

Annual General Meeting.

2020

Peter James - Chairman

2 Key Business Highlights.

Revenue

\$266.2m

EBITDA

\$65.2m

NPAT

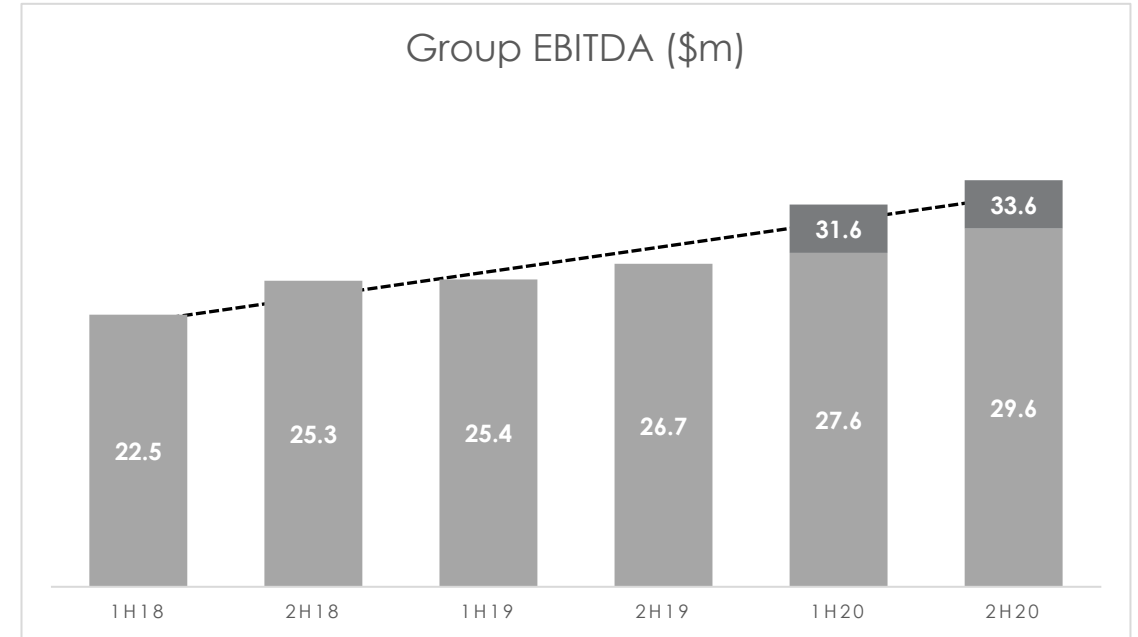
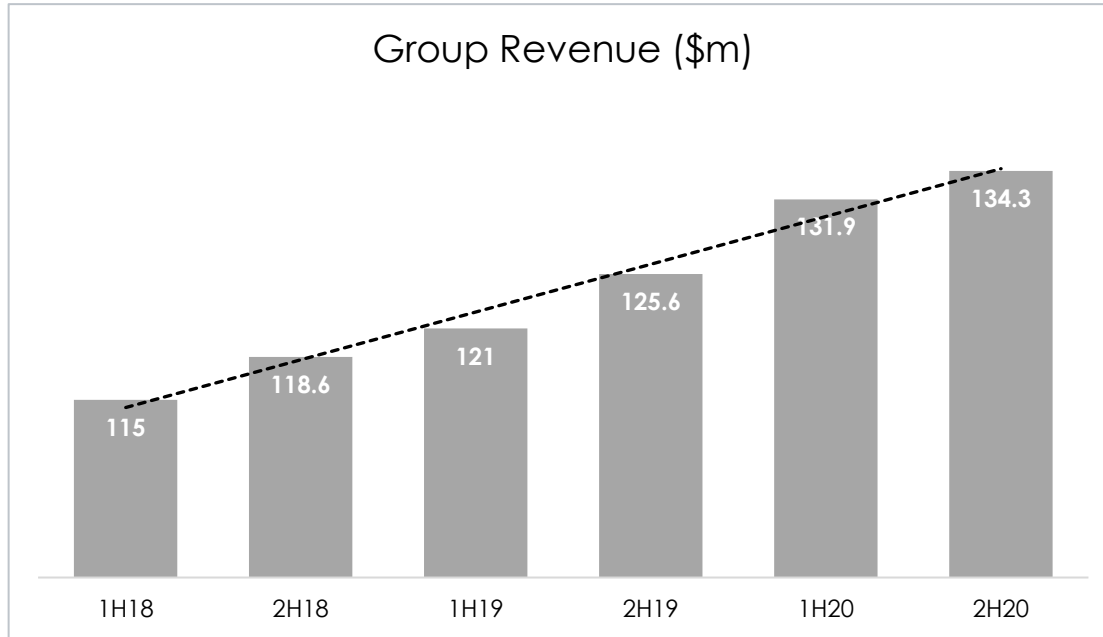
\$13.5m

EPS

63.6 ps

- Six consecutive years of revenue and EBITDA growth
- EBITDA CAGR of 16.8% over 3 years (pre-AASB16 9.5%)
- Resilient during COVID-19 pandemic
- Strong growth in Cloud and Government business units
- Agreement with ATO to provide Secure Internet Gateway (SIG) and cyber security services
- Construction of Intellicentre 3 East (IC3 East) is advanced and on track to accept sales from late 2020
- Increased syndicated debt facility to fund the build of IC3 data centre and undrawn balance of \$92m
- Hosting revenue continued to grow on the back of strong sales and order implementation
- Telecom continue to build fibre networks and migrate services to the nbn in line with plan
- Primary focus on customer service with an ASX leading net promoter score of +72
- NPAT reduced by higher depreciation from capex investment driving future growth

3 Group Financial Performance.



- Over the last 3 years:
 - Revenue CAGR of 6.8%
 - EBITDA CAGR of 16.8% (excluding AASB16, 9.5%)
 - EBITDA margin 24.5% (excluding AASB16, 21.5%)
- Impact of AASB16 increases EBITDA by \$8.0m (as per graph)

COVID-19 Impact

- Performance has been resilient to the external business and economic pressures arising from the measures to control the COVID-19 pandemic
- No government subsidies or other incentives received as a result of COVID-19

4 Balance Sheet & Cash Flows.

- Cash and cash equivalents of \$37.9m. Negotiated increase to syndicated debt facility with undrawn portion of \$92m available for investment and build of IC3 & IC5 data centres
- FY20 capital spend of \$65.9m ex IC3
 - Growth Capex \$14.8m
 - Customer Growth Capex \$38.8m
 - Maintenance Capex \$12.3m
- IC3 building development expenditure is either classified as Other Receivables for the core & shell or as WIP. Upon practical completion Other Receivables will form part of the development agreement with Keppel
- Key impact of AASB16 has been to:
 - recognise \$76.1m of Right-of-use assets (non-current) offset by \$75.8m of lease liabilities on the balance sheet at 30 June 2020
 - \$7.9m of interest and lease payments in financing activities in the cash flow (with nil cash impact)

\$m	FY19	FY20 (Pre AASB16)	FY20 (Post AASB16)
Cash & Cash Equivalents	17.1	37.9	37.9
Current Assets	29.5	44.5	44.0
Non Current Assets	114.7	165.9	242.4
Total Assets	161.3	248.3	324.3
Creditors	34.1	57.4	57.4
Other Liabilities	20.4	67.0	144.8
Total Liabilities	54.5	124.4	202.2
Total Equity	106.8	123.9	122.1

\$m	FY19	FY20 (Pre AASB16)	FY20 (Post AASB16)
Cash Flows from Operating Activities	38.6	38.0	45.9
Cash Flows from Investing Activities	(45.8)	(64.1)	(64.1)
Cash Flows from Financing Activities	(6.1)	47.0	39.1
Net increase /(decrease) in cash	(13.3)	20.8	20.8
Opening Cash and Cash Equivalents	30.3	17.1	17.1
Closing Cash and Cash Equivalents	17.1	37.9	37.9

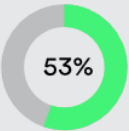
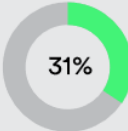
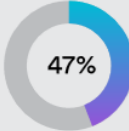
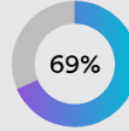
- The Company's EBITDA will continue to grow in FY21. However, 2H FY21 will be relatively flat compared to 1H FY21 driven by investment in sales and operational resources to support continued growth
- There are ongoing opportunities in the Telecom business as customers look to strengthen online footprints and their customer facing options through demand for new technologies, including SDWAN and business nbn™
- We will continue to develop public cloud capability to enhance the current hybrid cloud offering
- The Macquarie Park Data Centre Campus will provide 43MW in total load on completion. Development of Macquarie Intellicentre 3 (IC3) East, expands the Group's data centre capacity from a total load of 10MW to 28MW and is progressing to plan. The campus is designed to meet the growing needs of global hyperscalers and cloud, enterprise and government customers
- Continued demand from Federal Government Agencies gives great confidence for future growth in the Government Business. The further investments to expand capacity in IC5 Bunker in Canberra will provide capability and scope to meet this demand

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David Tudehope – Chief Executive

Business Summary

Business Areas	 macquarie TELECOM	 macquarie CLOUD SERVICES	 macquarie GOVERNMENT	 macquarie DATA CENTRES
Percentage of Revenue and EBITDA in FY20	 53% Revenue  31% EBITDA		 47% Revenue  69% EBITDA	
What we do	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.	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.
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	Customer Service, Commercial and Design Flexibility, Physically Secure for Federal Government, Highly Certified, Local and Data Sovereignty, Proven track record
Competitors	 OPTUS  TRG  VOCUS	 NEXTDC  INHOUSE  amazon web services™  rackspace technology	 verizon  INHOUSE  DXC technology	 NEXTDC  EQUINIX  GLOBAL SWITCH  AIRTRUNK
People / Skill	Generalist for Voice & Mobiles Technical Consultant for Data & Colo know Business Drivers	Cloud Specialists: Custom and Compliant	Cyber Security and Hosting Specialist know Government Drivers	Australian Data Centre Specialists

Macquarie Telecom

- #1 in Asia Pacific for SDWAN
- 2/3 of Macquarie customers successfully migrated to NBN
- Strong cross sell of Cloud Services solutions into Telecom's customers
- Launch of SIP Voice for Teams

Macquarie Cloud Services

- Continues to grow successfully leveraging the Hybrid IT megatrend
- Managed Azure Practice, a pathway to public cloud
- 2019 Dell EMC Rising Star award
- 2020 Great Place To Work for 2nd consecutive year in top 20

Business Highlights Summary.

Macquarie Government

- 42% of Australian Government agencies
- ASD certified cloud for classified / protected workloads
- ATO cyber security contract, \$20m over the initial 3 year term
- Upgrades to Government Secure Internet Gateway, across our data centres

Macquarie Data Centres

- Construction of IC3 East on track
- Macquarie Park Data Centre Campus expansion to 43 MW
- Canberra DC development of IC5 on track
- 2H FY20 includes full year impact of Stage 3 of Fortune 100 customer
- Significant demand from hyperscale customers

IC3 East Update.

MDC announces long term contract with new customer for approx. 10MW at IC3E.

IC3 East build is progressing well and we continue to expect completion in February 2021, on time and on budget.

Approx 10 MW IT load sold on 2 floors of IC3E.

1 MW of wholesale / corporate capacity remains available on 1 floor.

Exploring options to expand past the 11MW of IT load which is equivalent to the 18 MW of Total Load previously announced.

IC3W remains available for growth options in the future.



IC5 South Bunker Canberra.

- Construction due to complete by December 2020
- Built to Federal Government security standards (SCEC Zone 5 ready) and redundancy (Tier IV)
- Stage 1 investment of \$17m
- Campus Total Load 4MW comprising:
 - Existing IC4 Bunker 1MW
 - IC5 South Bunker (Stage 1) 1.5MW
 - IC5 North Bunker (Stage 2) 1.5MW
 - Plus additional capacity to expand
- Australian Sovereign data centres to support expected growth in Federal Government business

