

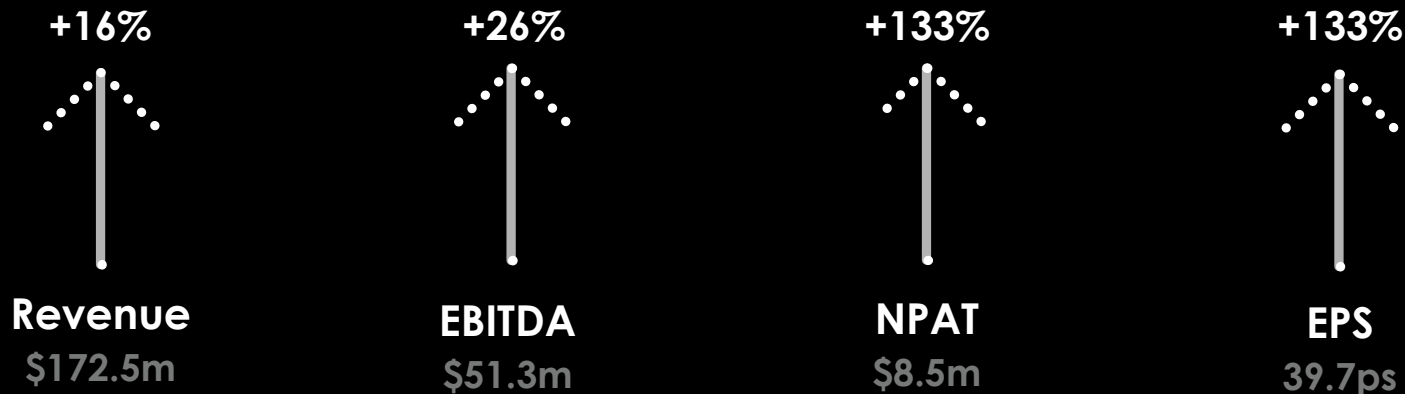
Half Year Results.

1H 2023.

21 February 2023


















Authorised for release by the Chief Executive of Macquarie Telecom Group Limited

2 Strong growth across key financial metrics.



- Continued growth in Cyber, Cloud and Security megatrends which drives our business. Hosting accounts for over 80% of the Group's EBITDA.
- Maintained EBITDA margins in a period of increasing cost pressures.
- Greater than 90% of revenue from contracted monthly recurring revenue.
- Remaining undrawn debt facility of \$59m to fund further investment.

Business design.

Business Areas	 macquarie CLOUD SERVICES	 macquarie GOVERNMENT	 macquarie DATA CENTRES	 macquarie TELECOM				
Percentage of Revenue and EBITDA in 1H23	<div><div><div><div></div><div>51%</div></div></div><div>Revenue</div></div> <div><div><div><div></div><div>50%</div></div></div><div>EBITDA</div></div>		<div><div><div><div></div><div>17%</div></div></div><div>Revenue</div></div> <div><div><div><div></div><div>32%</div></div></div><div>EBITDA</div></div>		<div><div><div><div></div><div>32%</div></div></div><div>Revenue</div></div> <div><div><div><div></div><div>18%</div></div></div><div>EBITDA</div></div>			
What we do	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.		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.	
Value proposition	Customer Service, Specialised and Compliant Hosting.		Customer Service, Security Operations Centre (SOC), Cyber Security, Sovereign Certified Data Centres in Canberra		Customer Service, Commercial and Design Flexibility, Physically Secure for Federal Government, Highly Certified, Local and Data Sovereignty, Proven track record		Customer Service, Price, Choice, Flexibility, Control	
Competitors	  		  		   		  	
People / Skill	Cloud Specialists: Custom and Compliant		Cyber Security and Hosting Specialist to Government		Australian Data Centre Specialists		Generalist for Voice & Mobiles Technical Consultant for Data & Colo to Business	

Macquarie Cloud Services

- Microsoft's fastest growing and No#1 net new customer added for mid-market Azure Managed Service Partner
- Strong growth from positioning ourselves as a trusted advisor providing the full range of hybrid IT services from colocation to dedicated infrastructure, private and public cloud
- The only Microsoft Partner to hold Azure Expert MSP status and membership of the Microsoft Intelligent Security Association
- Strong growth cross selling into the Telecom customer base

Macquarie Government

- 42% of Australian Government agencies are customers and we continue to uplift their cyber security posture
- Protects ATO from over 3 million attacks a month, ATO has extended this contract
- Our business is aligned with Australian Government's focus on Sovereign capabilities and investing in cyber security. We see strong demand continuing
- First company to have both our cloud and data centres services certified to 'strategic' level by the Digital Transformation Agency

Business Highlights

Macquarie Data Centres

- 2 out of 3 hyperscalers are our customers
- Sovereign supplier to Federal Government underpinning our Secure Internet Gateway business
- Optimising the capacity of IC3 Super West
- Completing site preparation works at Macquarie Park Data Centre Campus in anticipation of receiving IC3 Super West DA

Macquarie Telecom

- No#1 SD WAN VMWare partner in AsiaPac with over 7,000 sites in operation and growth
- Expansion of SD WAN services into New Zealand
- Leveraging the Telecom customer base to cross sell Cloud Services solutions; c50% of Telecom customers still to purchase a Cloud Services solution
- Business improvement initiatives flowing through to cash

5 Company purpose.

To make a difference in markets that are under served and overcharged.

+79 NPS

NPS is the measure of customer experience that is assessed on a scale of -100 to +100, where a score of greater than +50 is excellent

Happy customers stay, buy more, refer their colleagues & pay their bills faster.



Quality Infrastructure.

Data Centre Portfolio.



Intellicentre 1
Sydney CBD



Intellicentre 2
Macquarie Park



Intellicentre 3 East
Macquarie Park



Intellicentre 4 Bunker,
Canberra

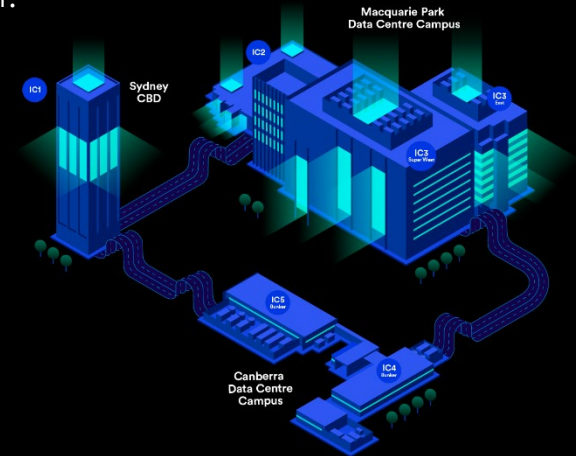


Intellicentre 5 South
Bunker, Canberra

Macquarie Data Centres' projected total IT load is **54MW** comprising of:

- Macquarie Park Data Centre Campus 50MW: IC2, IC3 East and IC3 Super West, strategically located in North Sydney zone, and;
- Macquarie Canberra Data Centre Campus and IC1 in Sydney CBD combined 4MW.

All our data centres are Certified Strategic by the Australian Government

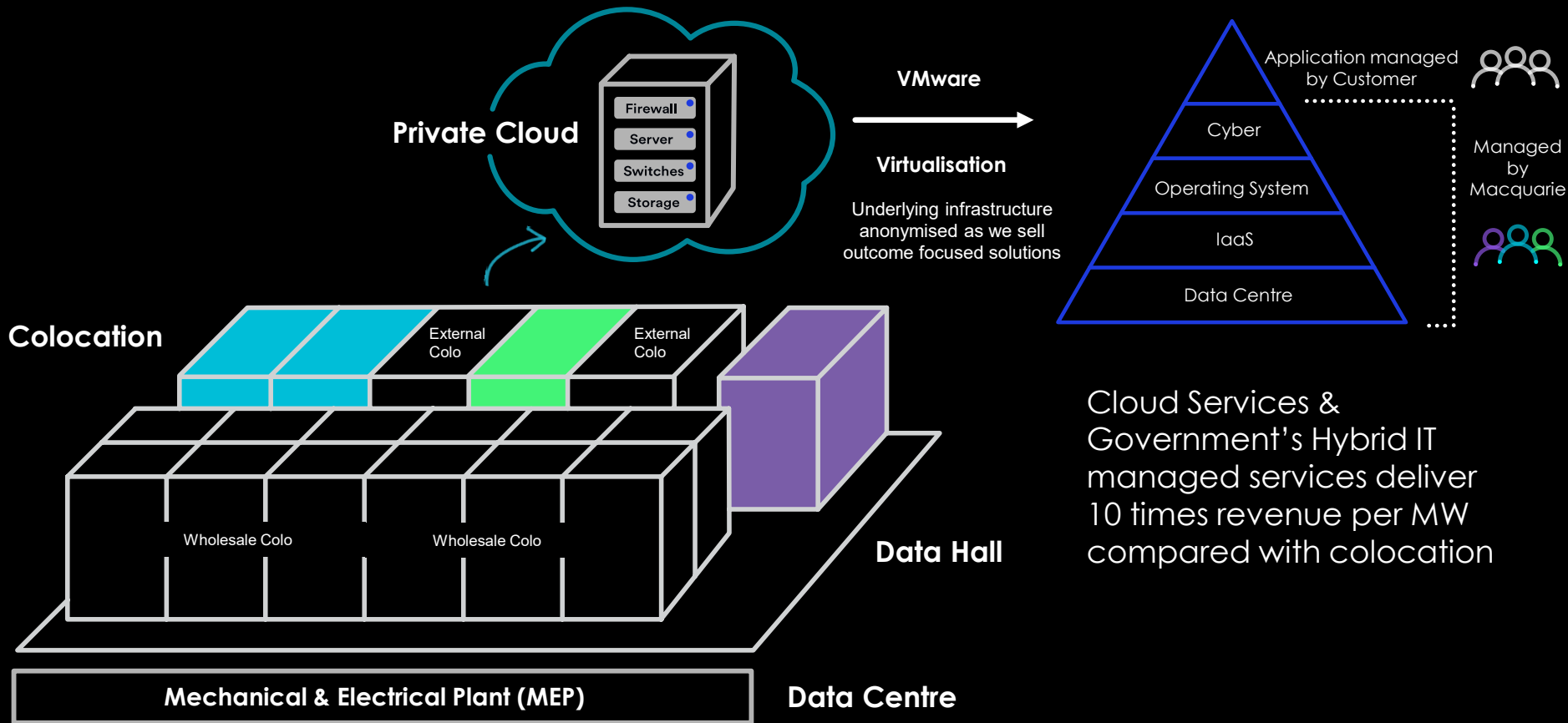


Macquarie Park Data Centre Campus.

- The increase of total IT Load capacity of IC3E by approximately 1MW will be completed by June 2023, independent of the IC3 Super West build. We will invest to realise this opportunity in 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 calendar year 2023 and construction to be completed 18 to 24 months later.
- Optimising the capacity of IC3 Super West.
- Capex for mechanical, electrical and plant is deployed over time to meet customer demand.



Our private cloud continues to be a key source of data centre utilisation and generates higher revenue per rack.





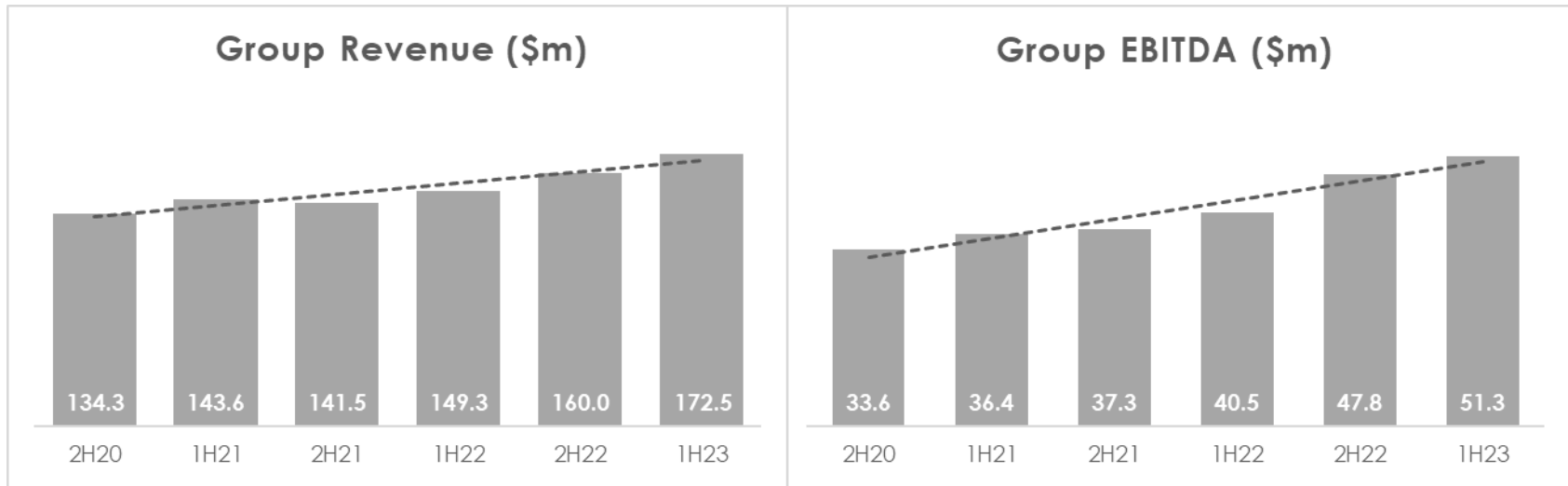
Financials.

Financial Results.

\$m	1H FY22	2H FY22	1H FY23	1H FY22 v 1HFY21	% change
Total Revenue					
Cloud Services & Government	80.0	84.3	95.4	15.5	19%
Data Centres	21.0	28.5	31.7	10.7	51%
Telecom	60.4	59.8	59.8	(0.6)	(1%)
Inter-Segment	(12.1)	(12.6)	(14.4)	(2.3)	19%
Total Revenue	149.3	160.0	172.5	23.2	16%
EBITDA					
Cloud Services & Government	23.0	22.7	25.8	2.8	12%
Data Centres	10.2	17.0	16.4	6.2	60%
Telecom	7.3	8.2	9.3	2.0	27%
Net foreign exchange	-	-	(0.2)	(0.2)	-
Total Group EBITDA	40.5	47.9	51.3	10.7	26%
Depreciation & Amortisation	(30.5)	(36.1)	(32.7)	(2.2)	7%
EBIT	10.0	11.8	18.6	8.6	86%
Interest	(3.7)	(4.8)	(6.3)	(2.6)	72%
NPBT	6.3	7.0	12.3	6.0	94%
Tax	(2.6)	(2.1)	(3.8)	(1.2)	41%
NPAT	3.7	4.8	8.5	4.8	133%

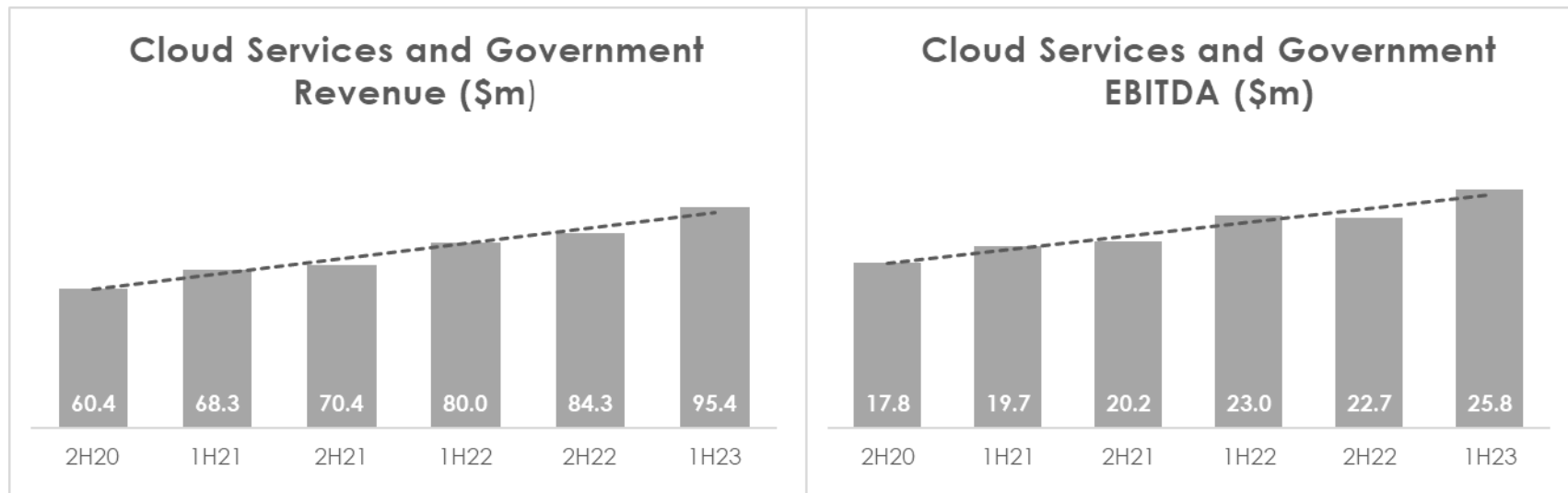
- Inter-segment revenue predominately relates to services provided by the Data Centre segment to both the Cloud Services & Government and Telecom segments, eliminated on consolidation
- All figures presented are subject to rounding

Group Financial Performance.



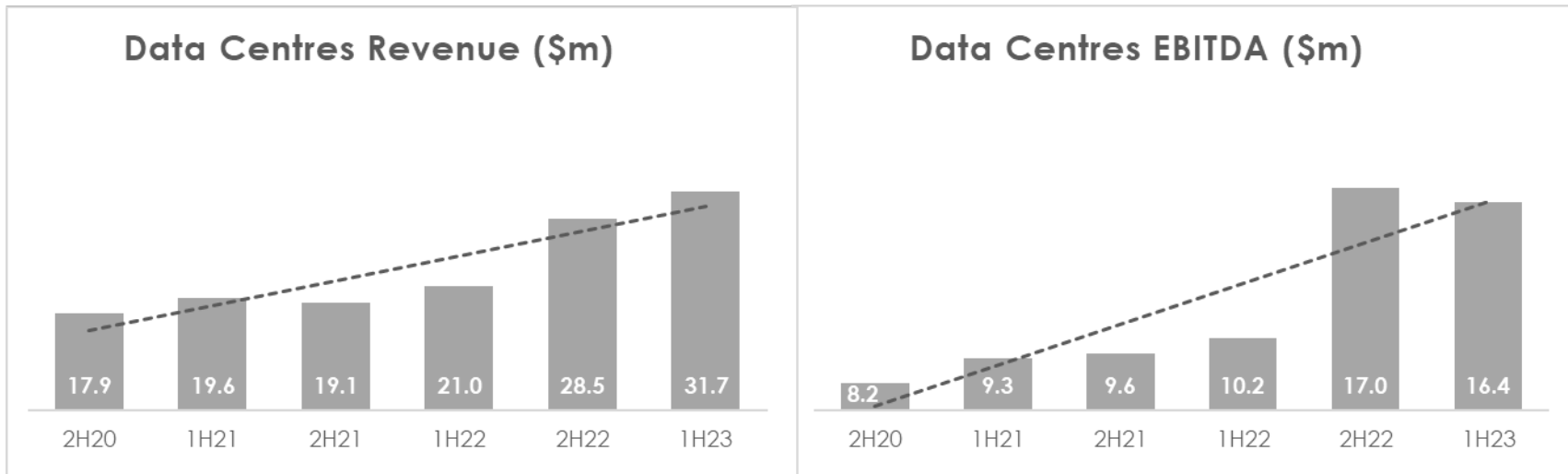
- Over the last 3 years:
 - Revenue CAGR of 8.9%
 - EBITDA CAGR of 19.4%
- EBITDA margin 29.7% in H1 FY23

Financial Performance – Cloud Services & Government



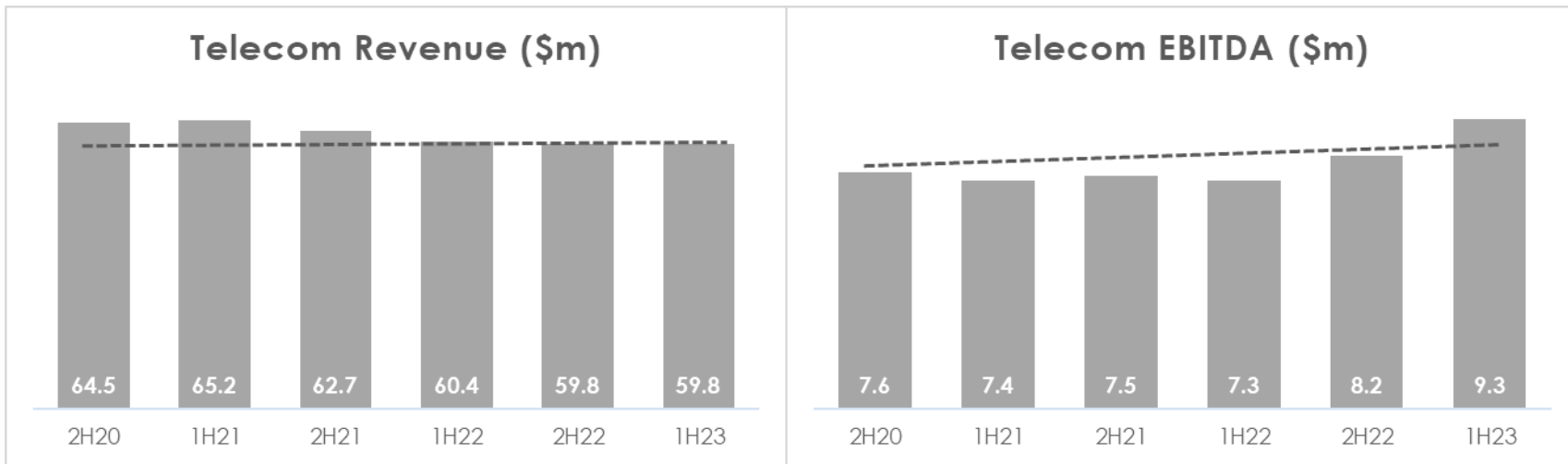
- Over the last 3 years:
 - Revenue CAGR of 30.7%
 - EBITDA CAGR of 28.5%
- EBITDA margin 27.0% in H1 FY23
- Colocation services revenue and EBITDA transferred from Telecom Segment for all reporting periods

Financial Performance – Data Centres



- Over the last 3 years:
 - Revenue CAGR of 34.9%
 - EBITDA CAGR of 37.3%
- EBITDA margin 51.7% in H1 FY23
- Increases in power costs are partially passed on to customers

Financial Performance – Telecom



- Over the last 3 years:
 - Revenue CAGR of (-3.8)%
 - EBITDA CAGR of 8.8%
- EBITDA margin 15.6% in 1H FY23
- Colocation services revenue and EBITDA moved to Cloud Services & Government Segment for all reporting periods.

Growth Capex.

- **Growth Capex** is for the building of new data centre capacity, increased power supply, new technology creation and transformational investment
- In the Data Centres business, a current example is capex for completion of IC3
- **Growth Capex** was \$15.0 million in 1H FY23

Customer Growth Capex.

- **Customer Growth Capex** is for additional cabling, racks, servers & storage that enable us to provision new customer orders
- In the Telecom business, a current example is investment in SD WAN
- **Customer Growth Capex** was \$11.6 million in 1H FY23 reflective of our sales success and product mix

Maintenance Capex.

- Most of the remaining Capex is infrastructure refresh and internal software development known as **Maintenance Capex**
- **Maintenance Capex** was \$6.6 million for 1H FY23

17 Balance Sheet & Cash Flows.

- Cash and cash equivalents of \$21.4 million. Increase due to higher collections and timing of debt draw down in Dec 2022. At 31 December 2022 the undrawn debt facility amounts to \$59 million which allows us to pursue growth initiatives.
- 1H23 capital expenditure of \$33.2 million
 - Growth Capex \$15.0 million
 - Customer Growth Capex \$11.6 million
 - Maintenance Capex \$6.6 million
- Capex has been funded by cash generated by operating activities
- High quality revenue base with over 60% of billings of our top 20 customers being AA+ rated or better.

\$m	FY22	1H FY23
Cash & Cash Equivalents	3.0	21.4
Other Current Assets	59.0	52.5
Non Current Assets	410.6	423.9
Total Assets	472.6	497.8
Creditors	40.8	46.6
Other Liabilities	286.1	296.0
Total Liabilities	326.9	342.6
Total Equity	145.7	155.2

\$m	1H FY22	1H FY23
Cash Flows from Operating Activities	69.3	52.6
Cash Flows used in Investing Activities	(80.3)	(33.2)
Cash Flows from Financing Activities	9.6	(1.0)
Net increase / (decrease) in cash	(1.4)	18.4
Opening Cash and Cash Equivalents	19.8	3.0
Closing Cash and Cash Equivalents	18.4	21.4

18 Outlook.

- FY23 EBITDA is expected to be approximately \$102 to \$104 million which includes Macquarie Data Centre EBITDA of \$32 to \$33 million. Continuing investment in Cloud Services & Government and Macquarie Data Centres underpins this profitable growth.
- ATO contract extension demonstrates the continued demand from our Federal Government Agencies for cybersecurity services, providing high confidence for future growth in the Government business.
- Site preparation works are underway to prepare the Macquarie Park Data Centre Campus in anticipation of receiving the DA for IC3 Super West.
- Telecom operational efficiencies will continue.
- Net debt to be reduced in FY23.

FY23	\$m
EBITDA	102 - 104
Cloud Services & Government	24 - 27
Data Centres	23 - 25
Telecom	16 - 17
Total Depreciation	63 - 67
Customer Growth Capex	23 - 24
Growth Capex	36 - 38
Maintenance Capex	13 - 14
Total Capex	72 - 76
Hosting	61 - 64
Telecom	11 - 12
Total Capex	72 - 76