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Equinix Completes US$175 Million Acquisition of Three Data Centers in Mexico

Deal Expands the Reach of the Equinix Global Platform to Two New Strategic Metros

REDWOOD CITY, Calif., Jan. 9, 2020 /PRNewswire/ -- Equinix, Inc. (Nasdaq: EQIX), the global interconnection and data center company, today announced the completion of its acquisition of three data centers from Axtel S.A.B. de C.V. (BMV: AXTELCPO) that serve the Mexico City and Monterrey metro areas of Mexico. The US$175 million all-cash transaction brings Equinix's industry-leading data center and interconnection services to two new metros, as businesses increasingly seek to move their IT operations and latency-sensitive data to the digital edge, closer to where content is created and consumed.



This expansion, when combined with previous Equinix acquisitions of key regional traffic hubs in Dallas (Infomart) and Miami (NAP of the Americas), will further strengthen Equinix's global platform by increasing interconnection between North, Central and South America. It will support the important role Equinix plays in helping companies evolve from traditional businesses to digital businesses by globally interconnecting the people, locations, cloud services and data that are critical to their operations.

Key Facts

- The three data centers will add approximately 115,000 square feet of colocation space to the Equinix International Business Exchange™ (IBX®) data center portfolio. Given the power capacity of these three sites, this transaction will make Equinix one of the largest network-neutral data center operators in Mexico. Including current expansion projects, Equinix has invested more than $500 million in its Latin American operations including Brazil, Colombia and now Mexico.

- The two data centers that serve the Mexico City metro are strategically located in Querétaro. Both are carrier-neutral facilities with multiple diverse fiber entry points that include five network service providers currently operating within each data center.
    - The first facility is a 110,000 gross-square-foot data center with 37,000 square feet of colocation space. It is the first data center in Latin America with an energy cogeneration system. It also features ICREA (International Computer Room Experts Association) certification. This facility has been renamed the Equinix MX1 IBX data center.
    - The second facility is currently an 80,000 gross-square-foot data center with 6,000 square feet of colocation space. This facility will provide Equinix with expansion opportunities of up to 60,000 square feet of colocation space. This facility has been renamed the Equinix MX2 IBX data center.
- The Monterrey area facility is a highly connected data center offering a key connectivity gateway between the U.S. and Mexico. It features 25,000 gross square feet of data center space with 12,500 square feet of colocation space. It is a carrier-neutral facility with 10 network service providers. This facility has been renamed the Equinix MO1 IBX data center.
- The three facilities generated approximately $21 million of revenues in the 12 months ending December 31, 2018, with an EBITDA margin profile accretive to the Equinix business.
- As a part of the agreement, existing colocation customers within the three data centers will transition to Equinix. Axtel will be both a customer as well as a strategic marketing partner of Equinix in Mexico.
- Equinix plans to offer Equinix Cloud Exchange Fabric™ (ECX Fabric™) in all three data centers. ECX Fabric is an on-demand, SDN-enabled interconnection service that allows any business to connect between its own distributed infrastructure and any other company's distributed infrastructure, including the world's largest network service and cloud providers, on Platform Equinix®.
- According to Volume 3 of the Global Interconnection Index, a market study published by Equinix that analyzes traffic exchange globally, Latin America is expected to see the greatest interconnection bandwidth growth globally, forecasted to grow at a 63% compound annual growth rate (CAGR) by 2022.
- Mexico is the world's eleventh-largest economy and the second largest in Latin America.[1] The country's telecommunications reform of 2013 has created opportunities for many businesses seeking to expand into Mexico, allowing for open competition by non-governmental entities and providing an opportunity for the growth of service provider and enterprise ecosystems that flourish within Equinix's network-neutral data centers globally. As a result, Equinix believes there is uncaptured market demand in the region for interconnection and data center services if bandwidth requirements and end-user demand continue to increase as expected.
- Today Equinix operates more than 200 IBX data centers in 55 markets, providing customers even more ways to connect with other businesses around the world on Platform Equinix.

Quotes

- **Héctor Nava Cortinas, CEO, Totalplay Empresarial**

    "We live in a digital age where everything and everyone are increasingly connected. The growing amount of data, combined with advances in mobile communications, is increasing the need for users to have continuous access to information and content.

For Totalplay Empresarial, it is essential to provide the best possible experience for our customers. Equinix is a trusted partner in delivering our services in the United States and Colombia, providing unique interconnection services. Now with its expansion to Mexico, we look forward to extending our operations further on Equinix's global platform."

- **Dan Thompson, Research Director, 451 Research**

  "As Latin America is forecasted to be the fastest-growing region for colocation services over the next five years, this acquisition positions Equinix well to businesses seeking to expand and build out their IT infrastructure at key edge metros within the region. The three new data centers in Mexico will add to the Equinix presence in Brazil and Colombia, along with its operations in the north-south interconnection points in Miami and Dallas."

- **Jon Lin, President, Americas, Equinix:**

  "The addition of these three facilities in two strategic technology metros in Mexico will enable current and future customers to operate on an expanded global interconnection platform to process, store and distribute larger volumes of latency-sensitive data and applications at the digital edge, closer to end users and local markets. It will also enable Equinix to enrich its ecosystem of nearly 10,000 customers that come to Equinix to directly connect to each other within a secure, private and proximate environment."

Additional Resources

- Equinix Data Centers in Mexico Open Up Global Gateway to Networks and the Cloud [blog]
- Equinix to Expand into Mexico With US$175 Million Acquisition of Three Axtel Data Centers [press release]
- Equinix Extends the Digital Edge with 12 New Data Centers and 23 Expansions Opening in 2019 [press release]
- Equinix IBX Data Centers Serving Mexico City [website]
- Equinix IBX Data Center Serving Monterrey [website]
- Learn more about Platform Equinix [website]
- Global Interconnection Index Volume 3 [market study]

About Equinix
Equinix, Inc. (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most-interconnected data centers. On this global platform for digital business, companies come together across more than 50 markets on five continents to reach everywhere, interconnect everyone and integrate everything they need to create their digital futures. www.equinix.com

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 Axtel and the expected benefits from the acquisition. Factors that might cause such differences include, but are not limited to, 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 from Axtel; the challenges of acquiring, operating and constructing IBX data centers and developing, deploying and delivering Equinix services, including in the Axtel data centers; a failure to receive significant revenue from customers in recently built out or acquired data centers, including those acquired from Axtel; 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.

[1] *CIA, The World Factbook, Mexico, last updated Sep 2019; Consultancy.lat, Digitization could add $240 billion to Mexico's GDP by 2025, Jan 2019*



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