



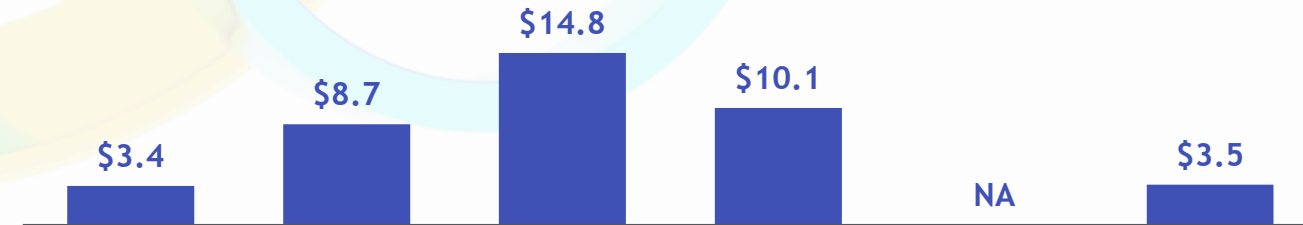
# DATA CENTERS, CONNECTIVITY, EDGE

Alexander Ramirez

# Data Center Activity Has Exploded

## Record M&A Volumes

Transaction Value (\$ in billions)



Target



Acquirer



FV / LQA EBITDA



Transaction Date



Source: Public Company Filings. Includes transactions announced in 2021 with transaction values greater than \$3bn.

## Key Factors



*Accelerating Secular Tailwinds*









*Strengthening Investor Appetite and Comfort*



*Innovative And Evolving Financing Solutions*

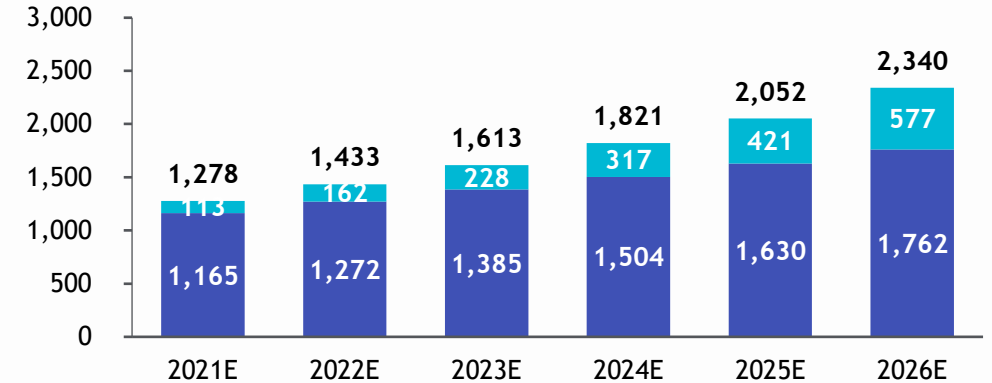
# Connectivity is Critical

## Key Customers Seek Robust Connectivity Solutions...

 <b>Carriers</b>		<ul style="list-style-type: none"> <li>• Low latency, low-cost connectivity to peer with other networks</li> </ul>
 <b>Content Distributors</b>		<ul style="list-style-type: none"> <li>• Improve user experience by quickly serving local content</li> </ul>
 <b>Cloud Providers</b>		<ul style="list-style-type: none"> <li>• Deliver low-latency applications to larger customer base</li> </ul>
 <b>Enterprise and IT Services</b>		<ul style="list-style-type: none"> <li>• Ability to run low latency-apps across multiple clouds</li> </ul>

## ...Driving Significant Interconnect Growth

Global Interconnect Forecast ('000)



'21E-'26E  
CAGR

12.9%

38.6%

8.6%

% Virtual

■ Physical ■ Virtual Total

8.8% 11.3% 14.1% 17.4% 20.5% 24.7%

Source: Structure Research (December 2021), Cowen and Company.

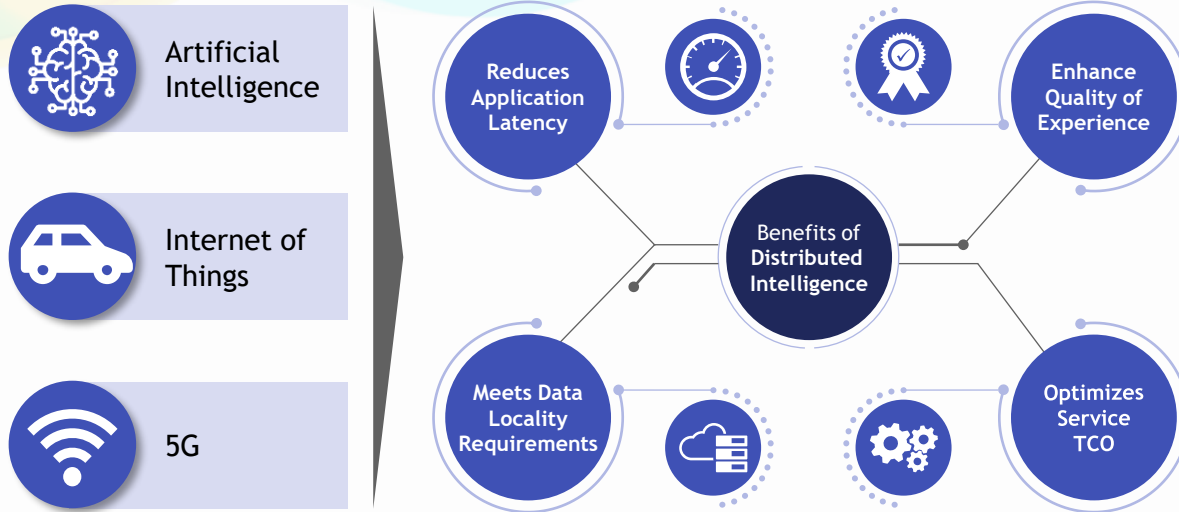


# Edge is the New Frontier

## What Is The Edge?

Cloud scale computing moving closer to the end devices

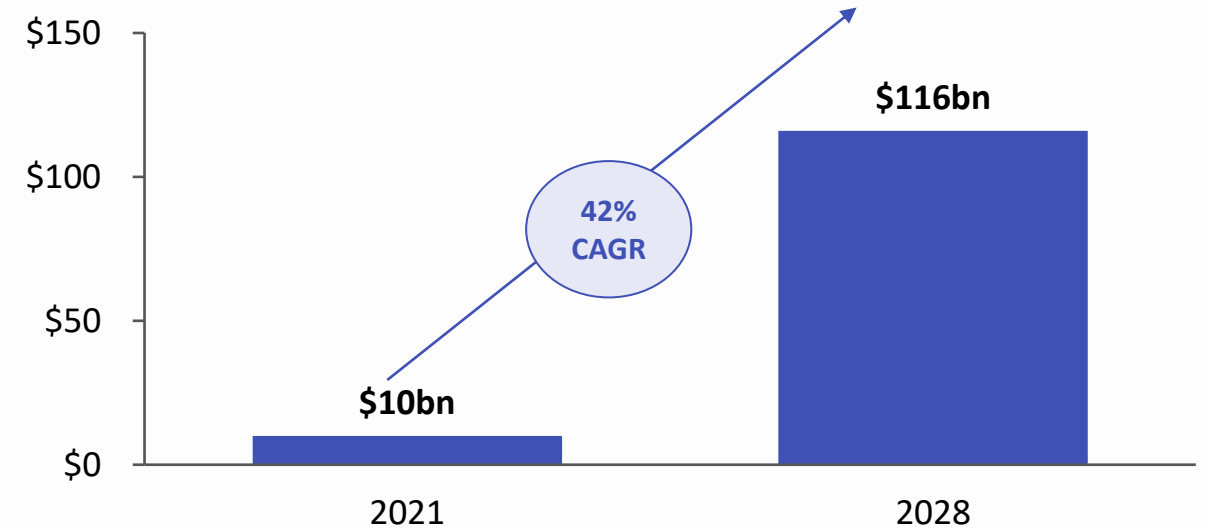
### New Use Cases Requiring Evolutions in Cloud Architecture



Source: Intel

## How Will This Market Evolve?

Edge Market Forecast (\$ in billions)



Source: Tologa Research.

# The Edge Is Evolving

Verizon announced a **5G edge computing partnership** with Google Cloud and Ericsson

- December 17, 2021



Equinix and Nokia partnered to provide **production framework for testing 5G and edge solutions**

- September 23, 2021



AT&T and Google Cloud announced to **expand 5G and edge collaboration** to deliver next-generation business outcomes

- July 06, 2021



Switch and Dell proposed to build **Edge data centers** at FedEx locations across the US

- November 12, 2020



Microsoft announced **Azure edge zones** with AT&T support

- November 17, 2021



Launched an on-premises, **private edge compute solution** in partnership with Microsoft Azure

- September 06, 2021



Dish will use **AWS outposts and AWS local zones** to build its network in the cloud

- April 21, 2021



Flexential and American Tower partnered and launched its **local edge program**, making connectivity easy for edge applications

- September 24, 2020



# Edge Infrastructure Opportunity

