

Half Year Results 1H2024.

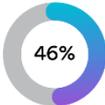
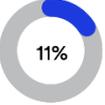
28 February 2024

Strong growth across key financial metrics.



- Eighteen consecutive halves of EBITDA growth for the Group.
- Continued growth in Cloud and Cyber megatrends which drives our business.
- Maintained strong EBITDA margins in a period of increasing cost pressures.
- Over 95% of revenue has come from contracted monthly recurring revenue.
- Undrawn debt facility of \$190m along with cash and deposits of c\$85m available to fund further investment.
- Continued healthy cash conversion at 90.4%.

Business design.

Business Areas	 macquarie CLOUD SERVICES	 macquarie GOVERNMENT	 macquarie DATA CENTRES	 macquarie TELECOM
Percentage of Revenue and EBITDA in 1H24	 <p>56%</p> <p>Revenue</p>	 <p>46%</p> <p>EBITDA</p>	 <p>11%</p> <p>Revenue</p>  <p>33%</p> <p>EBITDA</p>	 <p>33%</p> <p>Revenue</p>  <p>21%</p> <p>EBITDA</p>
What we do	For business customers, we are the specialists in hybrid IT. We integrate colocation, cloud & dedicated servers. Different applications need different types of hosting. We manage it.	We are the Australian specialists in cyber security, secure cloud & colocation for Federal Government. We deliver services to 42% of Federal Government agencies.	We are developers & operators of data centres for wholesale customers including underpinning our three internal BUs' colocation services.	For business customers, we are the full service provider of data, voice, mobile & colocation services. We are the telecom that does everything refreshingly different. We are where the Macquarie story started.
Value proposition	Customer Service, Specialised and Compliant Hosting.	Customer Service, Security Operations Centre (SOC), Cyber Security, Sovereign Certified Data Centres in Canberra	Customer Service, Commercial and Design Flexibility, Physically Secure for Federal Government, Highly Certified, Local and Data Sovereignty, Proven track record	Customer Service, Price, Choice, Flexibility, Control
Competitors	  	  	   	  
People / Skill	Cloud Specialists: Custom and Compliant	Cyber Security and Hosting Specialist to Government	Australian Data Centre Specialists	Generalist for Voice & Mobiles Technical Consultant for Data & Colo to Business

Business Highlights Summary.

Macquarie Cloud Services

Microsoft's 1# Azure Partner nationally within small, medium and corporate sector.

Australia's leading Microsoft Security Specialist (Azure Expert MSP and MISA member).

Significant experience and expertise to support VMware customers with their ongoing Private Cloud workloads.

Cloud forward cyber security practice helping customers manage their security and data resilience needs.

Macquarie Government

42% of Australian Government agencies are customers and we continue to uplift their cyber security posture.

We monitor over 100 billion security events for Government every month.

Our business is aligned with Australian Government's focus on Sovereign capabilities and investing in cyber security. We see strong demand continuing.

First company to have both our cloud and data centres services certified to 'strategic' level by the Digital Transformation Agency.

Macquarie Data Centres

Development Application approved for construction of IC3 Super West.

Site preparation and early works in progress.

Optimising the capacity of IC3 Super West.

2 out of 3 hyperscalers are our customers.

Sovereign supplier to Federal Government underpinning our Secure Internet Gateway business.

Macquarie Telecom

Strengthening of the managed connectivity business with successful launch and take up of SASE (network security) across the SD-WAN customer base.

Strong results continued in leveraging the Telecom customer base to cross-sell Cloud Services solutions.

Continued improvement of profitability within BU by scaling simplified operations and cost management.

Build out value proposition in New Zealand adding voice solutions to the SD-WAN business.

Company purpose.

To make a difference in markets that are underserved and overcharged.

Happy customers stay, buy more, refer their colleagues and pay their bills faster.

+81 NPS

NPS is the measure of customer experience that is assessed on a scale of -100 to +100, where a score of greater than +50 is excellent.

Quality Infrastructure



Data Centre Portfolio.



Sydney CBD Campus
Intellicentre 1



Macquarie Park Data Centre Campus
Intellicentre 2, Intellicentre 3 East
Intellicentre 3 Super West

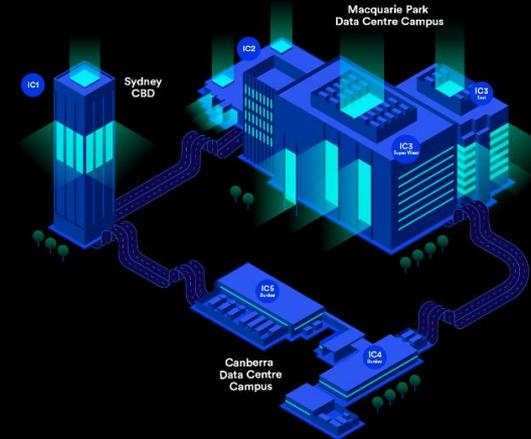


Canberra Data Centre Campus
Intellicentre 4 Bunker & Intellicentre 5 Bunker

Macquarie Data Centres' projected total IT load is **60MW** comprising of:

- Macquarie Park Data Centre Campus 56MW: IC2, IC3 East and IC3 Super West strategically located in North Sydney zone; and,
- Macquarie Canberra Data Centre Campus and IC1 in Sydney CBD combined 4MW.

All our data centres are Certified Strategic by the Australian Government.



Macquarie Park Data Centre Campus.

Development Application approval for IC3 Super West received in January 2024.

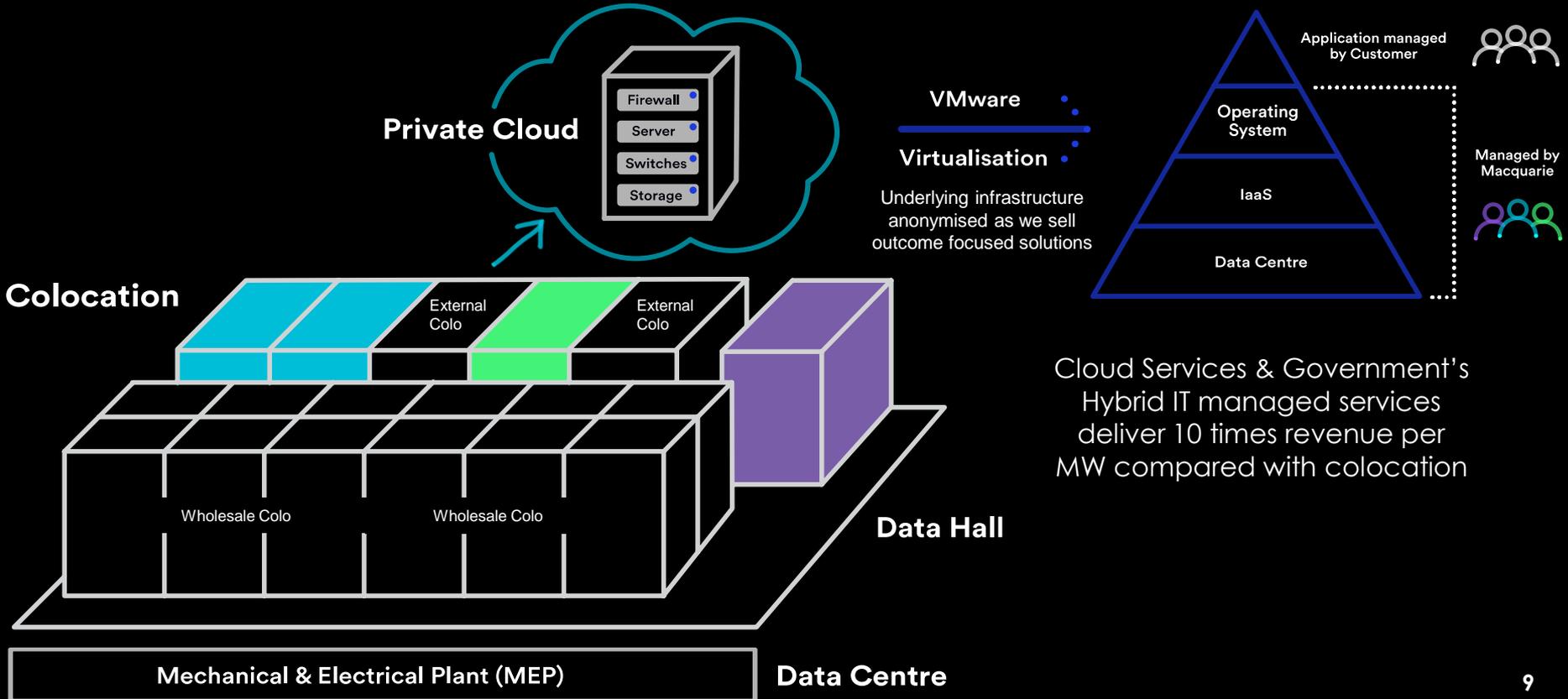
Optimising the capacity of IC3 Super West.

Construction contract negotiations in final stage.

Construction is expected to be completed by Q3 CY26.



Our private cloud continues to be a source of data centre utilisation and generates higher revenue per rack.



Financials

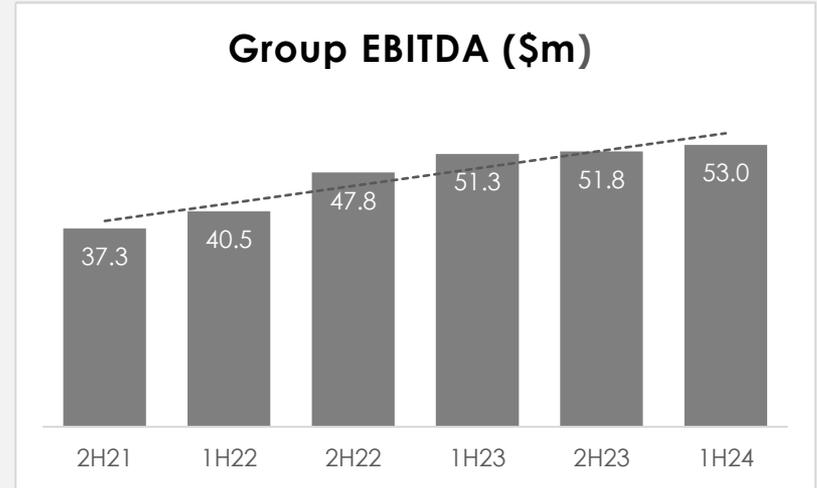
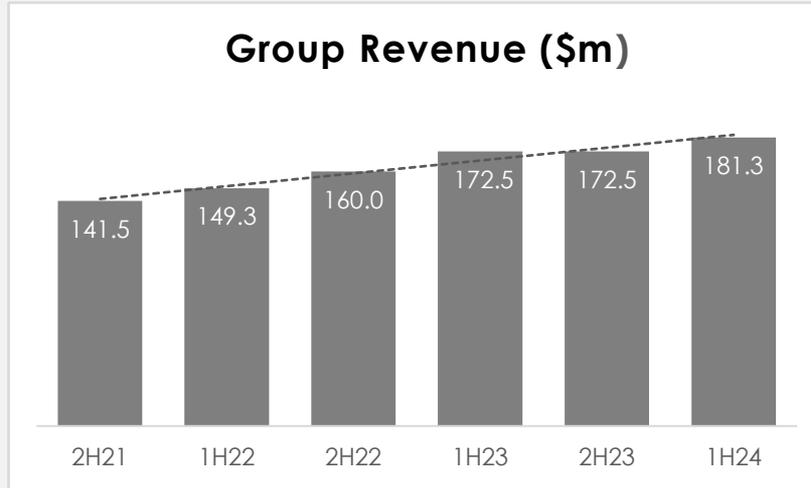


Financial Results.

\$m	1H FY23	1H FY24	1H FY24 v 1H FY23	% change
Total Revenue				
Cloud Services & Government	95.4	102.4	7.0	7.3%
Data Centres	31.7	34.3	2.7	8.4%
Telecom	59.8	60.9	1.1	1.8%
Inter-Segment	(14.4)	(16.3)	(1.9)	13.4%
Total Revenue	172.5	181.3	8.8	5.1%
EBITDA				
Cloud Services & Government	25.8	24.6	(1.2)	(4.7%)
Data Centres	16.4	17.2	0.9	5.3%
Telecom	9.3	11.2	1.9	20.1%
	(0.2)			
Total EBITDA	51.3	53.0	1.5	3.0%
Depreciation & Amortisation	(32.7)	(29.3)	3.5	(10.3%)
EBIT	18.6	23.7	5.1	26.1%
Interest	(6.3)	(2.4)	3.9	(61.6%)
NPBT	12.3	21.3	8.9	72.6%
Tax	(3.8)	(6.5)	(2.7)	70.1%
NPAT	8.5	14.8	6.3	73.7%

Inter-segment revenue predominately relates to services provided by the Data Centre segment to the Cloud Services & Government segment, eliminated on consolidation.
All figures presented are subject to rounding.

Group Financial Performance.

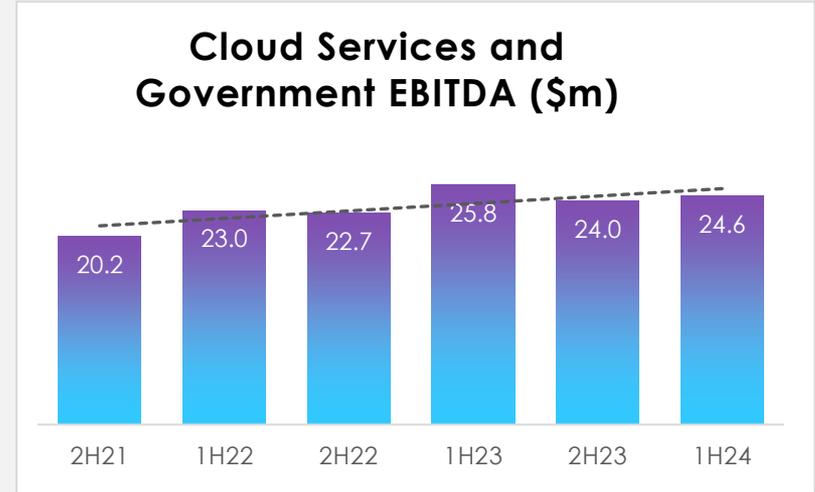
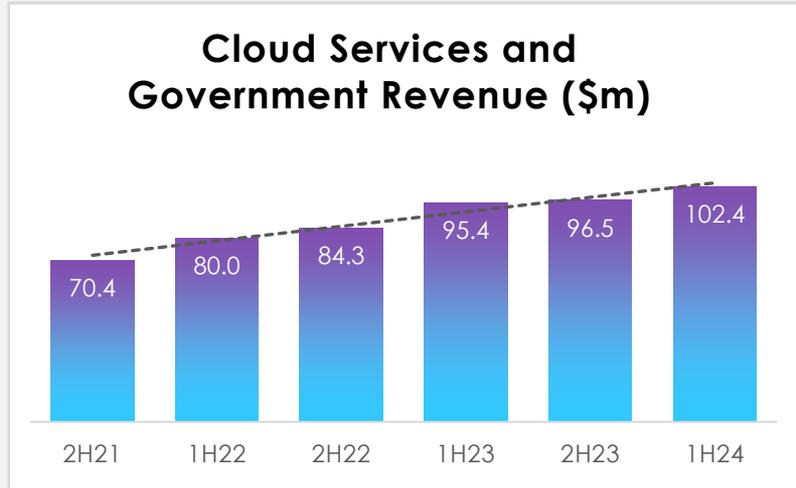


Over the last 3 years:

- Revenue CAGR of 8.1%
- EBITDA CAGR of 13.3%

EBITDA margin of 29.2% in 1H FY24

Cloud Services & Government Financial Performance.

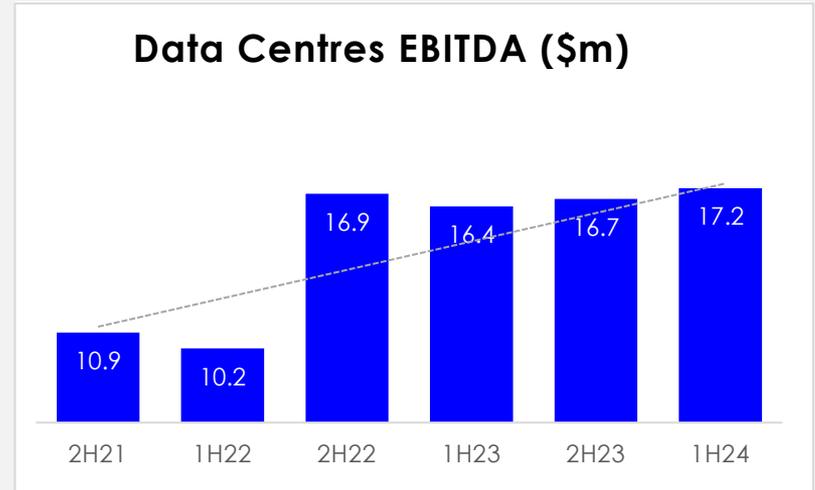
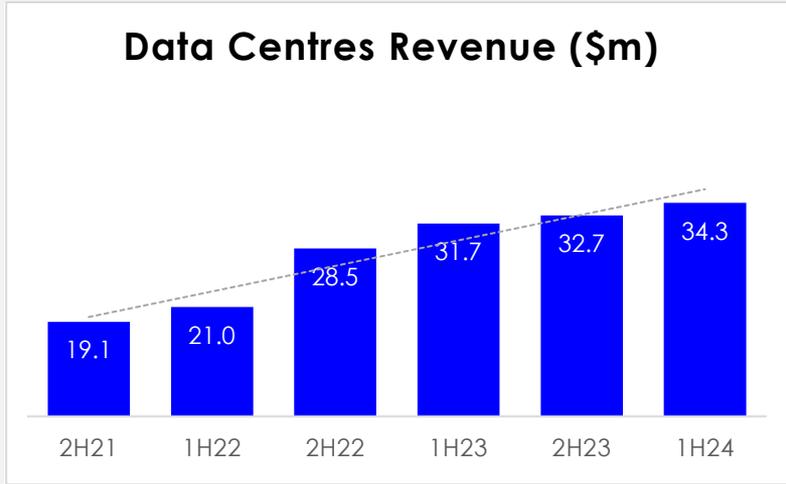


Over the last 3 years:

- Revenue CAGR of 14.5%
- EBITDA CAGR of 7.6%

EBITDA margin of 24.0% in H1 FY24

Data Centres Financial Performance.



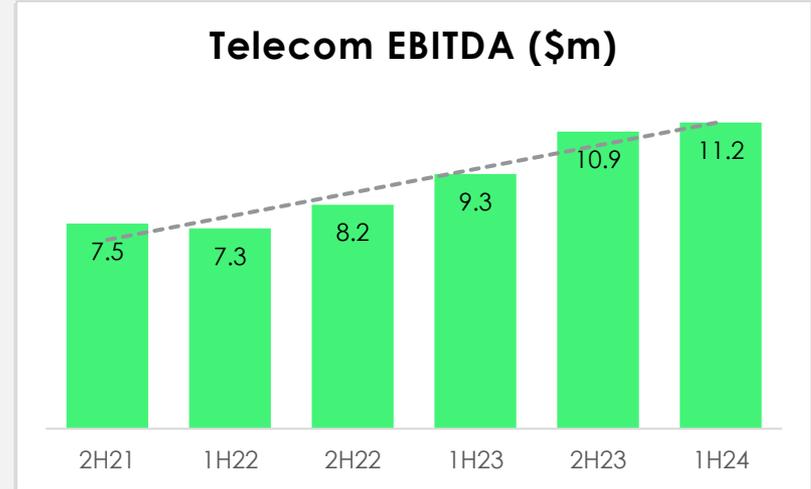
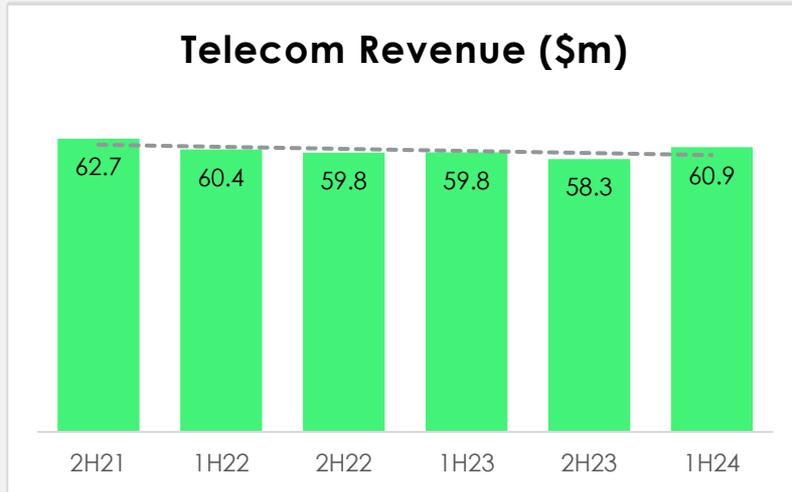
Over the last 3 years:

- Revenue CAGR of 20.6%
- EBITDA CAGR of 16.5%

EBITDA margin of 50.2% in H1 FY24

Increased consumption of power by hyperscalers diluting EBITDA margin whilst neutral at EBITDA.

Telecom Financial Performance.



Over the last 3 years:

- Revenue CAGR of (-2.3)%
- EBITDA CAGR of 15.1%

EBITDA margin of 18.4% in H1 FY24

Growth Capex

- **Growth** Capex is for the building of new data centre capacity, increased power supply, new technology creation and transformational investment.
- In the Data Centres business, a current example is capex for early works for IC3 Super West.
- **Growth** Capex was \$9.1 million in 1H FY24.

Customer Growth Capex

- **Customer Growth** Capex is for additional cabling, racks, servers & storage that enable us to provision new customer orders.
- In the Telecom business, a current example is investment in SD WAN.
- **Customer Growth** Capex was \$6.0 million in 1H FY24 reflective of our sales success and product mix.

Maintenance Capex

- Most of the remaining Capex is infrastructure refresh and internal software development known as Maintenance Capex.
- **Maintenance Capex** was \$3.4 million for 1H FY24.

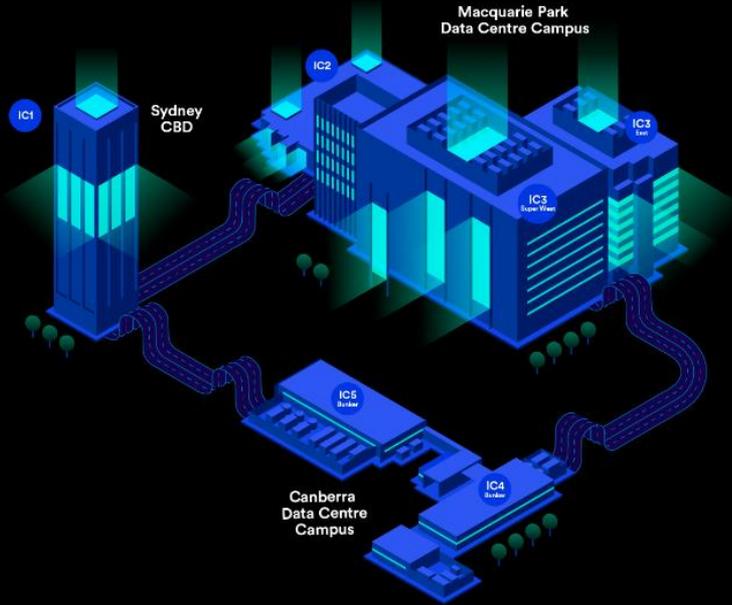
Balance Sheet & Cash Flows.

- Funding available to allow us to pursue growth initiatives:
 - Cash and cash equivalents of \$9.8m;
 - Cash on deposit \$75.0m; and
 - Undrawn debt facility of \$190 million
- Capex has been funded by cash generated by operating activities
- High quality revenue base circa 60% of billings of our top 20 customers being AA+ rated or better.

\$m	FY23	1H FY24
Cash & Cash Equivalents	12.5	9.8
Other Current Assets	99.3	129.1
Non-Current Assets	429.7	423.9
Total Assets	541.5	562.8
Creditors	46.0	44.6
Other Liabilities	176.5	181.1
Total Liabilities	222.5	225.7
Total Equity	319.0	337.1

\$m	1H FY23	1H FY24
Cashflow from Operating Activities	52.6	49.5
Cashflow used in Investing Activities	(33.2)	(45.6)
Cashflow used in Financial Activities	(0.9)	(6.6)
Net increase / (decrease) in Cash	18.5	(2.7)
Opening Cash & Cash Equivalents	3.0	12.5
Closing Cash & Cash Equivalents	21.5	9.8

Outlook.



DA for IC3 Super West has been approved. Site preparation and early works are underway to prepare the Macquarie Park Data Centre Campus.

Demand from the AI megatrend could result in the IT load of IC3 Super West increasing from 38MW to 45MW. This would take the campus from 56MW to 63MW (subject to regulatory and Board approval).

Access to 63MW of power is available upon opening of IC3 Super West.

We continue to explore the acquisition of sites to facilitate the growth plans of Macquarie Data Centres, supporting the Sovereign focus of our customer base.

Outlook.

FY24 Outlook	\$m
Data Centres	34-35
EBITDA	108-111
Cloud Services & Government	20-21
Data Centres	23-24
Telecom	13-14
Total depreciation	56-59
Customer Growth	17-19
Growth Capex	5-6
IC3 Super West (growth)	25-30
Maintenance Capex	9-10
Total Capex	56-65
Cloud Services & Government	16-18
Data Centres	32-38
Telecom	8-9
Total Capex	56-65

FY24 EBITDA is expected to be approximately \$108 to \$111 million which includes Macquarie Data Centres' EBITDA of \$34 to \$35 million. Continuing investment across the Group to drive future profitable growth.

CS&G FY24 EBITDA margin is expected to be in line with FY23.

Telecom operational efficiencies in 1H FY24 to be maintained at the same EBITDA margin in 2H FY24.

Debt refinancing to be undertaken in line with the requirements of the construction of IC3 Super West. Remaining undrawn debt facility of \$190m has been extended.
