

Macquarie Technology delivers eighteenth consecutive half of profitable growth

28 February 2024

Macquarie Technology Group Ltd (ASX: MAQ) (the Company) today announced its results for the half-year ended 31 December 2023, which reflect an increase in revenue and EBITDA on the prior comparative period.

Chairman Peter James said, *"This result represents our eighteenth consecutive half of EBITDA growth, a strong result underpinned by continued growth in cloud and cyber megatrends, and the outstanding customer experience reflected in our high net promoter score."*

Key Points

- Eighteen consecutive halves of profitable growth.
- Revenue of \$181.3 million, an increase of 5.1% on 1H FY23 (\$172.5 million).
- Earnings before interest, tax, depreciation, and amortisation (Group EBITDA) of \$53.0 million, an increase of 3% on 1H FY23 (\$51.5 million).
- Conversion of EBITDA to operating cash flows generated total operating cash flows of \$49.5 million during the half-year.
- Funding of circa \$86m available in the form of cash at bank and deposits, an increase since the end of the prior year due to positive operating cash flow.
- Net profit after tax of \$14.8 million, an increase of 74% on 1H FY23 (\$8.5 million) driven by increased EBITDA, lower interest costs since paying down of the Company's debt facility in June 2023 and lower depreciation and amortisation.
- Capital expenditure for 1H FY24 was \$18.5 million (1H FY23: \$33.2 million) driven by Growth Capex of \$9.1 million, Customer Related Capex of \$6.0 million and Maintenance Capex of \$3.4 million.

Chief Executive David Tudehope said, *"We are pleased to have secured the IC3 Super West DA. With anticipated demand from the AI megatrend, we could increase the IT load of IC3 Super West from 38MW to 45MW. This would take the campus from 56MW to 63MW (subject to regulatory and Board approval). Access to 63MW of power is available upon opening of IC3 Super West."*

Outlook

- FY24 EBITDA is expected to be approximately \$108 to \$111 million which includes Macquarie Data Centres EBITDA of \$34 to \$35 million. Continuing investment across the Group to drive future profitable growth.
- CS&G FY24 EBITDA margin is expected to be in line with FY23.
- Telecom operational efficiencies in 1H FY24 to be maintained at the same EBITDA margin in 2H FY24.
- Site preparation and early works are underway to prepare the Macquarie Park Data Centre Campus for IC3 Super West.
- Continue to explore the acquisition of sites to facilitate the growth plans of Macquarie Data Centres, supporting the Sovereign focus of our customer base.
- Debt refinancing to be undertaken in line with the requirements of the construction of IC3 Super West. Remaining undrawn debt facility of \$190m has been extended.

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About Macquarie Technology 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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