companies.

As the demand for digital infrastructure grows globally, and the needs of the networks continue to evolve, the opportunity for prefabricated modular data centres (PMDC) continues to grow. AI and machine learning will grow the demand even further. Customers are demanding high quality quick deployments, in contrast to the long lead times for bricks and mortar alternatives. DXN's PMDC manufacturing is well placed to fill this demand with and sees opportunity for growth in its modular DCs in/ for:

- CLS - where the anticipated APAC addressable market is driven by a global surge in subsea deployment
- Telecommunications shelters (CEVs) where fibre infrastructure is being built on site.
- Telecom exchanges requiring indoor prefabricated modular data centres
- Mining automation on site
- HPC solutions for AI based infrastructure deployments for training models and inference sites for finance, manufacturing and automation industries.
- Mobility information communications infrastructure (ICT) for Defence and government agencies.
- Edge data centres (customer colocation sites between 100kw to 500kw power loads) deployed globally with APAC anticipated to be the largest growing market.

**Authorised for release by the Board of DXN Ltd**

## FOR MORE INFORMATION

Shalini Lagrutta

Managing Director

[investorrelations@dxn.solutions](mailto:investorrelations@dxn.solutions)

## ABOUT DXN Ltd

DXN designs, engineers, manufactures, maintains and operates data centres whether modular, centralised or for our customers.

The Company is a leading provider across the Asia Pacific region with a proven track record with government and blue-chip customers.

It has two core divisions:

1. Modular division – designs, engineers, manufactures, and deploys EDGE facilities and critical DC infrastructure; and
2. Data centre operations - operates, maintains and markets data centres and critical infrastructure for our own DXN data centres as well as our modular customers. For more <https://dxn.solutions>.

## Definitions

Definition of Edge in the context of telecommunication networks: In telecommunications networks, the term "edge" refers to the part of the network that is closest to the end-users or devices. It represents the boundary or interface between the core of the network (which may include centralized data centres or backbone networks) and the external environment, such as individual users, mobile devices, and other connected endpoints. The "edge" is where data enters or exits the network and is often the first point of interaction with the network