



## 2024 Data Centre M&A Review

January 2025

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ALANTRA

# Executive summary

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2024 saw unprecedented levels of investment in the sector, with the largest data centre acquisition ever announced

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New parties are entering from energy, real estate, technology and financial sectors, with joint ventures becoming increasingly popular...

3



...and new data centre locations are arising in areas with available land and power, renewable energy and supportive legislation

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Leading hyperscale assets still command large premiums, powered by tailwinds from AI and continued cloud growth...

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...though interest from investors in enterprise colocation remains strong, especially from infra funds looking to enter the space

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Generally, focus has shifted to Tier 2 & 3 markets, given record vacancy rates in FLAPD

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Although valuations can vary based on many factors, carveouts continue to be attractive both for telcos and investors

# 2024 data centre M&A review

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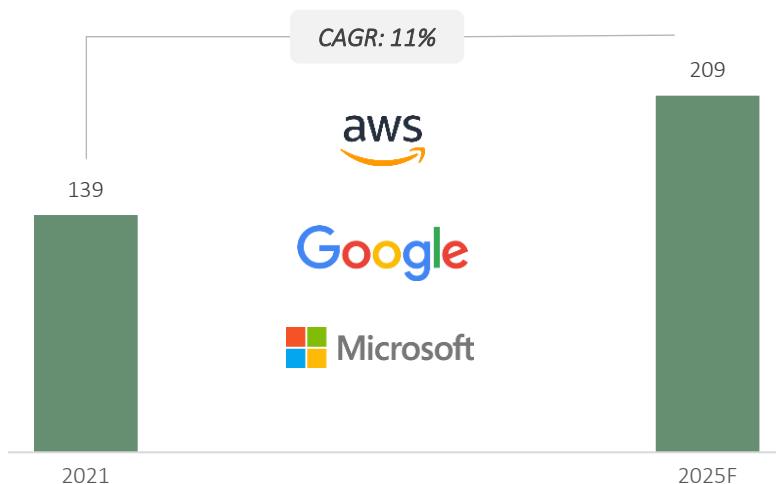
# 2024 saw unprecedented levels of investment in the sector, with the largest data centre acquisition ever announced

Billions of investment has been recently made into the sector...

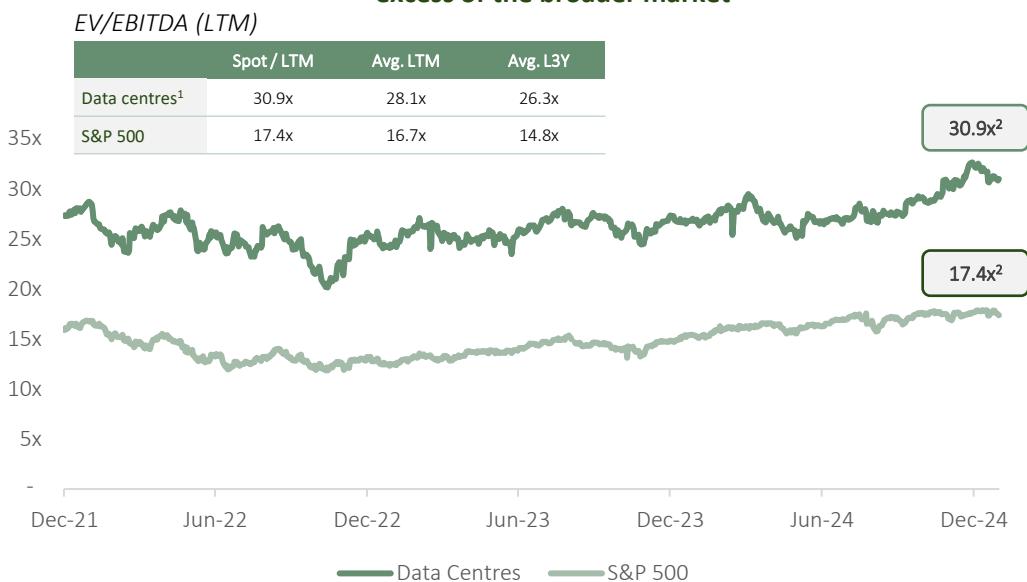


...with no signs of hyperscaler investment slowing down...

Top 3 hyperscaler capex, \$Bn



...underpinning robust data centre valuations, well in excess of the broader market



## New parties are entering from energy, real estate, technology and financial sectors, with joint ventures becoming increasingly popular...

Due to the scale of development and capital required, JVs provide a helpful entry point to the data centre market for new parties, from a broad range of sectors

2024 has seen notable JVs...

...as well as acquisitions

Energy players	Telcos	Infra funds	Real Estate
 JV with   JV with 	 JV with   JV between   JV with 	 JV with   JV with 	 JV with   acquisition of   acquisition of 

Example JV terms for hyperscaler development projects

	Term	Description
Financial	Development yield	<b>7.5%-8.5%</b> for a 15 year NNN <sup>1</sup> lease with a major hyperscaler; addtl. spread for customer quality, operational risk etc.
	Preferred return	Hurdle rate for financial investor of <b>10-12%</b> , depending on target IRR
	Exit cap rate	<b>5-7%</b>
Fees	Development management fees	<b>~4-5%</b> of total capex
	Management fees	Often linked to revenue (excluding power), ranging from <b>3% to 4.5%</b>
	Sales commissions	<b>3-5% TCV</b>
Other	Ownership	Typically, the operator will own <b>20-25%</b> of the project but may vary greatly
	Construction cost guarantees	Unusual, as delay and cost overrun risks during the development phase are usually shared

# ...and new data centre locations are arising in areas with available land and power, renewable energy and supportive legislation

## The Nordics are becoming attractive markets for GPUaaS providers

 **EcoDataCenter**  
EUR170m debt facility  
June 2024

Facility to support development of a 240MW campus in Sweden, in proximity to existing site in Falun



 **Bain Capital**  
80% acquisition of   
October 2024

Investment committed to enable expansion of a 6MW site to 21MW in Oslo for a GPUaaS customer



 **HIG Capital**  
acquisition of   
October 2024

Acquisition to fund build of a 48MW data centre for a GPUaaS campus



## New data centre locations are being selected based on a number of key criteria



Access to renewable energy



Availability & cost of land



Power pricing



Sustainability / heat offtake



Planning legislation & political support



Climate

## Global GPUaaS market is expected to grow 3.6x by 2030



### GPUaaS – selected providers



SINES DC campus in Portugal with projected 1.2GW of IT load capacity



atNorth 250MW facility in Denmark

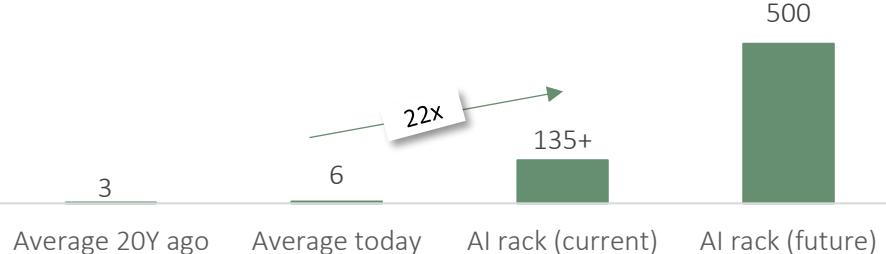
# Leading hyperscale assets still command large premiums, powered by tailwinds from AI and continued cloud growth...

 <b>Valuation</b>	<b>Nabiax</b> Hosting the future	Acquired by Aermont for <b>€1bn, ~30x run-rate EBITDA</b> . High multiple due to hyperscale customer-base and available expansion capacity in a key tier 2 location	<b>Nov-24</b>	 <b>AIRTRUNK</b>	Acquired by Blackstone funds and Canada Pension Plan Investment Board for rumoured <b>~30x EBITDA</b> . Valuation premium driven by scale of asset (up to 1GW of capacity) and market-leading position in APAC	<b>Sep-24</b>
 <b>Sellers</b>	<b>ASTERION</b> (80%),  <b>Telefónica</b> (20%)			 <b>MACQUARIE</b>  <b>PSP Investments</b> (88% combined)		
 <b>Location</b>				   		
 <b>IT Capacity</b>	35MW (Madrid & Barcelona) + ~60MW of expansion			800MW+		
 <b>Process</b>	Highly competitive auction with interest from both funds (e.g. Goldman Sachs, Igneo, Wren House) and strategics (e.g. K2) as well as Spanish construction firm ACS			Highly competitive with interest from pension funds (e.g. IFM), as well as digital infra and other funds (e.g. Digital Bridge, GIP, Sliverlake)		

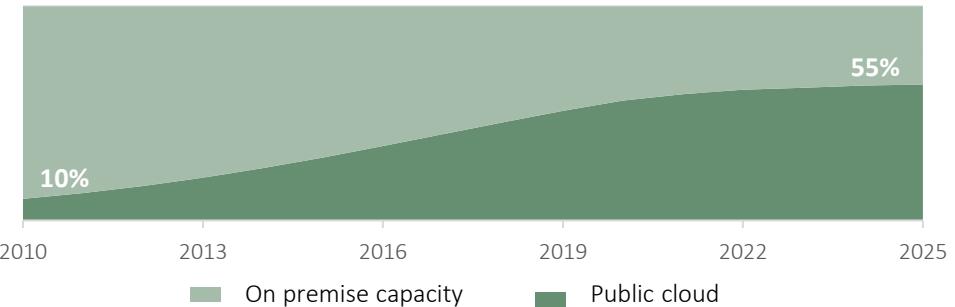
## Hyperscaler growth drivers

### Exponential increase in rack power density due to AI

Average rack power density, kW



### Significant growth in public cloud

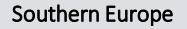
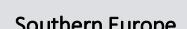


# ...though interest from investors in enterprise colocation remains strong, especially from infra funds looking to enter the space

## Comments

-  Enterprise colo presents a realistic opportunity for mid-market core plus funds to enter the space
-  Secondary markets (outside of FLAPD) are attracting interest from institutional investors
-  CVC DIF and Cordiant are examples of funds that made their debuts in the data centre space in 2024
-  Southern Europe was of particular interest with at least three enterprise colo platforms launching in Italy and Spain, backed by deep-pocketed funds

## Notable enterprise colocation transactions in 2024

 <b>ICG TERAS</b> (launched)  May 2024	 <b>ICG TERAS</b> (launched)  May 2024	  	 <b>DWS</b> (launched)  June 2024	  
 <b>Cordiant TINC</b> (combined and acquired)   October 2024	 <b>Cordiant TINC</b> (combined and acquired)   October 2024	   	 <b>CVC DIF</b> (acquired)  October 2024	  

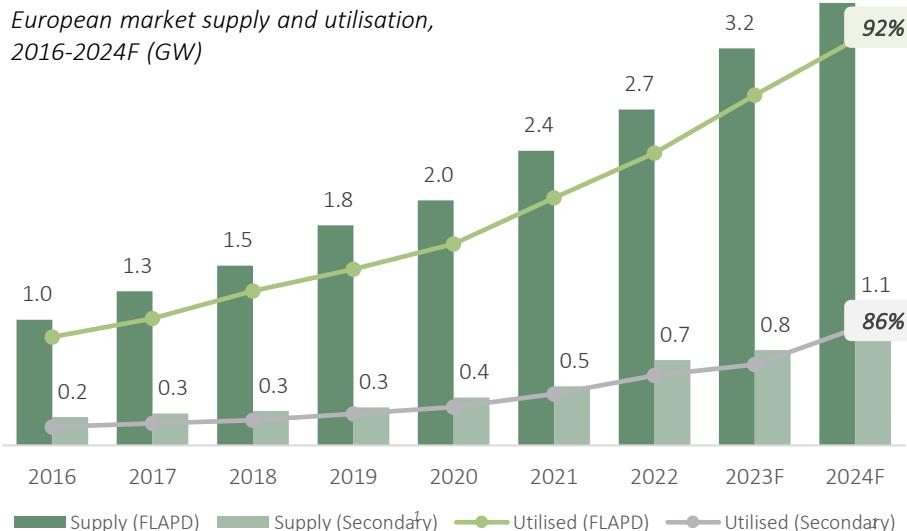
# Generally, focus has shifted to Tier 2 & 3 markets, given record vacancy rates in FLAPD

## --- Take-up will outstrip new supply in FLAPD for a third consecutive year... ---

Strong demand from hyperscalers coupled with land and power constraints in FLAPD has driven **453MW of take up** in 2024F versus only **387MW of new supply**

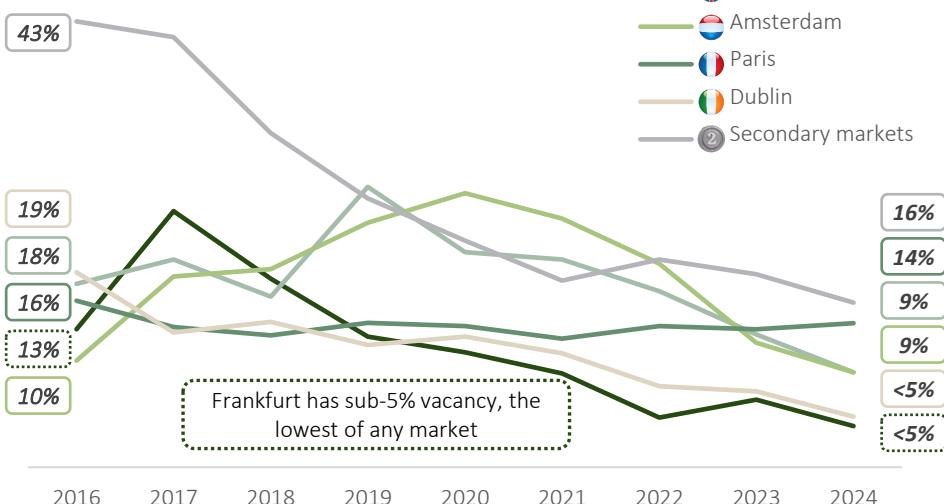
### 2024F: New Supply & Takeup

<b>Frankfurt</b> New supply: <b>141MW</b> Takeup: <b>143 MW</b>	<b>London</b> New supply: <b>91MW</b> Takeup: <b>120 MW</b>	<b>Amsterdam</b> New supply: <b>1MW</b> Takeup: <b>20 MW</b>
<b>Paris</b> New supply: <b>103MW</b> Takeup: <b>110 MW</b>	<b>Dublin</b> New supply: <b>51MW</b> Takeup: <b>60 MW</b>	<b>Secondary markets</b> New supply: <b>258MW</b> Takeup: <b>253 MW</b>



## ...driving record low vacancy rates

European market vacancy rates, 2016-2024F



## ...leading to increasing attention on more nascent data centre markets



Secondary markets are well suited to new data centre locations due to **cheaper land, available power, easier planning rules** and often legacy sites with existing connectivity and capacity



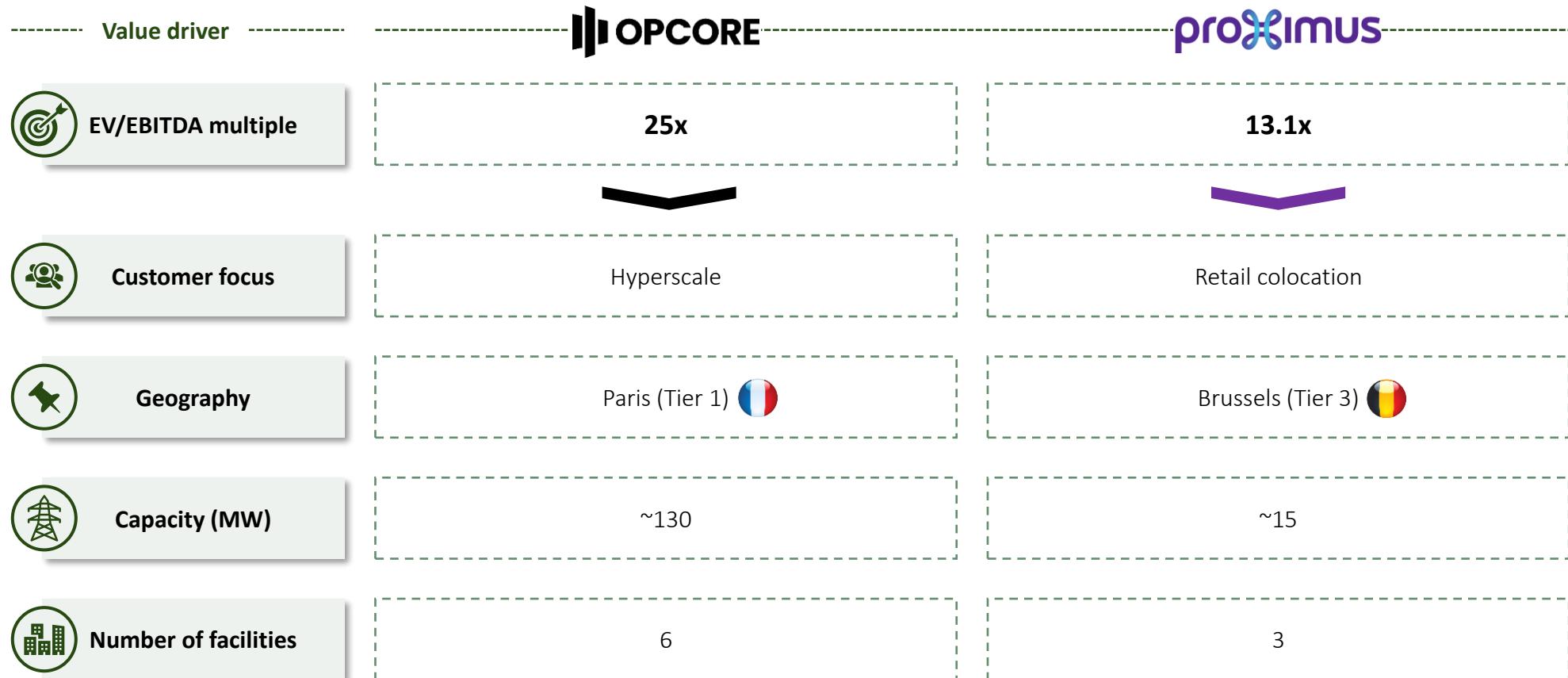
It is estimated there were five 100 MW+ European secondary data centre markets by Dec-24 including Berlin, Madrid, Milan & Warsaw



Per CBRE, **285MW of new supply was expected to have been delivered across secondary markets** (the above markets with the addition of Brussels, Munich, Oslo, Stockholm, Vienna & Zurich) in 2024, with 45% from Madrid & Milan

# Although valuations can vary based on many factors, data centre carveouts by telcos continue to be attractive

Notable transactions involving Opcore and Proximus illustrate that carveouts are still relevant, however the two transactions attracted very different valuation multiples owing to specifics of the assets



Other criteria impacting valuation includes capacity utilization, access to additional power, customer contract length, customer concentration and pipeline

## Appendix

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# Introduction to Alantra's Digital Infrastructure Team



**Richard Ludwig**

Director & Head of Global Digital Infrastructure  
London

- Richard has over 11 years of corporate finance experience with a particular focus on digital infrastructure M&A
- Relevant experience includes advising Goldman Sachs' digital infra fund GC Infra on the acquisition of Polish data centre platform Atman, Morrison on its investment into London data centre business Kao data and £500m JV, as well as various sell side mandates (most recently advising the founder of N+ONE to AIIM)
- Prior to joining Alantra in summer 2023, Richard covered digital infrastructure at Torch Partners and at RBC Capital Markets and is a qualified chartered accountant



**Bagdat Skakov**

Vice President  
London

- Bagdat has over 9 years of corporate finance experience with 4 years focusing on digital infrastructure M&A
- Experience includes advising on the data centre strategy for MTN, supporting Ooredoo on a proposed carve-out of data centres and buy-side advisory for acquisition of towers in Bangladesh. He also advised on a \$200m syndicated loan for Salam/TLS FibreCo creation
- Prior to joining Alantra, Bagdat held roles at FTI Capital Advisors, First Abu Dhabi Bank and PwC, where he worked on high-profile deals including the \$5bn sale of a stake in Jebel Ali Port and \$1bn IPO of Fertiglobe

## Selected transactions

  
**N+ONE**  
DATACENTERS  
  
Data centre & cloud provider  
  
**Growth Equity**

  
**HELIOS** Investment Partners  
Greenfield hyperscaler data centre platform  
  
**Growth Equity**

  
Advisor on strategic valuation and carve-out of data centres  
  
**Carve out**

  
**netrics**  
Data centres & connectivity services  
**NorthC**  
Colocation & cloud provider  
  
**Acquisition**

  
**KAO DATA**  
MORRISON & CO  
**Infratil**  
Colocation platform  
  
**Growth Equity & Acquisition**

  
**GLOBAL COMPUTE INFRASTRUCTURE**  
**Goldman Sachs**  
**atman**  
Data centre, cloud & fibre provider  
  
**Acquisition**

  
**ooredoo**  
Greenfield data centres in Oman and Kuwait  
  
**Sale**

# Alantra is well placed to cover a broad range of transaction types

Alantra differentiators		European platform covering all major data centre markets	Debt coverage	Real estate coverage	Energy and renewables coverage	
Description	Sale of operating platforms	Capital raises	Joint ventures	Carve out / Sale and leaseback	Securitisations	Yieldco
Pros	<ul style="list-style-type: none"> <li>▪ Acquire / expand existing platform</li> <li>▪ Colocation and hyperscale platforms vary in terms of business model and valuation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development funding (various stages)</li> <li>▪ Could be at SPV/Propco or platform level</li> <li>▪ Equity/debt/quasi-equity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Co investment between two synergistic counterparties (energy, real estate data centre)</li> <li>▪ Build out platforms and SG&amp;A or fund expansion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Acquire freehold land (and/or building) and leaseback to the operator</li> </ul>	<ul style="list-style-type: none"> <li>▪ Debt raised and backed by lease income generated from customer leases</li> <li>▪ Tranched and sold based on credit quality &amp; risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transfer of stabilised assets by an operator to raise funds at a lower cost of capital and reinvest for growth</li> </ul>
Cons	<ul style="list-style-type: none"> <li>▪ High multiple</li> </ul>	<ul style="list-style-type: none"> <li>▪ Higher risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ High multiple</li> <li>▪ Limited control</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lower multiple</li> <li>▪ Upside opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mixed quality assets</li> <li>▪ Difficulty of execution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimal governance rights and capital growth potential</li> </ul>
Key players	<ul style="list-style-type: none"> <li>▪ DC operators</li> <li>▪ Broad range of funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ DC operators</li> <li>▪ Developers</li> <li>▪ Energy players</li> <li>▪ Broad range of funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ RE investors / operators</li> <li>▪ Energy players</li> <li>▪ Digital infra funds</li> <li>▪ Various funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Telcos</li> <li>▪ Managed service providers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pension funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Passive, core infrastructure investors</li> </ul>

# Growing momentum in Alantra-advised data centre transactions

## Current data centre mandates

JV equity and senior debt raise	Primary equity raise and sale of secondary shares	Primary equity raise and sale of secondary shares
<p><b>Ongoing</b> </p> <p><b>Project Quest</b></p> <p>Advisor to a data centre developer-operator on debt and equity raise to develop a leading hyperscaler platform</p> <p><b>c.€500m</b></p> <p><b>IN EXCLUSIVITY</b></p> <p><b>Debt and equity raise to roll out BTS hyperscaler data centres</b></p>	<p><b>Ongoing</b> </p> <p><b>Project Net Zero</b></p> <p>Advisor to a Nordic data centre operator on capital raise</p> <p><b>c.£250m</b></p> <p><b>IN EXCLUSIVITY</b></p> <p><b>Fundraise to develop sustainable HPC data centres in Nordics</b></p>	<p><b>Ongoing</b> </p> <p><b>Project Dual</b></p> <p>Advisor to Scottish battery system developer on capital raise</p> <p><b>c.£150m</b></p> <p><b>Fundraise to develop data centres in Scotland</b></p>

### Overview

#### Background:

- Data centre developer-operator with a global **partnership with a leading US hyperscaler**
- Under LOI with the hyperscaler on an **existing building with 50MW of IT available**, a **150MW IT adjacent site** and a **pipeline of further projects**
- Alantra are mandated to **find funding partners** for the sites (**debt and equity**) as well as financing SG&A at the topco to further build out the platform

#### The strategy:

- **Pref equity structure at the propco SPV level** with a promote and the investor agreeing to fund opco costs
- **Terms received from multiple banks** with leverage ranging from **60-90% LTV**
- **Currently in exclusivity** with separate topco funder to provide cash to mgmt. and additional capital costs

### Overview

#### Background:

- Nordic data centre developer with **pipeline of 5GW** in Norway and Finland
- Sustainable and carbon neutral computing operating with **100% renewable energy** and cooled by a glacier
- Alantra are mandated to raise capital for the build of new **large scale HPC facilities**, alongside this certain shareholders will be exiting

#### The strategy:

- Developed business plan and **detailed financial model** and introduced to sector network
- Change of control with new owner acquiring existing shares and committing a **significant amount of capital**
- **Currently in exclusivity** with funder to provide all required capital

### Overview

#### Background:

- **Battery storage** developer with **pipeline of 9GW** of grid connections in Scotland
- Growing demand for data centres created an **opportunity to convert grid connections** into data centre projects
- Alantra are mandated to find a JV partner to potentially **develop the data centres**

#### The strategy:

- Developed potential structures including early-stage sale of grid connections
- Reached out to potential **operators, hyperscalers and financial partners** to assess level of interest
- Currently sites undergoing **technical assessment** for suitability

# We bring world class expertise across all verticals of Digital Infrastructure

<p>Ongoing project Hyperscaler data centre platform Growth Equity</p>	<p>Ongoing project HPC and colocation business Sale</p>	<p>Ongoing project Data centre and BESS JV partnership</p>	<p>Data centre <b>N+ONE DATACENTERS</b> <b>A II M</b> Data centre &amp; cloud provider Growth Equity</p>	<p>Data centre <b>iXAfrica DataCentre</b> <b>HELIOS Investment Partners</b> Greenfield hyperscaler data centre platform Growth Equity</p>	<p>Data centre <b>MTN</b> Advisor on strategic valuation and carve-out of data centres Carve out</p>
<p>Data centre <b>netrics</b> <b>NorthC</b> Colocation &amp; cloud provider Acquisition</p>	<p>Data centre <b>KAO DATA</b> MORRISON &amp; CO <b>Infratil</b> Colocation platform Growth Equity &amp; Acquisition</p>	<p>Data centre <b>GLOBAL COMPUTE INFRASTRUCTURE</b> <b>Goldman Sachs</b> <b>atman</b> Data centre, cloud &amp; fibre provider Acquisition</p>	<p>Data centre <b>ooredoo</b> Greenfield data centres in Oman and Kuwait Sale</p>	<p>Data centre <b>ooredoo</b> Advisor on strategy for the Regional Platform of data centres Strategic advisory</p>	<p>Fibre <b>VIATEL TECHNOLOGY GROUP</b> <b>MACQUARIE</b> Cloud communication services Sale</p>
<p>Fibre <b>REINTEL</b> Wholesale fibre operator Advisor to an Infra Fund on the uncompleted acquisition of a minority stake in Reintel</p>	<p>Fibre <b>ITETE CONECTA</b> <b>circet</b> Copper &amp; fibre network deployment &amp; maintenance Sale</p>	<p>Fibre <b>Planetel</b> Fibre network, cloud infrastructure &amp; data centre owner IPO</p>	<p>Fibre <b>salam mobile</b> Carve out and debt advisory for KSA-based FiberCo Debt advisory</p>	<p>Fibre <b>euskaltel</b> Fibre network Advisor to an Infra fund on the uncompleted acquisition of Euskaltel's fiber network</p>	<p>Towers <b>FRONTIER TOWERS</b> <b>bangalalink</b> Tower portfolio in Bangladesh Advisor to an Infra Fund on the uncompleted acquisition of a tower portfolio</p>

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