



4 October 2024

CDC Independent Valuation - 30 September 2024

The 30 September 2024 independent valuation of Infratil's investment in CDC shows an increase of A\$287 million over the three months since the 30 June 2024 valuation.

This implies that Infratil's 48.17% investment in CDC is now valued at between A\$4,386 million and A\$5,248 million (with a midpoint of A\$4,811 million), up from A\$4,159 million to A\$4,940 million (with a midpoint of A\$4,524 million) at the end of June 2024.

The increase in valuation reflects a continued high level of interest from customers, resulting in the advancement of customer discussions for capacity across all regions in which CDC operates and acceleration in construction and development activity. CDC's forecast build capacity to FY2034 has increased 409MW since June 2024, primarily reflecting increased demand signals for capacity in Melbourne and Auckland. This increase in future build capacity reflects both an upsizing of current planned sites, as well as the introduction of future sites expected to come online over the latter part of the 10-year capacity forecast outlined in the table below. The overall operating and under construction capacity remains unchanged since June 2024, with CDC's first data centre development in Melbourne (Brooklyn 1) performing well in its first full quarter of operations. Positive progress continues to be made in relation to the 400MW+ of capacity under advanced negotiations (communicated at the Infratil equity raising in June).

Region	Status	Build Capacity (MW) to FY34, as at	Build Capacity (MW) to FY34, as at
		30 June 2024	30 September 2024
Canberra	Operating	117	117
Sydney	Operating	123	123
Melbourne	Operating	34	34
Auckland	Operating	28	28
Total Operating Capacity		302	302
Canberra	Under Construction	39	39
Sydney	Under Construction	158	158
Melbourne	Under Construction	121	121
Auckland	Under Construction	70	70
Total Under Construction Capacity		388	388
Canberra	Future Build	90	93
Sydney	Future Build	872	879
Melbourne	Future Build	157	472
Australian Expansion	Future Build	36	36
Auckland	Future Build	42	126
Total Future Build Capacity		1,197	1,606
Total Capacity		1,887	2,296

The blended cost of equity used in the valuation has increased from 11.50% to 12.40% between June and September 2024. This reflects an increase in the valuer's estimated asset-specific risk premium driven by an expansion of the development pipeline. An increase in the asset beta has also contributed to the increase in the cost of equity, reflecting general movement in the asset betas of listed peers since June 2024. The risk-free rate has remained constant at 3.90%.

This valuation reflects a minor increase in the funding estimate provided as part of Infratil's June 2024 equity raising, with Infratil's pro-rata share of equity contributions to CDC assumed to be approximately A\$700 million (an increase of \$100 million) over the next two to three years. The increase in total equity contributions is driven by the growth in CDC's planned pipeline highlighted earlier in this announcement. CDC intends to continue accessing a range of debt markets to provide further funding for its expanded development pipeline.

Enquiries should be directed to:

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Appendix 1 – Independent Valuation Summary 30 September 2024

Valuation Methodology	30 June 2024	30 September 2024
Primary valuation methodology	DCF using FCFE (with a cross check to comparable companies and precedent transactions), surplus and underutilised land at cost	
Forecast period	15 years (2039)	30 years (2055)
Enterprise value	A\$12,723 million	A\$13,441 million
Equity value	A\$9,376 million (IFT share: A\$4,524 million)	A\$9,987 million (IFT share: A\$4,811 million)
Net debt¹	A\$3,347 million	A\$3,454 million
Key Valuation Assumptions		
Risk free rate	3.90%	3.90%
Asset beta	0.55	0.575
Cost of equity <i>(blended rate) reflecting the assessed risk of the spectrum of CDC's activity, from operating data centres with contracted revenues through to developing projects without contracted revenues.</i>	11.50%	12.40%
Terminal growth rate	2.5%	2.5%
Long term EBITDA margin	85% (2039)	85% (2039); 83% (2055)
Capex <i>Future capex reflects CDC's published development pipeline</i>	Valuation assumes no development beyond 2033	Valuation assumes no development beyond 2040

¹ Net debt includes accrued RMS payments to management shareholders