

Macquarie Technology delivers eleven consecutive year of profitable growth.

27 August 2025

Macquarie Technology Group Ltd (ASX: MAQ) (the Company) today announced its results for the year ended 30 June 2025, which were in line with guidance.

Chairman Peter James said, "Our 11th consecutive year of EBITDA growth is underpinned by the consistent execution of our digital infrastructure strategy."

Key Points

- Eleven consecutive years of EBITDA growth.
- Group Earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$113.6 million, an increase of 8.7% over the last 3 years.
- Operating cash flow of \$109.9 million in FY25 after income tax payments of \$25.5 million for the FY24 and FY25 years. Conversion of EBITDA to operating cash flows excluding income tax and interest received is 115%.
- Strong balance sheet with undrawn debt facility of \$450m along with cash and deposits of c\$62m available to fund further investments.
- Entered into a put and call option to purchase a large parcel of land for a new data centre campus in Sydney.
- Capital expenditure was \$150.1 million driven by Growth Capex of \$111.0 million (including \$106.0 million for IC3 SuperWest), Customer Growth Capex of \$18.9 million and Maintenance Capex of \$20.2 million.

Chief Executive David Tudehope said, "Macquarie Data Centres' platform is strategically positioned to support the growth of cloud and AI companies in Australia by providing a continuous supply of over 215MW of data centre capacity over the next 7-10 years."

Outlook

- The Company's EBITDA is expected to have marginal growth in FY26.
- We are continuing to invest in people to grow our business. In segments where needed, headcount is aligned with revenue trends to maintain operational efficiency.
- We are further investing in our capabilities to support the growth in the MDC platform.
- We are developing AI capabilities and infrastructure to empower our customers. We are simultaneously investing in AI-driven solutions internally to enhance operational efficiencies across the Group.
- At the Macquarie Park Data Centre Campus, the Group has approximately 5% of capacity available for sale before IC3 SuperWest comes on-line. MDC's average FY25 EBITDA per MW sold is approximately \$1.8 million.
- Phase 1 construction costs are expected to be circa \$350m (excluding Early works of \$18 million completed by end of FY24) and will deliver the powered core and shell along with 6 MW of IT Load fitted out. DA approved capacity of IC3 SuperWest is 47 MW.
- Construction of IC3 SuperWest phase 1 (6 MW) is forecast to be on time and on budget and expected to be completed by September 2026. Topping out of the structure will occur before the end of 2025.
- AI is designed to live in purpose-built high-density AI and cloud data centres like IC3 SuperWest.
- Access to on-shore infrastructure housed in sovereign facilities is essential for critical infrastructure industries, such as health care and finance.
- MDC has entered into a put and call option to purchase a large parcel of land for a new data centre campus in Sydney. Subject to development approval and further board approvals, MDC intends to construct a new data centre campus in 3 stages that are expected to deliver more than 150 MW of IT load.
- Building of new data centres on this campus is expected to be in a few years, in this period we will consider a range of funding alternatives including project finance and new longer term infrastructure investors in our data centres.

- Our data centre assets have been aligned into a new corporate structure to facilitate future growth and external funding opportunities.
- The MDC platform will be strategically placed to provide a continuous pipeline of available capacity for its customers over the next 7-10 years. This would result in a portfolio of data centres with over 215 MW of IT load.
- In FY26, CS&G revenue is expected to grow. Margins are likely to decline compared to FY25, which will result in only modest EBITDA growth. This is reflective of new product investments as well as continued cost pressures as customers focus on optimising their environment.
- Pricing pressure from US tech vendors and increased budget pressures led many of our customers to seek our support in reducing their consumption and optimisation of their tech stack. This reduces revenue by customer. While we expect these external pressures to continue into FY26, we anticipate this to ease towards the end of FY26.
- Macquarie Government is investing in Essential 8 security products which as customers join will scale their profitability. Essential 8 is the federal government security standard. As attack surfaces expand and threats grow more sophisticated, organisations operating critical infrastructure face heightened pressure to meet stringent regulatory and compliance standards.
- CS&G will continue to focus on cloud, cyber and AI requirements of our corporate and government customers.
- In FY26, Telecom's EBITDA is likely to be around \$20 million, returning to FY23 levels. Margins are anticipated to return to high-teens levels after NBN pricing reduction has been passed to the customers.
- Traditional voice continues to decline in line with the industry.
- Telecom continues to optimise cost efficiencies to generate free cash flow.
- Telecom remains an important channel for securing CS&G services.
- Depreciation and amortisation for FY26 is expected to be \$55 million to \$60 million. Hosting depreciation and amortisation is expected to be at \$45 million to \$49 million and Telecom depreciation \$10 million to \$11 million in FY26.
- The Company plans to make further investment in growth and customer growth capex during FY26. Total capex before IC3 Super West is expected to be between \$36 million to \$44 million consisting of:
 - Customer Growth - \$16 million to \$19 million,
 - Growth Capex - \$3 million to \$5 million,
 - Maintenance Capex - \$17 million to \$20 million.
 IC3 Super West capex is expected to be between \$170 million to \$190 million in FY26.
- Telecom capex is expected to remain broadly flat at \$8 million to \$10 million in FY26.
- Group capex is expected to be \$206 million to \$234 million in FY26.
- Undrawn debt facility of \$450m along with cash and deposits of \$62m is available to fund the construction of IC3 SuperWest and the likely acquisition of the new data centre campus.

For more information, please contact:
 David Tudehope – Chief Executive
 (02) 8221 7090

Helen Cox – Chief Financial Officer
 (02) 8221 7882

Investor@macquarietechnologygroup.com

Level 15, 2 Market Street, Sydney NSW 2000

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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