

Macquarie Telecom exceeds guidance, delivers its fifteenth consecutive half of growth, supported by strong operating cash flows.

21 February 2022

Macquarie Telecom Group Ltd (ASX: MAQ) (the Company) today announced its results for the half-year ended 31 December 2021, which were ahead of guidance.

Chairman Peter James said, *"This result represents our fifteenth consecutive half of EBITDA growth, an outstanding achievement made possible by our committed teams, our strategy and ongoing investments across all of our business units"*.

Key Points

- Fifteen consecutive halves of growth.
- Revenue of \$149.3 million, an increase of 4% on 1H FY21 (\$143.4 million).
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$40.5 million, an increase of 11% on 1H FY21 (\$36.4 million).
- Strong conversion of EBITDA to operating cashflows of \$37.6 million in 1H FY22 vs \$27.0 million in 1H FY21 (on an underlying basis).
- The Company is operating effectively from remote locations during recent Covid restrictions and is well positioned to return to the office. We have continued to deliver a high level of service to our customers despite challenging circumstances.
- Net profit after tax of \$3.7 million, a decrease of 48% on 1H FY21 (\$7.0 million) reflecting the increase in depreciation & amortisation flowing from increased levels of capital expenditure.
- Capital expenditure for 1H FY22 was \$68.9 million (1H FY21: \$77.3 million) driven by Growth Capex of \$46.2 million primarily relating to the investment in the fit out for Intellicentre 3 East. Customer related Capex was \$17.1 million. Maintenance Capex was \$5.6 million.

Chief Executive David Tudehope said, “Strong demand for cyber security, private and public cloud has driven our investment in our Government and Cloud Services businesses. Continued demand from our Federal Government Agencies for cybersecurity and secure cloud, including Tier 1 Agencies such as ATO, gives high confidence for future growth in the Government Business.”

Our Intellicentre 3 East data centre fit out project for a leading corporation was delivered on time and on budget, with associated revenue commencing as planned from this quarter. We will continue to reinvest profits back into our Macquarie Park Data Centre Campus, an outstanding facility that provides world class infrastructure to support the digital economy.”

OUTLOOK

- Underpinned by strong sales growth, full year FY22 EBITDA is expected to be approximately \$85 to \$88 million.
- FY22 Total Capex is expected to be between \$120 - \$129 million, consisting of:
 - Customer Growth - \$25 to \$28 million.
 - Growth Capex - \$80 to \$86 million.
 - Maintenance Capex - \$15 to \$18 million.
- FY22 Depreciation is expected to be between \$65 and \$68 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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