

Macquarie Telecom delivers thirteen consecutive halves of revenue and EBITDA growth

Macquarie Telecom Group Ltd (ASX: MAQ) (the Company) today announced its strong performance for the half-year ended 31 December 2020, in line with guidance.

Chairman Peter James said, *“Our strategy of investing in Data Centres, Cloud and Cyber Security continues to drive further shareholder value and ongoing returns and has resulted in thirteen halves of profitable growth”.*

“Macquarie’s focus on customer experience was recognised by the “Best customer experience in the World” award by 60 international judges. Macquarie is the first Australian company to win this award in 22 years of the World Communications Awards in London”.

KEY POINTS

- Revenue of \$143.6 million, an increase of 9% on 1H FY20 (\$131.9 million).
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$36.4 million, an increase of 15% on 1H FY20 (\$31.6 million).
- Conversion of EBITDA to operating cash flows generated total operating cash flows of \$13.6 million during the half-year.
- Net profit after tax of \$7.0 million, an increase of 5% on 1H FY20 (\$6.7 million).
- Capital expenditure for 1H FY21 was \$32.9 million (1H FY20: \$23.1 million) excluding Intellicentre 3 East.
- Customer Growth Capex was \$13.9 million, 20% more than 1H FY20 \$11.6 million, reflective of our continued data centre sales success and product mix.
- The company has drawn down \$93.5 million to support data centre developments in Intellicentre 3 East and Intellicentre 5 South Bunker.

Chief Executive David Tudehope commented, *“Macquarie’s 20-year strategy of investing in world-class data centres is based on strong demand for data centre capacity as customers migrate to cloud and colocation services. The win, of the 10MW of IT Load sold to a Leading Corporation, recognises the world class investment we have made in the Macquarie Park Data Centres Campus in Sydney’s North Zone.”*

OUTLOOK

- FY21 EBITDA is expected to be approximately \$72 to \$75 million.
- Telecom continues to win customers from legacy data and IP carriers with our nbn and SD WAN solution.

- FY21 Total Capex is expected to be between \$57 - 66m, excluding IC3, consisting of:
 - Customer Growth - \$25 to \$28 million.
 - Growth Capex - \$17 to \$20 million.
 - Maintenance Capex - \$15 to \$18 million.
- IC3 Expenditure - \$123 to \$126 million.
- FY21 Depreciation is expected to be between \$50 and \$53 million.

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About Macquarie Telecom Group

We're Australia's data centre, cloud, cyber security and telecom company for mid to large business and government customers. The way we do this is completely different from our competitors... we provide the best customer service in Australia.

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