

NextDC 2023 AGM report

ASX code	NXT
Meeting date	Friday, 24 November 2023
Type of meeting	Hybrid
Monitor	Mike Sackett assisted by Clive Hart and Jane Tagney
Pre AGM-meeting	With NED Stuart Davis

Meeting Statistics

Number of holdings represented by ASA	48
Number of shares represented by ASA	342,013
Value of shares represented by ASA	\$4.4 million
Total number attending meeting	Approx. 30
Market capitalisation	\$6.6 billion
ASA open proxies voted	ASA voted in favour of all resolutions

A positive COVID-19 test the day before the AGM prevented the writer from attending the meeting in person. Participation was online. It had been planned to make a brief statement at the AGM with the following points:

- Congratulating the company on its strong Total Shareholder Return outcomes (1 year – 32%; 5 years - 15% per annum; 10 years – 20% per annum);
- Seeking some explanation from the Board as to how it strikes a balance between its planned capex and expected future revenues. FY23 capex was \$690 million, compared with gross revenue of \$362 million.
- Requesting disaggregation of the \$1.03 billion Land & Buildings Asset line in the Balance Sheet.

These points were made online using the Question tab. Not surprisingly the compliments were conveyed to the AGM, as was the query regarding NXT's capital intensity. Others present at the meeting had also asked about the company's seemingly endless investment curve and when it expected to make a sustained profit. In response the Chairman and the CEO both stressed that the 13-year-old company was still at the early stages of a long-term growth trajectory.

Today's relatively low revenues had been generated on the back of earlier, lower levels of investment. One questioner referred to the highly profitable US data centre company Equinix Inc, and asked why NXT could not be similarly profitable. As it happens one of NXT's NEDs spent over a

decade as Equinix CEO and commented that Equinix had been in the business for over twice as long as NXT.

Regarding the formal business of the meeting all resolutions were approved. It was disappointing that the company ignored ASA's request that the two directors standing for re-election and the one director standing for election for the first time each make a brief statement indicating which of the eight skill sets outlined in the company's Corporate Governance Statement they contributed to. All three directors were supported by ASA in the voting, and overall received 98%+ majorities in favour.

The Remuneration Report recorded a 20.7% Against vote, apparently due to the recommendations of at least one proxy advisor, although ASA had voted in favour. The approval of grant of Rights to the CEO was passed but with 31% of votes Against. ASA voted in favour.

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