

ASX Announcement
7th August 2018

Macquarie Telecom Group to develop Macquarie Park Data Centre Campus to 43MW & update to guidance

Macquarie Telecom Group (ASX: MAQ) (the Company) announces the expansion of its existing Macquarie Park Intellicentre to a 43MW Campus.

This significant development will be undertaken in phases. Phase 1, Macquarie Intellicentre 3 (IC3) East, will enable the Company to expand its data centre capacity from a total load of 10MW to 26 MW. Subsequent phases will add a further 17 MW through the build-out of Macquarie IC3 West.

The Campus is designed to meet the growing needs of global hyperscalers and cloud, enterprise and Government customers.

The Company expects that the initial capital expenditure on the Intellicentre 3 East Data Centre will be approximately \$75-80 million, the bulk of which will be incurred across calendar year 2019. This capex will be partially offset by a fee from Keppel DC REIT to the value of \$26-36m for the development of IC3 (East) core and building shell. The Company will enter a 20-year lease with Keppel including options to renew. This data centre development will be funded by structured debt financing due to be finalised in Q1 FY'19. The development of IC3 West is subject to the usual approvals of both Macquarie and Keppel.

The first data hall in the new Intellicentre Campus will achieve practical completion in late calendar 2019 with an opening day mechanical, electrical and plant (MEP) of 2.4MW. Further investment in MEP will be funded by the debt facility.

Market Update

With respect to financial year 2018, the Company is pleased to announce that the unaudited FY18 financials are expected to be in the range of \$47-48m EBITDA. This exceeds previous guidance of \$44-46M announced in February 2018 due to one-off and abnormal items. The closing cash (and cash equivalents) balance is \$30.2m.

The Company intends to declare a final fully franked dividend of 25 cents per share for the financial year-end 2018.

However, during this next significant phase of capital intensive growth investment, the Company will cease paying dividends commencing H1 FY19.

The Company's full year results will be released on 29 August 2018.

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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