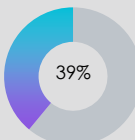
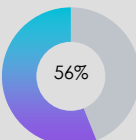


Investor Day.

2018.

24 October 2018

Business Summary.

Business Areas	 macquarie TELECOM	 macquarie CLOUD SERVICES	 macquarie GOVERNMENT
Percentage of Revenue & EBITDA in FY18	 61% Revenue 44% EBITDA	 39% Revenue 56% EBITDA	 39% Revenue 56% EBITDA
What we do	For business, 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.	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.
Value proposition	Customer Service, Price, Choice, Flexibility, Control	Customer Service, Specialised and Compliant Hosting. For apps not suitable for Public Cloud	Customer Service, Security Operations Centre (SOC), Cyber Security, ASD – Certified Cloud, Data Centre in Canberra
Competitors			
People / Skill	Generalist for Voice & Mobiles TC for Data & Colocation know Business Drivers	Cloud Specialists: Custom and Compliant	Cyber Security and Hosting Specialist know Government Drivers

Macquarie Telecom

- #1 in SDWAN in Australia
- Strategic partnership and investment with NBN Co to expand reach and competitiveness
- Successfully insourced our NOC, to reduce Opex and increase our NPS
- Double digit revenue growth in mobile business in a flat market

Macquarie Cloud Services

- Leading provider of Hybrid IT for Corporate IT and SaaS, supporting customers on their journey to the Cloud
- External audit and validation by Maritz CX as a Global leader for NPS (+84)
- Strong cross sell of Cloud solutions into Telecom's customer base
- Expansion of a Hybrid IT Cloud node in Perth

Business Highlights.

Macquarie Government

- 42% of Federal Government agencies have contracted with Macquarie
- Our Government Cloud is certified by ASD (Australian Government) for classified data
- We continue to invest for growth in this business
- Secure Internet Gateway (SIG) and Secure Cloud services have continued to grow

Intellicentres

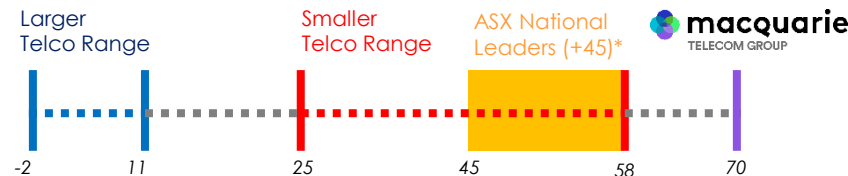
- Leading provider of Hybrid IT for Corporate IT and SaaS, Announced investment in IC3 East with initial capital expenditure of \$75-80m, majority incurred across CY2019
- IC3 East data centre is designed for global hyperscalers, enterprises and Government and is expected to achieve practical completion in late CY2019
- Stage 2 for Fortune 100 customer billing from March 2018

Customer focus...

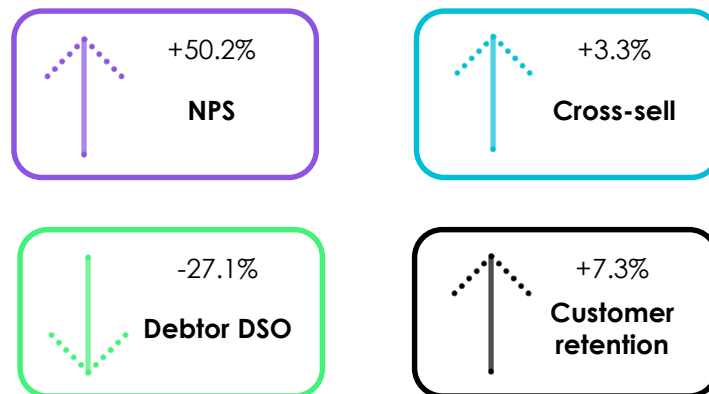
- Our continued focus on providing a great customer experience is core to our service offering & differentiation
- Macquarie's net promoter score (NPS) is +70 for Q4 FY18 – Australian leading NPS
- NPS is the measure of customer loyalty that is assessed on a scale of -100 to +100, where a score of greater than +50 is excellent
- NPS is calculated on the single question "how likely is it that you would recommend our company to a friend or colleague?"
- Growth in our NPS is good for our investors

is delivering improved performance.

NPS Q4FY18



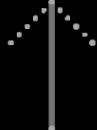
Key metrics since Q4FY14 to Q4FY18



5 Key Business Highlights.

6%

Revenue
\$233.1m

19%

EBITDA
\$47.8m

20%

NPAT
\$17.0m

19%

EPS
80.9cps

- Eight consecutive halves of revenue and profit growth
- EBITDA CAGR of 20.4% over the last three years
- Hosting revenue continued to grow on the back of strong sales and order implementation
- Improved operational leverage in Hosting and several one-off's in Telecom lead to an improved EBITDA result compared to FY17
- Telecom entered into a strategic relationship with the nbn to expand reach and competitiveness
- Primary focus on customer service with an ASX leading net promoter score of +70
- The Company has declared a fully franked final dividend of 25 cps

6 FY18 Colocation Business Highlights.

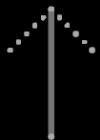
18.4% YoY



Revenue

\$33.4m

19.4% YoY



EBITDA

\$15.6m

14.6% YoY



EBITDAR

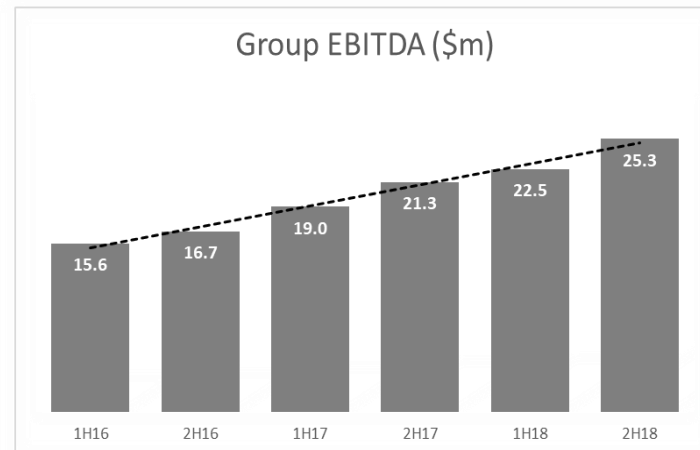
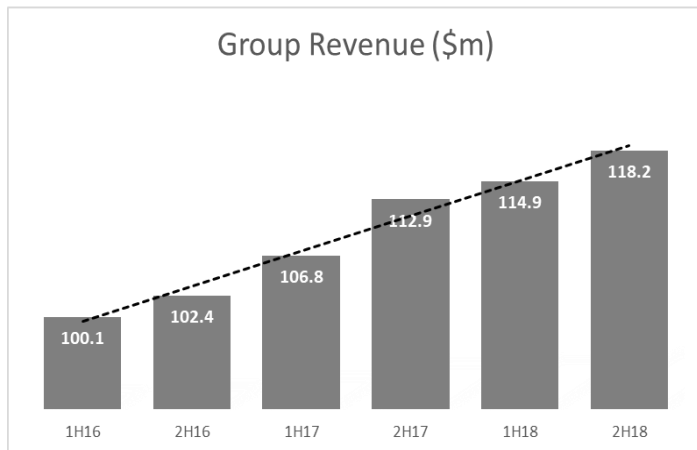
\$20.1m

- Colocation EBITDA Margin of 46%
- Market leading EBITDAR Margin of 60% in FY18
- Colocation revenue is billed through both Hosting and Telecom Groups



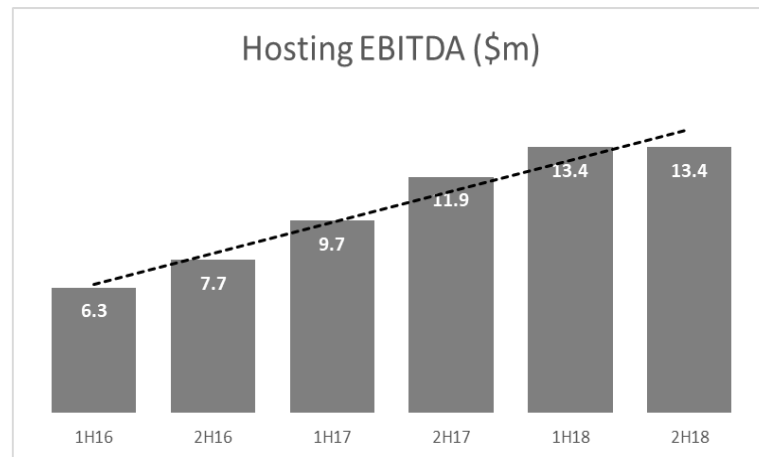
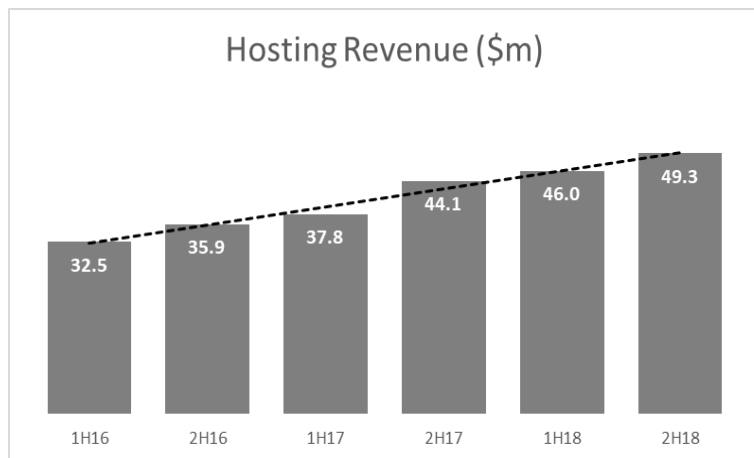
Cross connect / interconnect
5.3% of recurring revenue

7 Group Financial Performance.



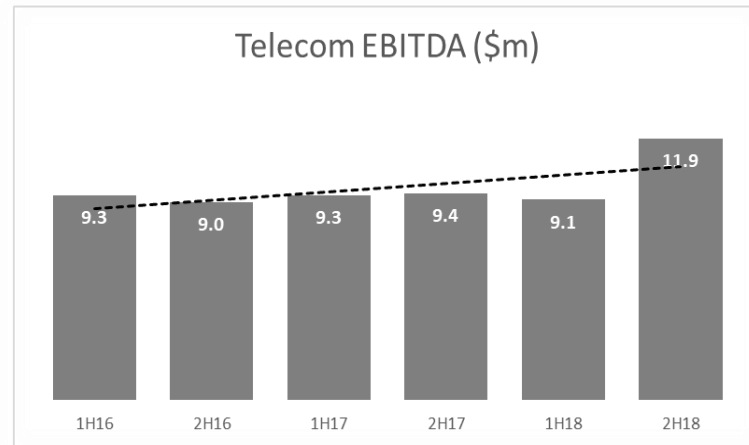
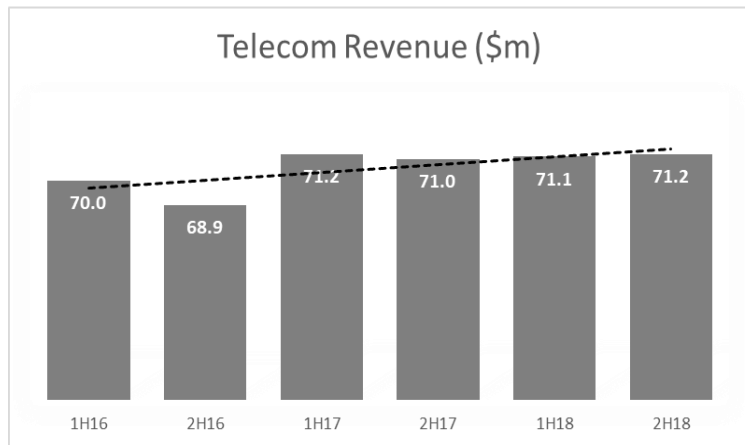
- Over the last 3 years:
 - Revenue CAGR of 6.8%
 - EBITDA CAGR of 20.4%
 - EBITDA margin for the full year improved from 16.0% to 20.5%
- Reflects strategic shift in 1H FY15 and the change in revenue mix to higher margin hosting business

8 Financial Performance - Hosting.



- Over the last 3 years:
 - revenue CAGR of 16.5%
 - EBITDA CAGR of 33.0%
 - EBITDA margin of 28.1% reflecting 2H FY18 investment in the Government business to fund future growth
- Highly leveraged business with improving margins as infrastructure utilisation increases

9 Financial Performance - Telecom.



- Over the last 3 years:
 - revenue CAGR of 1.4%
 - EBITDA CAGR of 10.6%
- Reflects growth in market share in a highly competitive market with an improving EBITDA margin of 14.8%

Growth Capex.

- **Growth Capex** is for the building of new data centre capacity, increased power supply, new technology creation & transformational investment
- In the Hosting business, a current example is the fitout of Data Hall 4 completed in September 2017
- In the Telecom business, a current example is our transformational investment for insourcing our NOC & building a new data network platform SD WAN
- Growth Capex was \$11.5m in FY18

Customer Growth Capex.

- **Customer Growth Capex** is for additional cabling, racks, servers & storage that enable us to provision new customer orders
- Customer Growth Capex was \$11.0m reflective of our data centre sales success & product mix

Maintenance Capex.

- Most of the remaining Capex is infrastructure refresh and internal software development
- This is known as **Maintenance Capex** and was \$11.3m for FY18

Balance Sheet & Cash Flow.

- Cash of \$30.3m and no debt
- Strong conversion of EBITDA to operating cash flows
- Full Year capital spend of \$33.8m
 - Growth Capex \$11.5m
 - Customer Growth Capex \$11.0m
 - Maintenance Capex \$11.3m
- Interim FY18 dividend of 25 cps (\$5.27m) was paid during 2H18 in addition to the final FY17 dividend of 25 cps (\$5.24m) paid in 1H18

Balance Sheet

\$m	FY18	FY17
Cash and cash equivalents	30.3	31.8
Other current assets	21.4	20.0
Non-current assets	92.0	81.4
Total Assets	143.7	133.2
Creditors	33.5	28.7
Other Liabilities	16.9	18.1
Total Liabilities	50.3	46.8
Total Equity	93.4	86.4

Cash Flow

\$m	FY18	FY17
Cash flows from Operating Activities	42.9	41.4
Cash flows from Investing Activities	(33.8)	(35.5)
Cash flows from Financing Activities	(10.6)	(10.5)
Net increase/(decrease) in Cash Held	(1.5)	(4.7)
Opening Cash and cash equivalents	31.8	36.5
Closing Cash and cash equivalents	30.3	31.8

Luke Clifton.

Group Executive

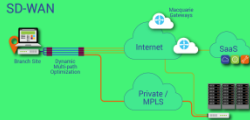
Macquarie Telecom

#SoUntelco



PURPOSE	To make a difference for our customers of the industry
VALUES	Results, personal accountable service, collaboration



MARKET	WHO	WHAT	OUTCOME
\$4 Billion consolidating but flat market	 5,500 mid sized Corporate Businesses	We represent the only full service Telco for Corporate Businesses in Australia, with a range of carriers we deliver choice, flexibility, control and cost reduction with an outstanding customer service model regardless of the carrier mix chosen. Macquarie Telecom customers save on cost and have more control.	120 Logos
Networking Disruption 	 >\$12k per month  100 – 2000 Employees	HOW “We are everything our compeition is not. We deliberately chose to do the opposite of what our competitors do.”	 NPS

6 ways business class nbn™ is different.



Fibre Upgrades

- We'll build your network to up to 1GB capacity
- We'll lock in a future of retail network supplier choice



Joint Delivery Team

- All orders delivered collaboratively with NBN Co joint delivery team
- We're experts in driving wholesale service delivery



Migration Planning

- We'll manage a full network and strategic planning process for you
- We'll provide detailed nbn™ rollout data for your business



Purpose-built for business

- TC4, TC2 and EE bring you superior technologies such as data and internet, SIP voice solutions and SD-WAN
- Our backbone carries no consumer traffic
- Business SLA's are standard across all our products



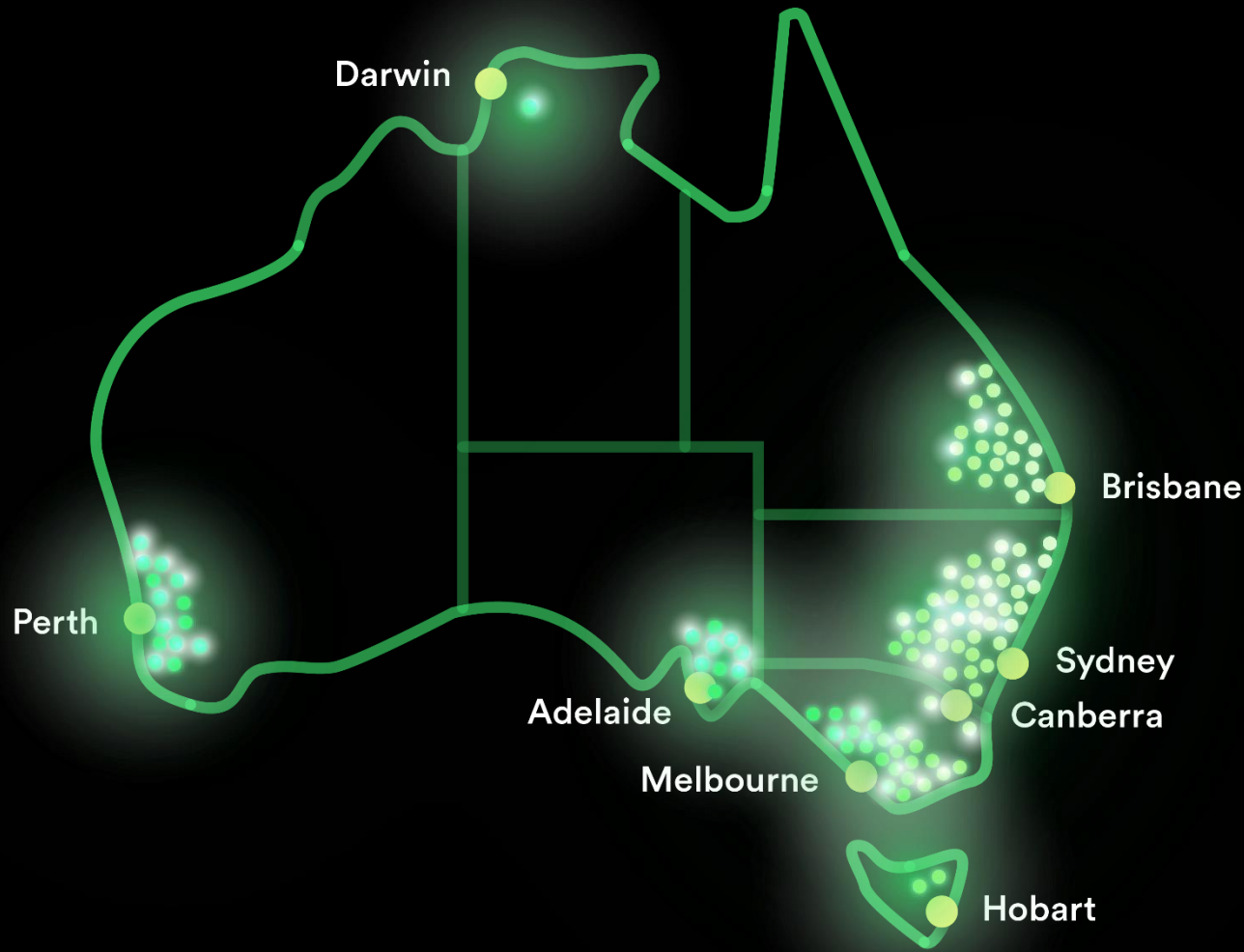
Coast to coast access

- Wherever you're located, we'll unlock the potential of your business
- Overcome the wholesale price barriers of the past



Best customer service

- Our NPS drives us to deliver, and proves that we do
- We'll provide you with local account management and 24/7 customer service and support



Until today:
Major cities
only.

From today:
121 POIs.
Coast to coast
infrastructure.

Macquarie SD-WAN.



Link Bonding

- SD-WAN sends data packets across multiple links, and stitches the packets together at the other end.
- Traffic is steered per-packet, rather than per session providing optimal performance



Voice and Video

- SD-WAN Optimises Voice and Video
- Link quality is enhanced through remediation such as FEC, Jitter Buffering and SPP



App Prioritisation

- Applications can be prioritised individually
- More than 3,000 Applications identified
- Apps can be routed direct to the Internet or treated like a traditional private network



International

- SD-WAN provides a low cost option for International sites
- Local Internet services can be utilised to provide connectivity securely and with high performance



Fast and Simple

- Manage your entire network through a webpage using the Orchestrator
- Business Policies and network configuration in a few clicks.
- Sites can be setup in minutes with no technicians



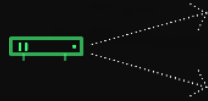
Secure, End to End

- Data is encrypted at a packet level, with a constantly changing security key.
- This means that from end to end, your data is protected against undetectable data theft and man-in-the-middle attacks.

A network that can keep up with cloud and SaaS

Link bonding

SD-WAN sends data packets across multiple links, and stitches the packets together at the other end.



Traffic Type : Voice

Macquarie Telecom
Cloud Scores

Macquarie Telecom Enhancements



9.68

NBN



7.94

EFM



2.35

James Mystakidis.

Group Executive

Macquarie Cloud Services

PURPOSE

Making a difference in an industry that is over charged and under served

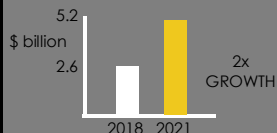
VALUES

Results, personal accountable
service, collaboration



MARKET

SAAS GROWING



+2.6bn today –
3 years SAAS market
will DOUBLE

IAAS (CORP IT)



1.5m VM's journey
to the Cloud

WHO



ENTERPRISE VIA
PARTNERS



CORPORATE IT
JOURNEY TO
CLOUD



SOFTWARE AS A
SERVICE
PROVIDER



WEB BUSINESS
WEB SITES
DIGI RETAIL

WHAT

**WE ENABLE HYBRID IT +
WE SECURE THE CLOUD**

Through
COLOCATION
DEDICATED SERVERS
PRIVATE CLOUD



HOW

Focus on “**custom**” and “**compliance**” for
those whose needs are not met by the one
size fits all approach.

OUTCOME

#1

Managed
Cloud Business
in Australia



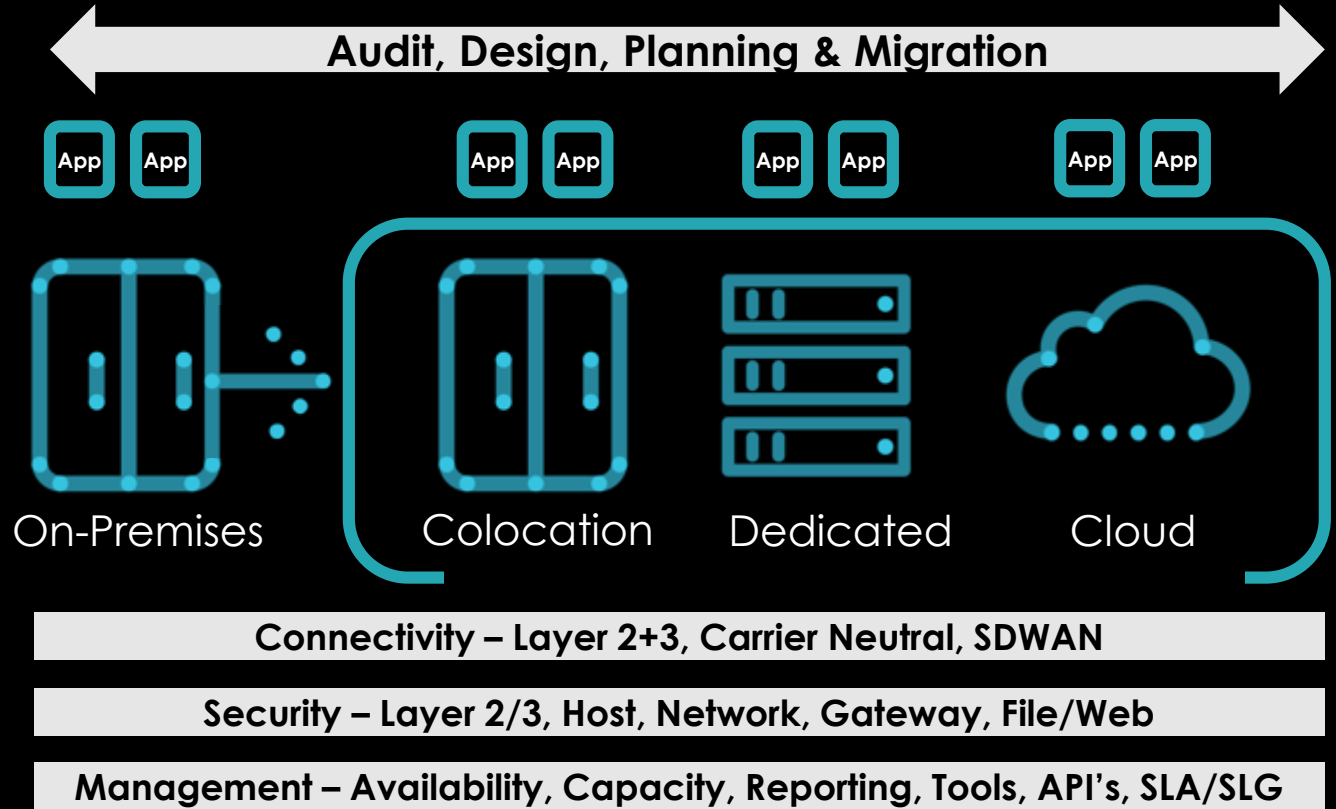
NPS

Customer
NPS & Loyalty



Top Line Business
Growth

Hybrid IT



Government

Aidan Tudehope

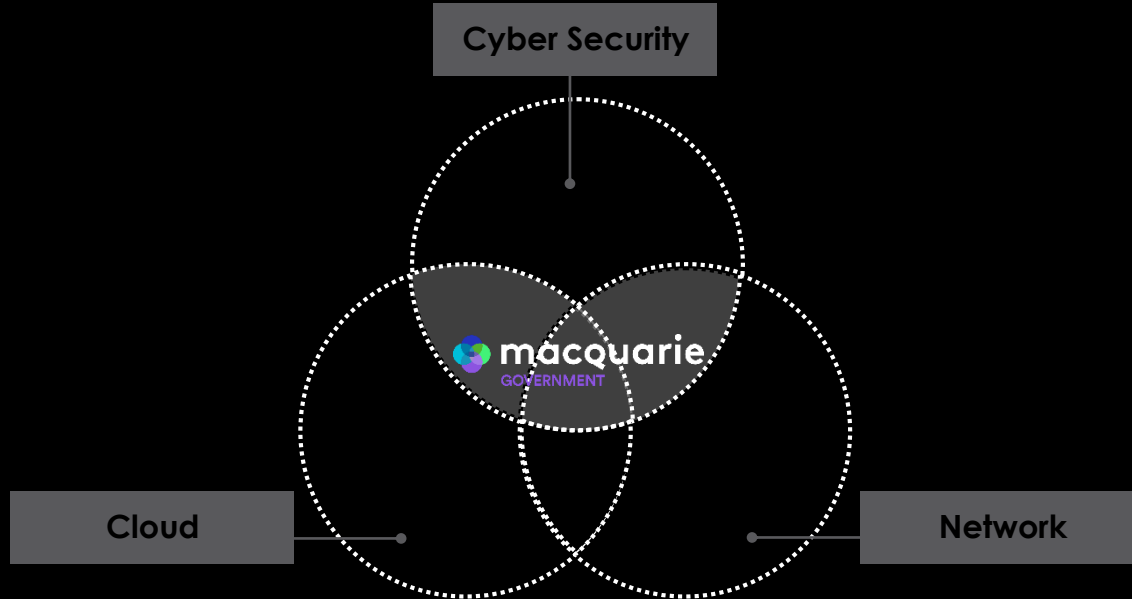
Managing Director

Government and Hosting Group

GOVERNMENT

MARKET	WHO	WHAT	OUTCOME
AUSTRALIAN GOVERNMENT POLICY DIGITAL TRANSFORMATION CYBER SECURITY INVESTMENTS	FEDERAL GOVERNMENT & NSW 	SECURING THE DIGITAL TRANSFORMATION OF GOVERNMENT Through the PROTECTED High Ground (SECURE CLOUD, SECURE GATEWAY, COLOCATION)	
SECURE CLOUD STRATEGY SECURE INTERNET GATEWAY (SIG) COMPLIANCE REQUIREMENTS DIGITAL MARKET		HOW ASIO T4 100+ NV1 SIG CREDENTIALS 15+ YEAR TRACK RECORD  SOC ACSC   DATA SOVEREIGNTY EASY TO BUY. EASY TO MIGRATE. EASY TO CONSUME BUILT FOR GOVERNMENT – DEFENCE CERTIFIED (CCSL)  SaaS ...	GROWTH  NPS

Government Cloud and Cyber Security focus.



Our Customers.



Australian Government
Office of Parliamentary Counsel



Australian Government
Department of Agriculture
and Water Resources



Australian Government
The Treasury



Australian Government
Department of Finance



Australian Government
Bureau of Meteorology



Australian Government
Department of the Prime Minister and Cabinet



Australian Government
Department of the Environment



Australian Government
Department of Industry,
Innovation and Science



PARLIAMENT of AUSTRALIA



ASIC
Australian Securities & Investments Commission



FEDERAL COURT
OF AUSTRALIA



Australian Government
Australian Taxation Office



Australian Prudential Regulation Authority



Australian Government
Department of Foreign Affairs and Trade



Justice
and Regulation



Team
Australia

Macquarie Park Data Centre Campus development to 43MW.

October 2018

Macquarie Park Campus expansion from 10MW to 43MW total load.



- Modularised build for core and shell phases
- Carrier Neutral
- Designed for global hyperscalers, enterprise and Government customers

Total Campus Load 43MW

- Intellicentre 2 (IC2)
10MW existing
- Intellicentre 3 (IC3)
East/West 33MW

Macquarie Data Centres Intellicentre 3 East – Phase 1



Intellicentre 3 East

- Initial build capex \$75-80M
- Keppel contribution to core and shell build cost \$26-36M
- MEP and fit out \$45M
- Initial Capacity 2.4MW
- Modular fit out based on customer demand in years ahead
- IC3 East building area 13,400 sqm
- Practical completion in late 2019

Macquarie Data Centres Intellicentre 3 East – South East Corner



Macquarie Data Centres.



Commercial &
design flexibility



Carrier Neutral



Proven Track
Record



Compliance and
Government Security

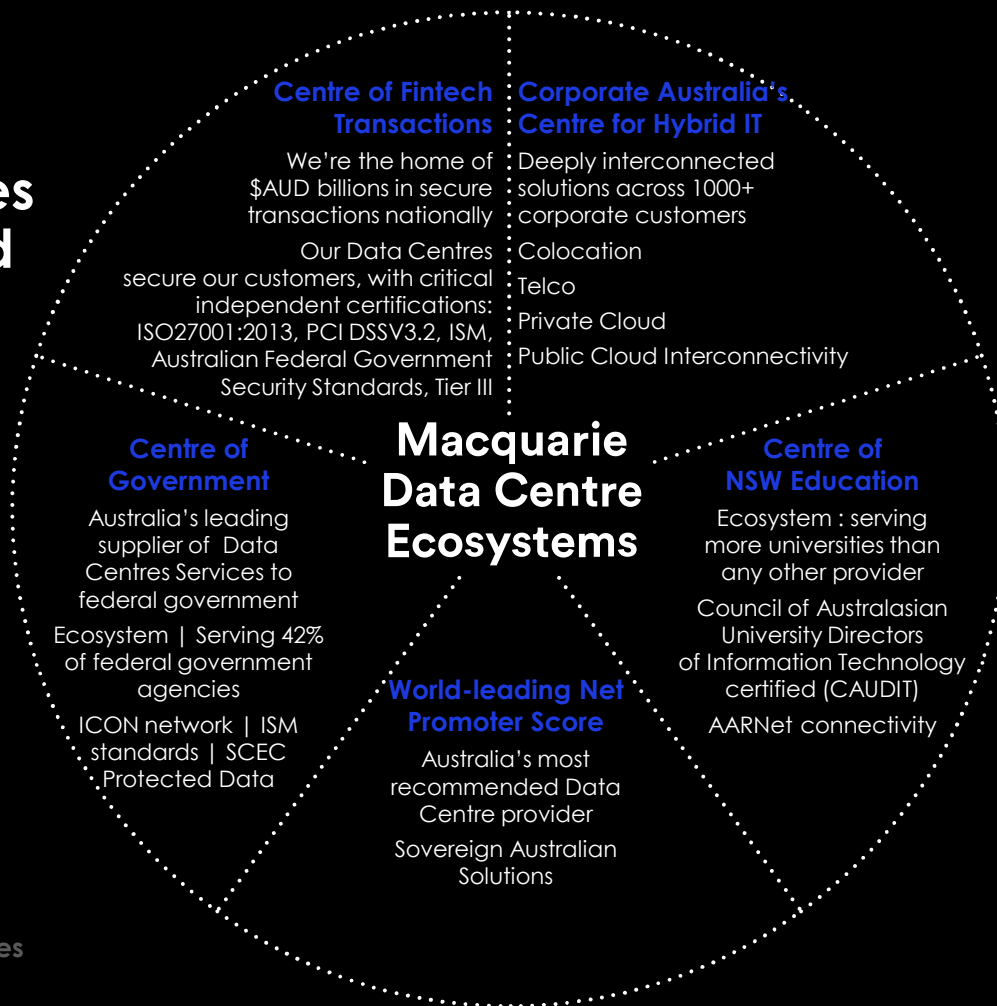


Customer
Service



Speed of
Response

Not all
colocation
data centres
are created
equal.



Carrier neutral. Better connected. More secure.



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