

## Equinix, Inc. (EQIX)

**\$591.96** (As of 01/24/20)

Price Target (6-12 Months): **\$627.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 04/16/19)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM:D

Value: D

Growth: B

Momentum: D

### Summary

Shares of Equinix have outperformed the real estate market over the past year. The company has completed the buyout of three data centers from Axtel S.A.B. de C.V., making it one of the largest network-neutral data-center operators in Mexico. It has also entered into a definitive agreement to purchase Packet and aims to create enterprise-level bare metal offering across Platform Equinix. Amid higher demand from cloud users, it remains committed to expand its International Business Exchange (IBX) platform. A global footprint and solid interconnected ecosystems has driven its top-line growth for 67 consecutive quarters. However, rising debt burden might affect its operating results as interest expenses flare up. Also, consolidation in the telecommunications industry is likely mar demand for co-location space, hurting the company's growth.

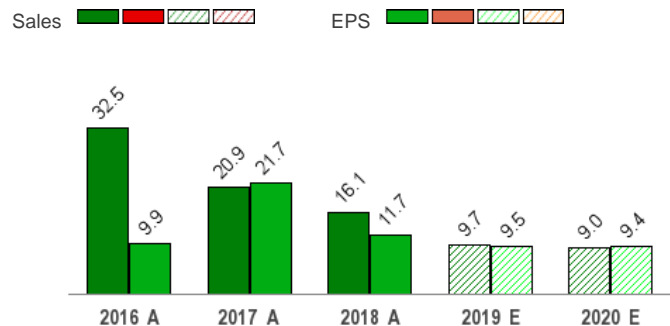
### Price, Consensus & Surprise



### Data Overview

52 Week High-Low	<b>\$609.97 - \$363.90</b>
20 Day Average Volume (sh)	<b>345,525</b>
Market Cap	<b>\$47.9 B</b>
YTD Price Change	<b>1.4%</b>
Beta	<b>0.66</b>
Dividend / Div Yld	<b>\$9.84 / 1.7%</b>
Industry	<b><a href="#">REIT and Equity Trust - Retail</a></b>
Zacks Industry Rank	<b>Bottom 14% (220 out of 255)</b>

### Sales and EPS Growth Rates (Y/Y %)



Last EPS Surprise	<b>1.3%</b>
Last Sales Surprise	<b>-0.7%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>02/12/2020</b>
Earnings ESP	<b>0.5%</b>
P/E TTM	<b>26.3</b>
P/E F1	<b>23.9</b>
PEG F1	<b>1.7</b>
P/S TTM	<b>8.8</b>

### Sales Estimates (millions of \$)

	Q1	Q2	Q3	Q4	Annual*
2020	1,473 E	1,490 E	1,528 E	1,558 E	6,067 E
2019	1,363 A	1,385 A	1,397 A	1,417 E	5,565 E
2018	1,216 A	1,262 A	1,284 A	1,310 A	5,072 A

### EPS Estimates

	Q1	Q2	Q3	Q4	Annual*
2020	\$6.10 E	\$6.21 E	\$6.21 E	\$6.30 E	\$24.79 E
2019	\$5.95 A	\$5.87 A	\$5.52 A	\$5.36 E	\$22.65 E
2018	\$5.21 A	\$5.37 A	\$5.01 A	\$5.13 A	\$20.69 A

\*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 01/24/2020. The reports text is as of 01/27/2020.

## Overview

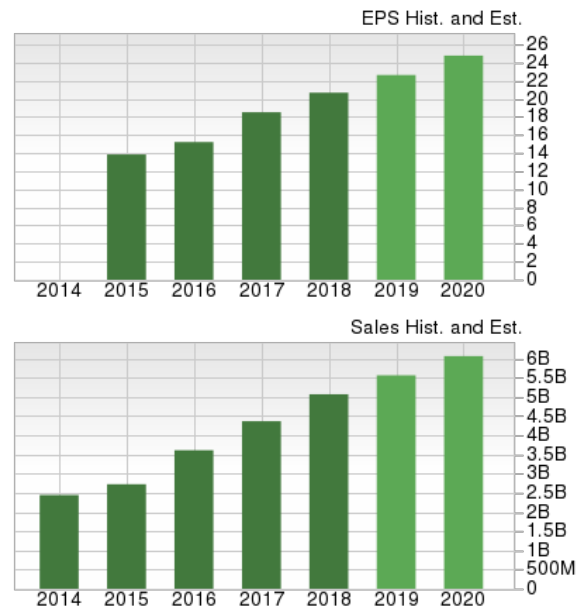
Equinix, Inc. is a global provider of network-neutral data centers and Internet exchange services for enterprises, content companies, systems integrators and network service providers. Incorporated on Jun 22, 1998, Equinix has its U.S. headquarters in Redwood City, CA. The company has two more regional headquarters in London and Singapore. Equinix has a direct sales force and a channel marketing program. It became a REIT in taxable year 2015.

Through its 204 International Business Exchanges or IBX data centers across 53 strategic markets across five continents, customers can directly interconnect critical traffic exchange requirements. While some Equinix customers, such as AOL and Google, build and operate their own data centers for their large infrastructure deployments, these customers rely on Equinix IBX centers for their critical inter-connection relationships. AOL, AT&T, British Telecom, NTT Communications Siemens, Sprint and Verizon Business are the other key customers.

Equinix's business is based on a recurring revenue model comprising Colocation, Interconnection and Managed IT Infrastructure Services. These services are considered to be recurring, as customers are billed at fixed rates on a recurring basis through the life of the respective contracts, which generally run for one to three years. Approximately half of Equinix's existing customers order new services in any given quarter. Recurring revenues accounted for 94% of total 2018 revenues.

**Non-Recurring Revenues** comprise professional services, installation services related to initial deployment and customer settlements (fees paid for terminating contracts before expiry). These services are typically billed only upon completion of the installation or performance of services. Non-recurring revenues accounted for 6% of Equinix's total revenues in 2018.

*Note: All EPS numbers presented in this report represent funds from operations ("FFO") per share. FFO, a widely used metric to gauge the performance of REITs, is obtained after adding depreciation and amortization and other non-cash expenses to net income.*



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## Reasons To Buy:

- ▲ The growing demand for Big Data exchanges calls for greater usage of data centers. To meet this global need, Equinix is expanding its IBX data centers globally and becoming popular among tech companies looking for data management. Industry experts believe demand for high performing data centers will escalate in the years to come with the exponential rise in data traffic. This will require enterprises to engage data-center service providers such as Equinix. According to a research report by Markets And Markets, global data-center colocation market size is projected to grow at a CAGR of 14.6% through 2017 to 2022 and reach \$62.3 billion at the end of the period. Therefore, increasing total addressable market for data-center provides an immense growth opportunity for Equinix.
- ▲ Equinix has been achieving continued business momentum with its critical mass of customers and the resultant “network effect” within its IBX centers. Direct interconnection with its networks, connecting the majority of the world's Internet routes, enables customers to increase the efficiency of their IT infrastructure, remove complexities associated with infrastructure administration and management and reduce costs. Further, service offerings, such as Equinix Exchange and Equinix Internet Exchange, significantly reduce the cost of critical transit, peering and traffic exchange operations by eliminating the costs of private peering or local loops. The benefits provided by the Platform Equinix have led to a loyal and blue-chip customer base of over 6,300 firms. Moreover, in October, the company completed its joint venture (JV) with GIC to develop and operate xScale™ data centers in Europe. This will attract additional partners and other hyperscale providers to Equinix's ecosystem, and also benefit the network effect.
- ▲ Acquisitions have been a major contributor to Equinix's growth. In early January, the company wrapped up the acquisition of three data centers from Axtel S.A.B. de C.V. that cater the Mexico City and Monterrey metro areas of Mexico for \$175 million. Notably, it has also made several moves to continue expanding its data-center capacity in many of the company's key markets since 2003. In fact, at present, there are 28 construction projects under the company, which will boost capacity in 21 markets globally. Earlier, in 2017, the company completed the acquisition of 24 data-center sites from Verizon Communications for a total cash consideration of \$3.6 billion. Through these expansion efforts, the company aims to achieve ending cabinet equivalent capacity of around 300,000 in 2019.
- ▲ Equinix could benefit from favorable operating leverage. Its business generates a substantial portion of recurring revenues (94% of total revenues in 2018). As the majority of the cost structures are of a fixed nature, every unit growth in revenues would result in lower expenses as a percentage of total revenues. Given the growing demand for data exchanges across the world, Equinix is well poised to grow its revenue base. Higher revenues along with lower costs will expand margins and increase profitability in the long run.
- ▲ Over the past year, shares of Equinix have outperformed the real estate market. While the stock has surged 57%, the real estate market has rallied 14.8%. Additionally, the trend in estimate revisions of 2019 FFO per share indicates a favorable outlook for the company, as it witnessed marginal upward estimate revision over the past month. Therefore, given its progress on fundamentals and positive estimate revision, the stock has decent upside potential.

The data center business is thriving across geographies and Equinix is well positioned to capitalize on this opportunity. Its recurring revenue model and current expansion plans are also encouraging.

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## Reasons To Sell:

- ▼ Equinix competes with Internet data centers operated by established communications carriers, as well as REITs including Digital Realty Trust. In addition to competing with neutral colocation providers, the company competes with traditional colocation providers, Internet service providers and Web-hosting facilities. Considering the strong growth potential, we expect increased competition from existing players and entry of new players into the space. The increased competition could prompt competitors to resort to aggressive pricing policies, making Equinix vulnerable to pricing pressure.
- ▼ The telecommunications industry is currently undergoing consolidation. As customers combine businesses, they may require less colocation space, and there may be fewer networks available to choose from. In addition, increased utilization of existing colocation space could reduce the attractive expansion opportunities available to Equinix.
- ▼ Equinix's offerings have long sales cycles that may have a negative impact on the business, financial condition and results of operations. A customer's decision to license cabinet space in one of its IBX centers and to purchase additional services typically involves a significant commitment of resources. In addition, some customers are reluctant to relocate to IBX centers until they are confident that the IBX center has adequate carrier connections. The sales cycle of the company, therefore, gets stretched.
- ▼ Generally, setting up data centers requires huge capital outlays and Equinix plans to add more data centers in the coming quarters to satisfy the growing demand for colocation and interconnection services. While the company projects to incur \$9 million of integration costs in 2019, it might impede its bottom-line growth. Further, limited cash balance will make it difficult for Equinix to efficiently service its debt obligations. Growing debt burden will likely adversely affect the operating results as interest expense would go up. It should be noted that at the end of third-quarter 2019, Equinix had cash and cash equivalents of \$1.4 billion while its total debt principal outstanding was \$10.9 billion.

Stiff competition and ongoing consolidation in the telecommunication industry might bring down the lucrative expansion opportunities for Equinix. Also, growing debt burden is a concern.

## Last Earnings Report

### Equinix Beats Q3 FFO Estimates, Misses on Revenues

Equinix AFFO per share came in at \$5.52, beating the Zacks Consensus Estimate of \$5.45. The reported tally included a reduction of 19 cents per share related to higher income tax expense due to FX hedge gains. The figure also improved from the year-ago quarter's \$5.01. This upside primarily stemmed from robust top-line growth and a solid operating performance.

#### Quarter in Detail

Total revenues came in at \$1.4 billion, lagging the Zacks Consensus Estimate of \$1.41 billion.

Nonetheless, the top-line figure improved 9% year over year. This also marked the 67th quarter of consecutive revenue growth for the company.

Recurring revenues came in at around \$1.3 billion, up 9.2% from the year-ago tally. Non-recurring revenues climbed 2% to \$77.4 million.

Revenues from the three geographic regions increased on a year-over-year basis as well. Revenues from the Americas, EMEA and the Asia Pacific jumped 3%, 15% and 12% to \$645.2 million, \$458.1 million and \$293.4 million, respectively.

Cash gross margin was 67%, up 100 basis points year on year. Total operating expenses flared up 13.8% to \$407.1 million year over year.

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) came in at \$674.7 million, up 10.2% year over year. Adjusted EBITDA margins came in at 48% flat year over year. AFFO appreciated 17.5% year over year to \$472.7 million during the September-end quarter.

#### Balance Sheet

Equinix exited the third quarter with cash and cash equivalents of \$1.4 billion. The company's total debt principal outstanding was roughly \$10.9 billion as of Sep 30, 2019.

#### Guidance

Equinix has updated its outlook for full-year 2019.

For 2019, the company estimates generating revenues of \$5.554-\$5.564 billion. It predicts adjusted EBITDA of \$2.666-\$2.676 billion and AFFO in the \$1.913-\$1.923 billion range. Further, the AFFO per share is estimated to lie between \$22.56 and \$22.68.

Coming to the fourth quarter, Equinix projects revenues of \$1.409-\$1.419 billion. Adjusted EBITDA is likely to lie between \$654 million and \$664 million.

Quarter Ending **09/2019**

Report Date	Oct 30, 2019
Sales Surprise	-0.73%
EPS Surprise	1.28%
Quarterly EPS	5.52
Annual EPS (TTM)	22.47

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## Recent News

### Equinix to Offer RTI's Subsea Cable System at IBX Data Centers – Jan 20, 2020

Building on the subsea cable momentum, Equinix added RTI Connectivity Pte. Ltd.'s transpacific cable systems to the list of sub-marine cable systems offered in the IBX data centers of the former, in turn, enhancing connectivity options for users.

By using Equinix's IBX data centers, RTI will extend the reach of its connectivity solutions in Tokyo, Japan, and Sydney, Australia. Hyperscale cloud providers and enterprise companies are fueling data growth between the Asia-Pacific region and Australia. These customers require economically-cheaper bandwidth solutions, alternative paths and improved quality of service.

Hence, RTI's latest secure long-haul routes will interconnect the Asia-Pacific region and Australia through Guam, in order to meet the growing demand for inter-connection services. The unique design of the cable systems will offer better latency between these continents and significantly reduce provisioning time frames.

Meanwhile, RTI will depend on Equinix to deliver and manage cable landing stations (CLS). Equinix's next-generation CLS design terminates sub-marine cabling systems inside the company's IBX data centers at the digital edge, where commerce, population hubs and digital ecosystems integrate.

Further, by providing a neutral landing point to submarine cable operators, thereby simplifying operations at a neutral location. This will reduce operator's costs as well as the time taken to deploy.

Additionally, RTI is constructing several high-fibre capacity cables that will land on Guam. This complements two of Equinix's cable routes that connect via Guam. The Japan-Guam-Australia South Cable System (JGA South) connects Sydney and Guam with termination point into Equinix's SY4 IBX in Sydney. The second cable route — Japan-Guam-Australia North Cable System (JGA North) — connects Tokyo and Guam with Equinix's TY2 IBX in Tokyo as a termination point.

The collaboration between the companies will strengthen communication networks between the Asia-Pacific region and Australia. With efficient inter-connection options for service providers and enterprises, it will propel greater business opportunities and drive growth of the digital economy between the two growing markets.

### Equinix & Telstra Expand Multicloud Network Partnership – Jan 15, 2020

Equinix fortified its relationship with Australian telco company, Telstra Corp. The data-center REIT announced that Telstra's Programmable Network (TPN) will expand from the current eight markets to 38 in North America and Europe, using the global infrastructure of Equinix Cloud Exchange Fabric (ECX Fabric).

Telstra's API integration with Equinix's proprietary interconnection service — ECX Fabric — will provide Telstra TPN customers with direct, flexible on-demand multi-cloud connectivity to more than 170 cloud service providers.

Notably, Equinix Cloud Exchange Fabric (ECX Fabric) is an on-demand, SDN-enabled interconnection service that facilitates a connect between a company's own and another entity's distributed infrastructure. By enhancing its integration with this service, Telstra customers can establish connections to cloud providers, including Amazon Web Services, Oracle Cloud Infrastructure, Microsoft Azure and Google Cloud in a few minutes, as compared to weeks or months which are required by the more traditional cloud connectivity setups.

Further, by strengthening its collaboration with ECX Fabric, Telstra customers will get private access to the full range of cloud-service providers available through ECX Fabric, including PaaS, SaaS, IaaS, UCaaS, DDoS mitigation, data storage as-a-service providers and other benefits.

### Equinix to Fortify Hybrid Multicloud Efforts With Packet Buyout – Jan 14, 2020

Equinix entered into a definitive agreement to purchase Packet, the leading bare metal automation platform. The transaction is expected to close in the ongoing quarter.

Packet offers bare metal cloud platform — dedicated servers which can be used by developers with cloud-like ease, scale and speed. The company's proprietary technology enables the automation of complex infrastructure without using virtualization or multitenancy.

Equinix will integrate this innovative and developer-oriented bare metal service offering with its network of colocation data centers and inter-connection technology.

This will create a world-class, enterprise-level bare metal offering across Platform Equinix, allowing customers to accelerate digital infrastructure deployment on demand. Further, by leveraging bare metal services at Equinix, the integration will provide a single platform to users and equip them to interconnect anywhere on a global scale.

This will enhance the development and delivery of its inter-connected edge services, and help companies benefit from its rich ecosystems and globally-interconnected platform.

In addition, by acquiring Packet, the company will have access to its developer-friendly product, and enable enterprises and service providers to build and deploy low-latency services at the edge.

### Equinix Wraps Up \$175M Buyout of 3 Mexican Data Centers – Jan 9, 2020

Equinix wrapped up the previously-announced acquisition of three data centers from Axtel S.A.B. de C.V. that cater the Mexico City and Monterrey metro areas of Mexico. The company has shelled out \$175 million for this buyout, making it one of the largest network-neutral data center operators in Mexico.

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In fact, the three new data centers will add roughly 115,000 square feet of colocation space to Equinix's IBX data-center portfolio.

All three facilities are carrier-neutral data centers. The two data centers serving the Mexico City metro region are strategically situated in Querétaro, while the third one is located in the Monterrey area.

The first facility spans 110,000 square feet of gross space and offers 37,000 square feet of colocation space. It is also the first Latin-American data center with an energy cogeneration system. The second facility is an 80,000-gross-square-foot data center, offering 6,000 square feet of colocation space. This facility has the ability to expand and offer up to 60,000 square feet of colocation space. Both facilities offer multiple diverse fiber entry points and include five network service providers presently operating in each data center.

The third property in the Monterrey area offers 25,000 square feet of gross data-center space and 12,500 square feet of colocation space featuring 10 network service providers. This facility is a well-connected data center, offering a key inter-connection gateway between the United States and Mexico.

In addition, the facilities generated nearly \$21 million of revenues in 2018 and the EBITDA margin profile is anticipated to be accretive to Equinix's business.

#### **Equinix Aids Zoom to Extend Digital Infrastructure – Nov 21, 2019**

Equinix announced that Zoom Video Communications, Inc., a provider of video-first unified communications, will use Platform Equinix in a bid to broaden its global distributed footprint. This also supports Zoom's worldwide growth acceleration objectives.

Utilizing Platform Equinix's global reach, Zoom can scale up its ability to deliver top-quality conferencing services for customers without any time lag or downtime across different geographies.

Further, Platform Equinix will enable Zoom to deploy important service delivery infrastructure while providing a direct connect to the latter's digital set-up.

Zoom has been collaborating with Equinix since 2015 and has been capitalizing on the company's colocation and interconnection portfolio. Through this alliance, Zoom now partners Equinix to set up part of its digital infrastructure in Equinix's IBX data centers across nine markets, namely Frankfurt, Amsterdam, Melbourne, Hong Kong, New York, Tokyo, Toronto, Silicon Valley and Sydney.

Further, to strengthen its inter- and cross-region capabilities, Zoom banks on Equinix Cloud Exchange Fabric (ECX Fabric), an on-demand, SDN-enabled interconnection service that facilitates a connect between a company's own and another entity's distributed infrastructure. This offers Zoom the benefit of low-latency access to its networks, clouds, customers and partners by interconnecting in close proximity.

#### **Equinix Invests \$34M in 3rd Data Center in Warsaw – Nov 7, 2019**

Expanding its IBX data-center offering in key emerging markets, Equinix announced that it will develop a facility in Warsaw. Known as WA3, this facility is the company's third data center in Warsaw, scheduled to open in first-quarter 2020.

The company will invest \$34 million (nearly €31 million) for the development, adding 475 cabinets and more than 1,400m2 of state-of-the-art colocation data-center space in the first phase. The facility will also offer a host of advanced inter-connection services and include latest standards in building innovation, such as a mist system for fire suppression.

Notably, firms have been rolling out digital services and transferring the existing workload to third-party cloud platforms, while reducing costs and delivering consistent performance. Consequently, businesses are demanding increasing levels of inter-connection facilities to accelerate their transformation initiatives.

Hence, by offering these mission-critical facilities, the company is committed toward helping businesses advance their digital edge. Further, Equinix's latest data center will help global organizations expand their digital operations in Poland. In fact, WA3 will be one of the many builds in Equinix's global platform — Platform Equinix— offering connectivity to customers and partners across digital supply chains.

Moreover, being Eastern Europe's second largest economy, and an important hub of research and development, Warsaw has a rich business ecosystem. This attracts organizations since the firms can directly connect with each other in a secure environment and enhance their performance.

Hence, Equinix's emphasis on the region is a strategic fit. The company's data centers in Warsaw offer dense network of cloud, and IT services and telecommunications. It has more than 350 customers, 60 cloud service providers and 190 network service providers in the region.

#### **Equinix's Rating Bumped Up, Outlook Improved by Moody's – Oct 16, 2019**

Equinix corporate family rating was recently upgraded to Ba1 by a notch by Moody's Investors Service. The company's rating outlook has also been upgraded from stable to positive.

Further, the company's senior unsecured debt rating has been improved to Ba1 from Ba2, while the probability of default rating has been upgraded to Ba1-PD from Ba2-PD. Moreover, its speculative grade liquidity (SGL) rating has been reiterated at SGL-2.

#### **Key Rating Drivers**

The Ba1 rating reflects Equinix's position as a leading global provider of carrier-neutral data center and inter-connection services. In fact, taking into account current growth in the retail colocation and inter-connection space, Moody's anticipates strong financial performance from Equinix.



The company's contracted recurring revenue model, notable geographic scale and strategic real estate ownership in important communications locations are other positives for the company. Equinix adheres to a balanced debt and equity issuance strategy undertaken to fund its cash flow deficits that arise due to elevated capital spending and steadily-rising dividend payouts. Such prudent capital-management strategy is also encouraging.

Additionally, amid near-term global tailwinds for data-center services, Equinix is capitalizing on its growth potential by pursuing joint-venture transactions. In fact, recently, the company completed the formation of a partnership with Singapore's sovereign wealth fund, GIC, to develop and operate xScale data centers in Europe.

These deals will fortify its balance sheet and further strengthen cash-flow generation.

However, Moody views evolving business models of data-center operators, intense competition and high capital intensity as primary industry concerns. Furthermore, if the company's acquisitions are primarily debt funded, the same may mar deleveraging efforts.

Notably, Equinix recently entered into an all-cash transaction agreement to acquire three data centers in Mexico. This will extend the company's reach in large-growth markets and facilitate greater inter-connection within America as well as among international markets.

In addition, Moody's noted that the company's high dividend disbursements resulted in its negative free cash flow, which is another concern.

#### Equinix Closes \$1B JV Deal With GIC for European Data Centers – Oct 9, 2019

Equinix and Singapore's sovereign wealth fund, GIC, recently completed the formation of a limited liability partnership worth more than \$1 billion announced in July.

JV will develop and operate xScale data centers in Europe. Initially, six facilities in the JV will be located in the Amsterdam, London (two sites), Frankfurt (two sites) and Paris.

The initial facilities provided through the JV will cater to specific workload deployment needs of targeted group of hyperscale companies, including preeminent cloud service providers. These facilities situated on or close to some of Equinix's existing IBX campuses will enable companies to streamline continued growth. As enterprises rapidly adopt hybrid multi-cloud, the same will fortify Equinix's leading position in the cloud ecosystem.

Specifically, Equinix's LD10 IBX facility in London and PA8 IBX facility in Paris have been sold to the JV. Part of the London facility has been re-named as LD13x xScale data center and will be used for hyperscale deployments, providing 10 megawatts (MW) of capacity for xScale customers. The balance of the facility has been leased back to Equinix, retaining the Equinix LD10 IBX name.

The Paris data center has been re-named the PA8x xScale data center. The final phase of the facility is anticipated to open in fourth-quarter 2019. At full buildout, the IBX data center will have a capacity of 14 MW.

Also, the Frankfurt data center's initial phase is expected to open in third-quarter 2020, adding 10MW of capacity. At full builtout, it will likely support 18 MW capacity.

#### Dividend Update

Concurrent with its third-quarter 2019 earnings release, on Oct 30, Equinix's board of directors approved a quarterly cash dividend of \$2.46 per share. The dividend was paid on Dec 11, to shareholders of record as of Nov 20, 2019.

### Valuation

Equinix's shares have surged 57% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector have gained 6.4% and 10%, over the past year.

The S&P 500 Index has been up 23.8% over the trailing 12-month period.

The stock is currently trading at 26.22X forward 12-month FFO, which compares to 15.14X for the Zacks sub-industry, 14.53X for the Zacks sector and 18.94X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 53.95X and as low as 16.17X, with a 5-year median of 23.43X. Our neutral recommendation indicates that the stock will perform in line with the market. Our \$627 price target reflects 27.77X FFO.

The table below shows summary valuation data for EQIX.

Valuation Multiples - PLD					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	25.88	18.44	14.53	18.94
	5-Year High	26.96	18.94	16.21	19.34
	5-Year Low	13.88	14.29	12.01	15.18
	5-Year Median	20.65	16.11	13.98	17.45
P/S F12M	Current	18.05	8.31	6.53	3.52
	5-Year High	19.84	8.31	6.61	3.52
	5-Year Low	7.88	5.9	5.2	2.54
	5-Year Median	13.21	6.88	6.04	3
EV/FFO	Current	2.33	2.88	2.81	4.5
	5-Year High	2.33	2.88	2.81	4.5



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P/B TTM	5-Year High	2.33	2.92	2.89	4.55
	5-Year Low	1.02	2.06	1.83	2.85
	5-Year Median	1.65	2.52	2.51	3.62

As of 01/24/2020

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## Industry Analysis Zacks Industry Rank: Bottom 14% (220 out of 255)



## Top Peers

American Tower Corporation (REIT) (AMT)	Neutral
Crown Castle International Corporation (CCI)	Neutral
CyrusOne Inc (CONE)	Neutral
CoreSite Realty Corporation (COR)	Neutral
Digital Realty Trust, Inc. (DLR)	Neutral
Iron Mountain Incorporated (IRM)	Neutral
QTS Realty Trust, Inc. (QTS)	Neutral
SBA Communications Corporation (SBAC)	Neutral

Industry Comparison Industry: Reit And Equity Trust - Retail				Industry Peers		
	EQIX Neutral	X Industry	S&P 500	CONE Neutral	COR Neutral	DLR Neutral
<b>VGM Score</b>	<b>D</b>	-	-	<b>B</b>	<b>D</b>	<b>D</b>
Market Cap	47.87 B	2.80 B	24.13 B	7.09 B	4.44 B	26.77 B
# of Analysts	6	6	13	9	10	9
Dividend Yield	1.66%	4.67%	1.78%	3.19%	4.15%	3.37%
<b>Value Score</b>	<b>D</b>	-	-	<b>D</b>	<b>D</b>	<b>F</b>
Cash/Price	0.03	0.03	0.04	0.01	0.00	0.00
EV/EBITDA	26.48	15.93	14.02	22.93	20.34	20.20
PEG Ratio	1.72	3.88	2.03	1.05	1.66	2.78
Price/Book (P/B)	5.46	2.10	3.30	2.93	18.23	2.93
Price/Cash Flow (P/CF)	29.62	12.66	13.52	19.53	19.52	16.67
P/E (F1)	23.88	13.95	18.92	15.89	21.69	19.28
Price/Sales (P/S)	8.78	6.04	2.65	7.47	7.84	8.37
Earnings Yield	4.19%	7.18%	5.28%	6.29%	4.61%	5.18%
Debt/Equity	1.33	1.05	0.72	1.21	5.67	1.20
Cash Flow (\$/share)	19.98	2.26	6.94	3.21	6.03	7.69
<b>Growth Score</b>	<b>B</b>	-	-	<b>B</b>	<b>C</b>	<b>C</b>
Hist. EPS Growth (3-5 yrs)	17.46%	2.99%	10.60%	16.01%	20.45%	7.53%
Proj. EPS Growth (F1/F0)	9.47%	2.41%	7.59%	10.33%	6.12%	0.54%
Curr. Cash Flow Growth	23.58%	3.10%	13.90%	88.92%	7.88%	30.75%
Hist. Cash Flow Growth (3-5 yrs)	20.76%	9.77%	9.00%	30.43%	20.94%	14.64%
Current Ratio	1.55	1.06	1.22	1.26	0.16	0.33
Debt/Capital	57.15%	51.19%	42.99%	54.81%	85.02%	51.73%
Net Margin	9.03%	24.75%	11.35%	-1.30%	13.48%	9.22%
Return on Equity	5.94%	5.94%	17.10%	-0.08%	26.30%	2.69%
Sales/Assets	0.25	0.13	0.55	0.16	0.29	0.14
Proj. Sales Growth (F1/F0)	9.02%	2.24%	4.03%	11.22%	9.62%	7.23%
<b>Momentum Score</b>	<b>D</b>	-	-	<b>A</b>	<b>D</b>	<b>D</b>
Daily Price Chg	-0.68%	-0.81%	-1.01%	-1.45%	0.54%	0.90%
1 Week Price Chg	-1.01%	2.68%	2.29%	-5.22%	3.55%	3.38%
4 Week Price Chg	2.15%	1.18%	1.02%	-3.50%	5.12%	8.59%
12 Week Price Chg	4.44%	-5.06%	6.85%	-12.15%	0.19%	0.96%
52 Week Price Chg	59.44%	8.71%	20.39%	24.64%	25.21%	23.22%
20 Day Average Volume	345,525	684,349	1,536,379	833,089	296,974	1,289,497
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-1.47%
(F1) EPS Est 4 week change	0.00%	-0.05%	0.00%	0.42%	0.02%	-1.60%
(F1) EPS Est 12 week change	-0.34%	-0.72%	-0.23%	-0.28%	-2.05%	-4.35%
(Q1) EPS Est Mthly Chg	0.00%	-0.15%	0.00%	1.51%	0.00%	-0.21%

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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	B
Momentum Score	D
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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