

9 October 2023

Infratil’s CDC Data Centres valuation rises by A\$448 million

The 30 September 2023 independent valuation of Infratil’s investment in CDC Data Centres (‘CDC’) shows an increase of A\$448 million over the six months since the 31 March 2023 valuation.

Infratil’s 47.99% investment in CDC is now valued at between A\$3,641 million to A\$4,186 million (with a midpoint of A\$3,884 million), up from A\$3,145 million to A\$3,744 million (with a midpoint of A\$3,436 million) at the end of March 2023. The 30 September 2023 NZD valuation of Infratil’s CDC investment is \$3,921 million to \$4,507 million (with a midpoint of \$4,182 million).

Infratil’s CEO Jason Boyes said “CDC’s data centre design, operating model and customer base is strategically positioned to benefit from the new growth in demand for artificial intelligence services. These market dynamics have seen a significant uptick in inbound customer interest. In response to this demand CDC is expecting a significant acceleration of construction and expansion of development planning in all locations – Canberra, Sydney, Melbourne and Auckland”.

The 30 September 2023 valuation assumes 268MW of existing operating facilities, another 265MW currently under construction and 517MW classified as future builds to 2028, details of which are set out in the table below.

This represents an increase of 223MW under construction and a total additional capacity including future builds of 264MW since 31 March 2023. CDC currently has access to the vast majority of the land required to complete these future builds.

The current forecast cost to build is consistent with recent performance.

The blended cost of equity used in the valuation has increased from 9.60% to 11.20% between March and September 2023. This reflects an increase in the asset-specific risk premium, driven by the acceleration of CDC’s construction programme, expansion in CDC’s assumed future build pipeline and the valuer’s assessment of the relative increase in the scale and complexity of its commercialisation and delivery. It also reflects an increase in the risk-free rate (3.65% to 3.75%) and an increase in gearing as a result of higher forecast debt levels as CDC continues investment in its expanded development pipeline.

Net debt as at 30 September was A\$2,270 million.

CDC’s FY2024 full-year EBITDAF guidance of A\$260 million to \$270 million remains unchanged.

Further information, including the estimated International Portfolio Fair Market Value and the impact on International Portfolio incentive fees, which are calculated on a whole of portfolio basis, will be provided as part of Infratil’s Interim Result which is due to be released on 16 November 2023.

Region	Status	Build Capacity (MW)
Canberra	Operating	117
Sydney	Operating	123
Auckland	Operating	28
Total Operating Capacity		268
Canberra	Under Construction	56
Sydney	Under Construction	147
Melbourne	Under Construction	32
Auckland	Under Construction	30
Total Under Construction Capacity		265

Region	Status	Build Capacity (MW)
Canberra	Future Build	55
Sydney	Future Build	151
Melbourne	Future Build	208
Australian Expansion	Future Build	22
Auckland	Future Build	81
Total Future Build Capacity		517
Total Capacity		1,050

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