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Equinix Expands in Latin America, Completes Acquisition of Four Data Centers in Chile

Deal accelerates digital transformation opportunities for local, regional and global companies

REDWOOD CITY, Calif., May 3, 2022 /PRNewswire/ -- Equinix, Inc. (Nasdaq: EQIX), the world's digital infrastructure company™, today announced it has extended Platform Equinix® deeper into Latin America following the completion of the acquisition of four data centers in Chile from Empresa Nacional De Telecomunicaciones S.A. ("Entel"), a leading Chilean telecommunications provider. Equinix also announced it has signed an agreement to acquire one additional data center in Peru, also from Entel, subject to the satisfaction of closing conditions. The enterprise value for the five data centers is approximately US$735 million at current exchange rates in effect on the dates of signing.

Equinix has a decade-long history in Latin America and currently operates 11 International Business Exchange™ (IBX®) data centers in Brazil, Colombia and Mexico. The addition of four new data centers in the strategic Santiago, Chile metro—a growing data center and technology hub—provides an opportunity for local businesses and multinational companies to accelerate their digital transformation while solidifying Equinix's position as the largest provider of digital infrastructure services in the region. The new data centers offer significant expansion capacity for future growth in Santiago, allowing Equinix to support both immediate and future customer needs.

Under the terms of the agreement, Equinix and Entel have agreed to form a strategic partnership to enable enterprises to leverage hybrid multicloud solutions to accelerate their digital transformation.

Highlights / Key Facts

- The addition of the five data centers is expected to be immediately accretive to Equinix's adjusted funds from operations (AFFO) per share upon close, excluding integration costs. The acquisition of the data center in Peru is expected to close in coming quarters, subject to the satisfaction of closing conditions. The five facilities generate approximately US$55 million of annualized revenue using current exchange rates in effect on the dates of signing and represent a purchase multiple of approximately 23x EV / 2021 adjusted EBITDA including Equinix SG&A expenses.

- Chile is the fourth-largest economy in South America, with the highest GDP per capita in the region. Santiago is emerging as a technology hub in South America, serving both regional cloud and content demand as well as local enterprises.

- The four data centers in the Santiago metro include:
    - The Ciudad de los Valles location, which features two data centers with approximately 170,000 gross square feet combined, and is the largest

multitenant data center site in Santiago, with ample expansion opportunities.
    - The downtown Santiago site, which features approximately 46,000 gross square feet. It is a network-dense facility adjacent to the Entel Tower, a key internet exchange facility in the market that is close to the city government center.
    - The approximately 31,000 gross square foot facility in Longovilo, which is strategically located away from the city center to meet the backup and disaster recovery needs of customers, including financial institutions.

- The data center in Peru is approximately 16,000 gross square feet and is a well-established site located in Lima.

- Approximately 100 Entel employees and contractors are expected to become Equinix employees or contractors under the terms of the agreement.

- The more than 100 Entel customers currently operating in the four data centers will become Equinix customers, with more than 75 of these representing net-new customers. The acquired customers comprise a diversity of sectors and include over 20 network service providers (NSPs) and a strong financial services ecosystem, with leading local and global players.

- By expanding its platform to the Southern Cone, Equinix will extend its presence to five countries in Latin America, including Brazil, Chile, Colombia, Mexico and Peru, operating 16 IBX data centers in seven metros.

- Equinix plans to introduce a full range of interconnection and digital services to the four data centers in Chile, including Equinix Fabric™, Network Edge, Equinix Internet Exchange®, Equinix Internet Access and Metro Connect®, upon the completion of the business integration. This will enable customers in Chile to connect in real time, directly and privately, to more than 10,000 companies, including more than 2,000 networks and ~3,000 cloud and IT service providers, through Platform Equinix for increased performance, security and scale.

- Chile also has access to non-conventional renewable energy (NCRE) such as solar, hydro and wind, which not only offsets data center operating costs, but significantly contributes toward carbon neutrality.

- Citi served as exclusive financial advisor to Equinix in connection with this transaction.

Quote

- **Tara Risser, President, Americas, Equinix:**
  "We continue to see demand from businesses in Latin America, across all sectors, looking to transform their operations to be digital and cloud-enabled. Equinix's expansion into Chile and Peru accelerates digital transformation opportunities in this rapidly growing region and is a critical step in our long-term strategy to broaden digital access for our customers globally. Chile's access to sustainable energy sources such as solar, hydro and wind helps our customers in the region—as well as multinationals doing business with them—to grow responsibly and sustainably, which aligns with our global sustainability strategy."

Additional Resources

- Equinix Enters Africa, Closing the US$320 Million Acquisition of MainOne [press release]
- Equinix Expands to India with Acquisition of GPX India [press release]
- Equinix Completes US$780 Million Acquisition of 13 Bell Data Centers in Canada [press release]
- Platform Equinix [website]
- Equinix Bolsters Digital Acceleration in South America [blog]
- The Evolution of IT Infrastructure — Designing for the Unknown [analyst report]

About Equinix
Equinix (Nasdaq: EQIX) is the world's digital infrastructure company, enabling digital leaders to harness a trusted platform to bring together and interconnect the foundational infrastructure that powers their success. Equinix enables today's businesses to access all the right places, partners and possibilities they need to accelerate advantage. With Equinix, they can scale with agility, speed the launch of digital services, deliver world-class experiences and multiply their value.

Forward-Looking Statements
This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from expectations discussed in such forward-looking statements, including statements related to the acquisition of data centers from Entel, including the data center in Peru which is still pending, the expected benefits from the acquisition and the expected timing for closing the Peru acquisition. Factors that might cause such differences include, but are not limited to, risks to our business and operating results related to the COVID-19 pandemic, unanticipated costs or difficulties relating to the integration of data centers or companies we have acquired or will acquire into Equinix, including the data centers we acquired from Entel; the challenges of acquiring, operating and constructing IBX data centers and developing, deploying and delivering Equinix services, including in the Entel data centers; a failure to receive significant revenue from customers in recently built out or acquired data centers, including those acquired from Entel; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; and other risks described from time to time in Equinix filings with the Securities and Exchange Commission. In particular, see recent Equinix quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.



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