

# Q4: Quarterly Industry Update

AS OF December 31, 2023



## CoLocation Industry Summary

**COGENT VALUATION** identified **CoLocation** publicly traded companies, IPOs, and recent M&A transactions within the CoLocation industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2022, the median 52-week share price return of the CoLocation industry decreased from 18.2% to 15.9%, and the median YTD return increased from 4.1% to -13.2%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple increased from 1.8 to 3.0 and the median EV/EBITDA multiple decreased from 13.8 to 12.4. The median price-to-earnings multiple increased from 21.5 to 45.3 and the median EV/Gross Profit multiple decreased from 26.7 to 31.9 over the same period. The Price/Revenue multiple increased from 2.2 to 3.0. The median Price/Revenue multiple increased from 34.7 to 37.6 over the same period.

### Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
15.9%	-13.2%	3x	12.4x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
45.3x	31.9x	3x	37.6x

## Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
<b>Median EV/Revenue Multiple</b>	3x	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
<b>Median EV/EBITDA Multiple</b>	12.4x	23.0x	17.6x	13.4x	13.6x	13.6x	19.4x	10.7x
<b>Median Price/Earnings Multiple</b>	45.3x	45.9x	20.3x	21.2x	20.8x	19.7x	17.9x	17.7x
<b>Median EV/Gross Profit Multiple</b>	31.9x	22.2x	21.3x	23.6x	24.5x	23.3x	20.4x	25.0x
<b>Median MVIC/Earnings Multiple</b>	3x	1.6x	2.7x	3.7x	5.4x	3.5x	2.2x	3.2x
<b>Median Price/ Revenue Multiple</b>	37.6x	33.2x	33.4x	42.7x	48.6x	22.5x	43.2x	33.2x

■ Highest Multiple    
 ■ Median Multiple    
 ■ Lowest Multiple

## Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year <sup>1</sup>	Three Year <sup>1</sup>	2022	2021	2020
<b>21Vianet Group, Inc.</b>	13.8%	13.8%	-41.1%	-26.8%	13.8%	-66.8%	36.7%
<b>Beeks Trading Corporation Ltd.</b>	12.10%	12.10%	10.30%	12.80%	12.10%	11.50%	16.50%
<b>Digital Realty Trust, Inc.</b>	15.9%	15.9%	9.1%	16.9%	15.9%	29.9%	14.1%
<b>Equinix, Inc. (REIT)</b>	26.8%	26.8%	12.4%	21.5%	26.8%	18.2%	33.4%
<b>Internap Corporation</b>	155.0%	155.0%	0.4%	-35.5%	155.0%	-75.9%	-19.6%
<b>InterXion Holding N.V.</b>	68.0%	68.0%	34.0%	30.1%	68.0%	16.3%	10.3%
<b>Range Resources Corporation</b>	-47.8%	-47.8%	-33.6%	-34.8%	-47.8%	41.5%	-56.6%
<b>Switch, Inc.</b>	-25.50%	-25.50%	-15.60%	4.50%	-25.50%	17.40%	31.2
<b>Windstream Holdings, Inc.</b>	-74.8%	-74.8%	-57.2%	-68.3%	-74.8%	13.8%	-87.0%
<b>Median of Industry Public Companies</b>	<b>15.9%</b>	<b>15.9%</b>	<b>0.4%</b>	<b>-13.2%</b>	<b>15.9%</b>	<b>16.3%</b>	<b>10.3%</b>

[1] Calculated as the average annual return.

## Industry Initial Public Offerings – Colocation (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets <sup>1</sup>	Debt <sup>1</sup>	LTM Revenue <sup>1</sup>	LTM EBITDA <sup>1</sup>	LTM Net Income <sup>1</sup>	LTM Cash Flows <sup>1</sup>
11/12/23	<b>The Data Exchange Network Limited</b>	\$0.16	14.0	\$9.3	\$3.0	\$1.0	\$0.2	(\$0.1)	(\$1.0)	\$0.5
10/16/23	<b>Beeks Trading Corporation Ltd.</b>	\$0.67	31.3	\$531.3	\$1,124.4	\$847.0	\$5.8	\$149.6	\$32.0	\$233.3
6/6/23	<b>Switch, Inc.</b>	\$17.00	19.3	\$192.5	\$1,013.8	\$589.5	\$360.8	\$23.4	(\$35.2)	\$50.3
3/1/23	<b>GDS Holdings Limited</b>	\$10.00	13.0	\$195.0	\$151.2	\$19.1	\$143.0	(\$27.7)	(\$41.9)	(\$27.7)
11/21/22	<b>21Vianet Group, Inc.</b>	\$15.00	20.4	\$264.9	\$733.2	\$348.4	\$98.1	\$103.6	\$19.7	\$144.3
8/14/21	<b>InterXion Holding N.V.</b>	\$13.00	15.0	\$187.5	\$408.3	\$183.6	\$279.4	\$104.5	\$18.5	\$173.1
9/7/20	<b>Rackspace Hosting, Inc.</b>	\$12.50	23.6	\$197.1	\$43.5	\$67.8	\$453.2	\$42.3	(\$16.8)	\$76.7
11/1/16	<b>Median</b>	nm	nm	\$195.0	\$463.5	\$183.6	\$15.0	\$24.3	(\$14.0)	\$98.4

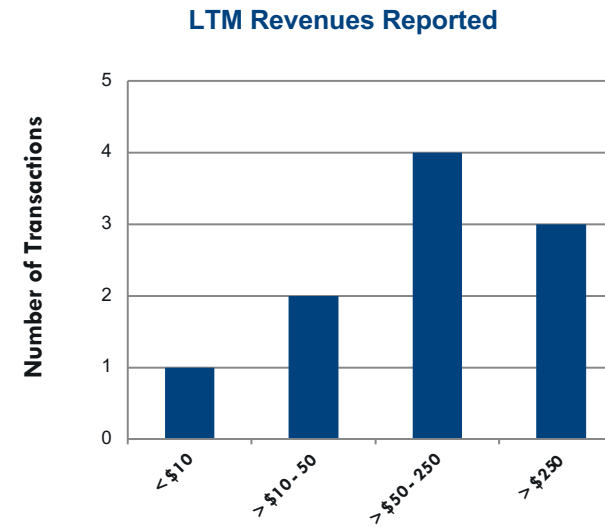
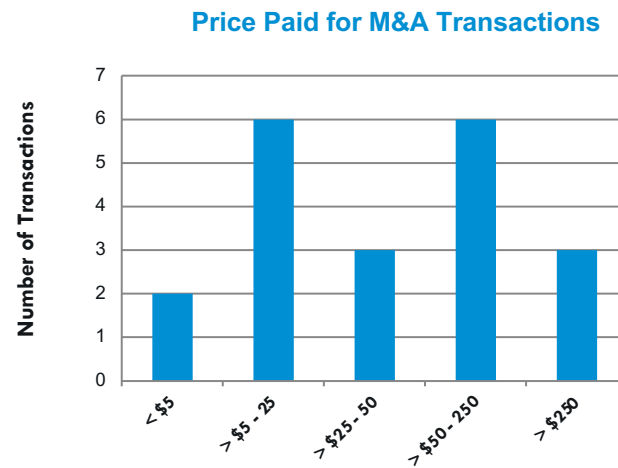
[1] As of the effective date of the IPO

## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues <sup>1</sup>	EV/ Revenues <sup>1</sup>
12/1/23	IO Data Centers, LLC	CoreSite Realty Corporation	\$1,340.0	100%	\$143.7	9.3x
10/10/23	pair Networks, Inc.	Iron Mountain Incorporated	\$16.1	100%	N/A	N/A
8/27/23	Enspire Australia Pty Ltd	Liberated Syndication Inc.	\$1.4	100%	N/A	N/A
11/13/22	FORTRUST LLC	5G Networks Limited	\$128.0	100%	N/A	N/A
9/1/22	ViaWest, Inc.	Iron Mountain Incorporated	\$1,675.0	100%	N/A	N/A
8/1/22	Keppel DC Singapore 4 Pte. Ltd.	Peak 10 Holding Corporation (nka:Flexential Intermediate Corporation)	\$124.4	100%	N/A	N/A
7/21/22	DC74, LLC	Thorium DC Pte. Ltd.	\$156.3	100%	N/A	N/A
6/30/22	McLean Data Center	Carter Validus	\$10.5	100%	N/A	N/A
4/28/21	M247 Limited	Carter Validus	\$36.8	100%	N/A	N/A
12/26/20	Q9 Networks Inc.	Zayo Group Holdings	\$600.0	100%	N/A	N/A
9/13/20	AF-Southeast, LLC	GTT Communications	\$21.0	100%	N/A	N/A
9/1/20	CME Group Inc.	BC Partners	\$2,277.0	100%	\$626.0	3.6x
<b>Median of the M&amp;A Transaction Targets</b>			<b>\$36.8</b>	<b>100%</b>	<b>\$143.7</b>	<b>9.3X</b>

[1] As of the close of the Transaction

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of December 31, 2023



**Definitions of Financial Terms Used in this Quarterly Industry Update:**

**Enterprise Value (EV):** Market Value of Equity + Market Value of Debt - Cash

**Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA):** Profitability metric sometimes also referred to as operating profit or operating earnings.

**Gross Cash Flows:** Net Income + Depreciation and Amortization Expense

**Latest Twelve Months (LTM):** Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

**Market Value of Invested Capital (MVIC):** Market Value of Equity + Market Value of Debt

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