

A photograph of a modern data center interior. Rows of server racks are visible, each filled with numerous server units that have glowing blue indicator lights. The racks are arranged in aisles. The ceiling is a complex, high-tech structure with a grid of steel beams and large glass panels, allowing natural light to filter in. The floor is made of large, light-colored square tiles. The overall atmosphere is clean, industrial, and high-tech.

2024 Data Centre M&A Review

January 2025

ALANTRA

Executive summary

1



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

2



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

4



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

5



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

6



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

7



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

2024 data centre M&A review

01

1

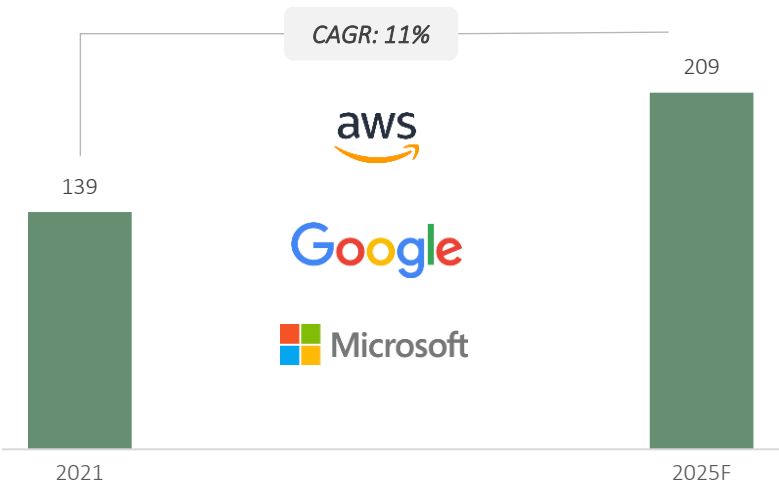
2024 saw unprecedented levels of investment in the sector, with the largest data centre acquisition ever announced

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

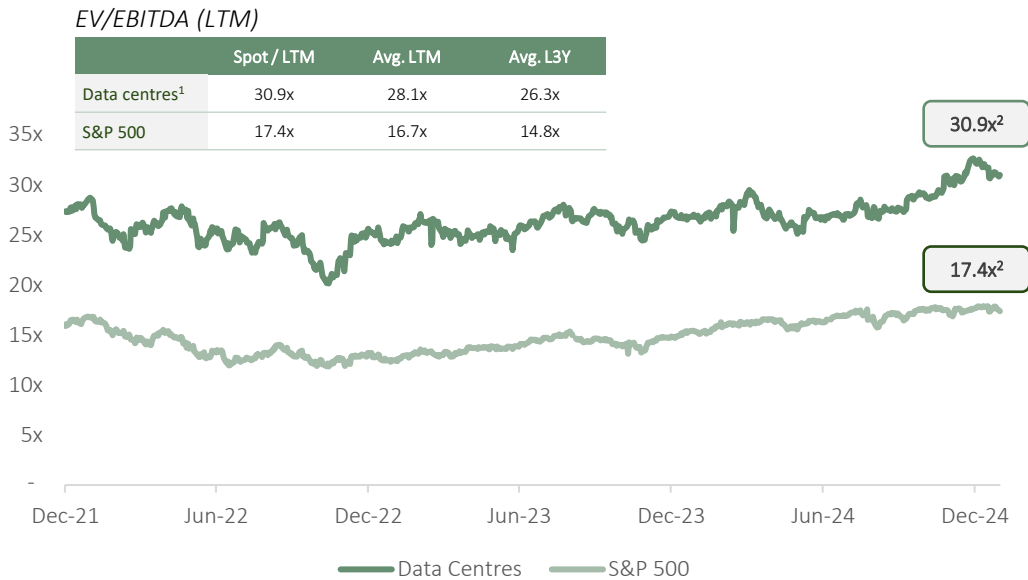


...with no signs of hyperscaler investment slowing down...

Top 3 hyperscaler capex, \$Bn



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



2

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

JV with
BlackRock

JV with
EDGEX
DATA CENTRES BY EDGEX

JV with
serverfarm

JV with
TBC

Telcos

JV between
Cordiant and **TINC**

JV with
INFRAVIA

Infra funds

JV with
mainova

JV with
TINC

Real Estate

acquisition of
Nabiax
Hosting the Future

acquisition of
IPI


Example JV terms for hyperscaler development projects

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

Private and Confidential 1) Triple net lease where the tenant covers all expenses, including real estate taxes, building insurance and maintenance

...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



 **BainCapital**
80% acquisition of
AQ
COMPUTE
October 2024

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



 **HIG**
CAPITAL
acquisition of
POLAR
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

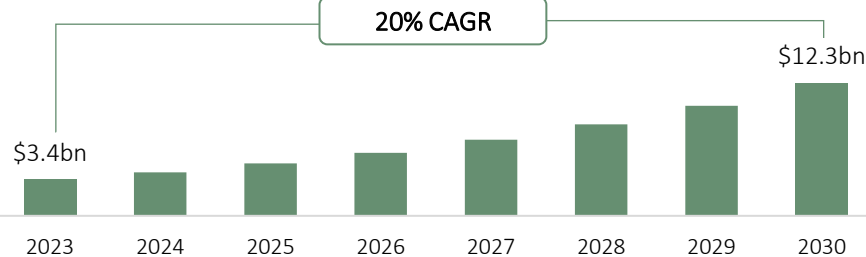


Planning legislation & political support



Climate

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



GPUaaS – selected providers



----- New geographies emerging as data centre hubs -----

















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...

	NabiaX <small>Hosting the future</small>	AIRTRUNK
 Valuation	Acquired by Aermont for €1bn, ~30x run-rate EBITDA . High multiple due to hyperscale customer-base and available expansion capacity in a key tier 2 location	Acquired by Blackstone funds and Canada Pension Plan Investment Board for rumoured ~30x EBITDA . Valuation premium driven by scale of asset (up to 1GW of capacity) and market-leading position in APAC
 Sellers	ASTERION (80%),  Telefonica (20%)	 MACQUARIE  (88% combined)
 Location		    
 IT Capacity	35MW (Madrid & Barcelona) + ~60MW of expansion	800MW+
 Process	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)

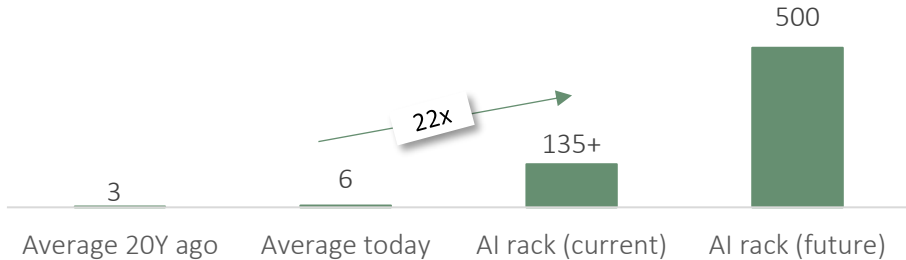
Nov-24

Sep-24

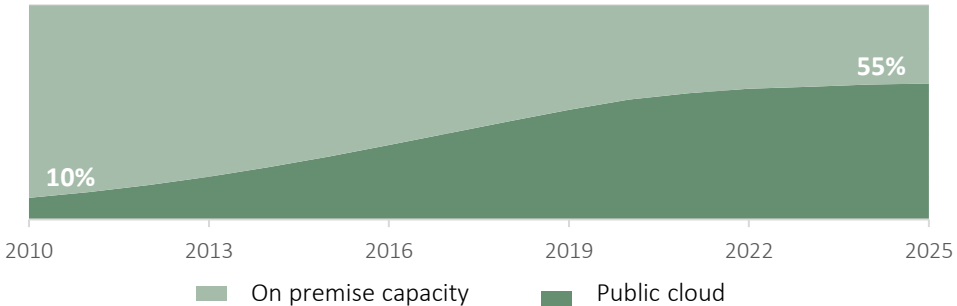
Hyperscaler growth drivers

Exponential increase in rack power density due to AI

Average rack power density, kW



Significant growth in public cloud



Private and Confidential 1) Source: Nordic Council of Ministers
2) Climate Change Centre Austria

5 ...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

(launched)

May 2024

n/a

ICG and Teras Capital launched Templus with five operational data centres (~15MW), including locations in Madrid, Malaga and Seville

Southern Europe

New platform

M&A consolidation

(launched)

June 2024

n/a

DWS launched Mediterra Datacenters in a Southern Europe via acquisition of Cloud Europe, a provider of data centre and connectivity services in Rome in the Tecnopolo Tiburtino, a key tech hub in the Italian capital

Southern Europe

New platform

M&A consolidation

(combined and acquired)

October 2024

13.3x

Cordiant and TINC acquired Proximus Group's data centre assets via a sale and leaseback and combined it with Belgian data centre operator Datacenter United

Tier 3

New data centre investor

Development capacity

Carve-out

(acquired)

October 2024

n/a

DIF acquired Adam Ecotech with three operational data centres in Barcelona and Madrid, a total surface area of approximately 6,900 m2 and an installed capacity of 7MW

Southern Europe







New data centre investor

Development capacity

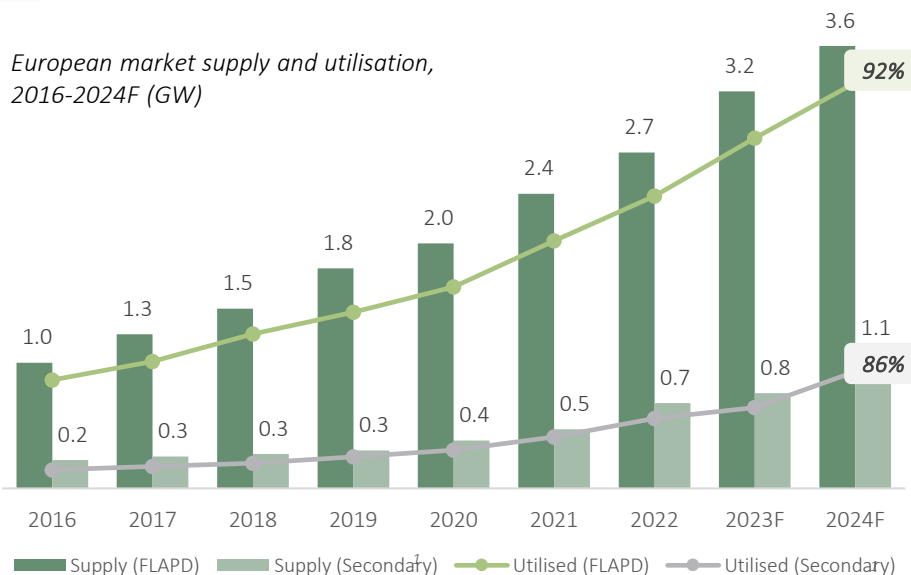
Generally, focus has shifted to Tier 2 & 3 markets, given record vacancy rates in FLAPD

--- 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**

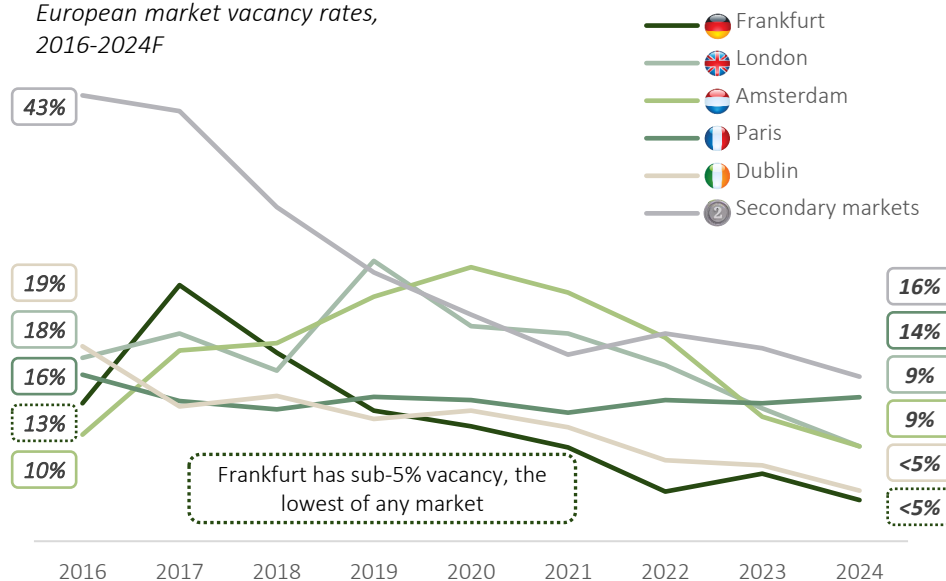
2024F: New Supply & Takeup	Frankfurt  New supply: 141MW Takeup: 143 MW	London  New supply: 91MW Takeup: 120 MW	Amsterdam  New supply: 1MW Takeup: 20 MW
	Paris  New supply: 103MW Takeup: 110 MW	Dublin  New supply: 51MW Takeup: 60 MW	Secondary markets  New supply: 258MW Takeup: 253 MW

European market supply and utilisation, 2016-2024F (GW)



---...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

7

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

Value driver	OPCORE	proximus
 EV/EBITDA multiple	25x	13.1x
 Customer focus	Hyperscale	Retail colocation
 Geography	Paris (Tier 1) 	Brussels (Tier 3) 
 Capacity (MW)	~130	~15
 Number of facilities	6	3

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

Appendix

02

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

A II M

Data centre & cloud provider


Growth Equity



HELIOS Investment Partners

Greenfield hyperscaler data centre platform

Growth Equity



MTN

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

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

Growing momentum in Alantra-advised data centre transactions

Current data centre mandates

JV equity and senior debt raise

Ongoing 

Project Quest

Advisor to a data centre developer-operator on debt and equity raise to develop a leading hyperscaler platform

c.€500m

IN EXCLUSIVITY

Debt and equity raise to roll out BTS hyperscaler data centres

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

Primary equity raise and sale of secondary shares

Ongoing 

Project Net Zero

Advisor to a Nordic data centre operator on capital raise

c.£250m

IN EXCLUSIVITY

Fundraise to develop sustainable HPC data centres in Nordics

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

Primary equity raise and sale of secondary shares

Ongoing 

Project Dual

Advisor to Scottish battery system developer on capital raise

c.£150m

Fundraise to develop data centres in Scotland

In preparation

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

Data centre	Ongoing project Hyperscaler data centre platform Growth Equity	Data centre	Ongoing project HPC and colocation business Sale	Data centre	Ongoing project Data centre and BESS JV partnership	Data centre	 DATA CENTERS  Data centre & cloud provider Growth Equity	Data centre	 IXAfrica Data Centre HELIOS Investment Partners Greenfield hyperscaler data centre platform Growth Equity	Data centre	 Advisor on strategic valuation and carve-out of data centres Carve out
Data centre	 Data centres & connectivity services NorthC Colocation & cloud provider Acquisition	Data centre	 MORRISON & CO  Colocation platform Growth Equity & Acquisition	Data centre	 INFRASTRUCTURE  Data centre, cloud & fibre provider Acquisition	Data centre	 Greenfield data centres in Oman and Kuwait Sale	Data centre	 Advisor on strategy for the Regional Platform of data centres Strategic advisory	Fibre	 TECHNOLOGY GROUP  Cloud communication services Sale
Fibre	 Wholesale fibre operator Advisor to an Infra Fund on the uncompleted acquisition of a minority stake in Reintel	Fibre	  Copper & fibre network deployment & maintenance Sale	Fibre	 Fibre network, cloud infrastructure & data centre owner IPO	Fibre	 Carve out and debt advisory for KSA-based FiberCo Debt advisory	Fibre	 Fibre network Advisor to an Infra fund on the uncompleted acquisition of Euskaltel's fiber network	Towers	  Tower portfolio in Bangladesh Advisor to an Infra Fund on the uncompleted acquisition of a tower portfolio

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