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Equinix, Inc. (NASDAQ: EQIX)

REITs – Data Centers

Ignited by Interconnection

January 23, 2026

Equinix, Inc. is the largest colocation data center REIT, operating 273 data centers across 77 metropolitan markets globally. The Company's ecosystem-driven, interconnection-focused platform generates 96% recurring revenue serving as critical infrastructure for enterprises, cloud providers, and network operators.

Industry Overview

The global data center industry generated over $300B in revenue in 2024, with demand driven by sustained growth in data generation and cloud migration across enterprise and hyperscale customers. Supply is increasingly constrained by power availability, land scarcity, and long utility interconnection timelines, reinforcing high barriers to entry in core markets.

Thesis

The market undervalues Equinix's positioning as the future for digital infrastructure, beyond just a REIT. Drawing parallels to the dawn of the internet and mobile data, interconnection hubs will be the unsung winners of the AI boom. As power scarcity repels competitors, Equinix has the secured utilities and core-metro density to benefit from pricing power.

Valuation

We assign a **BUY** rating to Equinix with a $825.00 target price, implying a 4.3% upside. Our valuation weights a DCF exit multiple approach (40%), NAV (40%), and 2026E P/AFFO (20%), reflecting Equinix's premium positioning, long-duration cash flows, and scarcity value of its global interconnection assets.

Analyst: Niko Kanagawa, BCom. '28
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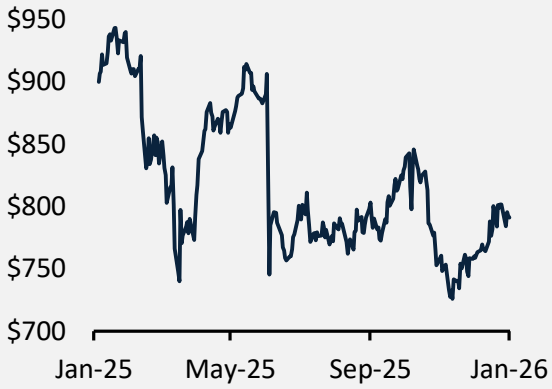
Equity Research	US
Price Target	**US$ 825.00**
Rating	BUY
Share Price (Jan. 23 Close)	US$ 791.27
Total Return	4.26%

Key Statistics	
52 Week H/L	$943.41/$726.09
Market Capitalization	$77.0B
Average Daily Trading Volume	0.6M
Net Debt	$18.5B
Enterprise Value	$95.5B
Net Debt/EBITDA	4.48x
Diluted Shares Outstanding	97.3M
Free Float	99%
Dividend Yield	2.1%

Analyst Forecast			
(in millions)	**2025E**	**2026E**	**2027E**
Revenue	$9,387	$10,153	$10,993
EBITDA	$4,532	$4,986	$5,491
NOI	$4,788	$5,280	$5,826
FFO/Share	$28.18	$31.34	$34.87
P/AFFO	20.7x	18.8x	17.1x
EV/EBITDA	21.1x	19.2x	17.4x

1-Year Price Performance

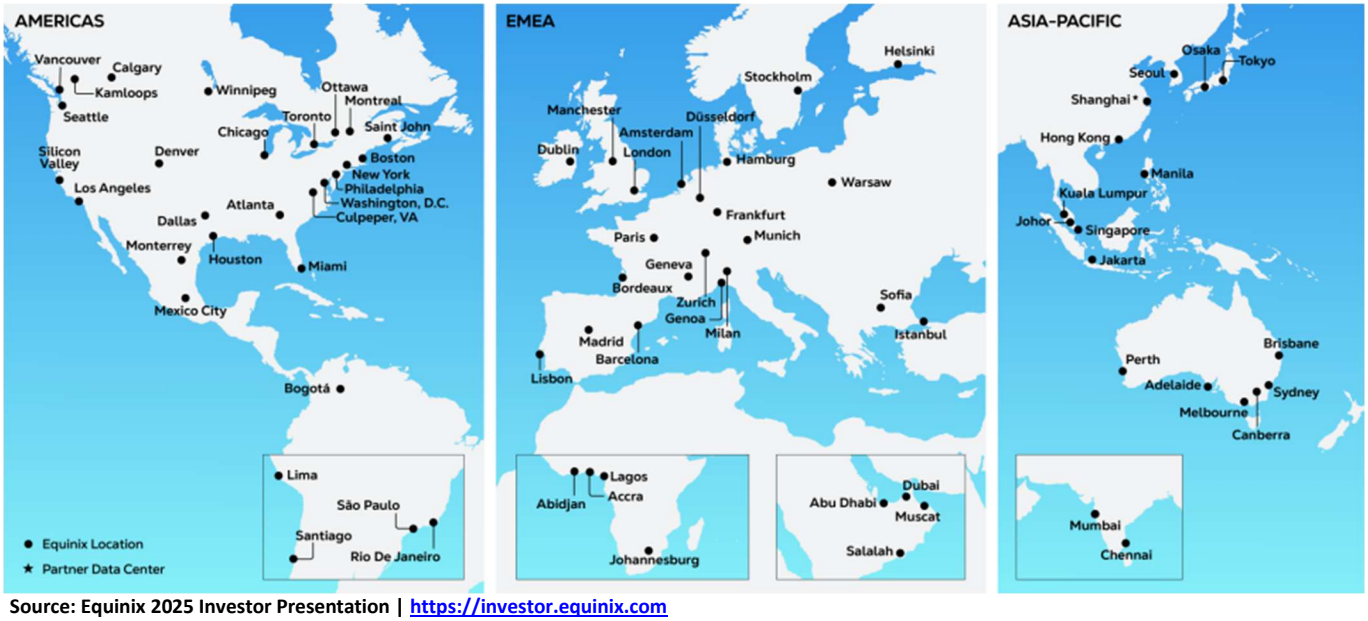


Company Overview

Platform and Operations

Equinix is the world's largest carrier-neutral data center REIT, operating a global portfolio of 273 data centers across 77 metropolitan markets in the Americas, EMEA, and Asia-Pacific. The Company's facilities are designed to support dense, multi-tenant colocation environments where enterprises, cloud service providers, networks, and digital platforms physically interconnect. As of Q3 2025, Equinix had deployed over 499,000 total interconnections across its footprint, adding approximately 7,100 net new connections during the quarter. In Q3 2025, the Company generated $2.32B in revenue, of which $2.22B (96%) was recurring, driven primarily by colocation ($1.64B) and interconnection services ($422M). The business operates with substantial operating leverage, evidenced by a 50% adjusted EBITDA margin in Q3 2025 and AFFO of $965M, reflecting the capital-intensive but highly durable nature of Equinix's infrastructure platform.

Equinix's Geographically Diversified Portfolio



Source: Equinix 2025 Investor Presentation | https://investor.equinix.com

Business Strategy: Ecosystem-Led Expansion

Equinix's growth strategy prioritizes expanding and densifying its digital ecosystems rather than maximizing raw megawatt deployment. The Company allocates capital toward markets where network density, customer concentration, and interconnection activity reinforce pricing power and customer stickiness. As of Q3 2025, Equinix had approximately 3 gigawatts of total developable capacity globally and 58 major projects underway, including 12 xScale hyperscale developments, as part of its plan to roughly double installed capacity by 2029. More than 75% of announced retail expansion spend is concentrated in core metros, and over 90% of development occurs on owned land or long-term ground leases, supporting predictable returns. Equinix complements organic growth with selective acquisitions and joint ventures, using xScale to serve large hyperscalers while preserving balance sheet flexibility. For FY2025, the Company expects AFFO per

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share of $37.95–$38.77, up from $35.02 in FY24A, reflecting management's focus on disciplined capital deployment and long-term cash flow growth.

Revenue Model and Cash Flow Durability

Equinix's revenue model is anchored by long-term, recurring customer contracts and high-margin interconnection services that create exceptional cash flow visibility. In Q3 2025, 96% of total revenue was recurring, with monthly recurring revenue growing 8% year over year on a normalized constant-currency basis, underscoring the stability of the underlying demand profile. Interconnection services, which represented $422M of quarterly revenue, carry materially higher margins than colocation and scale as customers deepen their presence within a given metro rather than expand footprint elsewhere. As ecosystems densify, customers face rising switching costs due to the operational complexity, latency risk, and incremental expense of re-establishing hundreds of physical and virtual connections. This dynamic contributes to long customer tenure, predictable pricing power, and resilient AFFO growth, as evidenced by Q3 2025 AFFO of $965M and a 50% adjusted EBITDA margin. The combination of contract duration, interconnection attach rates, and ecosystem lock-in positions Equinix's cash flows as both durable and inflation-resilient across economic cycles.

Industry Analysis

Industry Overview

The global data center industry forms the physical backbone of the digital economy, supporting cloud computing, enterprise IT, network traffic, and content distribution. Industry revenues are estimated to exceed $300B globally, with long-term growth driven by rising data generation, cloud migration, and increasingly distributed IT architectures. Global IP traffic has grown at a low-to-mid teens CAGR (~13-15%) over the past decade, significantly outpacing GDP growth, while enterprise workloads continue to migrate from on-premises environments to colocation and cloud-adjacent infrastructure. Unlike traditional real estate sectors, data center demand is primarily volume-driven rather than price-elastic, with customers prioritizing uptime, latency, and network proximity over marginal cost differences. Capital intensity remains high, with turnkey development costs in major Tier 1 metros commonly estimated at $10–12M per megawatt, emphasizing the importance of balance sheet access and long asset lives in generating attractive risk-adjusted returns.

Segmentation and Competitive Landscape

The data center industry is broadly segmented into wholesale and retail colocation models. Wholesale providers lease large blocks of capacity, often exceeding 10–20 MW per deployment to a small number of hyperscale customers, resulting in higher customer concentration and more volatile leasing cycles tied to cloud capex decisions. Retail colocation benefits from structurally higher switching costs, longer customer tenure, and a greater proportion of recurring revenue as customers embed themselves within dense ecosystems rather than consuming capacity as a pure commodity. Interconnection-rich environments amplify this advantage: industry data suggests that enterprises operating in highly connected metros maintain 2–3x higher average connection counts per deployment. Within the public REIT universe, retail colocation exposure is limited, with only two direct data center REIT peers to Equinix: Digital Realty Trust (NYSE: DLR) and Iron Mountain (NYSE: IRM), the latter of which maintains a smaller but growing data center footprint alongside its core

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storage business. The limited number of scaled public platforms reflects the high barriers to entry and the operational complexity required to compete effectively at a global scale.

Power Availability

While demand for data center capacity remains robust, supply growth is increasingly constrained by power availability, land scarcity, and regulatory complexity rather than capital alone. In major U.S. and European metros, utility interconnection timelines now commonly extend 24–60 months, materially lengthening development cycles and increasing execution risk. Although industry participants frequently cite multi-gigawatt development pipelines, this capacity is typically phased over long horizons and contingent on grid upgrades and infrastructure investment. Vacancy rates in core retail colocation markets remain structurally tight, with stabilized facilities typically operating at mid-to-high 80% utilization prior to expansion. Replacement costs continue to rise as construction expenses, land prices, and energy infrastructure costs increase, reinforcing the competitive advantage of operators with pre-secured power and land positions. Importantly, despite heightened investor concern around oversupply, speculative development remains limited in core U.S. and European markets, reducing the risk of near-term pricing pressure.

Management Team

Adaire Fox-Martin – Chief Executive Officer and President

Adaire Fox-Martin was appointed Chief Executive Officer and President in June 2024 and is responsible for leading Equinix's overall corporate strategy and execution. She brings more than 25 years of experience across global technology platforms, with a strong background in go-to-market strategy, customer engagement, and ecosystem development from senior roles at Google Cloud, SAP, and Oracle. Her experience scaling enterprise platforms and managing global sales and partner networks aligns closely with Equinix's interconnection-driven business model and long-term demand tailwinds from cloud, AI, and digital infrastructure.

Charles Meyers – Executive Chairman

Charles J. Meyers serves as Executive Chairman following a long tenure as President and Chief Executive Officer, during which he played a central role in shaping Equinix's global platform strategy. Under his leadership, the company significantly expanded its global IBX data center footprint, scaled Platform Equinix, and materially grew revenues through disciplined capital deployment and ecosystem development. Meyers brings deep operational and strategic expertise from prior senior leadership roles at Equinix and leading technology and communications firms, providing continuity of vision and strong board-level oversight as the company enters its next phase of growth.

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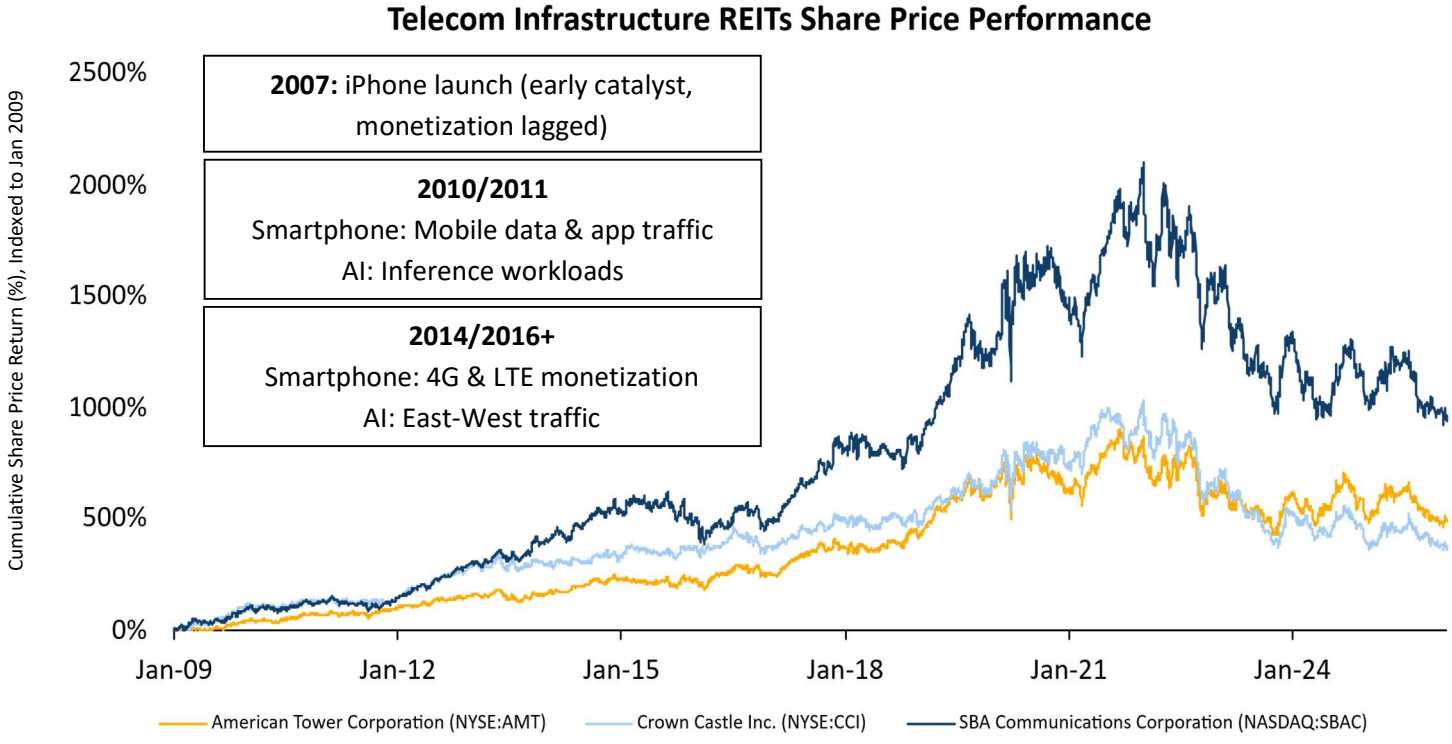
Keith Taylor – Chief Financial Officer

Keith D. Taylor has served as Chief Financial Officer since 1999 and oversees Equinix's global finance organization, including capital markets, treasury, investor relations, and strategic sourcing. Over his tenure, Taylor has guided the company through periods of significant expansion, deploying tens of billions of dollars of capital across acquisitions, development, and balance sheet optimization. His long-standing financial stewardship has supported Equinix's scale-driven growth strategy, investment-grade balance sheet, and disciplined approach to funding global expansion while preserving financial flexibility.

Investment Theses

Investment Thesis #1 – AI-Driven Interconnection

The market largely frames AI as a hyperscale compute and megawatt-driven opportunity, underestimating the second-order infrastructure demand created by AI workloads. Historically, comparable step-changes in technology adoption, most notably the commercialization of the internet and mobile data, produced sustained double-digit growth in network traffic well beyond initial deployment cycles. In those periods, durable value accrued not to capacity providers alone, but to infrastructure owners controlling aggregation and interconnection points. AI exhibits similar characteristics. While training workloads are compute-intensive, inference, model-to-model communication, distributed data access, and regulatory-



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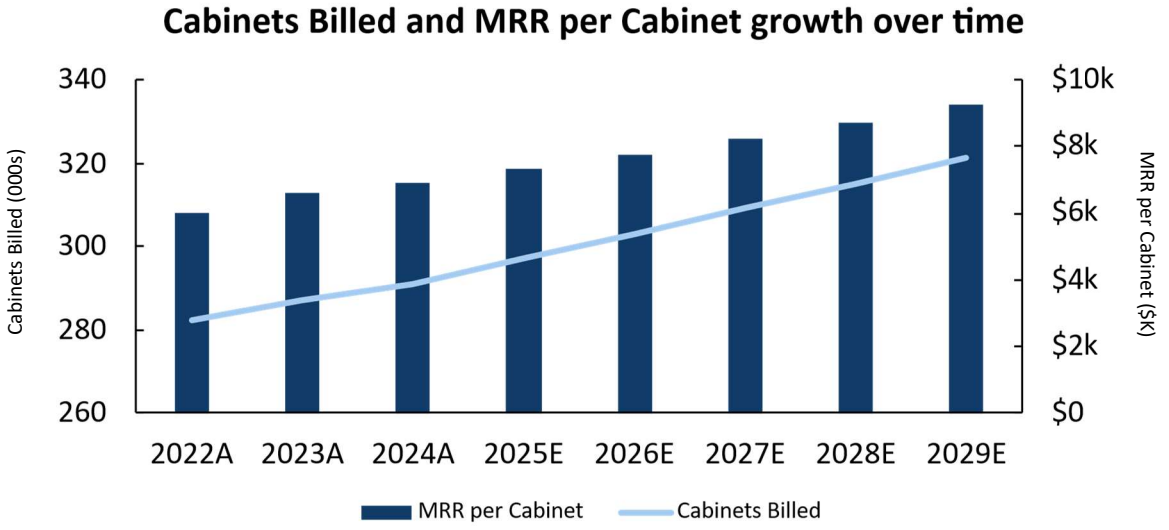
driven data localization materially increase east-west traffic and real-time connectivity requirements. These dynamics structurally elevate the value of dense, carrier-neutral interconnection hubs where enterprises, networks, and cloud platforms converge.

Equinix is uniquely positioned to capture this shift. As of Q3 2025, the Company operated over 499,000 interconnections, adding approximately 7,100 net new connections during the quarter, with interconnection revenue of $422M, growing ~8% year over year on a normalized constant-currency basis. Interconnection services carry higher margins than colocation and scale with ecosystem complexity rather than physical footprint. As AI workloads proliferate, customers deepen deployments within existing metros, driving higher pricing per deployment, evidenced by a $130 year-over-year increase in MRR per cabinet in Q3 2025. The market continues to value Equinix primarily as a capital-intensive real estate platform, underappreciating its role as a network effects-driven infrastructure provider positioned to monetize AI's connectivity-driven demand over a multi-year horizon.



Investment Thesis #2 – Utilities Beat Capital

Investor concerns around data center oversupply assume that access to capital equates to rapid capacity delivery. This assumption is increasingly flawed. In core U.S. and European markets, the binding constraint on new supply is power availability and entitlement timelines, not capital. Utility interconnection timelines now frequently extend 24–60 months, while turnkey development costs in Tier 1 metros are commonly estimated at $10–12M per megawatt, with power infrastructure representing a growing share of total project cost. As a result, multi-gigawatt industry pipelines are realized over long horizons, reinforcing the scarcity value of incremental power rather than enabling speculative oversupply in core retail colocation markets.

Equinix is structurally advantaged in this environment. The Company controls approximately 3 gigawatts of developable capacity globally, with over 90% of development occurring on owned land or long-term ground leases and more than 75% of announced retail expansion concentrated in core metros. Stabilized retail colocation facilities typically operate at mid-to-high 80% utilization, limiting downside from oversupply while enabling pricing power as incremental power becomes scarce. While the market remains focused on near-term AFFO dilution from elevated development and xScale-related

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capital deployment, this view underestimates the embedded long-term value of secured power and entitled land. As replacement costs rise and power scarcity persists, Equinix can compound returns through higher pricing and density per cabinet rather than relying on volume-driven expansion.

Valuation

Discounted Cash Flow Analysis

We value Equinix using a 5-year unlevered DCF with terminal value derived exclusively via the exit multiple method. We exclude the perpetual growth approach, as Equinix's structurally elevated growth capex materially suppresses steady-state unlevered free cash flow.

We apply a WACC of 8.26%, derived from a 9.40% cost of equity (4.24% risk-free rate, 6.62% market risk premium, 0.78 beta) and a 3.50% after-tax cost of debt, assuming an 80.67% equity / 19.33% debt capital structure. Revenue is forecast to grow from $9.4B in 2025E to $12.9B by 2029E, with EBIT expanding from $1.86B to $3.08B over the same period. Cumulative present value of forecast UFCF totals $3.0B. Terminal value uses a 21.1x EV/EBITDA exit multiple, representing the 75th percentile of 2025E peer multiples, which we view as appropriate given Equinix's structural premium. This implies an enterprise value of $101.6B and an equity value of $85.7B, or $826.73 per share, for a base case representing 4.5% upside to the current price of $791.27.

Comparable Company Analysis

There are two publicly traded data center REITs with meaningful overlap to Equinix: Digital Realty (NYSE: DLR) and Iron Mountain (NYSE: IRM). Given Equinix's interconnection-centric, network-effects-driven model, we expand the peer set to include select telecommunications infrastructure companies with similar long-duration cash flows. These include (company names + tickers). For valuation, we rely exclusively on 2026E P/AFFO, as AFFO more precisely reflects the sustainable cash-flow generation of data center REITs after maintenance capital expenditures. Applying the 75th percentile peer multiple to reflect Equinix's structural premium implies a value of $803.54 per share, representing a 1.6% upside to the current price.

Net Asset Value

We estimate Equinix's net asset value using the income capitalization approach. Applying a 5.50% base case cap rate to $4.78B of forward NOI implies an operating real estate value of $87.0B. After incorporating cash and other assets and subtracting total liabilities, we arrive at a total NAV of $81.7B, or $839.78 per share based on 97.3M shares outstanding. At the current share price of $791.27, Equinix trades at a 5.8% discount to NAV, or 0.94x P/NAV, which we view as attractive given the quality, scarcity, and long-duration cash flow profile of its global interconnection assets.

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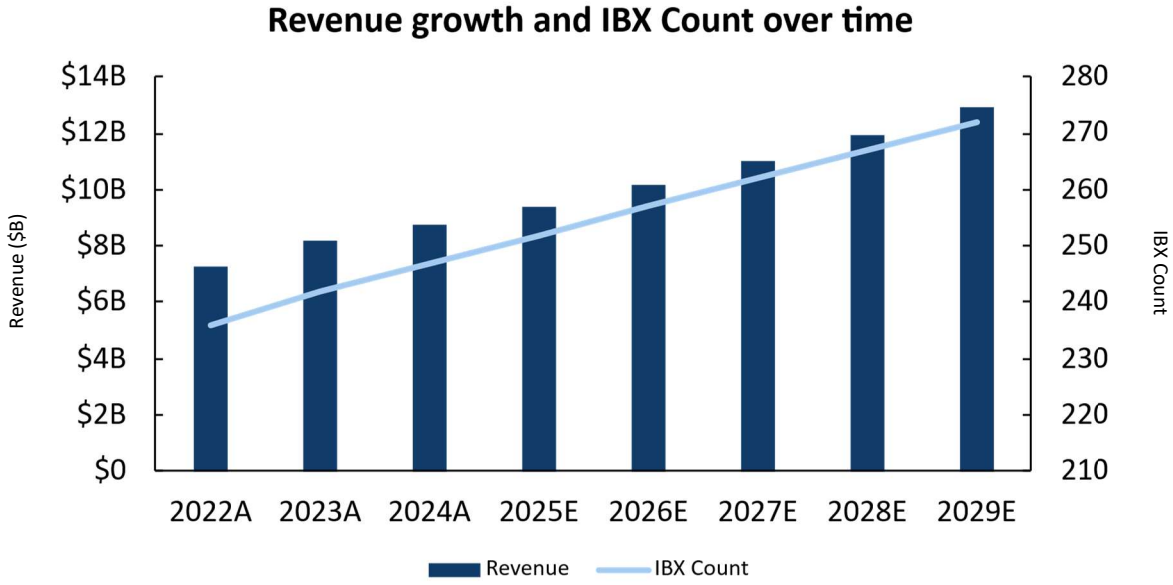
Catalysts

Shift from Training to Inference

As AI workloads mature, demand is expected to shift from centralized training toward distributed inference, real-time data access, and model-to-model communication. Unlike training, which is primarily compute and power-intensive, inference architectures are network-intensive and require low-latency east-west connectivity across clouds, enterprises, and carriers. These dynamics structurally increase the value of dense, carrier-neutral interconnection hubs where traffic aggregation occurs. Similar technology inflections, including the commercialization of the internet and mobile data, produced sustained growth in network traffic well beyond initial deployment cycles, with durable value accruing to infrastructure owners controlling interconnection points rather than capacity providers alone.



This transition is already visible in Equinix's operating metrics. As of Q3 2025, the Company operated approximately 499,000 interconnections globally, adding roughly 7,100 net new interconnections during the quarter. Interconnection revenue reached $422M, growing approximately 8 percent year over year on a normalized constant-currency basis, while Equinix Fabric bookings grew over 50 percent year over year. Interconnection services carry higher margins than colocation and scale with ecosystem complexity rather than physical footprint. Sustained acceleration in interconnection net adds, Fabric revenue growth, or interconnections per cabinet would validate Equinix's role as the monetization layer for AI-driven connectivity, supporting operating leverage and multiple expansion beyond a traditional real estate framework.

Government Funding

Government funding for AI is increasingly flowing into sovereign, regulated, and mission-critical use cases that favor localized, interconnected infrastructure rather than centralized hyperscale campuses. Programs such as the U.S. CHIPS and Science Act and the EU Digital Europe Programme prioritize data residency, security certification, and multi-region redundancy, which structurally push deployments into dense metros and increase east-west connectivity across agencies,

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integrators, networks, and clouds. Unlike training clusters that can be sited in remote markets, public-sector AI skews toward distributed inference and real-time data access, raising interconnection intensity and favoring carrier-neutral hubs. This dynamic directly supports Equinix's model: as of Q3 2025 the Company operated ~499,000 interconnections, added ~7,100 net new connections in the quarter, generated $422M of interconnection revenue growing ~8% YoY normalized, and saw Fabric bookings grow >50% YoY. Incremental government procurement should therefore translate into higher interconnections per cabinet and deeper ecosystem engagement within existing metros, reinforcing pricing power and density rather than footprint expansion. Observable acceleration in EMEA/APAC bookings, interconnection net adds, Fabric adoption tied to regulated workloads, or sustained MRR-per-cabinet growth following policy announcements would serve as a clear catalyst validating Equinix's positioning as the infrastructure layer for sovereign AI.

Risks

Integrated Compute Over Interconnection

A core risk to the thesis is that AI workloads evolve in a way that concentrates value within vertically integrated hyperscaler ecosystems rather than carrier-neutral interconnection hubs. While the bull case assumes inference, model-to-model communication, and hybrid architectures materially increase east-west traffic across networks, an alternative outcome is that hyperscalers internalize a greater share of AI connectivity within proprietary backbones and mega-campus deployments. Sell-side commentary has explicitly noted that the transition to AI may require different infrastructure than Equinix provides in its core facilities, particularly if inference remains largely internal to cloud providers. Recent leasing trends that favor large-scale campuses in tertiary markets further support this risk. If this outcome materializes, interconnection attach rates and Fabric monetization could underperform expectations, limiting operating leverage even if overall industry demand remains strong. Key KPIs to monitor include interconnection net adds, interconnections per cabinet, and Fabric revenue growth relative to cabinet growth.

AI Adoption Lags

While hyperscaler capital expenditures are projected to exceed $500B globally in 2026, enterprise AI deployments remain early-stage, with many use cases struggling to demonstrate near-term ROI, leading to pauses and reassessment in deployment plans. Industry participants note that such pauses are common even during strong secular trends, introducing volatility into leasing and bookings. For Equinix, slower adoption would likely manifest as moderation in cabinet billing growth, interconnection net adds, or Fabric bookings, pressuring near-term AFFO growth expectations and investor sentiment. Although this risk impacts the data center industry broadly and does not invalidate Equinix's relative positioning, elevated sector multiples mean even temporary slowdowns can drive multiple compression. Key KPIs to monitor include bookings growth, cabinet billing growth, and AFFO per share growth versus guidance.

Recommendation - Buy

We recommend a **BUY** rating on Equinix with a target price of $825.00, implying a 4.3% total return from the current share price of $791.27. Our target price is derived from a weighted valuation framework that emphasizes intrinsic asset value and long-duration cash flows, assigning 40% weight to NAV ($839.78), 40% to a DCF using an exit multiple approach ($826.73),

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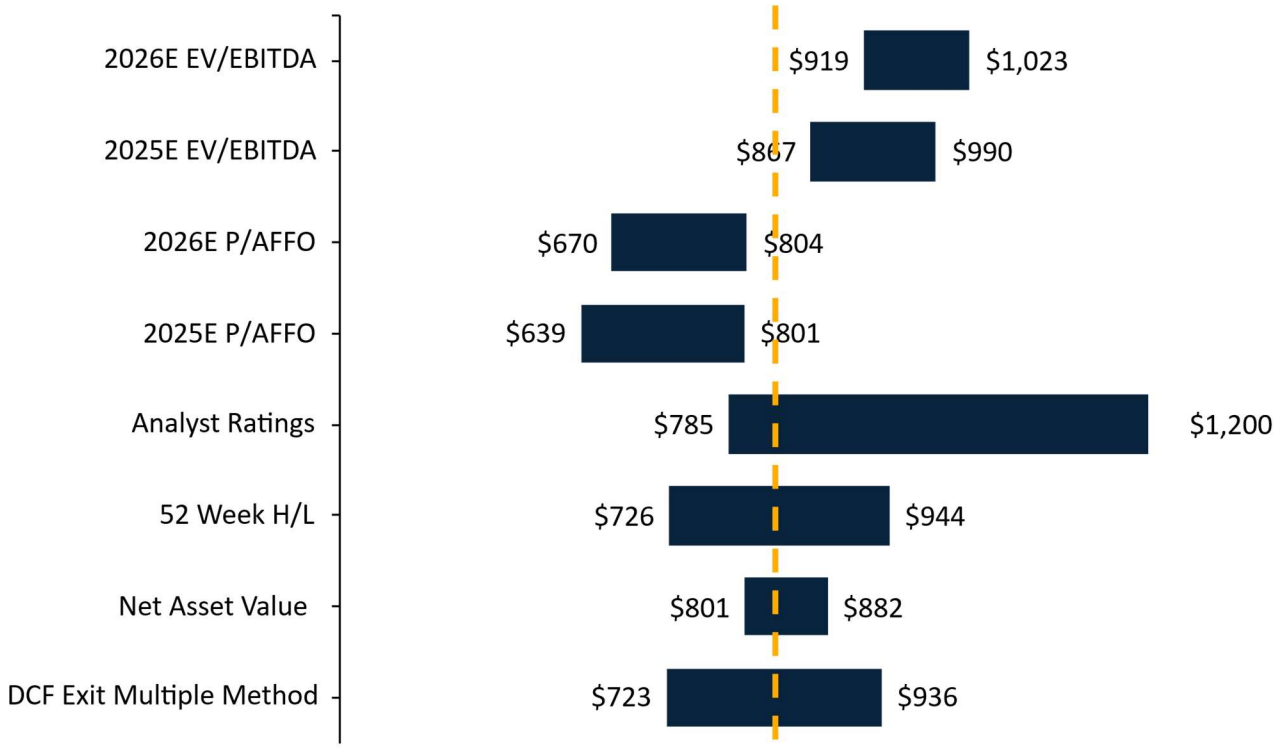
and 20% to 2026E P/AFFO ($803.54). While near-term upside is modest, Equinix offers a rare combination of durable cash flows, embedded pricing power, and structural growth exposure to AI-driven connectivity, supporting a BUY rating for long-term, risk-adjusted returns.

We believe the market continues to undervalue Equinix as a capex-intensive real estate platform, underappreciating its positioning to capitalize AI-driven growth in interconnection, east-west traffic, and ecosystem density. As power scarcity constrains supply and connectivity intensity rises, Equinix's secured utilities, core-metro footprint, and interconnection scale support durable pricing power, AFFO growth, and long-term multiple support.

Equinix, Inc. (NASDAQ: EQIX) Implied Share Price ($825)



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Appendix 1: NAV Output

Bear Case

Operating Real Estate Asset Value	Forward NOI	Cap Rate	Value
Forward NOI	4,788	5.75%	83,263
Total Assets			**99,099**
Net Asset Value			77,953
Shares Outstanding			97.3
NAV/Share			**800.89**
Last Share Price			791.27
Share Price Premium (Discount) to NAV			**(1.2%)**
Implied P/NAV			0.99x

Base Case

Operating Real Estate Asset Value	Forward NOI	Cap Rate	Value
Forward NOI	4,788	5.50%	87,047
Total Assets			**102,883**
Net Asset Value			81,737
Shares Outstanding			97.3
NAV/Share			**839.78**
Last Share Price			791.27
Share Price Premium (Discount) to NAV			**(5.8%)**
Implied P/NAV			0.94x

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Bull Case

Operating Real Estate Asset Value	Forward NOI	Cap Rate	Value
Forward NOI	4,788	5.25%	91,192
Total Assets			**107,028**
Net Asset Value			85,882
Shares Outstanding			97.3
NAV/Share			**882.37**
Last Share Price			791.27
Share Price Premium (Discount) to NAV			**(10.3%)**
Implied P/NAV			0.90x

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Appendix 2: Discounted Cash Flow Analysis

Discount Rate Calculation

Cost of Equity	
Risk-free Rate	4.24%
Expected Market Return	10.86%
Market Risk Premium	**6.6%**
Beta	0.78
Cost of Equity	**9.4%**

Cost of Debt	
Pre-tax Cost of Debt	4.19%
Effective Tax Rate	16.5%
Cost of Debt	**3.5%**

WACC	
Market Value of Equity	77,016
Market Value of Debt	18,452
Market Value of Preferred Equity	-
Total Capitalization	**95,468**
Weight of Equity	80.7%
Weight of Debt	19.3%
WACC	**8.3%**

Present Value of Future Equity Issuances	515
Present Value of Terminal Value of Equity Issuances	4,504
Estimated Count of Future Shares to Be Issued	6.344
Total Shares Outstanding	103.676

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Free Cash Flow

	31-Dec-22	*31-Dec-23*	*31-Dec-24*	*31-Dec-25*	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*
All Figures in mm USD	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
EBIT								
Total Revenue	7,263	8,188	8,748	9,387	10,153	10,993	11,914	12,926
(-) Operating Expenses	(6,063)	(6,745)	(7,420)	(7,526)	(8,039)	(8,594)	(9,195)	(9,846)
EBIT	**1,200**	**1,443**	**1,328**	**1,861**	**2,115**	**2,399**	**2,719**	**3,080**
Adjustments								
(-) Income Taxes	(124)	(155)	(161)	(241)	(276)	(315)	(360)	(410)
(+) Total Depreciation and Amortization	1,755	1,864	2,029	2,143	2,301	2,474	2,664	2,873
(+/-) Change in Working Capital	25	(77)	(340)	445	(104)	(116)	(130)	(146)
(-) CapEx	(2,278)	(2,781)	(3,066)	(3,141)	(3,397)	(3,678)	(3,986)	(4,325)
(-) Acquisition of Real Estate Assets	(248)	(384)	(337)	(374)	(405)	(438)	(475)	(515)
(+) Proceeds from Sale of Real Estate Investments	250	77	247	228	247	267	290	314
Unlevered Free Cash Flow	**580**	**(13)**	**(300)**	**922**	**481**	**593**	**723**	**872**
Discount Period				0.5	1.5	2.5	3.5	4.5
Discount Factor				0.96	0.89	0.82	0.76	0.70
Present Value of Unlevered Free Cash Flow				**886**	**427**	**486**	**547**	**610**
EBITDA	**3,385**	**3,722**	**4,115**	**4,532**	**4,986**	**5,491**	**6,053**	**6,679**
Equity Issuances				-	-	-	322	420
Cost of Equity - Discount Factor				0.96	0.87	0.80	0.73	0.67
Present Value of Future Equity Issuances				-	-	-	235	280

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Exit Multiple Method – Bear Case

Terminal Value	140,989
Implied Perpetual Growth Rate	7.6%
PV of Terminal Value	98,637
Sum of PV of UFCF	2,956
Implied Enterprise Value	**101,593**
(+) Cash & Cash-Equivalents	3,081
(-) Total Debt and Lease Liabilities	(18,961)
(-) Noncontrolling Interests	(1)
Implied Equity Value	**85,712**
Diluted Shares Outstanding	103.7
Implied Share Price	**826.73**
Current Share Price	**791.27**
Total Return	**4.5%**

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Exit Multiple Method – Base Case

Terminal Value	17,058
Implied Exit EBITDA Multiple	2.6 x
PV of Terminal Value	11,934
Sum of PV of UFCF	2,956
Implied Enterprise Value	**14,891**
(+) Cash & Cash-Equivalents	3,081
(-) Total Debt and Lease Liabilities	(18,961)
(-) Noncontrolling Interests	(1)
Implied Equity Value	**(990)**
Diluted Shares Outstanding	103.7
Implied Share Price	**-9.55**
Current Share Price	**791.27**
Total Return	**(101.2%)**

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Exit Multiple Method – Bull Case

Terminal Value	154,276
Implied Perpetual Growth Rate	7.7%
PV of Terminal Value	107,933
Sum of PV of UFCF	2,956
Implied Enterprise Value	**110,889**
% of Implied EV from Terminal Value	*97.3%*
(+) Cash & Cash-Equivalents	3,081
(-) Total Debt and Lease Liabilities	(18,961)
(-) Noncontrolling Interests	(1)
Implied Equity Value	**95,008**
Diluted Shares Outstanding	104.2
Implied Share Price	**911.89**
Current Share Price	**791.27**
Total Return	**15.2%**

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Appendix 3: Comparable Companies Analysis

All Figures in mm USD		Balance Sheet Data		EV / EBITDA			P/AFFO			Projected Growth	
Company	**Ticker**	**Equity Value**	**Enterprise Value**	**2024A EV/EBITDA**	**2025E EV/EBITDA**	**2026E EV/EBITDA**	**2024A P/AFFO**	**2025E P/AFFO**	**2026E P/AFFO**	**EBITDA 2-yr CAGR**	**AFFO 2-yr CAGR**
Data Center											
Digital Realty Trust	DLR	54,671	73,851	25.1x	22.3x	20.2x	26.0x	23.7x	21.9x	11.3%	9.1%
Iron Mountain	IRM	27,665	46,547	20.8x	18.2x	16.5x	20.6x	18.2x	16.4x	12.2%	12.1%
Median		41,168	60,199	22.9x	20.3x	18.4x	23.3x	21.0x	19.1x	11.7%	10.6%
Mean		41,168	60,199	22.9x	20.3x	18.4x	23.3x	21.0x	19.1x	11.7%	10.6%
Telecommunications											
American Tower	AMT	83,673	133,547	19.6x	19.0x	18.2x	17.0x	16.7x	16.0x	3.7%	3.1%
Crown Castle	CCI	37,714	67,232	16.2x	23.6x	23.3x	12.4x	20.1x	17.6x	(16.7%)	(16.0%)
SBA Communications	SBAC	19,933	34,608	18.3x	18.0x	17.6x	14.0x	14.5x	14.7x	1.8%	(2.5%)
Median		37,714	67,232	18.3x	19.0x	18.2x	14.0x	16.7x	16.0x	1.8%	(2.5%)
Mean		47,107	78,462	18.0x	20.2x	19.7x	14.5x	17.1x	16.1x	(3.7%)	(5.1%)
Equinix, Inc.	**EQIX**	**77,016**	**95,493**	**23.2x**	**21.1x**	**19.2x**	**22.6x**	**20.7x**	**18.8x**	**10.1%**	**9.5%**
High		83,673	133,547	25.1x	23.6x	23.3x	26.0x	23.7x	21.9x	12.2%	12.1%
75th Percentile		50,889	76,157	22.9x	21.3x	20.0x	23.3x	21.0x	19.1x	11.7%	10.6%
Median		**41,168**	**67,232**	**19.6x**	**20.2x**	**18.4x**	**17.0x**	**18.2x**	**16.4x**	**3.7%**	**3.1%**
Mean		**43,424**	**69,097**	**20.2x**	**20.1x**	**19.0x**	**18.4x**	**18.8x**	**17.4x**	**3.8%**	**2.2%**
25th Percentile		32,690	53,373	18.1x	18.6x	17.9x	14.0x	16.7x	16.0x	(1.0%)	(3.8%)
Low		19,933	34,608	16.2x	18.0x	16.5x	12.4x	14.5x	14.7x	(16.7%)	(16.0%)

	EV/EBITDA Implied Price		P/AFFO Implied Price	
High	1099.22	1192.26	905.14	919.02
75th Percentile	990.26	1023.38	800.65	803.54
Median	**940.91**	**941.76**	**696.17**	**688.05**
Mean	**935.58**	**971.13**	**717.49**	**731.79**
25th Percentile	866.53	918.56	638.67	669.97
Low	839.00	846.54	554.93	619.12

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Appendix 4: Revenue Build

All Figures in mm USD	*31-Dec-22* **2022A**	*31-Dec-23* **2023A**	*31-Dec-24* **2024A**	*31-Dec-25* **2025E**	*31-Dec-26* **2026E**	*31-Dec-27* **2027E**	*31-Dec-28* **2028E**	*31-Dec-29* **2029E**
Americas								
Number of IBXs	106	108	107	108	109	110	111	112
Total Cabinet Capacity	134,900	145,400	144,100	145,447	146,793	148,140	149,487	150,834
Cabinets Billed	108,200	112,900	116,700	117,791	118,881	119,972	121,063	122,153
Cabinet Utilization	*80.2%*	*77.6%*	*81.0%*	81.0%	81.0%	81.0%	81.0%	81.0%
MRR per Cabinet	2,419	2,527	2,550	2,624	2,699	2,777	2,858	2,940
Average Cabinets per IBX	1,273	1,346	1,347	1,347	1,347	1,347	1,347	1,347
Additions in IBXs	3	2	(1)	1	1	1	1	1
Additions in Capacity	(1,100)	10,500	(1,300)	1,347	1,347	1,347	1,347	1,347
MRR per Cabinet % Growth	3.3%	4.5%	0.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Americas Recurring Revenue	**3,183**	**3,457**	**3,647**	**3,708**	**3,851**	**3,998**	**4,151**	**4,310**
Americas Non-Recurring Revenue	166	160	215	219	227	236	245	254
% of Recurring Revenue	*5.2%*	*4.6%*	*5.9%*	*5.9%*	*5.9%*	*5.9%*	*5.9%*	*5.9%*
Americas Total Revenue	**3,349**	**3,617**	**3,862**	**3,927**	**4,078**	**4,234**	**4,396**	**4,564**
EMEA								
Number of IBXs	82	84	86	88	90	92	94	96
Total Cabinet Capacity	132,000	136,200	138,200	141,414	144,628	147,842	151,056	154,270
Cabinets Billed	110,000	109,100	107,700	110,205	112,709	115,214	117,719	120,223
Cabinet Utilization	*83.3%*	*80.1%*	*77.9%*	77.9%	77.9%	77.9%	77.9%	77.9%
MRR per Cabinet	1,654	1,991	2,152	2,387	2,647	2,936	3,257	3,613
Average Cabinets per IBX	1,610	1,621	1,607	1,607	1,607	1,607	1,607	1,607
Additions in IBXs	4	2	2	2	2	2	2	2
Additions in Capacity	3,200	4,200	2,000	3,214	3,214	3,214	3,214	3,214
MRR per Cabinet % Growth	4.3%	20.4%	8.1%	10.9%	10.9%	10.9%	10.9%	10.9%
EMEA Recurring Revenue	**2,207**	**2,648**	**2,812**	**3,157**	**3,581**	**4,060**	**4,601**	**5,212**
EMEA Non-Recurring Revenue	136	190	155	174	197	224	254	287
% of Recurring Revenue	*6.2%*	*7.2%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
EMEA Total Revenue	**2,343**	**2,838**	**2,967**	**3,331**	**3,778**	**4,284**	**4,855**	**5,499**
Asia-Pacific								
Number of IBXs	48	50	54	56	58	60	62	64
Total Cabinet Capacity	77,600	90,900	89,100	92,400	95,700	99,000	102300	105600
Cabinets Billed	64,100	65,300	66,600	69,067	71,533	74,000	76,467	78,933
Cabinet Utilization	*82.6%*	*71.8%*	*74.7%*	74.7%	74.7%	74.7%	74.7%	74.7%
MRR per Cabinet	1,925	2,104	2,218	2,310	2,406	2,505	2,609	2,717
Average Cabinets per IBX	1,617	1,818	1,650	1,650	1,650	1,650	1650	1650
Additions in IBXs	(2)	2	4	2	2	2	2	2
Additions in Capacity	2,900	13,300	(1,800)	3,300	3,300	3,300	3300	3300
MRR per Cabinet % Growth	-2.3%	9.3%	5.4%	4.1%	4.1%	4.1%	4.1%	4.1%
Asia-Pacific Recurring Revenue	**1,481**	**1,640**	**1,725**	**1,914**	**2,065**	**2,225**	**2,394**	**2,574**
Asia-Pacific Non-Recurring Revenue	90	93	194	215	232	250	269	289
% of Recurring Revenue	*6.1%*	*5.7%*	*11.2%*	*11.2%*	*11.2%*	*11.2%*	*11.2%*	*11.2%*
Asia-Pacific Total Revenue	**1,571**	**1,733**	**1,919**	**2,130**	**2,297**	**2,475**	**2,663**	**2,863**
Total Recurring Revenue	**6,871**	**7,745**	**8,184**	**8,780**	**9,497**	**10,283**	**11,146**	**12,095**
Total Non-Recurring Revenue	**392**	**443**	**564**	**608**	**657**	**710**	**768**	**831**
Total Revenue	**7,263**	**8,188**	**8,748**	**9,387**	**10,153**	**10,993**	**11,914**	**12,926**
YoY % Total Revenue Growth	*9.5%*	*12.7%*	*6.8%*	*7.3%*	*8.2%*	*8.3%*	*8.4%*	*8.5%*

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Appendix 5: PP&E Schedule

Beginning PP&E	15,446	16,650	18,601	19,249	20,600	22,062	23,645	25,360
(+) Capex	2,278	2,781	3,066	3,141	3,397	3,678	3,986	4,325
(+) Real Estate Acquisitions	248	384	337	374	405	438	475	515
(-) Depreciation	(1,532)	(1,637)	(1,801)	(1,935)	(2,093)	(2,266)	(2,456)	(2,665)
(-) Assets Sold	(250)	(77)	(247)	(228)	(247)	(267)	(290)	(314)
End PP&E	**16,650**	**18,601**	**19,249**	**20,600**	**22,062**	**23,645**	**25,360**	**27,221**
CapEx % Revenue	31.4%	34.0%	35.0%	33.5%	33.5%	33.5%	33.5%	33.5%
Real Estate Acquisitions % Revenue	3.4%	4.7%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%
Depreciation % CapEx	67.3%	58.9%	58.7%	61.6%	61.6%	61.6%	61.6%	61.6%
Assets Sold % CapEx	11.0%	2.8%	8.1%	7.3%	7.3%	7.3%	7.3%	7.3%
Recurring Capex	189	219	250	255	275	298	323	351
% Total Capex	*8.3%*	*7.9%*	*8.2%*	8.1%	8.1%	8.1%	8.1%	8.1%
Real Estate Depreciation	(1,105)	(1,143)	(1,239)	(1,360)	(1,471)	(1,592)	(1,726)	(1,872)
% Total Depreciation	*72%*	*70%*	*69%*	70.2%	70.2%	70.2%	70.2%	70.2%
Non-Real Estate Depreciation	(427)	(494)	(562)	(576)	(623)	(674)	(731)	(793)
% Total Depreciation	*28%*	*30%*	*31%*	29.8%	29.8%	29.8%	29.8%	29.8%

Appendix 6: Operating Model

	31-Dec-22	*31-Dec-23*	*31-Dec-24*	*31-Dec-25*	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*
All Figures in mm USD	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Income Statement								
Recurring Revenue	6,871	7,745	8,184	8,780	9,497	10,283	11,146	12,095
Non-Recurring Revenue	392	443	564	608	657	710	768	831
Total Revenue	**7,263**	**8,188**	**8,748**	**9,387**	**10,153**	**10,993**	**11,914**	**12,926**
(-) Cost of Revenues	(3,751)	(4,228)	(4,467)	(4,600)	(4,874)	(5,167)	(5,480)	(5,817)
Gross Profit	**3,512**	**3,960**	**4,281**	**4,788**	**5,280**	**5,826**	**6,434**	**7,109**
Gross Margin %	*48.4%*	*48.4%*	*48.9%*	*51.0%*	*52.0%*	*53.0%*	*54.0%*	*55.0%*
(-) Sales and Marketing	(787)	(855)	(891)	(985)	(1,065)	(1,153)	(1,249)	(1,356)
(-) General & Administrative	(1,499)	(1,654)	(1,766)	(1,910)	(2,065)	(2,236)	(2,424)	(2,629)
(-) Restructuring Charges	-	-	(31)	-	-	-	-	-
(-) Transaction Costs	(22)	(13)	(50)	(32)	(35)	(38)	(41)	(45)
(-) Impairment Charges	-	-	(233)	-	-	-	-	-
(+/-) Gain (Loss) on Asset Sales	(4)	5	18	-	-	-	-	-
Operating Profit	**1,200**	**1,443**	**1,328**	**1,861**	**2,115**	**2,399**	**2,719**	**3,080**
Operating Margin %	*16.5%*	*17.6%*	*15.2%*	*19.8%*	*20.8%*	*21.8%*	*22.8%*	*23.8%*
(+) Interest Income	36	94	137	207	223	242	262	284
(-) Interest Expense	(356)	(402)	(457)	(470)	(509)	(551)	(597)	(648)
(-) Other Expense	(51)	(11)	(17)	-	-	-	-	-
(-) Loss on Debt Extinguishment	-	-	(16)	-	-	-	-	-
Pre-Tax Income	**829**	**1,124**	**975**	**1,597**	**1,829**	**2,090**	**2,384**	**2,716**
(-) Income Taxes	(124)	(155)	(161)	(241)	(276)	(315)	(360)	(410)
Net Income	**705**	**969**	**814**	**1,356**	**1,553**	**1,775**	**2,025**	**2,307**

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