

## Macquarie Telecom Group delivers 8 successive years of EBITDA growth.

**25 August 2022**

Macquarie Telecom Group Ltd (ASX: MAQ) (the Company) today announced its results for the full year ended 30 June 2022, which are at the top end of prior guidance.

Chairman Peter James said, "The 2022 full year results delivered the eighth consecutive year of EBITDA growth underpinned by our strategy of investing in Data Centres, Cloud, Cyber Security and Telecom. It is very pleasing to see that EBITDA has grown year on year in every segment."

### Key Points.

- Eight consecutive years of EBITDA growth.
- Full year revenue of \$309.3 million, an increase of 8.5% compared to \$285.1 million for FY21.
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$88.4 million, an increase of 19.8% from prior year, at the top end of June's guidance.
- Conversion of EBITDA to operating cash flows generated total operating cash flows of \$98.0 million during the year. There is a closing cash balance of \$3.0 million and undrawn debt facilities of \$64.0 million having drawn down \$126.0 million.
- The Company has completed work on the fit-out of Intellicentre 3 East data centre development ("IC3") and has commenced billing of its hyperscale customer.
- Net profit after tax (NPAT) of \$8.5 million, reflecting the increase in depreciation & amortisation flowing from the significantly higher levels of capital expenditure since FY20.
- Capital expenditure for FY22 was \$98.5 million (FY21: \$139.1 million) driven by Growth Capex of \$64.5 million primarily relating to fit out of IC3 East in Macquarie Park. Customer related Capex was \$24.5 million. Maintenance Capex was \$9.5 million.

Chief Executive David Tudehope said, "Macquarie Telecom Group is a sovereign digital infrastructure business at scale. We continue to grow because we pair the best technology with the best customer service, and that recipe hasn't changed since the company was founded in 1992."

"Macquarie Telecom Group continues to see strong growth in data centres, cloud computing, cyber security and our core telecom business."

## OUTLOOK

- The Company's EBITDA will continue to grow in FY23. Due to investments being made in Data Centres and Cloud Services & Government in the 1H FY23, EBITDA will grow in 2H FY23.
- Expected EBITDA for the Data Centres business in FY23 is between \$31 to \$33 million.
- Inflation impacts on cost base are being materially passed through to our customers.
- We continue to see a strong demand for cyber security and hybrid IT in our Government and Cloud Services businesses.
- Telecom is focusing on new initiatives to improve operational efficiencies and continued growth of our successful SDWAN business.
- Pleasingly we are able to increase the total IT Load capacity of IC3E by approximately 1MW independent of the IC3 Super West build. We will invest in this opportunity by 2H FY23. This leverages our existing investment in IC3E.
- State Significant Development Application submitted for IC3 Super West. We expect to receive DA approval in late calendar year 2022 to mid-calendar year 2023 and construction to be completed 18 to 24 months later.
- Depreciation and amortisation for FY23 is expected to be \$70 to \$74 million, driven by full year impact of IC3 in FY22. Cloud Services & Government and Telecom depreciation to remain broadly flat at \$27 to \$28 million and \$19 to \$20 million respectively in FY22.
- We are focused on maintaining industry leading Net Promoter Score greater than +70 across all business segments.
- The Company plans to make further investment in growth and customer growth capex during FY23. Total capex is expected to be between \$76 to \$80 million consisting of:
  - Growth Capex - \$37 to \$39 million
  - Customer Growth - \$23 to \$24 million
  - Maintenance Capex - \$16 to \$18 million
- Telecom capex will remain broadly flat at \$11 to \$12 million in FY23 with Hosting capex at \$65m to \$68m.

Authorised for release by the board of directors of Macquarie Telecom Group Limited.

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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.

\*An industry-leading +73 score, as rated by our customers.