

Data Center Industry Update

Q3 2024





Dinan is a premier global investment bank, with proficiency in mergers & acquisitions, capital markets, financial restructuring, and financial & valuation advisory.

We are the trusted advisor to hundreds of middle-market partners.

Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

[Request a meeting](#)

Dinan was founded with the singular purpose of providing the highest standards of professionalism, sophistication, and execution expertise in Merger & Acquisition transactions to middle-market companies comparable to that afforded to the Fortune 500 at full-service Wall Street investment banks. Creating \$65B+ in value through 900+ transactions closed since 1988, we would like to say thank you for your trust along the way.

Leadership



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Sector Coverage



- Industrials
- Healthcare Services
- Software & Technology
- Transportation & Logistics
- Consumer, Food & Retail
- Business Services
- Building Products & Services
- Aerospace & Defense

Featured Transactions



Our clients benefit from
our local presence and global reach.



AMERICAS

Atlanta
Chicago
Nashville
Phoenix
San Francisco

EUROPE & MIDDLE EAST

Amsterdam
Antwerp
Brussels
Copenhagen
Helsinki
London
Madrid

Manchester
Milan
Munich
Paris
Stockholm
Berlin
Zurich

ASIA- PACIFIC

Beijing
New Delhi
Singapore
Sydney
Tokyo

**Fully Integrated Mergers
& Acquisitions Specialist**

30+

Senior officers dedicated to
financial advisory services
globally

900+

Successful transactions⁽¹⁾

\$65bn+

Total Transaction Value⁽¹⁾

300+

M&A Professionals Globally⁽²⁾

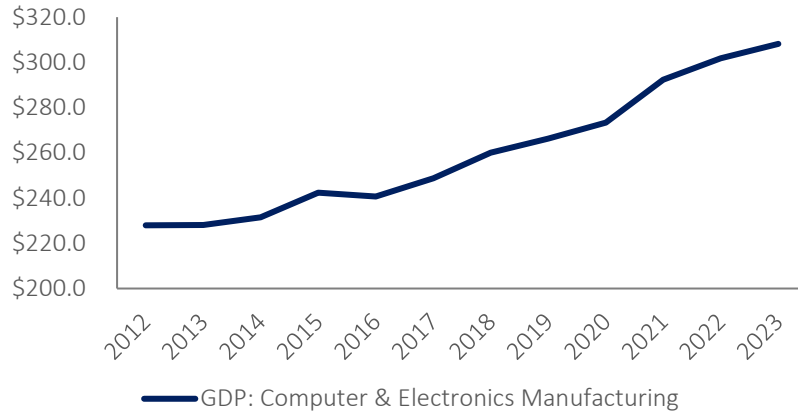
⁽¹⁾ Buy-side and Sell-side figure

⁽²⁾ Includes TransLink, Dinan's exclusive international transaction partner

GDP: Computer and Electronic Product Manufacturing

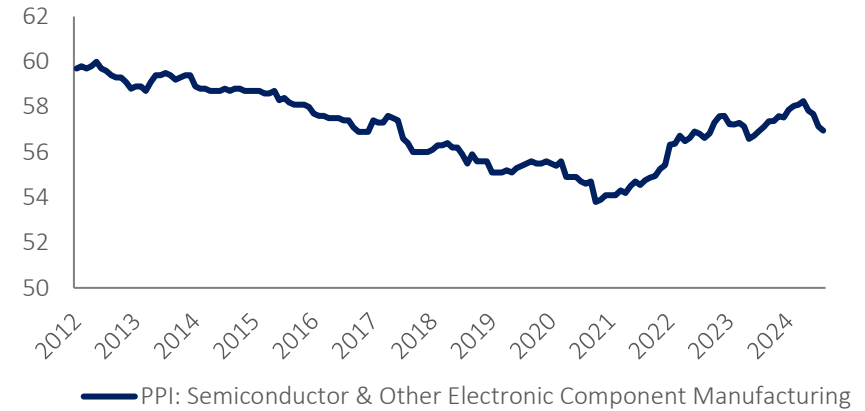
GDP for Computer and Electronic Product Manufacturing has shown an impressive upward trend from 2012 to 2023, reflecting robust growth and a positive outlook for the industry.

(\$ in billions)



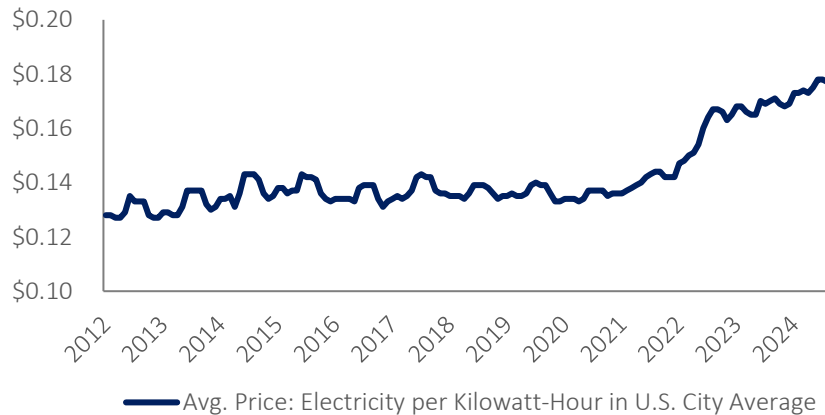
PPI: Semiconductor and Other Electronic Component Manufacturing

PPI for Semiconductor and Electronic Component Manufacturing started to trend downward, outlining favorable consumer conditions.



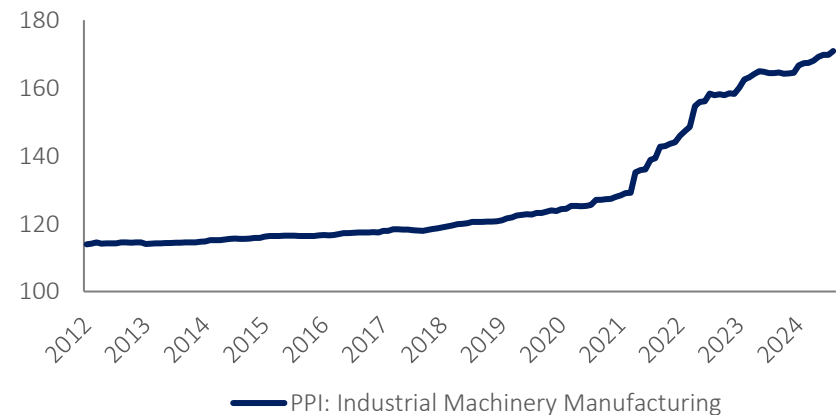
Average Price: Electricity per Kilowatt-Hour in U.S. City

The average price of electricity per kilowatt-hour in U.S. cities has steadily increased from 2012 to 2024, highlighting a strong and growing energy market.



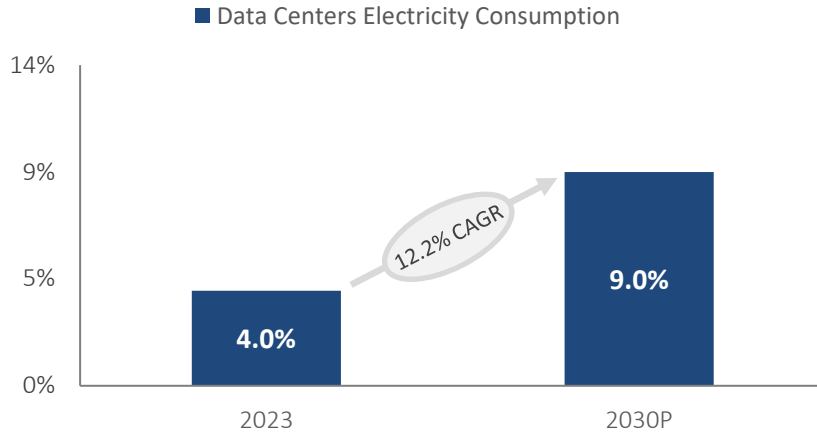
PPI: Industrial Machinery Manufacturing

PPI for Industrial Machinery Manufacturing has shown a remarkable upward trend since 2020, underscoring strong demand and growth in a burgeoning industry.



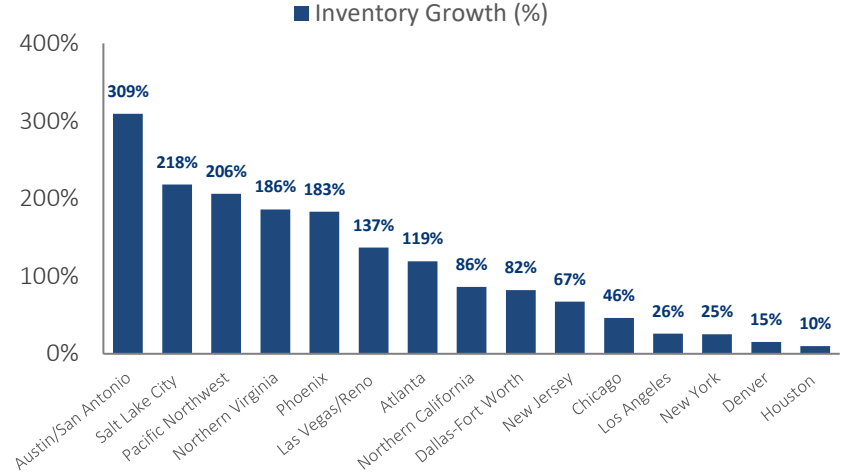
Forecasted U.S. Data Center Electricity Consumption¹

According to estimates by the Electric Power Research Institute, data centers could account for up to 9% of the United States' annual electricity consumption by 2030.



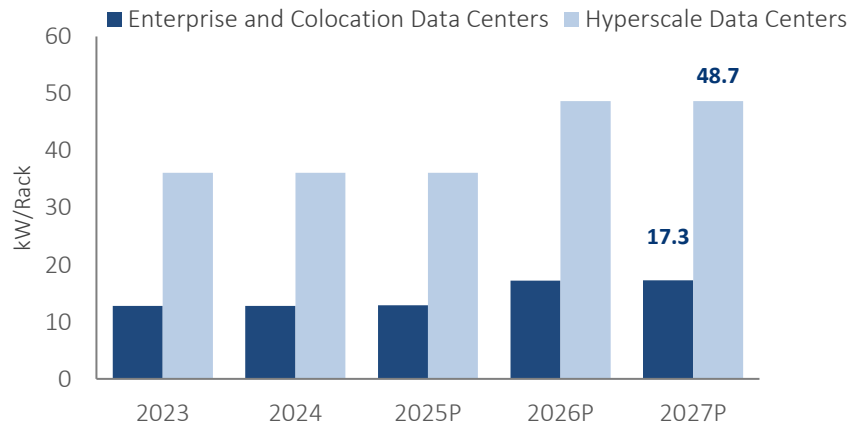
U.S. Colocation Data Center Market Growth Since 2020²

The U.S. Colocation market has grown substantially over the last 4 years, largely driven by the increased demand for capacity to fulfill AI advancements.



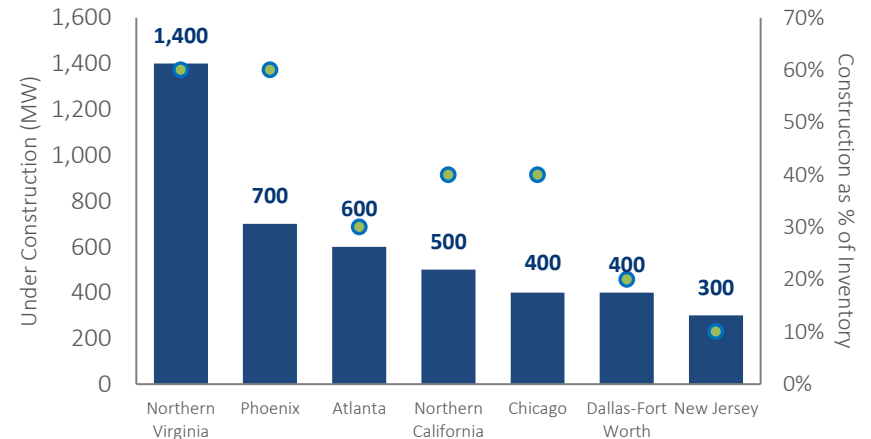
Average Data Center Rack Density³

AI advancements are reshaping data centers, driving a 7.8% annual increase in rack density to meet rising computational needs.



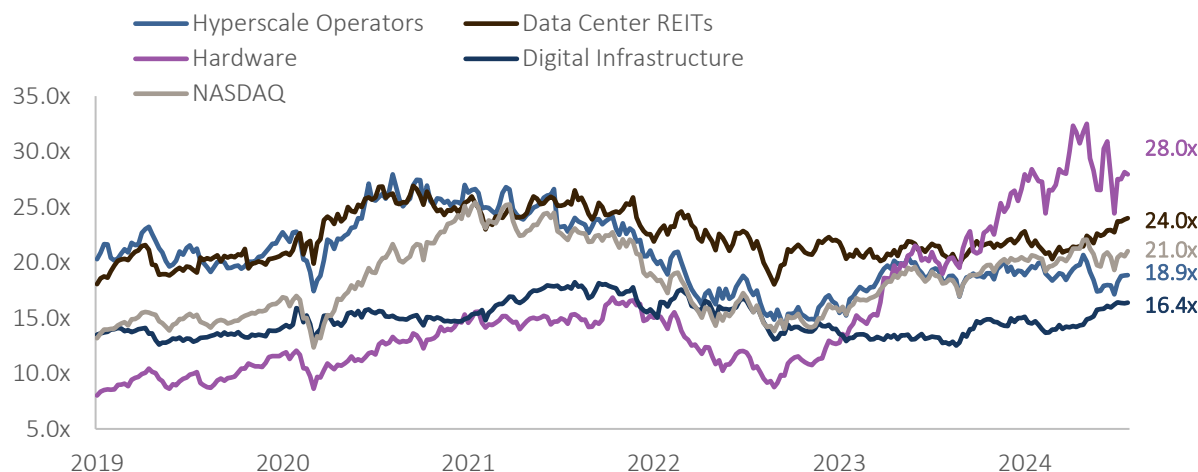
Primary Market Data Center Construction Pipeline (Megawatts)⁴

Primary markets including Northern Virginia, Phoenix, and Atlanta are experiencing significant capacity expansions, highlighting robust development to meet demand in these key regions.



Sources:
 (1) DOE
 (2) JLL
 (3) JLL
 (4) Cushman & Wakefield

Industry EV/EBITDA Multiples



Key Takeaways

Data Center REITs and Digital Infrastructure EBITDA multiples grew in Q3 2024. The Hardware segment continues to see rapid growth (+20% YTD, following +116% growth in FY 2023).

+41%

Hardware Multiple
Growth (YoY)

+16%

Nasdaq Multiple
Growth (YoY)

Market Dynamics & Outlook

- Accelerating demand for data center capacity with limited power availability is leading to more alternative energy sources to keep up with the AI boom.
- Sustainability pressures from regulatory bodies and customers are pushing data centers to adopt greener practices, leading to increased adoption of energy-efficient cooling systems and carbon-neutral power sources.
- Modular and scalable data center designs are being embraced to adapt to unpredictable power constraints and shifting demand, allowing operators to expand capacity more quickly while optimizing energy use.
- Microsoft has signed a 20-year agreement to purchase power from the previously shut-down Three Mile Island nuclear plant. This move underscores the growing need for stable, long-term power solutions as the U.S. energy infrastructure faces challenges in supporting the rapid expansion of AI and data-driven workloads.

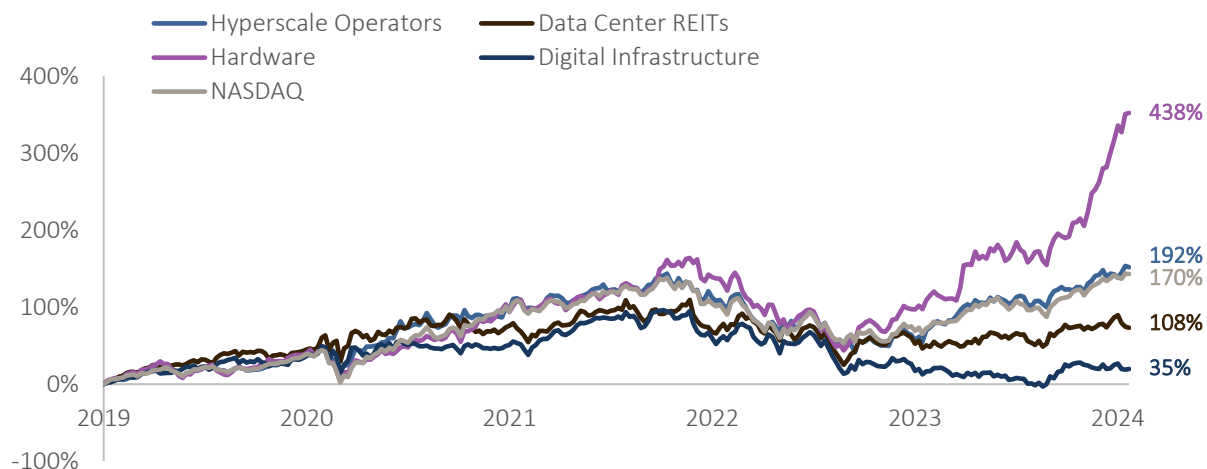
Dinan's Relevant Transactions

ARCHIVE360 New York, NY has received a strategic investment from LEEDS Equity Partners New York, NY Dinan Capital Advisors acted as exclusive financial advisor to Archive360, Inc. in this transaction.	Bel-Aire Phoenix, AZ has been acquired by THERMA San Jose, CA a portfolio company of Blackstone New York, NY Dinan Capital Advisors acted as exclusive financial advisor to Bel-Aire Mechanical in this transaction.	switch Phoenix, AZ has been acquired by LOENBRO Black Eagle, MT a portfolio company of TAILWIND CAPITAL New York, NY Dinan Capital Advisors acted as exclusive financial advisor to Switch Electric in this transaction.	AC Photonics Santa Clara, CA has received an investment from CenterGate CAPITAL Austin, TX Dinan Capital Advisors acted as exclusive financial advisor to AC Photonics, Inc. in this transaction.
TPC MECHANICAL St. Augustine, FL has been acquired by STRADA Sanford, FL a portfolio company of TRILANTIC CAPITAL New York, NY Dinan Capital Advisors acted as the exclusive financial advisor to TPC Mechanical in this transaction.	esscoe the engineered systems company has been acquired by convergent a portfolio company of ARES HARVEST LGP LEONARD GREEN & PARTNERS New York, NY Dinan Capital Advisors acted as the exclusive financial advisor to Esscoe, LLC in this transaction.	NEWSPRING Radnor, PA through their portfolio company magna5 Frisco, TX has acquired stabenet Charlotte, NC	ThermaIR Phoenix, AZ has been acquired by AIR CONTROL CONCRETE (Bria Hobbs & Associates) a portfolio holding of MDP and Blackstone Dinan Capital Advisors acted as the exclusive financial advisor to ThermaIR Systems in this transaction.

Sources: Capital IQ as of 9/30/2024

Note: Tombstones included herein represent transactions closed from 2020 forward.

Industry Index Value Performance



Key Takeaways

Digital Infrastructure and Data Center REITs market segments saw continued substantial equity returns through Q3 2024.

Hyperscaler Operators and Hardware experienced a flat Q3, posting 0.5% and -0.4% equity returns in Q3 2024.

+19%

Digital Infrastructure
Equity Return (Q3 '24)

+19%

Data Center REITs
Equity Return (Q3 '24)

Market Performance by Sector

Digital Infrastructure

% Equity Return	
Q3 2024	19.9%
YoY	33.7%
FY 2023	4.2%
3 Year	-26.5%

Data Center REITs

% Equity Return	
Q3 2024	19.4%
YoY	35.5%
FY 2023	16.8%
3 Year	7.0%

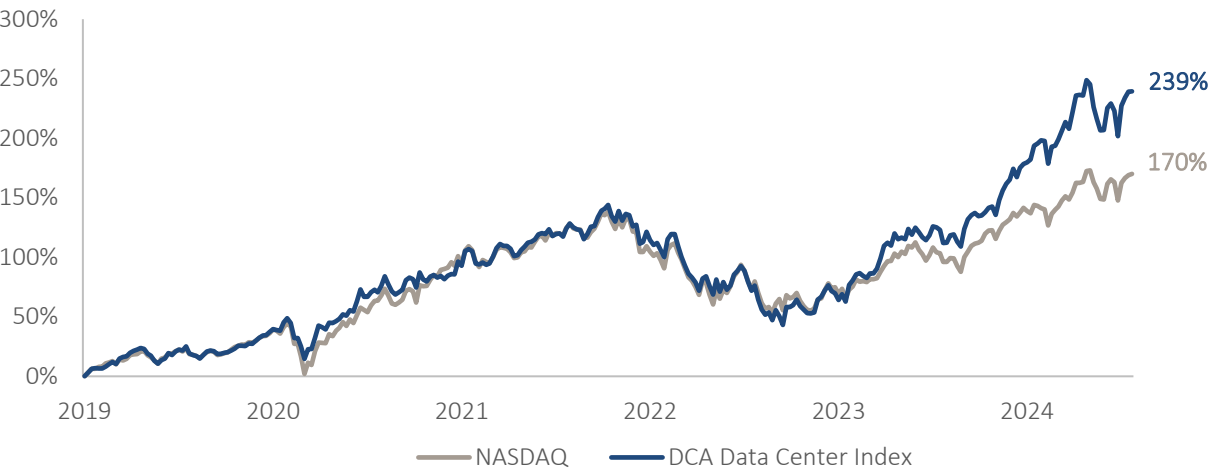
Hyperscale Operators

% Equity Return	
Q3 2024	0.5%
YoY	44.7%
FY 2023	50.5%
3 Year	29.7%

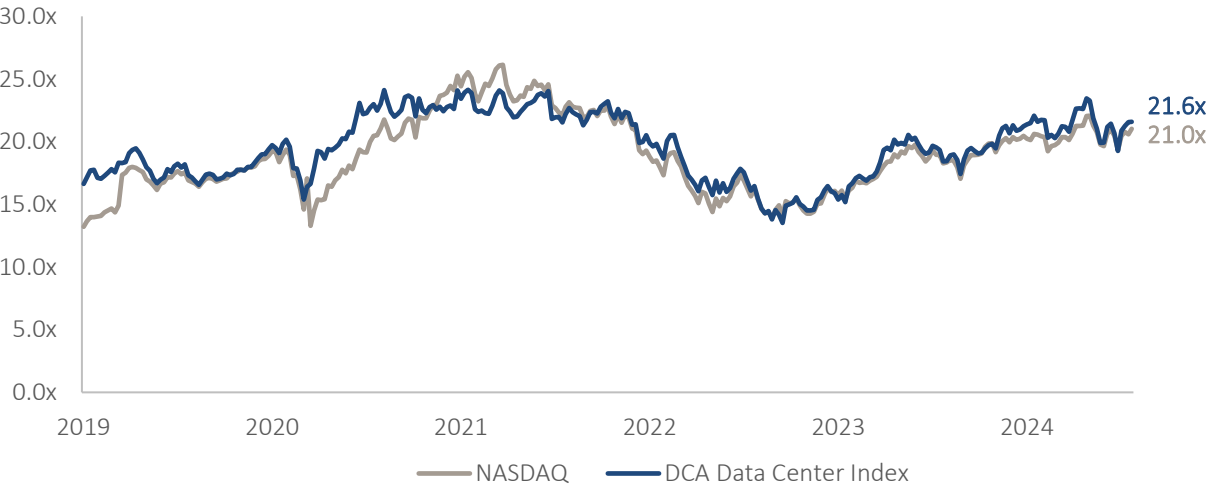
Hardware

% Equity Return	
Q3 2024	-0.4%
YoY	104.0%
FY 2023	87.9%
3 Year	139.8%

Stock Price Performance - Dinan Data Center Index vs. Nasdaq



EBITDA Multiple Trends – Dinan Data Center Index vs. Nasdaq



Key Market Trends

Dinan Data Center Index increased 1% in Q3 2024, following a 58% increase in FY 2023.

NASDAQ increased 3% in Q3 2024, following a 42% increase in FY 2023.

+37%

NASDAQ Equity
Return (YoY)

+59%

Data Center Index
Equity Return (YoY)

Impact on Multiples

Dinan Data Center Index EBITDA multiple decreased 5% in Q3 2024, following a 37% increase in FY 2023.

NASDAQ EBITDA multiple decreased 3% in Q3 2024, following a 40% increase in FY 2023.

+12%

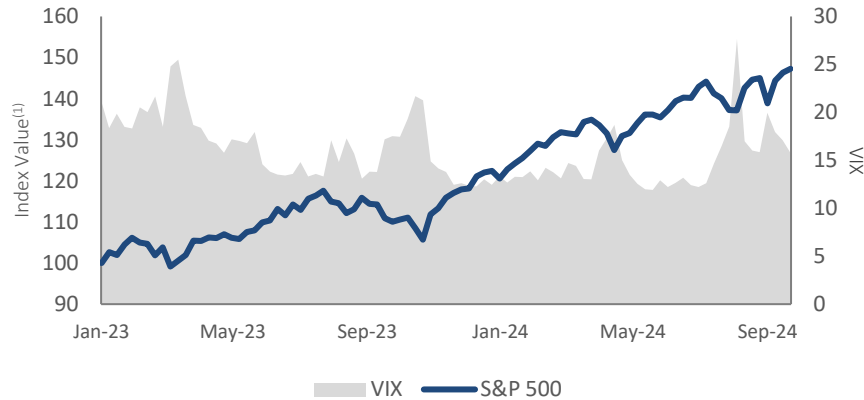
NASDAQ Multiple
(YoY)

+17%

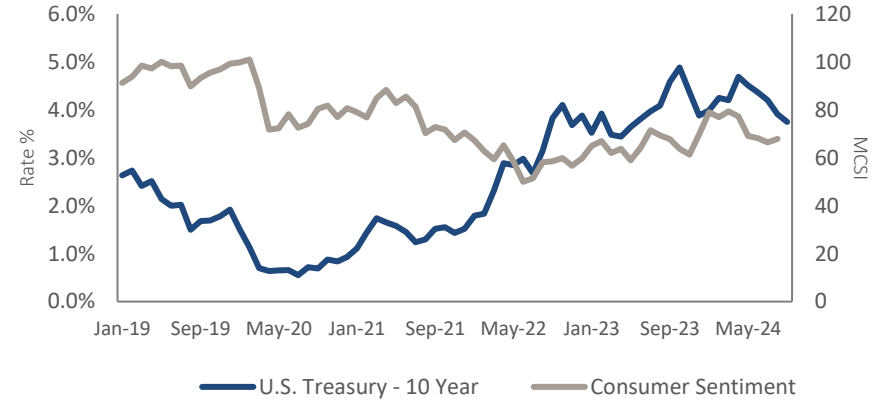
Data Center Index
Multiple (YoY)

Source: Capital IQ as of 9/30/2024
DCA Data Center Index represents the group of public companies in the appendix

S&P 500 Climbs 5% in Q3 '24 Reflecting Steady Market Conditions in Public Equity Markets



10-Year Treasury Remains Flat as Consumer Sentiment Trends Flat in Q3 '24



U.S. Equity Sectors Performance

	% Return (Q2 '24)	% Return (Q3 '24)	TEV/LTM Total Rev	TEV/LTM EBITDA
Energy	-3.2%	-3.9%	1.5x	7.0x
Communication Services	9.1%	0.6%	4.4x	13.5x
Health Care	-1.4%	5.0%	2.0x	17.6x
Materials	-4.9%	9.9%	2.9x	14.4x
Consumer Discretionary	0.4%	7.9%	3.0x	19.1x
Industrials	-3.3%	10.6%	3.0x	17.5x
Info Tech	13.6%	0.9%	9.4x	28.3x
Consumer Staples	0.7%	8.2%	1.8x	16.1x
Real Estate	-2.8%	15.4%	9.8x	22.2x
Utilities	3.8%	18.0%	5.0x	13.6x

Major Indices Performance

	% Return (Q2 '24)	% Return (Q3 '24)	TEV/LTM Total Rev	TEV/LTM EBITDA
S&P 500	3.9%	5.1%	3.5x	17.5x
NASDAQ	8.3%	2.2%	4.7x	20.6x
Dow Jones	-1.7%	8.2%	3.1x	15.9x
Russell 2000	-3.6%	8.6%	1.7x	14.0x

Interest Rates

	Q4 2022	Q4 2023	Q2 2024	Q3 2024
Treasury – 2 Year	4.4%	4.2%	4.7%	3.6%
Treasury – 5 Year	4.0%	3.8%	4.3%	3.5%
Treasury – 10 Year	3.9%	3.9%	4.4%	3.8%
Treasury – 30 Year	4.0%	4.0%	4.5%	4.1%
Prime Rate	7.5%	8.5%	8.5%	8.0%

The Data Center industry continues to experience rapid growth driven by the increasing use of artificial intelligence across the marketplace, prompting a significant focus on building the necessary infrastructure to support the current energy grid as this expansion progresses

Closed Date	Target	Acquirer	Target Sector	Transaction Value (\$M)
9/30/2024	SALUTE	NMC NEW MOUNTAIN CAPITAL LLC	Internet Services and Infrastructure	NM
9/9/2024	ATOMIC data.	DC DUBIN CLARK	Internet Services and Infrastructure	NM
9/4/2024	AIRTRUNK	Blackstone	Internet Services and Infrastructure	\$16,138
9/4/2024	edge-core NETWORKS	PG	Data Processing and Outsourced Services	\$1,900
8/6/2024	40-megawatt Hanam Data Centre	MACQUARIE	Internet Services and Infrastructure	\$533
7/10/2024	15-megawatts of Data Center Campus in Slough	DIGITAL REALTY	Internet Services and Infrastructure	\$200
7/2/2024	everbridge	THOMABRAVO	Application Software	\$1,640
6/25/2024	n noname	Akamai	Systems Software	\$450
6/19/2024	Structure DATA CENTERS	PG	Internet Services and Infrastructure	\$1,095
6/18/2024	STTelemedia Global Data Centres	KKR	Internet Services and Infrastructure	\$1,294
6/6/2024	CORE SCIENTIFIC	CoreWeave	Internet Services and Infrastructure	\$1,899
Announced 5/29/2024	SKYARCH	IBM	Internet Services & Infrastructure	NM
Announced 5/23/2024	Communications Technology Assets of hp	HCLTech	IT Consulting & Other Services	NM

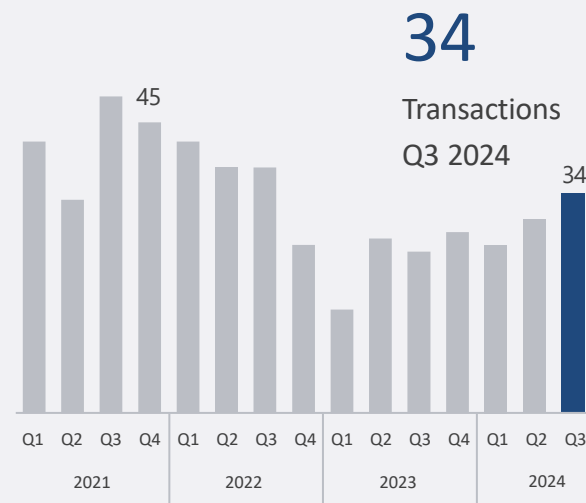
Key Takeaways

Overall M&A activity in the Data Center market remained strong in Q3 2024, with new partnerships and capital investments continuing to grow at unprecedented levels.

Microsoft, BlackRock, Global Infrastructure Partners, and MGX launched a new AI partnership to invest in data centers and supporting power infrastructure.⁽¹⁾

- Microsoft signs deal with Constellation Energy to restart TMI Unit 1 to provide 835 MW of nuclear power for Microsoft to purchase over the next 20 years worth \$16 billion over the life of the agreement.⁽²⁾*


M&A Transaction Volumes



Sources: Capital IQ as of 9/30/2024


(1) Microsoft

(2) Energy Central




Phoenix, AZ

has been acquired by



a portfolio company of



New York, NY


Sellside Advisor

Specialized Mission-Critical Electrical Contractor

- Switch Electric is a leading provider of electrical contracting services, specializing in mission-critical data center construction and maintenance
- Loenbro is a trusted provider of industrial services, delivering superior single-source solutions for a diversified set of industrial end markets nationwide


Key Positioning and Strategic Rationale

- ❖ Strategic add-on acquisition to scale up to meet the national demand for mission-critical services
- ❖ Further expand its geographic footprint to service the broader industrial and data center construction markets
- ❖ Expands the platform's service offerings to cater to the growing data center market




Phoenix, AZ

has been acquired by



a portfolio company of



New York, NY


Sellside Advisor

Specialized Commercial Mechanical HVAC Contracting Services

- Bel-Aire Mechanical specializes in designing, building and servicing high-performing facilities by providing end-to-end construction, service, repair and maintenance, and fabrication solutions
- Legence, f.k.a. Therma Holdings, is a leading mechanical, electrical, plumbing, controls, and energy services company focused on designing, engineering, building, and servicing complex systems in high-performance buildings


Key Positioning and Strategic Rationale

- ❖ Both Bel-Aire and Legence operate in the Data Center construction market, enabling synergistic growth and supporting profitable expansion
- ❖ Add-on acquisition for a growing platform
- ❖ Expands services focused on designing, building, and servicing systems




Mesa, AZ

has been acquired by



a portfolio company of



Chicago, IL New York, NY

Sellside Advisor

Leading Regional HVAC/R Manufacturers' Representative





















































- ThermAir Systems specializes in providing HVAC/R (Heating, Ventilation, Air Conditioning, and Refrigeration) solutions to clients
- Air Control Concepts, f.k.a. Hobbs & Associates, is a leading commercial HVAC representative firm focused on servicing the healthcare, commercial, and industrial industries

Key Positioning and Strategic Rationale

- ❖ Strategic add-on acquisition, extending the platform's reach in the rapidly developing Data Center market
- ❖ Enhanced recognition as the preferred representative for manufacturers within the HVAC/R services sector
- ❖ Expands the platform's product offerings with new, top-tier manufacturers

Note: Tombstones included herein represent transactions closed from 2020 forward.

Representative M&A advisory experience

 ATPC MECHANICAL St. Augustine, FL has been acquired by  STRADA a portfolio company of  TRILANTIC New York, NY Drinan Capital Advisors acted as the exclusive financial advisor to ATPC Mechanical in this transaction.	 control devices, LLC Fenton, MO a portfolio company of  hbm St. Louis, MO has acquired  Gilmore Houston, TX Drinan & Company initiated this transaction.	 ESCAPE TECHNOLOGY Roseville, CA has been acquired by ALPINE INVESTORS San Francisco, CA Drinan Capital Advisors acted as financial advisor to Escape Technology, Inc. in this transaction.	 Bel-Aire Phoenix, AZ has been acquired by  THERMA San Jose, CA a portfolio company of  Blackstone New York, NY Drinan Capital Advisors acted as exclusive financial advisor to Bel-Aire Mechanical in this transaction.	 cerca group LLC New York, NY has acquired  CAi Computer Associates Southfield, MI Drinan & Company initiated this transaction.	 Riverside Cleveland, OH has invested in  TOOLWATCH Englewood, CO Drinan & Company initiated this transaction.	 ARCHIVE360 New York, NY has received a strategic investment from LEEDS Equity Partners New York, NY Drinan Capital Advisors acted as exclusive financial advisor to Archive360, Inc. in this transaction.	 MILESTONE Miami, FL through their portfolio company has acquired  COVESTIC Kirkland, WA Drinan & Company initiated this transaction.	 Riverside PARTNERS Boston, MA has acquired  thinklogical Stamford, CT Drinan & Company initiated this transaction.
 switch Phoenix, AZ has been acquired by  LOENBRO Black Eagle, MT a portfolio company of  TAILWIND CAPITAL New York, NY Drinan Capital Advisors acted as exclusive financial advisor to Switch Electric in this transaction.	 AC Photonics Santa Clara, CA has received an investment from  CenterGate CAPITAL Austin, TX Drinan Capital Advisors acted as exclusive financial advisor to AC Photonics, Inc. in this transaction.	 ROCKBRIDGE GROWTH EQUITY Detroit, MI has acquired  one on one American Fork, UT Drinan & Company initiated this transaction.	 NEWSPRING Radnor, PA through their portfolio company  magna5 Frisco, TX has acquired  SpinnerTech Landerhurst, NY Drinan & Company initiated this transaction.	 NEWSPRING Radnor, PA through their portfolio company  magna5 Frisco, TX has acquired  stablenet Charlotte, NC Drinan & Company initiated this transaction.	 NEWSPRING Radnor, PA through their portfolio company  magna5 Frisco, TX has acquired  Interphase Blue Bell, PA Drinan & Company initiated this transaction.	 SOUTHERN HVAC Maitland, FL has acquired  PRO Leavenworth, NC Drinan & Company initiated this transaction.	 CANNON & WENDT ELECTRIC Phoenix, AZ has acquired  GILBERT Tucson, AZ Drinan Capital Advisors acted as exclusive financial advisor to Cannon & Wendt Electric in this transaction.	The assets of  LEGACY FOUNDATIONS a division of  SHIMMICK Phoenix, AZ have been acquired by  BECK Drinan Capital Advisors acted as the exclusive financial advisor to Legacy Foundations in this transaction.
 Cyber Risk Management, LLC Tampa, FL in partnership with  NEP Minneapolis, MN has acquired  SUNERA Atlanta, GA Drinan & Company initiated this transaction.	 Op Investment Partners, LLC Bloomfield Hills, MI through their portfolio company  EMEX Houston, TX has made an investment in and created a strategic alliance with  Patriot Energy Group Burlington, MA Drinan & Company initiated this transaction.	 JORDAN INDUSTRIES, INC. Deerfield, IL has acquired E.F. Johnson Company Waukegan, MN Drinan & Company initiated this transaction.	 CONCRETE SOLUTIONS Phoenix, AZ and related entities have been acquired by  Hahn Systems Indianapolis, IN a subsidiary of  France Drinan Capital Advisors acted as exclusive financial advisor to AMV in this transaction.	 DPIC BUILDER SERVICES Houston, TX a portfolio company of  SAW MILL CAPITAL Brandt Manor, NY has acquired the Home Energy Division of  ENSIGN BUILDING SOLUTIONS Cumming, GA Drinan & Company initiated this transaction.	 GE Fairfield, CT through their Industrial Systems Division has acquired  ifs Newton, CT Drinan & Company initiated this transaction.	 THE CADMUS GROUP, INC. Watertown, MA has acquired  quantec Portland, OR Drinan & Company initiated this transaction.	 MPE PARTNERS Boston, MA has made an investment in  WEBSTER INDUSTRIES Tiffin, OH Drinan & Company initiated this transaction.	 ieDigital London, UK has acquired  connect Sandy, UT Drinan & Company initiated this transaction.
 ODYSSEY INVESTMENT PARTNERS, LLC New York, NY through their portfolio company  SMSCA Newport Beach, CA has acquired  CARDINAL TECHNOLOGIES Pasadena, MD Drinan & Company initiated this transaction.	 ACS Dallas, TX has acquired  CARA Oakbrook, IL Drinan & Company initiated this transaction.	 BAYSIDE Motion Group Port Washington, NY has acquired  ALSTOM Canonsburg, PA Drinan & Company initiated this transaction.	 ENTRUST Warrenville, IL a portfolio company of  KOHLBERG Mount Kisco, NY has acquired  FiberFise Houston, TX Drinan & Company initiated this transaction.	 ENTRUST Warrenville, IL a portfolio company of  KOHLBERG Mount Kisco, NY has acquired  TG ADVISERS, INC. Wilmington, DE Drinan & Company initiated this transaction.	 THIRD CENTURY Atlanta, GA has acquired  BriteSky Ottawa, OH Drinan & Company initiated this transaction.	 LANTRONIX Irvine, CA has acquired  Lightwave Communications Milford, CT Drinan & Company initiated this transaction.	 SIG San Diego, CA a portfolio company of  FORT POINT CAPITAL Boston, MA has acquired  RHB Indianapolis, IN Drinan & Company initiated this transaction.	 SUN CAPITAL PARTNERS, INC. Boca Raton, FL through their portfolio company Labtec, Inc. Vancouver, WA has acquired  CRU Memphis, CA Drinan & Company initiated this transaction.
 HALL RESEARCH Austin, CA has been acquired by  BLACKFORD CAPITAL Grand Rapids, MI Drinan Capital Advisors acted as exclusive financial advisor to Hall Research Technologies in this transaction.	 MILESTONE PARTNERS Radnor, PA closed an equity recapitalization of  OCCASION BRANDS New York, NY Drinan & Company initiated this transaction.	 THE GORES GROUP Los Angeles, CA has acquired  Farallon Alameda, CA Drinan & Company initiated this transaction.	 THE CHANNEL CO. Westborough, MA a portfolio company of  STONE GOFF New York, NY has acquired  AUDIENZ Seattle, WA Drinan & Company initiated this transaction.	 Centre Houston, TX a portfolio company of  MAINST CAPITAL CORPORATION Houston, TX has acquired  NETLINK SOLUTIONS Broken Arrow, OK Drinan & Company initiated this transaction.	 EMERSON St. Louis, MO has acquired  FIBER-CONN Hanover, MD Drinan & Company initiated this transaction.	 PARALLEL49 Lake Forest, IL through their portfolio company  QUESTCO Conroe, TX has partnered with  Totalhr Greenville, SC Drinan & Company initiated this transaction.	 ALPINE INVESTORS San Francisco, CA through their portfolio company  Evergreen San Francisco, CA has acquired  GLOBAL ADVISORY GROUP Alto Viejo, CA Drinan & Company initiated this transaction.	 Transtek Magnetics Tucson, AZ have been acquired by  BOURNS Riverside, CA Drinan Capital Advisors acted as financial advisor to Transtek Magnetics, Inc. and related entities in this transaction.

“Many entrepreneurs only get the opportunity to sell their business once, so it’s important to get it right.” – Mike Dinan

MICHAEL A. DINAN

President & Chief Executive Officer

Contact: mdinan@dinancapital.com
602.451.5072



Michael A. Dinan has been an advisor in merger & acquisition and private equity transactions for over three decades as founder and CEO of Dinan & Company, LLC. Additionally, he is a Managing Partner of the Dinan Co-Investment Funds – a series of committed capital private equity co-investment funds.

Prior to founding Dinan & Company in 1988, Mr. Dinan was employed by Young, Smith & Peacock, Inc., a NYSE member investment banking and brokerage firm in its Investment Banking Division, where he was involved in mergers and acquisitions, private placements, valuation analyses and other securities-related transactions. Previously, he worked for Angermann-Group, a German investment banking firm, specializing in cross-border mergers and acquisitions. Prior to that, he served as a Legislative Analyst for the Arizona State Senate Appropriations Committee.

Mr. Dinan received a B.S. degree, *magna cum laude*, from Arizona State University where he majored in both Economics and International Business. He currently holds the FINRA Series 7, 24, 79, 99 and 63 securities licenses.

WILLIAM R. DOWNING

Managing Director

Contact: wdowning@dinancapital.com
602.248.8700



Since joining Dinan Capital Advisors in 2005 Mr. Downing, a native Arizonian, has advised on a wide variety of middle market merger, acquisition and capital raising transactions. He is responsible for leading all aspects of client engagements for the firm.

Prior to joining Dinan & Company, Mr. Downing was employed as an Equity Research Analyst for StockVal, a subsidiary of Reuters (now Thomson Reuters Corporation), providing equity research, analytics and valuation products to institutional investors. Previously, Mr. Downing worked with a private investment group where he was responsible for originating, analyzing and trading investment grade commercial real estate whole loans through the secondary market. Mr. Downing began his career with American Express Financial Advisors.

Mr. Downing holds a B.S. in Business Administration with dual concentrations in Finance and Entrepreneurship from the University of the Pacific in California. He currently holds the FINRA Series 24, 79, 7 and 63 securities licenses.

Index Segmentation

Q3 2024



(\$ in millions, except per share data)

Ticker	Company Name	TTM as of:	Revenue Growth	Financials				Margins		Debt / EBITDA
				TTM Revenue	TTM Gross Profit	TTM EBITDA	2024 EBITDA	Gross Profit	TTM EBITDA	
BABA	Alibaba Group Holding Limited	06/30/2024	5.9%	\$130,763.9	\$49,562.5	\$24,301.0	\$27,804.0	37.9%	18.6%	1.3x
GOOGL	Alphabet Inc.	06/30/2024	13.4%	\$328,284.0	\$189,221.0	\$115,478.0	\$146,957.6	57.6%	35.2%	0.2x
AMZN	Amazon.com, Inc.	06/30/2024	12.3%	\$604,334.0	\$290,341.0	\$104,049.0	\$136,329.1	48.0%	17.2%	1.3x
META	Meta Platforms, Inc.	06/30/2024	24.3%	\$149,784.0	\$122,060.0	\$74,774.0	\$95,416.7	81.5%	49.9%	0.5x
MSFT	Microsoft Corporation	06/30/2024	15.7%	\$245,122.0	\$171,008.0	\$129,433.0	\$147,338.4	69.8%	52.8%	0.7x
ORCL	Oracle Corporation	08/31/2024	5.6%	\$53,815.0	\$38,376.0	\$21,803.0	\$30,041.3	71.3%	40.5%	3.7x
700	Tencent Holdings Limited	06/30/2024	7.9%	\$85,777.8	\$44,565.8	\$29,320.9	\$38,349.9	51.4%	33.8%	1.7x

High	81.5%	52.8%	3.7x
Low	37.9%	17.2%	0.2x
Mean	59.6%	35.4%	1.3x
Median	57.6%	35.2%	1.3x

(\$ in millions, except per share data)

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value:			TTM P/E
			High	Low				TTM Revenue	TTM Gross Profit	TTM EBITDA	
BABA	Alibaba Group Holding Limited	\$106.1	\$112.2	\$66.6	94.6%	\$247,371.0	\$234,508.9	1.8x	4.7x	9.7x	27.9
GOOGL	Alphabet Inc.	\$165.9	\$191.8	\$120.2	86.5%	\$2,049,097.4	\$1,977,091.4	6.0x	10.4x	17.1x	23.8
AMZN	Amazon.com, Inc.	\$186.3	\$201.2	\$118.4	92.6%	\$1,955,639.0	\$2,024,389.0	3.3x	7.0x	19.5x	44.5
META	Meta Platforms, Inc.	\$572.4	\$577.4	\$279.4	99.1%	\$1,448,168.3	\$1,428,079.3	9.5x	11.7x	19.1x	29.3
MSFT	Microsoft Corporation	\$430.3	\$468.4	\$311.2	91.9%	\$3,198,436.4	\$3,220,757.4	13.1x	18.8x	24.9x	36.5
ORCL	Oracle Corporation	\$170.4	\$174.0	\$99.3	97.9%	\$472,189.2	\$546,246.2	10.2x	14.2x	NM	43.9
700	Tencent Holdings Limited	\$57.2	\$58.9	\$33.5	97.2%	\$525,972.6	\$534,621.0	6.2x	12.0x	18.2x	26.0

High	13.1x	18.8x	24.9x	44.5x
Low	1.8x	4.7x	9.7x	23.8x
Mean	7.2x	11.3x	18.1x	33.1x
Median	6.2x	11.7x	18.7x	29.3x

(\$ in millions, except per share data)

Ticker	Company Name	TTM as of:	Revenue Growth	Financials				Margins		Debt / EBITDA
				TTM Revenue	TTM Gross Profit	TTM EBITDA	2024 EBITDA	Gross Profit	TTM EBITDA	
AMD	Advanced Micro Devices, Inc.	06/29/2024	6.4%	\$23,276.0	\$11,968.0	\$4,046.0	\$5,743.8	51.4%	17.4%	0.5x
ANET	Arista Networks, Inc.	06/30/2024	19.9%	\$6,311.7	\$4,040.2	\$2,656.4	\$3,133.7	64.0%	42.1%	0.0x
AVGO	Broadcom Inc.	08/04/2024	32.0%	\$46,815.0	\$34,977.0	\$22,958.0	\$31,602.9	74.7%	49.0%	3.0x
CSCO	Cisco Systems, Inc.	07/27/2024	-5.6%	\$53,803.0	\$34,828.0	\$15,282.0	\$20,480.5	64.7%	28.4%	2.0x
HPE	Hewlett Packard Enterprise Company	07/31/2024	-2.1%	\$28,382.0	\$9,831.0	\$4,909.0	\$5,524.3	33.9%	16.9%	2.3x
IBM	International Business Machines Corporation	06/30/2024	3.0%	\$61,645.0	\$34,981.0	\$14,625.0	\$15,397.2	56.1%	23.5%	3.8x
JNPR	Juniper Networks, Inc.	06/30/2024	-10.0%	\$5,101.1	\$2,987.0	\$547.6	\$851.5	58.6%	10.7%	3.0x
NTAP	NetApp, Inc.	07/26/2024	2.8%	\$6,377.0	\$4,535.0	\$1,582.0	\$2,052.6	71.1%	24.8%	1.6x
NVDA	NVIDIA Corporation	07/28/2024	194.7%	\$96,307.0	\$73,170.0	\$61,184.0	\$81,087.0	76.0%	63.5%	0.2x
2330	Taiwan Semiconductor Manufacturing Company	06/30/2024	9.4%	\$75,060.5	\$40,049.3	\$50,422.9	\$59,661.9	53.4%	67.2%	0.6x

High	76.0%	67.2%	3.8x
Low	33.9%	10.7%	0.0x
Mean	60.4%	34.4%	1.7x
Median	61.3%	26.6%	1.8x

(\$ in millions, except per share data)

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value:			
			High	Low				TTM Revenue	TTM Gross Profit	TTM EBITDA	TTM P/E
AMD	Advanced Micro Devices, Inc.	\$164.1	\$227.3	\$93.1	72.2%	\$265,560.5	\$262,465.5	11.3x	21.9x	NM	196.6
ANET	Arista Networks, Inc.	\$383.8	\$395.8	\$168.3	97.0%	\$120,578.2	\$114,365.8	18.1x	NM	NM	49.8
AVGO	Broadcom Inc.	\$172.5	\$185.2	\$80.9	93.2%	\$805,674.4	\$865,681.4	18.5x	24.8x	NM	146.0
CSCO	Cisco Systems, Inc.	\$53.2	\$54.6	\$44.5	97.5%	\$212,386.9	\$226,025.9	4.2x	6.5x	14.8x	21.0
HPE	Hewlett Packard Enterprise Company	\$20.5	\$22.8	\$14.5	89.7%	\$26,570.8	\$35,404.8	1.2x	3.6x	7.2x	14.5
IBM	International Business Machines Corporation	\$221.1	\$224.2	\$135.9	98.6%	\$203,647.4	\$249,872.4	4.1x	7.1x	17.1x	24.4
JNPR	Juniper Networks, Inc.	\$39.0	\$39.8	\$24.9	98.0%	\$12,830.8	\$13,520.1	2.7x	4.5x	24.7x	55.3
NTAP	NetApp, Inc.	\$123.5	\$135.0	\$70.8	91.5%	\$25,292.7	\$24,916.7	3.9x	5.5x	15.8x	24.1
NVDA	NVIDIA Corporation	\$121.4	\$140.8	\$39.2	86.3%	\$2,978,923.2	\$2,954,138.2	NM	NM	NM	56.9
2330	Taiwan Semiconductor Manufacturing Company	\$30.1	\$34.0	\$16.3	88.6%	\$781,386.8	\$750,165.3	10.0x	18.7x	14.9x	26.9

High	18.5x	24.8x	24.7x	196.6x
Low	1.2x	3.6x	7.2x	14.5x
Mean	8.2x	11.6x	15.7x	61.5x
Median	4.2x	6.8x	15.3x	38.3x

Source: Capital IQ as of 9/30/2024

(\$ in millions, except per share data)

Ticker	Company Name	TTM as of:	Revenue Growth	Financials				Margins		Debt / EBITDA
				TTM Revenue	TTM Gross Profit	TTM EBITDA	2024 EBITDA	Gross Profit	TTM EBITDA	
DLR	Digital Realty Trust, Inc.	06/30/2024	4.8%	\$5,460.0	\$2,821.4	\$2,335.4	\$2,878.1	52.7%	43.6%	6.9x
EQIX	Equinix, Inc.	06/30/2024	8.0%	\$0.0	\$3,689.8	\$3,025.9	\$4,101.6	46.0%	37.7%	5.4x
GDS	GDS Holdings Limited	06/30/2024	9.1%	\$1,448.9	\$287.8	\$581.2	\$725.4	19.9%	40.1%	10.5x
IRM	Iron Mountain Incorporated	06/30/2024	11.1%	\$3,534.4	\$3,296.5	\$1,946.3	\$2,199.6	56.6%	33.4%	6.0x
SBAC	SBA Communications Corporation	06/30/2024	-1.5%	\$2,528.3	\$2,077.9	\$1,795.7	\$1,892.3	77.7%	67.1%	6.6x

High	77.7%	67.1%	10.5x
Low	19.9%	33.4%	5.4x
Mean	50.6%	44.4%	7.1x
Median	52.7%	40.1%	6.6x

(\$ in millions, except per share data)

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value:			TTM P/E
			High	Low				TTM Revenue	TTM Gross Profit	TTM EBITDA	
DLR	Digital Realty Trust, Inc.	\$161.8	\$165.2	\$113.9	98.0%	\$52,984.9	\$71,044.6	13.0x	NM	NM	47.1
EQIX	Equinix, Inc.	\$887.6	\$914.9	\$677.8	97.0%	\$84,276.0	\$100,283.0	NM	NM	NM	81.3
GDS	GDS Holdings Limited	\$20.4	\$22.8	\$5.0	89.6%	\$3,965.7	\$10,128.6	7.0x	NM	17.4x	NM
IRM	Iron Mountain Incorporated	\$118.8	\$120.5	\$56.5	98.6%	\$34,857.1	\$50,593.6	14.3x	15.3x	NM	152.4
SBAC	SBA Communications Corporation	\$240.7	\$258.8	\$183.6	93.0%	\$25,868.6	\$39,986.9	15.8x	19.2x	22.3x	50.7

High	15.8x	19.2x	22.3x	152.4x
Low	7.0x	15.3x	17.4x	47.1x
Mean	12.5x	17.3x	19.8x	82.9x
Median	13.7x	17.3x	19.8x	66.0x

(\$ in millions, except per share data)

Ticker	Company Name	TTM as of:	Revenue Growth	Financials				Margins		Debt / EBITDA
				TTM Revenue	TTM Gross Profit	TTM EBITDA	2024 EBITDA	Gross Profit	TTM EBITDA	
NasdaqGS:AKAM	Akamai Technologies, Inc.	06/30/2024	7.3%	\$3,927.1	\$2,354.1	\$1,122.2	\$1,688.3	59.9%	28.6%	3.2x
NYSE:AMT	American Tower Corporation	06/30/2024	3.9%	\$11,214.9	\$8,102.3	\$7,082.3	\$7,169.3	71.5%	62.5%	5.4x
NYSE:NET	Cloudflare, Inc.	06/30/2024	31.1%	\$1,477.7	\$1,142.3	-\$48.1	\$324.8	77.3%	-3.3%	NM
NasdaqGS:CCOI	Cogent Communications Holdings, Inc.	06/30/2024	48.7%	\$999.4	\$401.3	\$109.3	\$351.0	40.2%	10.9%	10.5x
NYSE:CCI	Crown Castle Inc.	06/30/2024	-7.6%	\$6,348.0	\$4,746.0	\$3,960.0	\$4,171.0	71.8%	59.9%	6.0x
NYSE:DBRG	DigitalBridge Group, Inc.	06/30/2024	294.6%	\$290.8	\$1,064.1	\$149.6	\$147.8	100.0%	14.1%	2.1x
NYSE:LUMN	Lumen Technologies, Inc.	06/30/2024	-12.0%	\$13,716.0	\$6,824.0	\$3,490.0	\$3,890.2	49.8%	25.4%	4.8x
NasdaqGS:RXT	Rackspace Technology, Inc.	06/30/2024	-8.2%	\$2,827.8	\$588.9	\$227.6	\$244.8	20.8%	8.0%	10.8x

High	100.0%	62.5%	10.8x
Low	20.8%	-3.3%	2.1x
Mean	61.4%	25.8%	6.1x
Median	65.7%	19.8%	5.4x

(\$ in millions, except per share data)

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value:			TTM P/E
			High	Low				TTM Revenue	TTM Gross Profit	TTM EBITDA	
NasdaqGS:AKAM	Akamai Technologies, Inc.	\$101.0	\$129.2	\$87.6	78.2%	\$15,296.5	\$17,997.8	4.6x	7.6x	16.0x	25.1
NYSE:AMT	American Tower Corporation	\$232.6	\$243.6	\$154.6	95.5%	\$108,624.5	\$160,089.4	14.3x	19.8x	22.6x	43.6
NYSE:NET	Cloudflare, Inc.	\$80.9	\$116.0	\$53.9	69.7%	\$27,640.3	\$27,321.5	18.5x	23.9x	NM	NM
NasdaqGS:CCOI	Cogent Communications Holdings, Inc.	\$75.9	\$86.0	\$50.8	88.3%	\$3,597.1	\$5,482.4	5.5x	13.7x	NM	79.7
NYSE:CCI	Crown Castle Inc.	\$118.6	\$120.9	\$84.7	98.1%	\$51,552.7	\$80,778.7	12.7x	17.0x	20.4x	43.3
NYSE:DBRG	DigitalBridge Group, Inc.	\$14.1	\$21.0	\$11.1	67.3%	\$2,456.7	\$3,820.3	13.1x	3.6x	NM	4.7
NYSE:LUMN	Lumen Technologies, Inc.	\$7.1	\$7.8	\$0.8	90.7%	\$7,219.4	\$24,608.4	1.8x	3.6x	7.1x	NM
NasdaqGS:RXT	Rackspace Technology, Inc.	\$2.5	\$3.2	\$1.2	77.1%	\$553.8	\$3,765.7	1.3x	6.4x	16.5x	NM

High	18.5x	23.9x	22.6x	79.7x
Low	1.3x	3.6x	7.1x	4.7x
Mean	9.0x	11.9x	16.5x	39.3x
Median	9.1x	10.7x	16.5x	43.3x



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